

Bion C. Ostrander – Curriculum Vitae

Mr. Ostrander is an independent regulatory consultant with forty plus years of total regulatory and accounting experience working for Certified Public Accounting (CPA) firms, regulatory agencies, and his regulatory consulting business (including twenty-nine years as an independent consultant with his own firm). Mr. Ostrander has been providing continuous consulting services since 1990 and has addressed more than 250 cases in numerous U.S. and international jurisdictions.¹

Mr. Ostrander has addressed a broad range of telecom and energy accounting and policy issues in his career, including rate case/revenue requirement accounting adjustments, CAM/EAM reviews, capital asset infrastructure/modernization, affordable rates/universal service, tariff design, models that calculate the levelized cost of electricity for renewable energy options (PV solar, wind, biogas, etc.) for purposes of setting feed-in/renewable energy rider tariffs, compensation, affiliate transactions, depreciation, merger/acquisitions, cross-subsidization, complex income tax issues, service quality, retail and wholesale cost studies, competition, and many others.

Mr. Ostrander's experience is summarized below:

- ✓ **Bion C. Ostrander (dba Ostrander Consulting):** Principal/Owner - October 1990 to current.
- ✓ **Kansas Corporation Commission:** Chief of Telecommunications - 1986-1990.
- ✓ **Kansas Corporation Commission:** Chief Auditor (gas, electric, telephone & transport.) - 1983-1986.
- ✓ **Mize Houser Mehlinger & Kimes:** Auditor in audit section of regional CPA firm - 1981-1983.
- ✓ **Deloitte Haskins and Sells (now Deloitte or Deloitte Touche Tohmatsu Limited):** Auditor for international CPA firm - 1978-1981.

¹ Mr. Ostrander maintained a permit to practice as a CPA for most years he was providing consulting services, the permit was maintained primarily for credential purposes. However, because he no longer provides any attestation or related services that require a permit to practice, he no longer maintains the permit - - although he retains membership in CPA organizations.

A client summary is included in the table below:

Client Summary	
<i>Consumer Advocates/Attorney General</i>	<i>Public Service Commissions</i>
Indiana UCC	Arizona
Kansas CURB	Georgia
Kentucky AG	Kansas
Michigan AG	Maryland
Maine OPA	Minnesota
Maine AARP	North Dakota
Maryland OPC	Oklahoma
Michigan AG	<i>Other</i>
Nevada AG	Maryland - Montgomery County
New Hampshire	Virginia - CWA
Oklahoma AG	<i>International</i>
Utah OCS	Fair Trading Commission - Barbados
Vermont DPS	Eastern Caribbean Telecomm. Authority (ECTEL -
Washington AG	St. Lucia, St. Kitts/Nevis, St. Vincent, Grenada, Dominica)
Wyoming	Armenia - USAID
	Saudi Arabia

Work History - Ostrander:

Bion C. Ostrander - Consulting Firm (1990 to present):

Principal

Mr. Ostrander principally addresses regulatory issues on behalf of governments and regulatory agencies, including U.S. and international regulatory agencies. Services include those related to revenue requirement issues, price caps or alternative regulation plans, competition assessment, costing/pricing, interconnection/local loop unbundling, universal service, management audits and other matters.

Kansas Corporation Commission (1983 - 1990):

Chief of Telecommunications

Supervised staff and directed all telecommunications-related matters including assessment of rate cases of SWBT, United/Sprint and rural LECs. Also, directed actions regarding alternative regulation plans, establishing access charge policy, transition to intrastate competition, depreciation filings, establishment of the Kansas Relay Center for speech and hearing impaired citizens in Kansas, filings with the FCC, billing standards, quality of service, consumer complaints, staff training and over one

hundred docketed regulatory matters per year. Mr. Ostrander was the lead witness on all major telecommunications matters.

Chief Auditor

Directed rate cases of gas, electric and telecom companies prior to promotion to Chief of Telecommunications.

Mize, Houser, Mehlinger and Kimes (now Mize Houser & Company Professional Association):

Auditor - CPA firm

Performed auditing, tax and special projects for various industries.

Deloitte, Haskins and Sells (now Deloitte & Touche) - (International CPA/Audit Firm):

Auditor - CPA firm

Performed auditing, tax and special projects in industries such as utilities, savings and loan, manufacturing, retail, construction, real estate, insurance, banking and not-for-profit.

Education:

University of Kansas - B.S. Business Administration with a Major in Accounting, 1978.

Affiliations:

- Member - American Institute of CPAs (AICPA)
- Member - Kansas Society of CPAs (KSCPA)

Utility	State	Client/Agency	Docket/Case	Product	Summary of Issues
Renewable Energy Plan	MD.	Fair Trading Commission	N/A	Formal Report	Prepare leveled cost of electricity (LCOE) models to propose feed-in tariffs for all renewable energy options (solar centr. and distributed, wind on-shore, wind off-shore, WTE) and determine the potential impact on customer rates
Liberty Utilities	MD.	New Hampshire OCA	Docket No. DE 19-064	In progress	Revenue requirement
Washington Gas Light Company	MD.	Maryland Commission Staff	Case No. 9481	Testimony	Revenue requirement and CAM
Potomac Electric Power Co.	MD.	Maryland Commission Staff	Case No. 9418	Testimony	Revenue requirement, rate base and operating expenses
None - operational audit	OK.	Oklahoma Commission Staff	No docket	Report	Operational audit of Oklahoma Universal Service Fund
Carbon Emery Tel. Co.	UT.	Utah Office of Consumer Services	Dkt. No. 15-2302-01	Testimony	Revenue requirement/CAM
Emery Tel. Co.	UT.	Utah Office of Consumer Services	Dkt. No. 15-042-01	Testimony	Revenue requirement/CAM - case settled
Strata Tel. Co.	UT.	Utah Office of Consumer Services	Dkt. No. 15-053-01	Testimony	Revenue requirement/CAM - case settled
Beehive Tel. Co.	UT.	Utah Office of Consumer Services	Dkt. No. 14-051-01	Testimony	Revenue requirement/CAM - case withdrawn
FairPoint Comm., Inc.	MN.	Maine Office of Public Advocate	2013-00340	Testimony	Revenue requirement/CAM
Bangor Gas Company	MN.	Maine Office of Public Advocate	2012-00598	Testimony	Revenue requirement/CAM and evaluate a new Alt. Reg.
Potomac Electric Power Co.	MD.	Montgomery County	Case No. 9336	Testimony	Revenue requirement, rate base and operating expenses
Hanksville Telecom, Inc.	Utah	Utah Office of Consumer Services	Dkt. No. 14-2303-01	Consultation	Request for Univ. Service Funding, revenue requirement/CAM
Big Rivers Electric Corp.	KY	Kentucky Office of Attorney General	CN 2013-00199	Testimony	TIER rev. req., operating expenses, payroll and policy This rate case was filed while the prior rate case was still pending.
Atmos Energy Corp.	KY	Kentucky Office of Attorney General	CN 2013-00148	Testimony	Revenue requirement/rate case
Manti Telephone Company	UT.	Utah Office of Consumer Services	Dkt. No. 13-046-01	Consultation	Phase II issues, revenue requirement/CAM
Delmarva Power & Light Co.	MD.	Maryland Office of People's Counsel	Case No. 9317	Multiple testimonies	Revenue requirement, rate base, and operating expenses
Century Link	KS	Citizen's Utility Ratepayer Board	13-GIMT-473-MIS	Assist with negotiation	Review of price cap plan renewal and CAM
Generic	KS	Citizen's Utility Ratepayer Board	13-GIMT-597-GIT	Comments	Address Kansas Lifeline issues
Big Rivers Electric Corp.	KY	Kentucky Office of Attorney General	CN 2012-00535	Testimony	TIER rev. req., operating expenses, payroll and policy
Potomac Electric Power Co.	MD.	Montgomery County	Case No. 9311	Multiple testimonies	Revenue requirement, rate base and operating expenses
Cable & Wireless - Caribbean	Note 1	Eastern Caribbean Telecomm. Authority	not applicable	Report	Review EAM/CAM telecom cost study and evaluate profitability by service and revise EAM allocations
Baltimore Gas & Electric Co.	MD.	Maryland Office of People's Counsel	Case No. 9299	Multiple testimonies	Revenue requirement, rate base, and operating expenses
Annual Ks. USF review	KS	Citizen's Utility Ratepayer Board	13-GIMT-130-GIT	Review/monitor	Annual review of Ks. USF funding and assessment. Mr. Ostrander has reviewed these filings for the past 15 years of the Ks. USF existence
Manti Telephone Company	UT.	Utah Office of Consumer Services	Dkt. No. 08-046-01	Testimony	Revenue requirements/CAM and policy on universal service fund.
Generic review	UT.	Utah Office of Consumer Services	No docket	Report	Review and assessment of Utah telephone companies
Potomac Electric Power Co.	MD.	Maryland Office of People's Counsel	Case No. 9286	Multiple testimonies	Overall revenue requirement and operating expenses
Delmarva Power & Light Co.	MD.	Maryland Office of People's Counsel	Case No. 9285	Multiple testimonies	Overall revenue requirement and operating expenses
Annual Ks. USF review	KS	Citizen's Utility Ratepayer Board	12-GIMT-168-GIT	Review/monitor	Annual review of Ks. USF funding, assessment, policies
Telecom industry	KS	Citizen's Utility Ratepayer Board	12-GIMT-170-GIT	Comments and Reply Comments	Address implications of FCC changes/policy regarding ICC, Broadband, FUSF policies and other upon changes to policy for Ks. USF and carriers
PacifiCorp - Pacific Power	WA.	Washington Attorney General - Public Counsel Section	Dkt. UE-111190	Testimony	Rate case - rate base, revenues, expenses, affiliate transactions, MEHC affiliate management fee, outsourcing of services to Adecco,
Washington Gas Light	MD.	Maryland Office of People's Counsel	Case No. 9267	Multiple testimonies	Rate case - rate base, revenues, expenses, affiliate transactions, complex issues regarding outsourcing of

Telecom industry	KS	Citizen's Utility Ratepayer Board	11-GIMT-420-GIT	Client advice/review No testimony schedule released yet	services to Accenture, compensation issues, other General proceeding to address changes in policy and review of cost studies/CAM to determine cost-based
Washington Elec. Coop.	Vt.	Vt. Dept. of Public Service	Dkt. No. 7691	Draft testimony & negotiate settlement	Ks. Univ. Service Fund support for price capped telcos. Rate case - rate base, revenues, expenses, affiliate transactions, other matters.
Telecom industry	KS	Citizen's Utility Ratepayer Board	11-GIMT-842-GIT	Client advice/review	Method to identify and report prepaid wireless revenue for Ks. USF.
Cable & Wireless	Note 1	Eastern Caribbean Telecom Authority (ECTEL)	There is no Docket No.	Reports & Consultation Papers	Review earnings, EAM/CAM, competition, cost studies, assessment of duopoly market, implement new price caps plan.
Pioneer Tel. Assoc.	KS	Citizen's Utility Ratepayer Board	Dkt. 11-PNRT-315-KSF	Review/monitor	Monitored this case regarding Pioneer's request for increased Ks. USF support, reviewed rate case issues and monitored settlement of issues.
Telecom industry	KS	Citizen's Utility Ratepayer Board	08-GIMT-1023-GIT	Testimony	Address Sprint's petition to reduce access charges of CenturyLink, statute issues, policy and calculations.
Rural Telcos	KS	Citizen's Utility Ratepayer Board	10-GIMT-188-GIT	Review - no hearings held	Review update of rural telco update of intrastate access charges requires every 2 years by statute
Annual Ks. USF review	KS	Citizen's Utility Ratepayer Board	11-GIMT-201-GIT	Review/monitor	Annual review of Ks. USF funding, assessment, policies and carrier data
Telecom industry	Armenia	USAID and AED - Armenia assessment not applicable of Dept. of Public Services Armenia		Report	Telecom sector strategic analysis - legal/regulatory assessment, human & institutional capacity, govt. plan for IT sector development, market structure, performance gaps, telecom law, and other universal service and compliance.
Kansas City Power & Light	KS	Citizen's Utility Ratepayer Board	09-KCPE-246-RTS	Review	How to treat common plant costs for CWIP for major upgrades to coal-fired energy plant
Annual Ks. USF review	KS	Citizen's Utility Ratepayer Board	09-GIMT-272-GIT	Review/monitor	Annual review of Ks. USF funding, assessment, policies and carrier data
Michigan - Verizon	MI	Michigan Attorney General	Dkt. 15210	Testimony	Address CAM, TSLRIC & TELRIC cost studies of Verizon
Maryland - Verizon	MD	Maryland Office of People's Counsel	Case No. 9133	Testimony	Address price caps, competition service quality, and CAM
Maryland - Verizon	MD	Maryland Office of People's Counsel	Case No. 9121	Open	Address expanded local calling for Verizon customers
Cable & Wireless	Note 2	Fair Trading Commission of Barbados	No docket	Consulting	Address C&W EAM/CAM costs/profits for regulated & deregulated services, and address 2nd price caps plan
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. No. 07-GIMT-1353	Comments	Address Lifeline hold harmless plan
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-SCCC-200-MIS	Consulting	Address on-going compliance of Embarq with requirements of spin-off stipulation
Annual Ks. USF review	KS	Citizen's Utility Ratepayer Board	08-GIMT-315-GIT	Review/monitor	Annual review of Ks. USF funding, assessment, policies and carrier data
Virginia - Verizon	VA.	CWA	PUC-2007-0008	Testimony	Competition/deregulation/detariffing and CAM
Embarq - Nevada	NV	BCP of Attorney General - Nevada	Dkt. 06-11016	Stipulated	Address UNEs, CAM, and competition related to Embarq
Embarq - Nevada	NV	BCP of Attorney General - Nevada	Dkt. 06-11016	Consulting	Competition/deregulation/flexibility legislation
Embarq - Ks. & AT&T - Kansas	KS.	Citizens' Utility Ratepayers Board	Dkt. 07-GIMT-782-MIS	Stipulated	Address price cap factors and CAM
Verizon - Michigan	MI.	Citizens' Utility Ratepayers Board	Dkt. 07-GIMT-782-MIS	Stipulated	Address price cap factors for AT&T and CAM
Generic	MI.	Michigan Attorney General	Dkt. 15312	Consulting	Address reasonableness of Verizon local rates, plus CAM review
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. 08-GIMT-315-GIT	Consulting	12th Year assessment Ks. Universal Serv. Fund
AT&T	KS.	Citizens' Utility Ratepayers Board	not docketed	Consulting	Assist with advice on 2007 legislative session

Generic	KS.	Citizen's Utility Ratepayer Board		Consulting	11th Year assessment Ks. Universal Serv. Fund
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-GIMT-332-GIT	Consulting	10th Year assessment Ks. Universal Serv. Fund
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-GIMT-446-GIT	Comments	Addressing requirements for ETCs
AT&T	KS.	Citizen's Utility Ratepayer Board	Dkt. 07-SWBT-277-MIS	Consulting	AT&T/SWBT annual price cap filing and CAM review
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-GIMT-332-GIT	Consulting	10th Year assessment Ks. Universal Serv. Fund
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-GIMT-390-GIT	Consulting	Ks. Univ. Service neutrality issues
Rural Tel. - Kansas	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-RRLT-963-COC	Stipulation	Rural Tel. purchase of exchanges from Embarq
Embarq - Kansas	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-SCCC-200-MIS	Consulting	Monitor dividends and EQ spin-off
Embarq - Kansas	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-UTDT-962-CCS	Stipulation	Embarq sale of exchanges to Rural Tel.
Generic	KS.	Citizens' Utility Ratepayers Board	Dkt. 06-GIMT-943-GIT	Consulting	
Maine - Verizon	ME.	AARP	Dkt. 2005-155	Testimony	Yellow Pages, affiliate transactions, AFOR
Sprint - Nevada	NV.	Bureau of Consumer Protection	Dkt. 05-8032	Settlement	Sprint/Nextel change of control/LTD spin-off
Sprint - Kansas	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-SCCC-200-MIS	In progress	Sprint/Nextel change of control/LTD spin-off
SWBT-Kansas	KS.	Citizen's Utility Ratepayer Board	Dkt. 05-SWBT-907-PDR	Consulting	SWBT application for deregulation
Sprint - Kansas	KS.	Citizen's Utility Ratepayer Board	06-UTDT-115-CCS	Stipulation	Sprint/United sale of exchanges to Twin Valley
Twin Valley - Kansas	KS.	Citizen's Utility Ratepayer Board	06-TWVT-116-COC	Stipulation	Sprint/United sale of exchanges to Twin Valley
Saudi Telecom		Saudi Arabia Communications & Information Technology Commission	No docket	Report	Report on Accounting Separation and recommendations for changes to CAM
SWBT-Ks.	KS.	Citizens' Utility Ratepayer Board	01-SWBT-1099-IAT	Comments	Address SWBT/Sage interconn. Agreement
Sprint/United & Blue Valley	KS.	Citizens' Utility Ratepayer Board	04-UTDT-781-CCS 04-BVTT-780-COC	Stipulation	Sale of exchanges from Sprint/United to Blue Valley Tel.
Generic	KS.	Citizens' Utility Ratepayer Board	04-GIMT-653-GIT	Comments	Address lifeline payment policy
Generic	KS.	Citizens' Utility Ratepayer Board	04-GIMT-1080-GIT	Comments	Policy on KUSF audits/tariff filings
Verizon, Bell South & Sprint	FL.	Florida Office of Public Counsel	Dockets 030867-TL, 030869-TL, 030961-TL	Testimony	Impact of access rate rebalancing, rate design, and universal service, plus review of CAM
SWBT-Ks.	Ks.	Citizens' Utility Ratepayer Board	98-SWBT-677-GIT	Testimony	SWBT's failure to comply with provision of DSL
Generic	KS.	Citizens' Utility Ratepayer Board	03-GIMT-932-GIT	Comments	Ks. Universal Service Fund policies
Kansas - generic	KS.	Citizens' Utility Ratepayer Board	03-GIMT-284-GIT	Testimony	Review KUSF assessment
Maryland Verizon	MD.	Maryland People's Counsel	Case No. 8918	Testimony	Review of earnings, price cap & deregulation issues.
Verizon Maine	ME.	Maine Office of Public Advoc.	2000-849	Testimony	Verizon's 271 filing
Ameritech	MI.	Michigan Attorney General	Case No. 12320	Comments	Ameritech's 271 filing
Verizon Vermont	VT.	Dept. of Public Service	Docket 6533	Testimony	Verizon's 271 filing
Sprint Nevada	NV.	Nevada Attorney General	Docket 01-12047	Testimony	Review of earnings, CAM, rate design and affiliate issues
Western/KP&L	KS.	Citizens' Utility Ratepayer Board	01-WSRE-436-RTS	Testimony	Review allocation of costs between regulated & nonregulated operations/CAM, review of aircraft logs, and analysis of compensation benefits.
Southern Ks.	KS.	Citizens' Utility Ratepayer Board	02-SNKT-1014-EAS	Testimony	Review of Southern Ks. EAS applic.
SWBT, Sprint/United	KS.	Citizens' Utility Ratepayer Board	02-GIMT-272-MIS	Testimony	Price cap formula of LECs, plus CAM
Gen. Invest.	KS.	Citizens' Utility Ratepayer Board	01-GIMT-082-GIT	Testimony	Access charges, afford. rates and misc.
Verizon	MI.	Michigan Attorney General	U-12682	Comments	Review earnings, CAM, universal service regarding Verizon's request to restructure basic local rates
Ks. Rural LECs	KS.	Citizens' Utility Ratepayer Board	02-GIMT-068-KSF	Testimony	Rural LECs KUSF, affordable rates & access
Ameritech	MI.	Michigan Attorney General	U-12622	Briefs	Review policy for use of shared transport for intraLATA toll traffic over AM's network
Generic	KS.	Citizens' Utility Ratepayer Board	00-GIMT-910-GIT	Comments	Methods to improve Lifeline
Ameritech	MI.	Michigan Attorney General	U-12598	Testimony	Evaluate Ameritech's service quality problems, service quality standards and customer credits

Ameritech & Verizon	MI.	Michigan Attorney General	U-12528	Testimony	to be paid to customers Evaluate earnings of Ameritech and Verizon in regards to expanded local calling and removal
Bell Atlantic	VT.	Vermont Department of Public Service	Docket No. 6167	Testimony	Addressing earnings of Bell Atlantic, CAM, rate design and alternative regulation plan
Sprint	NV.	Nevada Attorney General - Bureau of Consumer Protection	Docket No. 99-2024	Testimony	Address earnings of Sprint Nevada, CAM and related policy issues
Ameritech	MI.	Michigan Attorney General	U-12287	Testimony	Review of Ameritech's earnings and CAM in regards to addressing access charges and in-state EUCL
Verizon	MI.	Michigan Attorney General	U-12321	Testimony	Review of Verizon's earnings and CAM in regards to addressing access charges and in-state EUCL
Generic	KS.	Citizens' Utility Ratepayer Board	99-GIMT-326-GIT	Filed comments and testimony	Address generic universal service costing methods, adjustment of Kansas Universal Service Fund, geographic deaveraging, etc.
GTE	MI.	Michigan Attorney General	U-11759	Comments/ Testimony	Address GTE's request for intrastate PICC charge and address related cost study issues
Southwestern Bell Telephone	KS.	Citizens' Utility Ratepayer Board	98-SWBT-677-GIT	Testimony on Stipulation	Address SWBT's cost of local service, KUSF levels and policy issues, plus CAM review Universal Service Fund
ILEC's	MI.	Michigan Attorney General	U-11899	Briefs	Address universal service fund for ILECs
Ameritech	MI.	Michigan Attorney General	U-11660	Comments/ Testimony	Address Ameritech's request for intrastate PICC charge and related cost study issues
Generic Investigation	KS.	Citizens' Utility Ratepayer Board	94-GIMT-478-GIT	Testimony/ Comments	Performed the first audit of the KUSF, reviewing first two years of actual operations and third year projections, addressing cellular issues, excessive assessment and per line charges
Ameritech UNEs	MI.	Michigan Attorney General	U-11635	Comments briefs	Address Ameritech cost studies for deaveraging issues
Generic Investigation	KS.	Citizens' Utility Ratepayer Board	96-LEGT-670-LEG	Comments	Address increased Lifeline Support measures
Generic Investigation	KS.	Citizens' Utility Ratepayer Board	194, 734-U	Comments	Address industry billing standards
Ameritech	MI.	Michigan Attorney General	U-11743	Testimony	Address problems with Ameritech's position on intraLATA dialing parity and 55% access discount and previous Court case
Southwestern Bell	KS.	Citizens' Utility Ratepayer Board	98-SWBT-380-MIS	Comments	Address problems with SWBT's price cap plan and various components/calculations
Southwestern Bell	KS.	Citizens' Utility Ratepayer Board	97-SCCC-411-GIT	Testimony	Address SWBT's 271 application in Kansas and level of competition, Track A and B, long distance rates, joint marketing, FCC issues
BellSouth	GA.	Georgia Public Service Commission	7061-U	Assistance on case	Address BellSouth and Hatfield cost studies for unbundled elements and policy issues
Generic Investigation	KS.	Citizens' Utility Ratepayer Board	194,734-U	Comments	Deregulation/detariffing of CLECs/LECs
Generic Investigation	KS.	Citizens' Utility Ratepayer Board	97-SCCC-149-GIT	Testimony, along with comments	Review of cost study methodology of Hatfield, BCPM (Sprint) and Southwestern Bell for unbundled elements
AT&T, Sprint & U S WEST	ND.	North Dakota Public Service Comm.	PU-453-96-82 and PU-987-96-389	Case assistance	Address proposed deregulation of AT&T, Sprint and U S WEST

Rulemaking into Interconnection & Unbundling SWBT/Generic	WY.	Wyoming Public Service Commission	Gen. Order No. 76	Comments	Comments supporting proposed rules for interconnection, dialing parity, pricing, privacy and other competition issues
	KS.	Citizens' Utility Ratepayer Board	Cases before Ks. Court of Appeals & Supreme Court	Assistance	Address issues regarding non-cost basis of Kansas Universal Service Fund and problems with revenue neutrality end user charges
Ameritech	MI.	Michigan Attorney General	Case No. U-11155, U-11156 and U-11280	Comments and assistance	Review retail/wholesale cost studies of Ameritech
GTE	MI.	Michigan Attorney General	Case No. U-11207	Comments and assistance	Review cost studies of GTE
Generic Rulemakings	GA.	Georgia Public Service Commission	Various dockets	Assistance and analysis	Assisted GPSC with various rulemakings on competition, universal service and conducted workshop for number portability
General Investigation into Competition General Presentation	KS.	Citizens' Utility Ratepayer Board	190,492-U 94-GIMT-478-GIT	Testimony	Address SWBT retail cost study for local service, universal service fund, universal service policy issues, alternative regulation and other matters
	N/A	Russian/Ukrainian Regulatory Agency and Utilities	Misc.	Presentations/analysis	Provide presentations and analysis for Russian/Ukrainian executives in Moscow and Kansas
U S WEST	WY.	Wyoming Consumer Advocate Staff	70000-TR-95-238	Testimony	Address USW's rate/price plan, competition issues, rate design for access charges, and CAM
Generic Invest. into Access Charges General Investigation into Competition United Tel. of Kansas	KS.	Citizens' Utility Ratepayer Board	190,383-U	Testimony	Address access charge plan for Kansas and related issues
	KS.	Citizens' Utility Ratepayer Board	190,492-U 94-GIMT-478-GIT	Testimony, Suppl. and Rebuttal	Address competition issues, alternative regulation, universal service issues, costing methods and related issues
	KS.	Citizens' Utility Ratepayer Board	189-150-U	Testimony/report	Review quality of service via show-cause and address service standards, modernization schedule and customer complaints
U S WEST	MN.	Minnesota Dept. of Public Service	P421/EI-89-860	Address revenue req. for alternative reg. plan for period 1990 - 1993	Key issues include management salaries, fringe benefits, short/long-term incentive compensation plans, work force reduction issues, space-utilization, Bellcore expenses, software expense, CAM, rent expense and affiliate transactions
Southwestern Bell Tel.	KS.	Citizen's Utility Ratepayer Board (CURB)	183,522-U	Testimony	FASB 106 and issues related to alternative rate plan
Michigan Northern States Power Company	MI.	Michigan Dept. of Attorney	U-10138	Testimony	IntraLATA equal access competition
	N.D.	North Dakota Public Service Commission	PU-400-92-399	Oversight and Review	Compensation issues (salaries, wages and incentive compensation)
U.S. WEST	MN.	Minnesota Dept. of Public Service	P421/DI-92-168	Formal report on various regulatory issues	Management salaries, fringe benefits, CAM, force reduction and costs, pensions, training, maintenance expense, leasing and affiliate relations
Southwestern Bell Telephone	KS.	Kansas Counties/Cities - Harvey, Douglas, Butler, Riley,	92-SWBT-143-TAR	Comments	911 service issues - recurring and nonrecurring rates for trunk/circuit and

		Crawford, Dodge City, Jackson and Pottawatomie			ALI/ANI, data base unbundling, cost studies and dedicated/public provision
Michigan LECs and IXC	MI.	Michigan Dept. of Attorney General	U-10063	Comments	Establishment of quality of service standards for LECs/IXCs
Michigan LECs and IXC	MI.	Michigan Dept. of Attorney General	U-10064	Comments	Establishment of the procedures and format for the filing of tariffs
Southwestern Bell Telephone	KS.	City of Wichita - subcontracting with law firm of Woodard, Blaylock Hernandez, Pilgreen & Roth	90-1342-C U.S. District Court for the District of Ks.	Affidavit	Lawsuit by City of Wichita vs. SWBT regarding violation of franchise agreement
U.S. WEST	AZ.	Arizona Corporation Commission	E-1051-91-004	Rate case subcontract	Toll/access revenues, income taxes and misc., plus CAM
Indiana Bell Telephone	IN.	Indiana Utility Consumer Counselor	Cause No. 39017	Rate case subcontract	Rate base, operations, affiliate transactions & misc.
Southwestern Bell Telephone	OK.	Oklahoma Attorney General	PUD 000662	Rate case subcontract	Royalty fee, affiliate transactions and misc.
JBN Telephone Co., Inc.	KS.	Kansas Corporation Commission	171,826-U	Rate case	Rate base, operations, capital structure acquisition issues, rate design and CAM
AT&T Comm. of the Southwest	KS.	Citizens' Utility Ratepayers Board	91-AT&T-90	Comments	Directory assistance rates and call allowances, costs studies and misc.
Kansas LECs and IXC	KS.#	Kansas Corporation Commission	127,140-U	Testimony - Access policy witness	Generic investigation into access charges-access charge policy, rate design and revenue requirements
Kansas LECs and IXC	KS. #	Kansas Corporation Commission	148,200-U	Formal recomm. to Comm.	Initiated generic investigation into affiliated transactions and established policies
Kansas LECs and IXC	KS. #	Kansas Corporation Commission	168,334-U	Formal recomm. to Comm.	Initiated generic docket and established policies to implement Dual Party Relay Service for persons whom are hearing and speech impaired. The Center opened in 1990.
AT&T Comm. of the Southwest	KS. #	Kansas Corporation Commission	167,493-U	Testimony - Chief witness	Rate case/regulatory flexibility - Competition, policy, regulatory flexibility, rate design and CAM
Southwestern Bell Telephone	KS. #	Kansas Corporation Commission	166,856-U	Testimony - Chief witness	Rate case/regulatory flexibility - Rate base, operations, capital structure, CAM, rate design, policy, regulatory flexibility, affiliated transactions, modernization issues, depreciation and misc.
Pioneer Tel. Co.	KS. #	Kansas Corporation Commission	89-PNRT-350-CON	Formal recomm. to Comm.	Promoted introduction of two-way interactive video services in rural areas by introduction of economic develop. rates
United Telephone Company	KS. #	Kansas Corporation Commission	162,044-U	Testimony - Chief witness	Rate case - Yellow pages, royalty fee, rate base, CAM, operations, capital structure, rate design, policy, penalties, affiliated transactions revenue adjustments, misc.
United Telephone Long Distance	OH. #	Office of the Consumers' Counsel	86-2173-TP-ACE	Testimony	Royalty fee, Part X, affiliate transactions, cross-subsidization
Continental	KS. #	Kansas Corporation Commission	157,053-U	Formal	Reserve deficiency - settled reserve

Tel. Co.				recomm. to Comm.	deficiency issue with protections for local ratepayers
Continental Tel. Co.	KS. #	Kansas Corporation Commission	157,052-U	Formal recomm. to Comm.	Tax Reform Act - Reduced rates permanently and collected refunds
AT&T Comm. of the Southwest	KS. #	Kansas Corporation Commission	156,655-U	Formal recomm. to Comm.	Tax Reform Act - Obtained rate reductions and rate refunds
Southwestern Bell Telephone	KS. #	Kansas Corporation Commission	156,655-U	Formal recomm. to Comm.	Tax Reform Act - Obtained rate refunds. Offset Comm. approved dollar shift to local rates from access charges with TRA savings to avoid increases in local rates
United Telephone Long Distance	KS. #	Kansas Corporation Commission	154,728-U	Formal recomm. to Comm.	UTLD/United required to make a formal request for affiliate loan per statutes per findings in Docket 153,655-U
United Tel. Co.	KS. #	Kansas Corporation Commission	154,610-U	Formal recomm. to Comm.	Reserve deficiency - set precedent requiring deficiencies resulting from uneconomic plant placement go below the line
United Tel. Co.	KS. #	Kansas Corporation Commission	153,662-U	Formal recomm. to Comm.	Request by United to deregulate billing and collection is denied upon recommendation
United Tel. Long Distance	KS. #	Kansas Corporation Commission	153,655-U	Testimony - Chief witness	Royalty fee, affiliate transactions, cross-subsidization and affiliate loans
Southwestern Bell Telephone	KS. #	Kansas Corporation Commission	151,488-U	Formal recomm. to Comm.	Reserve deficiency - settled deficiency with protections for local ratepayers
Kansas Gas & Electric Company	KS. #	Kansas Corporation Commission	142,098-U	Testimony - Chief witness	Company Regulatory Plan - Gross-of-tax/net-of-tax deferred carrying costs analysis, FAS 71 and 90 - impact on imprudence disallowance and physical/economic excess capacity, life insurance financing and policy issues
Kansas Electric Power Coop, Inc.	KS. #	Kansas Corporation Commission	151,191-U	Testimony - Chief witness	Rate case - deferred carrying charges, present value depreciation, FAS 71 implications, operations and misc.
United Tel. Co.	KS. #	Kansas Corporation Commission	149,685-U	Motion - Chief auditor	Rate case - United withdrew rate case as a result of findings regarding significant overstatement of payroll expenses and understatement of lease revenues due from other affiliates
Kansas State Tel. Co. of Ks.	KS. #	Kansas Corporation Commission	147,585-U	Testimony	Rate case - excess plant capacity, rate base, operations, capital structure and misc.
AT&T Comm. of the Southwest	KS. #	Kansas Corporation Commission	145,718-U	Testimony	Rate case - rate base and operations
Elkhart Tel. Co.	KS. #	Kansas Corporation Commission	144,087-U	Testimony	Rate case - rate base, operations, capital structure and loans
Continental Tel. Co. of Ks.	KS. #	Kansas Corporation Commission	143,565-U	Testimony	Rate case - rate base, operations and capital structure
Kansas LECs and IXC	KS. #	Kansas Corporation Commission	144,299-U	Testimony	General investigation - intraLATA operator services, duplication of services and misc.
Kansas Power	KS. #	Kansas Corporation Commission	140,015-U	Testimony	Rate case - revenue/sales annualization,

& Light Co.					purchased gas cost, nonrecurring expenses unfunded deferred taxes and misc.
United Tel. Co.	KS. #	Kansas Corporation Commission	138,500-U	Testimony	Rate case - rate base and operations, plus CAM
Greyhound Lines, Inc.	KS. #	Kansas Corporation Commission	137,873-U	Testimony	Rate case - rate base and operations
Southwestern Bell Telephone The Gas Service Co.	KS. #	Kansas Corporation Commission	137, 534-U	Testimony	Rate case - rate base and operating income, plus CAM review
	KS. #	Kansas Corporation Commission	136, 850-U	Testimony	Rate case - revenue annualization/weather normalization, purchased gas cost, rate base, operations and capital structure
Kansas Power & Light Co.	KS. #	Kansas Corporation Commission	136,381-U	Testimony	Rate case - review of Jeffrey Energy #3 construction costs and contracts, rate base and misc.
DS&O Rural Electr. Coop	KS. #	Kansas Corporation Commission	136,249-U	Testimony	Rate case - rate base, operations and capital structure

Work performed while employed by the Kansas Corporation Commission.

Note 1: ECTEL - Performed for island nations of St. Lucia, Dominica, St. Kitts & Nevis, Grenada, and St. Vincent & the Grenadines.

New Hampshire Office of the Consumer Advocate

Liberty Utilities (Granite State Electric)

Twelve months ending December 31, 2018

Summary Comparison of Revenue Requirement and Revenue Deficiency

Docket No. DE 19-064

Exhibit BCO-1

Schedule 1

A	B	C	D	E
Line	Description	Liberty Application	Liberty Nov. 22, 2109 Update	OCA Proposed
1	Adjusted Rate Base	\$ 106,180,186	\$ 103,024,219	\$ 102,932,498
2	ROR	8.19%	8.19%	7.21300%
3	Required Return	\$ 8,696,157	\$ 8,437,684	\$ 7,424,521
4				
5	Adjusted Net Operating Income	\$ 4,552,040	\$ 3,571,374	\$ 4,886,653
6				
7	Return Deficiency (Surplus)	\$ 4,144,117	\$ 4,866,310	\$ 2,537,869
8	Revenue Conversion Factor	1.3714	1.3714	1.3714
9				
10	Revenue Deficiency	\$ 5,683,335	\$ 6,673,765	\$ 3,480,489
11				
12				
13	Per Liberty filing	\$ 5,683,102	\$ 6,673,493	
14	Difference - Immaterial, rounding	\$ 233	\$ 272	
15				
16	Temp. Rate Increase - June 29, 2019	\$ 2,093,349	\$ 2,093,349	\$ 2,093,349
17				
18	Federal Income Tax Rate	21.00%	21.00%	21.00%
19	State Income Tax Rate	7.70%	7.70%	7.70%
20				
21	Combined Income Tax Rate	27.0830%	27.0830%	27.0830%
22	Complement of Composite	137.14%	137.14%	137.14%

Summary OCA Proposed Rate Base and Operating Income Adjustments

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
Line	Account	Liberty Per Books	Liberty Adjustments	Liberty Adjusted	OCA/Ostrander Adjustments											Impact is immaterial
					Payroll Expense Adj. BCO-1	Incentives Expense BCO-2	Payroll Tax BCO-3	Deprec. Expense BCO-4	Pole Rental BCO-5	Income Taxes BCO-6	CWC Update BCO-7	OCA Total Adjustments	OCA Adjusted Balances	OCA Income Tax Update	OCA Interest Synch.	
Rate Base																
1	Plant in Service	\$ 232,503,131		\$ 232,503,131	\$ -								\$ -	\$ 232,503,131		
2	Less: Accumulated Depreciation	\$ (93,623,954)		\$ (93,623,954)									\$ -	\$ (93,623,954)		
3	Net Plant in Service	\$ 138,879,177		\$ 138,879,177									\$ -	\$ 138,879,177		
4																
5	Add: Materials & Supplies	\$ 1,877,163	\$ 409,772	\$ 2,286,935									\$ -	\$ 2,286,935		
6	Add: Prepayments	\$ -	\$ -	\$ -									\$ -	\$ -		
7	Add: Cash Working Capital	\$ -	\$ 2,423,196	\$ 2,423,196								\$ (91,721)	\$ (91,721)	\$ 2,331,475		
8	Add: Plant in Service not Classified	\$ 15,227,964	\$ (15,227,964)	\$ -									\$ -	\$ -		
9	Less: Accumulated Deferred FIT	\$ (14,944,899)	\$ (18,776,467)	\$ (33,721,366)									\$ -	\$ (33,721,366)		
10	Less: Excess Accum. Deferred FIT	\$ -	\$ (5,640,070)	\$ (5,640,070)									\$ -	\$ (5,640,070)		
11	Less: Customer Deposits	\$ (1,278,349)	\$ 74,696	\$ (1,203,653)									\$ -	\$ (1,203,653)		
12	Total Rate Base	139,761,056	(36,736,837)	103,024,219									\$ (91,721)	\$ 102,932,498		
13																
14	Operating Revenue															
15	Distribution	\$ 40,265,253	\$ (618,740)	\$ 39,646,512									\$ -	\$ 39,646,512	\$ -	27.083%
16	Commodity	\$ -	\$ -	\$ -									\$ -	\$ -	\$ -	27.083%
17	Other operating revenue	\$ 958,663	\$ (484,844)	\$ 473,819					\$ 53,619				\$ 53,619	\$ 527,438	\$ 14,522	27.083%
18	Total Operating Revenues	\$ 41,223,915	\$ (1,103,584)	\$ 40,120,331					\$ 53,619				\$ 53,619	\$ 40,173,950	\$ 14,522	27.083%
19		\$ -	\$ -	\$ -												
20	Operating Expenses															
21	Purchased Power	\$ -	\$ -	\$ -									\$ -	\$ -	\$ -	27.083%
22	Transmission Expenses	\$ -	\$ -	\$ -									\$ -	\$ -	\$ -	27.083%
23	Distribution O&M	\$ 8,572,078	\$ 1,246,335	\$ 9,818,413	\$ (338,711)	\$ (54,792)							\$ (393,503)	\$ 9,424,910	\$ 106,572	27.083%
24	Customer Accounting	\$ 2,031,510	\$ 144,002	\$ 2,175,511	\$ (91,467)	\$ (32,231)							\$ (123,698)	\$ 2,051,814	\$ 33,501	27.083%
25	Customer Service & Info.	\$ 169,404	\$ 13,447	\$ 182,850	\$ (10,440)								\$ (10,440)	\$ 172,410	\$ 2,827	27.083%
26	Administrative & General	\$ 7,064,028	\$ 876,667	\$ 7,940,695	\$ (161,060)	\$ (305,590)							\$ (466,650)	\$ 7,474,045	\$ 126,383	27.083%
27	Depreciation Expense	\$ 8,684,070	\$ 2,343,020	\$ 11,027,090				\$ (661,150)					\$ (661,150)	\$ 10,365,940	\$ 179,059	27.083%
28	General Taxes	\$ 5,414,088	\$ (39,351)	\$ 5,374,737			\$ (94,744)						\$ (94,744)	\$ 5,279,993	\$ 25,660	27.083%
29	Income Taxes	\$ 2,797,514	\$ (2,767,852)	\$ 29,662						\$ 488,524			\$ 488,524	\$ 518,186		27.083%
30	Interest on Cust. Dep.	\$ -	\$ -	\$ -									\$ -	\$ -	\$ -	27.083%
31	Total Operating Expenses	\$ 34,732,691	\$ 1,816,268	\$ 36,548,959	\$ (601,678)	\$ (392,613)	\$ (94,744)	\$ (661,150)	\$ (53,619)	\$ 488,524			\$ (1,261,661)	\$ 35,287,298	\$ 474,003	27.083%
32		\$ -	\$ -	\$ -												
33	Net operating income (loss)	\$ 6,491,225	\$ (2,919,852)	\$ 3,571,373	\$ 601,678	\$ 392,613	\$ 94,744	\$ 661,150	\$ 53,619	\$ (488,524)			\$ 1,315,280	\$ 4,886,653	\$ 488,524	27.083%
														\$ 488,524		

Note 1: Allocated payroll adjustment BCO-1 among accounts using ratio of Liberty payroll expense allocation at Schedule RR-3 (CU), pp. 1-3.

Note 2: Allocation incentives adjustment BC-2 among accounts using response to OCA 1-43.a and OCA TS 1-15, the long-term incentives were all allocated to one account, and short-term incentives allocated among Distrib., Cust. Service, and A&G.

New Hampshire Office of the Consumer Advocate
 Liberty Utilities (Granite State Electric)
 Twelve months ending December 31, 2018
Payroll Expense Adjustment

Docket No. DE 19-064
 Exhibit BCO-1
 Schedule 2.1
 Page 1 of 2
 Adj. BCO-1

A	B	C	D	E
Line	Adjustment Summary	Adjustment		
1	Liberty Adjusted Payroll Expense	\$ 8,029,110		
2	OCA Adjusted Payroll Expense	\$ 7,427,432		
3	OCA Adjustment	<u>\$ (601,678)</u>		
4				
5		Liberty	OCA	OCA
6	Description	Adjustment	Adjustment	Adjusted
7	Test Year LU NH Labor charged to Granite State Electric	\$ 7,081,853		
8	2019 Salary & Wage Increase - O&M(1)	3%		
9	2019 Payroll Increase	\$ 212,456		
10	Adjustment for pro rated increase (effective March)	\$ (35,409)		
11				
12	2018 LU Regional Allocated Labor (Note 1)	\$ 474,230		
13	2019 Salary & Wage Increase	3%		
14	2019 Payroll Increase on Regional Allocated Labor	\$ 14,227		
15	Adjustment for pro rated increase (effective March)	\$ (2,371)		
16				
17	Adjustment for 2018 Vacancies/Additions (Note 2)	\$ 758,355	\$ (601,678)	\$ 156,677
18				
19	Pro Forma LU NH Labor for 2019 Payroll Increase	\$ 8,029,110	\$ (601,678)	\$ 7,427,432
20				
21	Test Year Labor Charged to Granite State Electric - O&M	\$ 7,081,853		
22				
23	Payroll Adjustment	<u>\$ 947,257</u>	<u>\$ (601,678)</u>	<u>\$ 345,579</u>
24		Liberty Adj.	OCA Adj.	
25				
26	Note 1: Amount not included in test year labor (treated as affiliate charge)			
27	Note 2: Some of these vacancies/new positions were never filled in 2018 or 2019 to-date			

New Hampshire Office of the Consumer Advocate
 Liberty Utilities (Granite State Electric)
 Twelve months ending December 31, 2018
Payroll Expense Adjustment

Exhibit BCO-1
 Schedule 2.1
 Page 2 of 2
 Adj. BCO-1

Highlighted Payroll Costs are Confidential

A	B	C	D	E	F	G
Line	Category	No. of Employees	Payroll Expense	OCA Adj.	Percent Remove	Source
1	Existing positions vacated & filled 2018	21			50%	1
2	Existing positions vacated in 2018 & filled 2019	1			50%	1
3	New positions vacated & filled 2018	3			50%	1
4	New positions created & filled 2019	1			50%	1
5	New positions vacated in 2018 & filled 2019	1			50%	1
6	Customer care positions	55			50%	1
7	Part 2 - Payroll costs at 50 percent removal	82	\$ 534,478	\$ (267,239)		
8						
9	Exist. positions vacated in 2018/unfilled 2018 & 2019	6			100%	1
10	New positions created in 2018/unfilled 2018 & 2019	1			100%	1
11	Subtotal	7	\$ 266,987	\$ (266,987)		
12						
13	2018 positions "on hold" - costs not removed from test period (Note 1)				100%	2
14	2018 position removed & replaced, costs not removed from test period				100%	3
15	Subtotal			\$ (67,452)		
	Subtotal OCA 2-49 - Co. adj. before contractor savings		\$ 801,465			
16	Contractor savings		\$ (43,110)			1
17	Part 1 - Payroll costs at 100 percent removal		\$ 758,355	\$ (334,439)	100%	1
18						
19	Grand Total Payroll Expense		\$ 758,355	\$ (601,678)		1
20				OCA Adj.		

21 Source 1 = OCA 2-49.a., Source 2 = OCA 1-20.d.1, Source 3 = OCA 2-50.d

22 Note 1 - These are estimated costs, the Company did not provide the actual payroll costs.

New Hampshire Office of the Consumer Advocate
 Liberty Utilities (Granite State Electric)
 Twelve months ending December 31, 2018
Short & Long-Term Incentives Expense

Docket No. DE 19-064
 Exhibit BCO-1
 Schedule 2.2
 Page 1 of 1
 Adj. BCO-2

A	B	C	D	E	F	G
		OCA Incentives Adjustment				
Line	Adjustment Summary					
1	Short-term incentives	\$	(322,307)			
2	Long-term incentives	\$	(70,306)			
3	OCA Adjustment	\$	(392,614)			

Line	Incentives Expense	2015	2016	2017	2018	OCA 7-13 Sept. 2019 YTD Actual
1	Short-term incentive	\$ 496,198	\$ 439,714	\$ 303,908	\$ 528,944	\$ 251,191
2	Increase \$		\$ (56,484)	\$ (135,806)	\$ 225,036	
3	Increase %		-11%	-31%	74%	
4						
5						
6	Long-term incentive	\$33,554	\$34,963	\$100,633	\$98,498	
7	Increase \$		\$1,409	\$65,670	(\$2,135)	
8	Increase %		4%	188%	-2%	
9						
10						
11		Disallow	Disallow 50%	OCA		
12		Unusual STI	of Remaining	Total		
13	Description	Increase in 2018	Balance	Adj.		
14	2018 STI Expense	\$ 528,944	\$ (413,273)			
15	3-Year Avg. 2015-2018	\$ 413,273	50%			
16		\$ (115,671)	\$ (206,637)	\$ (322,307)		OCA Short-term incentive adj.
17						
18						
19	2018 LTI Expense	\$ 98,498	\$ (56,383)			
20	3-Year Av g. 2015-2018	\$ 56,383	50%			
21		\$ (42,115)	\$ (28,192)	\$ (70,306)		Long-term incentive adj.
22						
23	OCA Total Incentives Adjustment			\$ (392,614)		

27 Source for amounts: OCA 1-43, OCA TS 1-2 (OCA 1-43 in Excel), OCA TS 1-14 (LTI only), Staff 3-17 for LTI
 28 Staff DR 3-17 refers LTD allocated amount of \$151,568, although the reference to this amount is not clear.

New Hampshire Office of the Consumer Advocate
 Liberty Utilities (Granite State Electric)
 Twelve months ending December 31, 2018
Payroll Taxes

Docket No. DE 19-064
 Exhibit BCO-1
 Schedule 2.3
 Page 1 of 1
 Adj. BCO-3

A	B	C	D	E	F	G	H
Line	Description	Ref.	Liberty Adjustment	OCA Adjusted Balances	OCA Payroll Tax Adjustment		
	Actual 2018						
1	Total Salary - Expensed and Capitalized	RR-3-01 Ln	10,928,574	10,928,574			
2	Payroll Tax Expense	RR-2-1 Ln 116	740,520	740,520			
3	% of Applicable Salary	Ln 2/ln 1	6.78%	6.78%			
4							
5	Pro Forma						
6	2019 Salary & Wage Increase(1)	RR-3-01 Ln 2	1,421,488	345,580			
7			1,421,488	345,580			
8							
9	Pro Forma Salary & Wages - O&M		8,503,340	7,105,115			
10	Payroll Taxes to O&M	Ln 3 x Ln 9	576,186	481,442	(94,744)		
11	Test Year Expense- Account 408.4		740,520	740,520			
12	Payroll Tax Change		(164,334)	(259,078)	(94,744)		
13							
14	Note 1 - Liberty incorrectly treats \$474,230 as a payroll adjustment, but calculation shows this is not an adjustment and is not recorded as payroll on Liberty's books.						
15							
16							
17	Liberty Adjustments to	Liberty	OCA		Liberty	OCA	
18	Salary and Wages - Sch. RR-3-01 (CU)	Payroll Tax	Payroll Tax	Description	Adjusted Payroll	Adjusted Payroll	
19	2019 payroll increase	\$ 212,456	\$ 212,456	Liberty uses incorrect adjusted payroll	\$ 8,503,340		
20	2019 payroll increase	\$ (35,409)	\$ (35,409)	Remove regional allocated labor (Note 1)	\$ (474,230)		
21	LU Regional allocated labor - not an adjustment	\$ 474,230		Liberty's actual payroll adjustment	\$ 8,029,110	\$ 8,029,100	
22	2019 payroll increase on Regional labor	\$ 14,227	\$ 14,227	OCA Adj. BCO-1 to payroll		\$ (601,678)	
23	2019 payroll increase on Regional labor	\$ (2,371)	\$ (2,371)	OCA Adj. BCO-2 to payroll - STI only		\$ (322,307)	
24	2018 vacancies/new positions - not all filled	\$ 758,355	\$ 758,355	Correct salary and wages - above calculation	\$ 8,029,110	\$ 7,105,115	
25	OCA Adj. BCO-1 to payroll		\$ (601,678)				
26	Salary & wages per above	\$ 1,421,488	\$ 345,580	Note - STI are included in the base salary amounts, so amounts removed by OCA via Adj. BCO-2 are removed above in payroll tax calculation			
27							

New Hampshire Office of the Consumer Advocate
 Liberty Utilities (Granite State Electric)
 Twelve months ending December 31, 2018
Depreciation & Amortization Expense

Docket No. DE 19-064
 Exhibit BCO-1
 Schedule 2.4
 Page 1 of 2
 Adj. BCO-4

A	B	C	D	E	F	G
		OCA				
		Depreciation				
		Adjustment				
Line	Adjustment Summary	Adjustment				
1	Liberty Adjusted Depreciation Expense	\$ 9,885,752				
2	OCA Adjusted Depreciation Expense	\$ 9,224,602				
3	OCA Adjustment	\$ (661,150)				
				(Col. C - Col. D)		(Col. F - Col. C)
				Difference		Difference
				between		between
				Liberty Adjusted	OCA	Liberty &
				& Books	Adjusted	OCA Adjusted
Line	Description	Liberty	Per	Liberty Adjusted	OCA	Liberty &
		Adjusted	Books	& Books	Adjusted	OCA Adjusted
1	Reserve surplus amort. from 2018	\$ 781,434	\$ (781,434)	\$ -	\$ 781,434	\$ -
2	Amort. of acquisition assets in Liberty adj. & on books	\$ 1,234,419	\$ 1,234,419	\$ -	\$ 1,234,419	\$ -
3	Deprec. expense at proposed rates for Liberty & OCA	\$ 8,418,033	\$ 7,871,181		\$ 7,990,183	\$ (427,850)
4	Liberty & OCA adjusted deprec. exp.	\$ 9,652,452		\$ -	\$ 9,224,602	
5	Liberty deprec. & amort expense per books		\$ 8,324,166			
6	Liberty proposed reserve defic. amort.	\$ 233,300			\$ -	\$ (233,300)
7	Liberty & OCA adjusted deprec. exp.	\$ 9,885,752	\$ 8,324,166	\$ 1,561,586	\$ 9,224,602	\$ (661,150)
8	Liberty/OCA adjusted deprec. and reserve surplus	\$ 10,667,186	\$ 8,324,166	\$ 2,343,020	\$ 10,006,036	\$ (661,150)
						OCA Adj.
9	Note 1 - Liberty adjusted depreciation expense per Company Schedule RR-2-1					

New Hampshire Office of the Consumer Advocate

Liberty Utilities (Granite State Electric)
 Twelve months ending December 31, 2018

Depreciation & Amortization Expense

Docket No. DE 19-064

Exhibit BCO-1

Schedule 2.4

Page 2 of 2

Adj. BCO-4

Source: The source of the spreadsheet below is Liberty's Schedule RR-3-08 and the revised version at RR-3-08 (CU), all columns are the same except

OCA added Columns L to P, and rows 43 to 61, at Columns L to P.

													OCA added Columns L to P, along with rows 43 to 61, Columns L to P.					
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P			
													OCA Recl. Adj.					
Line	Account	Acct. No.	Existing Rates	Proposed Rates	Balance Historic Year Ended Dec. 31, 2018	Account 106 - 2019	Test Year End 2018	Company Adj. To Plant	Company Adjusted Test Year Plant	Company Deprec. Expense	Reconcile to \$6,172,095 Acq. Asset per Sch. RR-5-4 - Note 1	OCA Adjusted Plant Balance	OCA Adjusted Deprec. Exp.	OCA Adjustment to Deprec. Exp.	Deprec. Rates used by OCA			
1	Intangible Assets																	
2																		
3	Organization	301	0.00%	0.00%	\$ 24,808	\$ -	\$ 24,808	\$ -	\$ 24,808	\$ -	\$ -	\$ 24,808	\$ -	\$ -				
4	Other Intangible assets	303	20.00%	20.00%	\$ 10,987,554	\$ -	\$ 10,987,554	\$ (10,987,554)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Liberty proposed rates			
5	Other Intangible assets (3 yr life)	303	20.00%	33.33%	\$ -	\$ -	\$ -	\$ 320,288	\$ 320,288	\$ 106,752	\$ (320,288)	\$ -	\$ 0	\$ 0	\$ (106,752)			
6	Other Intangible assets (5 yr life)	303	20.00%	20.00%	\$ -	\$ -	\$ -	\$ 5,514,655	\$ 5,514,655	\$ 1,102,931	\$ 657,440	\$ 6,172,095	\$ 1,234,419	\$ 131,488	Liberty proposed rates			
7	Reclass from structures	0	1.62%	20.00%	\$ -	\$ -	\$ -	\$ 15,309	\$ 15,309	\$ 3,062	\$ -	\$ 15,309	\$ 3,062	\$ -	Liberty proposed rates			
8	Reclass from office furn.	0	4.00%	20.00%	\$ -	\$ -	\$ -	\$ 397,643	\$ 397,643	\$ 79,529	\$ -	\$ 397,643	\$ 79,529	\$ -	Liberty proposed rates			
9	Other intangibles	0	20.00%	10.00%	\$ -	\$ -	\$ -	\$ 5,152,610	\$ 5,152,611	\$ 515,261	\$ (337,152)	\$ 4,815,459	\$ 481,546	\$ (33,715)	Liberty proposed rates			
10	Reclass from acct. 106	303	20.00%	10.00%	\$ -	\$ 193,559	\$ 193,559	\$ -	\$ 193,559	\$ 19,356	\$ -	\$ 193,559	\$ 19,356	\$ -	Liberty proposed rates			
11	Total Intangible Assets	0	0.00%	0.00%	\$ 11,012,362	\$ 193,559	\$ 11,205,921	\$ 412,952	\$ 11,618,874	\$ 1,826,891	\$ -	\$ 11,618,874	\$ 1,817,911	\$ (8,979)				
12																		
13	Distribution Plant																	
14	Land and land rights	360	0.00%	0.00%	\$ 1,672,947	\$ -	\$ 1,672,947	\$ -	\$ 1,672,947	\$ -	\$ -	\$ 1,672,947	\$ -	\$ -	Original rates			
15	Structures and improvements	361	2.56%	2.39%	\$ 1,965,160	\$ -	\$ 1,965,160	\$ -	\$ 1,965,160	\$ 46,967	\$ -	\$ 1,965,160	\$ 50,308	\$ 3,341	Original rates			
16	Station equipment	362	2.80%	3.00%	\$ 28,894,637	\$ 1,861,412	\$ 30,756,049	\$ -	\$ 30,756,049	\$ 922,681	\$ -	\$ 30,756,049	\$ 861,169	\$ (61,512)	Original rates			
17	Poles, towers and fixtures	364	3.25%	3.64%	\$ 40,575,975	\$ 1,091,070	\$ 41,667,046	\$ -	\$ 41,667,046	\$ 1,516,680	\$ -	\$ 41,667,046	\$ 1,354,179	\$ (162,501)	Original rates			
18	Overhead conductors, devices	365	3.19%	3.26%	\$ 58,746,906	\$ 6,427,330	\$ 65,174,236	\$ -	\$ 65,174,236	\$ 2,124,680	\$ -	\$ 65,174,236	\$ 2,079,058	\$ (45,622)	Original rates			
19	Underground conduit	366	2.00%	1.96%	\$ 6,674,970	\$ 273,408	\$ 6,948,378	\$ -	\$ 6,948,378	\$ 136,188	\$ -	\$ 6,948,378	\$ 138,968	\$ 2,779	Original rates			
20	Underground conductors, device	367	3.17%	3.04%	\$ 14,932,982	\$ 2,341,077	\$ 17,274,059	\$ -	\$ 17,274,059	\$ 525,131	\$ -	\$ 17,274,059	\$ 547,588	\$ 22,456	Original rates			
21	Line transformers	368	3.51%	3.51%	\$ 29,063,612	\$ 574,943	\$ 29,638,555	\$ -	\$ 29,638,555	\$ 1,040,313	\$ -	\$ 29,638,555	\$ 1,040,313	\$ -	Original rates			
22	Services	369	3.17%	3.89%	\$ 10,437,741	\$ 1,196,471	\$ 11,634,212	\$ -	\$ 11,634,212	\$ 452,571	\$ -	\$ 11,634,212	\$ 368,805	\$ (83,766)	Original rates			
23	Meters	370	5.23%	5.00%	\$ 3,507,367	\$ 181,121	\$ 3,688,487	\$ -	\$ 3,688,487	\$ 184,424	\$ -	\$ 3,688,487	\$ 192,908	\$ 8,484	Original rates			
24	Leased Prop. On Cust. Premise	372	NA	10.00%	\$ 1,167,465	\$ 40,119	\$ 1,207,584	\$ (1,207,584)	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ 0	Original rates			
25	Street lighting, signal system	373	4.33%	3.67%	\$ 5,553,466	\$ 73,315	\$ 5,626,782	\$ -	\$ 5,626,782	\$ 206,503	\$ -	\$ 5,626,782	\$ 243,640	\$ 37,137	Original rates			
26	Total Distribution Plant	0	0.00%	0.00%	\$ 203,193,227	\$ 14,060,268	\$ 217,253,495	\$ (1,207,584)	\$ 216,045,911	\$ 7,156,140	\$ -	\$ 216,045,911	\$ 6,876,935	\$ (279,205)				
27																		
28	General Plant																	
29	Land	389	0.00%	0.00%	\$ 1,620,372	\$ -	\$ 1,620,372	\$ -	\$ 1,620,372	\$ -	\$ -	\$ 1,620,372	\$ -	\$ -				
30	Structure & Improv.	390	1.68%	1.62%	\$ 8,934,141	\$ 375,659	\$ 9,309,799	\$ (59,621)	\$ 9,250,178	\$ 149,853	\$ -	\$ 9,250,178	\$ 155,403	\$ 5,550	Original rates			
31	Office Furn. & Improv.	391	4.00%	4.00%	\$ 847,122	\$ -	\$ 847,122	\$ (676,961)	\$ 170,161	\$ 6,806	\$ -	\$ 170,161	\$ 6,806	\$ -	Original rates			
32	Software & Desktop Comput.	391.1	4.00%	20.00%	\$ -	\$ -	\$ -	\$ 44,312	\$ 44,312	\$ 8,862	\$ -	\$ 44,312	\$ 1,772	\$ (7,090)	Original rates			
33	Laptop Computer Equip.	391.2	4.00%	20.00%	\$ -	\$ -	\$ -	\$ 279,318	\$ 279,318	\$ 55,864	\$ -	\$ 279,318	\$ 11,173	\$ (44,691)	Original rates			
34	Transportation Equipment	392	7.50%	7.50%	\$ 2,730,590	\$ 384,144	\$ 3,114,734	Note 1	\$ 3,114,734	\$ 233,605	\$ -	\$ 3,114,734	\$ 233,605	\$ -	Original rates			
35	Stores Equipment	393	3.33%	3.33%	\$ 161,336	\$ 8,320	\$ 169,656	\$ -	\$ 169,656	\$ 5,650	\$ -	\$ 169,656	\$ 5,650	\$ -	Original rates			
36	Tools & Shop Equip.	394	4.17%	4.17%	\$ 317,359	\$ 63,547	\$ 380,905	\$ -	\$ 380,905	\$ 15,884	\$ -	\$ 380,905	\$ 15,884	\$ -	Original rates			
37	Laboratory Equipment	395	3.03%	3.03%	\$ 270,548	\$ 21,943	\$ 292,491	\$ -	\$ 292,491	\$ 8,862	\$ -	\$ 292,491	\$ 8,862	\$ -	Original rates			
38	Power Equipment	396	0.00%		\$ 1,466,922	\$ 55,510	\$ 1,522,432	\$ -	\$ 1,522,432	\$ 91,346	\$ -	\$ 1,522,432	\$ -	\$ (91,346)	Original rates			
39	Communication Equipment	397	4.55%		\$ 1,828,418	\$ 36,544	\$ 1,864,962	\$ -	\$ 1,864,962	\$ 77,769	\$ -	\$ 1,864,962	\$ 84,856	\$ 7,087	Original rates			
40	Miscellaneous Equipment	398	3.85%		\$ 120,736	\$ 28,469	\$ 149,205	\$ -	\$ 149,205	\$ 14,921	\$ -	\$ 149,205	\$ 5,744	\$ (9,176)	Original rates			
41	Total General Plant				\$ 18,297,542	\$ 974,137	\$ 19,271,678	\$ (412,952)	\$ 18,858,727	\$ 669,422	\$ -	\$ 18,858,727	\$ 529,756	\$ (139,666)				
42	Total				\$ 232,503,131	\$ 15,227,964	\$ 247,731,095	\$ (1,207,584)	\$ 246,523,511	\$ 9,652,452	\$ -	\$ 246,523,512	\$ 9,224,602	\$ (427,850)	OCA Remove Proposed Deprec. Rates			
43	Liberty Depreciation Adjustment Reconciliation:																	
44	Liberty proposed new Reserve Defic. Amortization to Deprec. Exp. (Sch. RR-3-09)											\$ 233,300	Liberty Proposed Res. Defic. Amort. (Sch. RR-3-09)	\$ -	\$ (233,300)	OCA Remove Proposed Res. Defic.		
45	Ratemaking Adjustment per DG 11-040 (Acquisition)												OCA Adjusted Depreciation Expense	\$ 9,224,602				
46	Depreciation expense computed, Plant assets as of 12/31/2018											\$ 9,885,752						
47	Depreciation expense recorded for Historic Year											\$ 8,324,166						
48	Liberty Depreciation Expense Adjustment											To RR-3	\$ 1,561,587	Liberty Depreciation Expense per Books	\$ 8,324,166			
49														\$ 1,328,287	Liberty Adjustment for New Deprec. Rates			
50	Note 1: The Company's reclassification of Acct. 106 assets did not properly classify assets													\$ 233,300	Liberty Proposed Reserve Deficiency Amortization			
51	to equal \$6,172,095 intangible Acquisition Assets from DG 11-040, per Co. Sch. RR-5-4,													\$ 1,561,587	Liberty Total Adjustments			
52	at the correct 20% depreciation rate. OCA reclassified plant among intangible													\$ 9,885,753	Liberty Total Adjusted Depreciation Expense			
53	accounts to make sure that \$6,172,095 is properly reclassified to intangible plant with																	
54	20% depreciation rate.																	
55																		
56																		
57																		
58																		
59																		
60																		
61																		
OCA Depreciation Expense Adjustment												\$ (661,151)	\$ (661,150)					
Reconciliation of Above OCA Adjustment:																		
OCA Adjusted Deprec. Expense												\$ 9,224,602						
Liberty Deprec. Expense per Books - Dec. 31, 2018												\$ 8,324,166						
OCA Proposed Increase in Deprec. Expe.												\$ 900,436						
Liberty Proposed Increase in Deprec. Expense												\$ 1,561,587						
OCA Depreciation Expense Adjustment												\$ (661,150)						

New Hampshire Office of the Consumer Advocate
 Liberty Utilities (Granite State Electric)
 Twelve months ending December 31, 2018
Pole Rental Fees

Docket No. DE 19-064
 Exhibit BCO-1
 Schedule 2.5
 Page 1 of 1
 Adj. BCO-5

A	B	C
		OCA
		Pole Rental
Line	Adjustment Summary	Fees Adjustment
1	Liberty Pole Rental Fees	\$ 250,438
2	OCA Adjusted Pole Rental Fees	\$ 304,057
3	OCA Adjustment	\$ 53,619

Source: The Liberty source for the information used in calculating additional Pole Rental Fees is OCA TS 1-29.a.4.xls. The Liberty document is voluminous and will be provided via a supplemental workpaper.

New Hampshire Office of the Consumer Advocate
 Liberty Utilities (Granite State Electric)
 Twelve months ending December 31, 2018
Incremental Impact on Income Taxes from OCA Adjustments

Docket No. DE 19-064
 Exhibit BCO-1
 Schedule 2.6
 Page 1 of 1
 Adj. BCO-6

A	B	C
Line	Description	Incremental Income Taxes
1	OCA Total Adjustments to Operations	\$ 1,803,805
2	Effective State and Federal Income Tax	27.083%
3	Incremental Impact and Increase in Income Tax Expense	\$ 488,525

New Hampshire Office of the Consumer Advocate

Liberty Utilities (Granite State Electric)
 Twelve months ending December 31, 2018
Cash Working Capital

Docket No. DE 19-064

Exhibit BCO-1
 Schedule 2.7
 Page 1 of 1
 Adj. BCO-7

A	B	C	D	E
Line	Description	Sch. RR-2 (CU) Liberty CWC Adjustment	OCA CWC Adjustment	OCA Adjustment
1	Distribution, before adjustments	\$ 34,732,691	\$ 36,548,959	
2	Adjustments, before income tax	\$ 4,584,120	\$ (1,857,423)	Excluded Revenue Adj.
3	Adjustment for income tax	\$ (2,767,852)	\$ 474,003	Excluded Tax on Revenue Adj.
4		\$ 36,548,959	\$ 35,165,539	
5				
6	CWC Required 24.20 days	6.63%	6.63%	
7	Cash Working Capital Required	<u>\$ 2,423,196</u>	<u>\$ 2,331,475</u>	<u>\$ (91,721)</u>

A	B	C
Line	Adjustments	OCA Adjustments to 2019 Step Increase
1	Beginning 2019 Step Increase	\$14,967,736
2	Adjustments:	
3	1 - Reduce internal capitalized labor	(\$2,680,000)
4	2 - Battery back-up for customer meters	(\$1,000,000)
5	3 - Unidentified discretionary projects	(\$100,000)
6	4 - Londonderry project removed by Liberty	(\$660,000)
7	5 - ARP breakers & closers project cancelled	(\$225,000)
8	Total capital costs removed	(\$4,665,000)
9	Revised 2019 Step Increase	\$10,302,736

Exhibit BCO-3

Docket No. DE 19-064

Public Version OCA 2-49

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Data Requests - Set 2

Date Request Received: 6/25/19
Request No. OCA 2-49

Date of Response: 7/10/19
Respondent: Philip E. Greene
David B. Simek

REQUEST:

Address the following regarding Liberty's adjustment of \$758,355 for filling vacancies and new positions as addressed at Liberty's response to 1-15 and 1-17, and Confidential PDF Attachment 1-17.a.1 (only the payroll amounts are Confidential, so issues addressed in this DR are not confidential). Address the following:

- a. Liberty's response to 1-15(a) states that Confid. Attach. OCA 1.17.a.1 shows both 2018 and 2019 incremental additions (new positions), although it is not clear from this Attachment which new positions relate to the 2018 or 2019 period. Please identify new positions for each year and explain how a "vacancy start date" and "vacancy end date" apply to "new positions" and how are these dates used to determine the annualization of payroll costs included in this adjustment for new positions.
- b. Regarding (a) above, Confid. Attach. OCA 1.17.a.1 shows a new position for Line Work Apprentice in Lebanon with a "vacancy start" of January and "vacancy end" of April, for total vacancy of 3 months, with 3 months of payroll allocated to the adjustment. Explain why "new positions" have a "start" and "end" date. And if this new position started in either January or April 2018, explain why annualized payroll costs in the adjustment to limited to three months in the test period (and why not annualized for 12 months if started in January 2018, or for 9 months if started in April 2018). If the new position started in January or April 2019, again, explain why the annualized payroll costs in the adjustment are limited to three months of the 2019 period.
- c. Regarding Confid. Attach. OCA 1.17.a.1, explain if any of the "vacancies" relate to the 2019 period, or if they just related to vacancies for the 2018 period that were subsequently filled in 2018 (also explain if any 2018 vacancies were subsequently filled in the 2019 period and identify these positions at the workpaper).
- d. For vacancies (if applicable) and new positions related to the 2019 period, explain how many months beyond the 2018 test period the Company annualized/adjusted payroll costs, and explain if the Company annualized payroll costs as much as 12 months beyond the test period (December 2019), or if explain if the Company cut-off the date for annualization at six months or some other time period beyond the test period. If not

apparent, for each position at Confid. Attach. OCA 1.17.a.1, identify the 2019 month through which payroll costs are annualized/adjusted.

RESPONSE:

- a. Please see Confidential Attachment OCA 2-49.a, provided in the same format as referenced Confidential Attachment OCA 1-17.a.1 and providing additional details in columns labeled “Period” and “Description.”
 - i. In the Period column, “Test Year” indicates where the respective adjustment amount relates to the test year, intended to include a full year annual salary attributable to Granite State for each position as a known and measurable adjustment. These are indicated in the Description column as “Test year vacancy; backfill.” Certain new positions or additions were created and filled during the test year. The adjustment amount in these cases intended to increase test year labor to include the full annual salary amount attributable to Granite State for these positions. These are indicated in the Description column as “Test year vacancy; new position.”
 - ii. In the Period column, “2019” indicates a new position created and budgeted/added for 2019. The respective adjustment amount is intended to include the full year annual salary attributable to Granite State for these positions as a known and measurable adjustment as they were not included in the test year total labor. New positions not filled in the test year and intended to be filled in 2019 are indicated in the Description column as “New position – 2019 known & measurable.” The intention of these adjustments is to include the full complement of these new positions in the test year total labor amount.
- b. The new position for Line Work Apprentice in Lebanon was created and opened in January 2018, subsequently filled in April 2018. The position remained filled for the remainder of the 2018 test year. Therefore, wages covering the period from April through December 2018 are included in the test year total labor. Including the prorated three-month salary for this position in the adjustment calculated on Schedule RR-3-01 provides for the full annual salary of this Line Worker Apprentice in the revenue requirement total test year labor. Similar instances are identified in Confidential Attachment OCA 1-49.a under the Description column, identified as “Test year vacancy; new position.”
- c. Please refer to above response OCA 2-49.a.i and response OCA 2-49.a.ii. Only one of the 2018 test year vacancies was filled in 2019, Manager, Financial Reporting (Londonderry). 2018 test year vacancies remaining unfilled as of 2019 are as follows:
 - i. Substation Worker 1/C (3 positions covering Lebanon and Salem)
 - ii. Meter Worker 3/C (Lebanon)
 - iii. Lineworker 1/C (Salem)
- d. For vacancies that are backfilling existing positions during the test year, the adjustment amount does not extend beyond the test year. The intent for the adjustment in these instances is to include the full annual salary amount for these positions in the total test

year labor. Similarly, new positions created during the test year do not extend beyond the test year, with the same intent of adjusting to include the full annual salary of these positions in the total test year labor. Please refer to the above response OCA 2-49.a.ii regarding new positions related to 2019. Note that new positions related to 2019 include a full 12-month salary amount attributable to Granite State, calculated in this manner in order to include a full year salary in total test year labor as a known and measurable adjustment.

The shaded or redacted portions of Confidential Attachment OCA 2-49.a contain salary information for specific positions that can be traced to specific individuals, which information is confidential personnel information protected by RSA 91-A:5, IV. Therefore, pursuant to that statute and Puc 203.08(d), the Company has a good faith basis to seek confidential treatment of this information and will submit a motion seeking confidential treatment prior to the final hearing in this docket.

Adjustment for 2018 Vacancies
Supporting Calculation

Department	Position	Location	Vacancy Type	Vacancy		Vacancy Months	Period	Description	Date Req. Opened	Date Filled/Start Date	Annual Salary	Allocation to Capital	Allocation to GSE	Expense Allocated Amount	Prorated Test Year Adjustment	Position Description/Justification	
				Start	End												
Electric Operations	Meter Worker 3/C	Salem	Replacement	January	February	1	Test Year	Test year vacancy; backfill	2/13/2018	5/7/2018		5%	100%			Backfill existing vacancy	
Electric Operations	Supervisor, Electric Operations	Salem	Replacement	May	July	2	Test Year	Test year vacancy; backfill	6/8/2018	7/30/2018		83%	100%			Backfill existing vacancy	
Electric Operations	Supervisor, Substation Construction and Maint.	Salem	Replacement	May	July	2	Test Year	Test year vacancy; backfill	6/7/2018	7/30/2018		40%	100%			Backfill existing vacancy	
Electric Operations	Supervisor, Electric Metering	Salem	Replacement	January	August	8	Test Year	Test year vacancy; backfill	6/1/2018	9/4/2018		20%	100%			Backfill existing vacancy	
Electric Operations	Line worker 1/C	Lebanon	Replacement	January	April	3	Test Year	Test year vacancy; backfill	1/31/2018	4/23/2018		37%	100%			Backfill existing vacancy	
Electric Operations	Line worker 1/C	Lebanon	Replacement	January	April	3	Test Year	Test year vacancy; backfill	1/31/2018	4/23/2018		37%	100%			Backfill existing vacancy	
Electric Operations	Line Worker Apprentice	Lebanon	New Position	January	April	3	Test Year	Test year vacancy; new position	1/31/2018	4/23/2018		37%	100%			New position; URD as agreed to with PUC	
Electric Operations	Line Worker Apprentice	Salem	New Position	January	April	3	Test Year	Test year vacancy; new position	1/31/2018	4/30/2018		37%	100%			New position; URD as agreed to with PUC	
Electric Operations	Meter Worker 3/C	Salem	Replacement	June	July	2	Test Year	Test year vacancy; backfill	7/20/2018	9/17/2018		5%	100%			Backfill existing vacancy	
Electric Operations	Meter Worker 3/C	Lebanon	Replacement	June	August	3	Test Year	Test year vacancy; backfill	9/10/2018	10/1/2018		5%	100%			Backfill existing vacancy	
Electric Operations	Line Worker 1/c	Lebanon	Replacement	January	April	3	Test Year	Test year vacancy; backfill	1/31/2018	4/16/2018		37%	100%			Backfill existing vacancy	
Electric Operations	Line Worker 1/c	Lebanon	Replacement	January	October	9	Test Year	Test year vacancy; backfill	1/31/2018	10/8/2018		37%	100%			Backfill existing vacancy	
Electric Operations	Line worker 1/C	Lebanon	Replacement	September	December	3	Test Year	Test year vacancy; backfill	9/18/2018	12/3/2018		37%	100%			Backfill existing vacancy	
Electric Operations	Line worker 1/C	Lebanon	Replacement	September	December	3	Test Year	Test year vacancy; backfill	9/18/2018	12/3/2018		37%	100%			Backfill existing vacancy	
Electric Operations	Line worker 1/C	Lebanon	Replacement	September	December	3	Test Year	Test year vacancy; backfill	9/18/2018	12/3/2018		37%	100%			Backfill existing vacancy	
Electric Operations	Line worker 1/C	Salem	Replacement	January	September	9	Test Year	Test year vacancy; backfill	11/6/2018	11/18/2018		37%	100%			Backfill existing vacancy	
Electric Operations	Line worker 1/C	Salem	Replacement	July	November	3	Test Year	Test year vacancy; backfill	6/18/2018	12/3/2018		37%	100%			Backfill existing vacancy	
Electric Operations	Line worker 3/C-1/C	Lebanon	Replacement	October	December	3	Test Year	Test year vacancy; backfill	9/18/2018	12/17/2018		37%	100%			Backfill existing vacancy	
Electric Operations	meterworker 3/c	lebanon	Replacement	July	November	4	Test Year	Test year vacancy; backfill	7/20/2018	11/12/2018		5%	100%			Backfill existing vacancy	
Electric Operations	operations analyst	Leb/Sal	New Position	January	March	3	Test Year	Test year vacancy; new position	2/26/2018	4/9/2018		50%	100%			New position; in support of growth	
Electric Operations	Sub Station worker 1/c	Leb/Sal	Replacement ⁽¹⁾	September	December	3	Test Year	Test year vacancy; backfill	2/13/2018			76%	100%			Backfill existing vacancy	
Electric Operations	Sub Station worker 1/c	Leb/Sal	Replacement ⁽¹⁾	September	December	3	Test Year	Test year vacancy; backfill	9/12/2018			76%	100%			Backfill existing vacancy	
Electric Operations	Sub Station worker 1/c	Leb/Sal	Replacement ⁽¹⁾	September	December	3	Test Year	Test year vacancy; backfill	9/12/2018			76%	100%			Backfill existing vacancy	
Electric Operations	Meter worker 3/C	lebanon	Replacement	April	December	9	Test Year	Test year vacancy; backfill	2/13/2018			5%	100%			Backfill existing vacancy	
Electric Operations	Lineworker 1/C	Salem	Replacement	April	December	9	Test Year	Test year vacancy; backfill	3/30/2018			37%	100%			Backfill existing vacancy	
EH&S	Program Manager	Concord	New Position			12	2019	New position - 2019 known & measurable	1/2/2019	4/1/2019		10%	10%			New position; support of employee count, workload and another manager assuming regional duties	
Finance	Manager, Financial Reporting	Londonderry	Replacement ⁽²⁾	August	December	4	Test Year	Test year vacancy; backfill	12/24/2018	3/18/2019		20%	19%			Backfill existing vacancy (see footnote ² below)	
Rates & Regulatory	Rates Analyst II	Londonderry	New Position			12	2019	New position - 2019 known & measurable	12/21/2018	1/28/2019		0%	100%			New position; in support of growth	
Rates & Regulatory	Analyst	Londonderry	Replacement	September	December	3	Test Year	Test year vacancy; backfill	11/14/2018	12/31/2018		0%	70%			Backfill existing vacancy	
Engineering	Project Manager	Salem	New Position			12	2019	New position - 2019 known & measurable	10/12/2018			0%	100%			New position; in support of construction	
Engineering	Engineer	Lebanon	Replacement	January	July	7	Test Year	Test year vacancy; backfill	3/22/2019			0%	100%			Backfill existing vacancy	
Customer Care	See attached page 2	Various	Replacement	See pg 2	See pg 2	See pg 2	Test Year	Test year vacancy; backfill	See pg 3	See pg 3		0%	30%			Backfill existing vacancy	
Total Adjustment:															801,465		
Less: Annual Contractor Savings⁽¹⁾															(43,110)		
Equals: Electric Ops Adjustment for Vacancies (Test Year)															758,355		

(1) Substation worker positions in part to replace United Power Group contract labor for substation work and project management
(2) New position created which replaces previously existing position that was eliminated

**Customer Care Vacancies
Calendar Year 2018**

Month	# Vacancies	\$/hr	Total Hourly	# Hrs/Month	Total Amount	GSE Allocation (30%)
Jan	2	\$ 17.00	\$ 34.00	184	\$ 6,256.00	\$ 1,876.80
Feb	2	\$ 17.00	\$ 34.00	160	\$ 5,440.00	\$ 1,632.00
Mar	2	\$ 17.00	\$ 34.00	176	\$ 5,984.00	\$ 1,795.20
Apr	3	\$ 17.00	\$ 51.00	168	\$ 8,568.00	\$ 2,570.40
May	6	\$ 17.00	\$ 102.00	184	\$ 18,768.00	\$ 5,630.40
Jun	6	\$ 17.00	\$ 102.00	168	\$ 17,136.00	\$ 5,140.80
Jul	7	\$ 17.00	\$ 119.00	176	\$ 20,944.00	\$ 6,283.20
Aug	7	\$ 17.00	\$ 119.00	184	\$ 21,896.00	\$ 6,568.80
Sep	7	\$ 17.00	\$ 119.00	160	\$ 19,040.00	\$ 5,712.00
Oct	3	\$ 17.00	\$ 51.00	184	\$ 9,384.00	\$ 2,815.20
Nov	3	\$ 17.00	\$ 51.00	176	\$ 8,976.00	\$ 2,692.80
Dec	7	\$ 17.00	\$ 119.00	168	\$ 19,992.00	\$ 5,997.60
Totals					\$ 162,384.00	\$ 48,715.20

Above includes GSE 30% allocation of vacancies

Above all represent backfill existing vacancies

Customer Care - Hiring Detail (2018)
Calendar Year 2018

Job	Department	Hire Date	Base Rate	Termination Date	Comment
Representative, Customer Service	Customer Service	2/5/2018		active	
Representative, Customer Service	Customer Service	2/12/2018		7/3/2018	
Representative, Customer Service	Customer Service	2/5/2018		active	
Representative, Customer Service	Customer Service	3/19/2018		9/21/2018	
Representative, Customer Service	Customer Service	3/19/2018		active	
Representative, Customer Service	Customer Service	4/9/2018		active	
Representative, Customer Service	Customer Service	4/9/2018		active	
Representative, Customer Service	Customer Service	5/14/2018		5/29/2018	
Representative, Customer Service	Customer Service	5/14/2018		active	
Representative, Customer Service	Customer Service	5/14/2018		active	
Representative, Customer Service	Customer Service	5/14/2018		active	
Representative, Customer Service	Customer Service	8/15/2018		active	Re-hire
Representative, Customer Service	Customer Service	8/20/2018		active	
Representative, Customer Service	Customer Service	8/20/2018		8/28/2018	
Representative, Customer Service	Customer Service	9/10/2018		active	
Representative, Customer Service	Customer Service	9/10/2018		9/10/2018	never started
Representative, Customer Service	Customer Service	11/5/2018		active	
Representative, Customer Service	Customer Service	11/5/2018		active	
Representative, Customer Service	Customer Service	11/5/2018		11/5/2018	
Representative, Customer Service	Customer Service	11/5/2018		11/30/2018	
Representative, Customer Service	Customer Service	11/5/2018		active	
Representative, Customer Service	Customer Service	1/28/2019		active	
Representative, Customer Service	Customer Service	1/28/2019		active	
Representative, Customer Service	Customer Service	3/11/2019		active	
Representative, Customer Service	Customer Service	3/11/2019		3/18/2019	
Representative, Customer Service	Customer Service	4/15/2019		4/15/2019	never started
Representative, Customer Service	Customer Service	4/15/2019		active	
Representative, Customer Service	Customer Service	4/15/2019		active	
Representative, Customer Service	Customer Service	4/15/2019		4/23/2019	
Representative, Customer Service	Customer Service	4/15/2019		active	
Representative, Customer Service	Customer Service	4/15/2019		active	
Representative, Customer Service	Customer Service	4/15/2019		active	

Exhibit BCO-4

Docket No. DE 19-064

Public Version OCA 2-50

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Data Requests - Set 2

Date Request Received: 6/25/19
Request No. OCA 2-50

Date of Response: 7/10/19
Respondent: Philip E. Greene
David B. Simek

REQUEST:

Address the following regarding Liberty's adjustment of \$758,355 for filling vacancies and new positions as addressed at Liberty's response to 1-15 and 1-17, and Confid. Attach. 1-17.a.1 (only the payroll amounts are Confidential, so issues addressed in this DR are not confidential).

Address the following:

- a. Using the same format as the Company used in Confid. Attach. 1-17.a.1 for calculating vacant positions subsequently filled, provide the number of positions and the related payroll amounts (by position and location) that were included in the test period, but which were vacated in 2018 and remain unfilled at December 31, 2018.
- b. Using the same format as the Company used in Confid. Attach. 1-17.a.1 for calculating vacant positions subsequently filled, provide the number of positions and the related payroll amounts (by position and location) that were included in the test period, but which were vacated in 2018 and remain unfilled through the most recent date in 2019.
- c. Using the same format as the Company used in Confid. Attach. 1-17.a.1 for calculating vacant positions subsequently filled, provide the number of positions and the related payroll amounts (by position and location) that were included in the test period, but which were vacated in 2019 and remain unfilled through the most recent date in 2019.
- d. Using the same format as the Company used in Confid. Attach. 1-17.a.1 for calculating vacant positions subsequently filled, identify all positions that have been permanently eliminated by Liberty (or by Corporate and other affiliates that allocate these costs to Liberty) in 2018 and 2019 to date (and whose costs were included in the 2018 test year), and provide the related payroll costs (by position and location).
- e. Regarding (a),(b) and (c) above, explain why the Company included an adjustment for vacant positions that were subsequently filled in the test period, but did not remove payroll costs for vacant positions that were not subsequently filled in the test period, or which were vacated in 2018 and still not filled in 2019, or which were vacated in 2019 and still not filled through the most recent date in 2019.

RESPONSE:

- a. Please refer to Confidential Attachment OCA 2-49.a, which includes all data from Confidential Attachment 1-17.a.1 plus additional details including Date Filled/Start Date. This attachment includes all vacancies at any point during the test year. Any listing identified as “Test Year” in the Period column and a blank Filled/Start Date field would indicate positions vacated during the year and not filled prior to year-end.
- b. Please refer to Confidential Attachment OCA 2-49.a and response to OCA 2-50.a above. Filled/Start Date fields in this attachment are up to date as of this response.
- c. Please refer to Confidential Attachment OCA 2-50.c.
- d. Please refer to Confidential Attachment OCA 2-50.d.
- e. The intent of calculating an adjustment for vacancies is to arrive at a total cost of labor for a full complement of personnel to be included in the revenue requirement. The adjustment for vacancies on Schedule RR-3-01 includes only that period within the test year for which vacancies were present, or a 12-month period for newly created positions not filled for any part of 2018. Removal of any part of that full complement would leave the Company short of funding to fill those necessary positions.

The shaded or redacted portions of Confidential Attachment OCA 2-50.c and Confidential Attachment OCA 2-50.d contain salary information for specific positions that can be traced to specific individuals, which information is confidential personnel information protected by RSA 91-A:5, IV. Therefore, pursuant to that statute and Puc 203.08(d), the Company has a good faith basis to seek confidential treatment of this information and will submit a motion seeking confidential treatment prior to the final hearing in this docket.

Positions Vacated in 2019 (Remain Unfilled)

Post Test Year

Department	Position	Location	Vacancy Type	Vacancy Start	Vacancy End	Vacancy Months	Date Req. Opened	Date Filled/Start Date	Annual Salary(1)	Allocation to Capital	Allocation to GSE	Expense Allocated Amount	Annual Salary Allocation to GSE	Comments
Electric Operations	Meter Worker 2nd class	Lebanon	Replacement	May	n/a	2	4/29/2019	n/a		5%	100%			
Electric Operations	Lineworker 1/C	Lebanon	Replacement	May	n/a	2	4/30/2019	n/a		37%	100%			
Executive	Director, Government Relations	East Region Office - Concord	Replacement	July	n/a		Pending	n/a		0%	19.2%			Vacancy as of 6/17/2019; requisition pending
Electric Operations	Lineworker 1/C	Salem	Replacement	Apr	n/a	3	4/3/2019	n/a		37%	100%			
Engineering	Distribution Design A Engineering	Lebanon	Replacement	Apr	n/a	3	3/22/2019	n/a		85%	100%			
Customer Care	Representative, Customer Service	Londonderry	Replacement	Apr	n/a	3	6/28/2019	n/a		0%	30%			
Customer Care	Representative, Customer Service	Londonderry	Replacement	Apr	n/a	3	6/28/2019	n/a		0%	30%			
Customer Care	Representative, Customer Service	Londonderry	Replacement	May	n/a	2	6/28/2019	n/a		0%	30%			
Sales and Marketing	Manager II-Electric, Business and Community Development	Lebanon	Replacement	July	n/a		Pending	n/a		15%	100%			Vacancy as of 6/25/2019; requisition pending

**Positions Eliminated
2018 Test Year**

Department	Position	Location	Vacancy Type	Vacancy Start	Vacancy End	Vacancy Months	Date Eliminated	Months Employed	Annual Salary	Allocation to Capital	Allocation to GSE	Expense Allocated Amount	Prorated Test Year Amount	Position Description/Justification
Energy Efficiency	Program Administrator	Londonderry	n/a	n/a	n/a	n/a	1/29/2018	1		0%	n/a			Energy Efficiency; does not hit P&L
Energy Efficiency	Program Manager	Londonderry	n/a	n/a	n/a	n/a	1/29/2018	1		0%	n/a			Energy Efficiency; does not hit P&L
Executive	Vice President, Customer Experience (East Region)	Londonderry	n/a	n/a	n/a	n/a	3/16/2018	2.5		0%	19%			
Electric Operations	Supervisor, Electric Distribution/Substations	Lebanon	n/a	n/a	n/a	n/a	5/18/2018	4.5		76%	100%			
Finance	Manager, Accounting ⁽¹⁾	Londonderry	n/a	n/a	n/a	n/a	8/30/2018	8		20%	19%			Substituted in Attach. OCA 1-17.a.1 for Manager, Financial Reporting

(1) Manager, Financial Reporting position subsequently created; included in Confidential Attachment OCA 1-17.a.1 as "Replacement."

Exhibit BCO-5

Docket No. DE 19-064

Public Version OCA 7-34

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Data Requests - Set 7

Date Request Received: 9/26/19
Request No. OCA 7-34

Date of Response: 10/10/19
Respondent: Philip E. Greene
David B. Simek

REQUEST:

The Company's response to OCA TS 1-37 refers to several reports prepared and reviewed by management. Please address the following:

- a. Provide the "monthly" Operations Review – East Region report for each of the months 2016, 2017, 2018, and 2019 year-to-date.
- b. Provide the "quarterly" East Region – Management Report for each of the quarters in years 2016, 2017, 2018, and 2019 year-to-date.

RESPONSE:

- a. Please see Confidential Attachment OCA 7-34.a.1 for 2016 (January to December 2016), Confidential Attachment OCA 7-34.a.2 for 2018 (August to December 2018), Confidential Attachment OCA 7-34.a.3 for 2019 (January to August 2019). Note that the monthly operations review reports were suspended from January 2017 to July 2018. During this time, the "quarterly" East Region – Management Report was provided monthly.
- b. Please see Confidential Attachment OCA 7-34.b.1 for Q4 2016, the first quarter that the report was issued. Starting in January 2017, the East Region – Management Report was issued monthly. Please refer to Confidential Attachment OCA 7-34.b.2 for 2017 (January to December 2017), Confidential Attachment OCA 7-34.b.3 for 2018 (January to December 2018), and Confidential Attachment OCA 7-34.b.4 for 2019 (Q1 and Q2 2019). Beginning in 2019, the East Region – Management Report was issued on a quarterly basis.

Confidential Attachments OCA 7-34.a.1 through a.3 and Confidential Attachments OCA 7-34.b.1 through b.4 are internal management reports that contain confidential financial and operational information and projections, which is commercial and competitively sensitive information in which the Company has significant privacy interests, the disclosure of which would provide competitors with detailed information about internal processes causing competitive harm to the detriment of the Company and of its customers. See EnergyNorth Natural Gas, Order No. 25,208 (Mar. 23, 2011); Northern Utilities, Order No. 25,289 (Nov. 18,

2011). Therefore, pursuant to that statute, the above orders, and Puc 203.08(d), the Company has a good faith basis to seek confidential treatment of this information and will submit a motion seeking confidential treatment prior to the final hearing in this docket.

Exhibit BCO-6

Docket No. DE 19-064

OCA 2-47

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Data Requests - Set 2

Date Request Received: 6/25/19
Request No. OCA 2-47

Date of Response: 7/10/19
Respondent: Philip E. Greene
David B. Simek

REQUEST:

Liberty's response to OCA 1-12 compared payroll expensed to payroll capitalized for 2015 to 2018 at Attachment 1-12.a., address the following:

- a. Explain and provide supporting documentation to show why the percent of payroll expensed increased from about 61% in 2017 to 65% in 2018 (and why the corresponding percent of capitalized payroll decreased from 39% in 2017 to 35% in 2018). Explain all reasons, including whether this is due to a decrease in plant construction activity, changes in accounting expense vs. capitalization policy, overtime, changes primarily driven by one or two months activity, or other reasons.
- b. Provide budgeted or projected payroll costs for 2019 to show the percent of payroll expensed versus capitalized.
- c. Provide the percent of payroll expensed versus capitalized for 2019 year-to-date payroll, and provide the related payroll amounts and supporting documents.

RESPONSE:

- a. As reflected in the table below, the average percent of payroll expense and payroll capitalized (reflecting both capital labor and charges to other balance sheet accounts like deferred storm costs) for 2018 of 65% and 35%, respectively, are in line with the corresponding averages for the four-year period from 2015 through 2018. The Company could not determine any specific causes for the higher level of 2017 capitalized payroll and lower level of payroll expense.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Total</u>
Payroll Expense - Regulated	6,955,212	6,887,003	6,422,177	7,081,853	27,346,246
Payroll Expense - Other	8,525	4,161	1,145	2,705	16,535
Capitalized Payroll - Plant	3,118,716	2,976,911	2,924,133	2,578,756	11,598,517
Other Balance Sheet Payroll	198,829	523,038	1,112,089	1,265,261	3,099,222
Total Payroll	10,281,282	10,391,113	10,459,544	10,928,574	42,060,519
Payroll Expense - Regulated and Other	6,963,737	6,891,164	6,423,322	7,084,557	27,362,780
Percentage	68%	66%	61%	65%	65%
Total Payroll Capitalized - Plant and Other					
Balance Sheet Payroll	3,317,546	3,499,949	4,036,222	3,844,017	14,697,734
Percentage	32%	34%	39%	35%	35%

b. Shown below are the budgeted capitalized and expensed payroll for 2019.

	2019 Budget (\$M)	Percent of Total Payroll
Capitalized Payroll	\$3.6	33%
Expensed Payroll	\$7.4	67%
Total	\$11.0	100%

c. Shown below are the actual capitalized and expensed payroll from January to May 2019. Please see Attachment OCA 2-47.c.1.xlsx and Attachment OCA 2-47.c.2.xlsx for details of the actual capitalized and expensed payroll, respectively.

	YTD May 2019 (\$M)	Percent of Total Payroll
Capitalized Payroll	\$1.4	33%
Expensed Payroll	\$2.9	67%
Total	\$4.3	100%

Exhibit BCO-7

Docket No. DE 19-064

OCA 1-12

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Data Requests - Set 1

Date Request Received: 5/17/19
Request No. OCA 1-12

Date of Response: 6/18/19
Respondent: David B. Simek
Philip E. Greene

REQUEST:

Regarding the Joint Testimony of Greene and Simek, Bates Page 088 (lines 1 - 7) which addresses the Company's payroll adjustment, and the related adjustment worksheet at Schedule RR-3-01.

- a. For each of the calendar years 2015, 2016, 2017 and 2018, provide a spreadsheet showing: i) regulated payroll expense (% expensed); ii) other payroll expense (misc. accounts/clearing (% expensed); iii) nonregulated/below-the-line payroll expense (% expensed); iv) capitalized payroll plant (% capitalized); v) other capitalized payroll (describe, and % capitalized); and vi) total payroll costs. The Excel spreadsheet format can be similar to the format below.

<u>Description</u>	<u>% of Total</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Payroll expense -regulated					
Other payroll expense - regulated (1)					
Payroll expense - non-reg./below line					
Total Payroll Expensed					
Capitalized payroll - plant accounts					
Other capitalized payroll - describe					
Total Payroll Costs					
(1) - Included in misc. accounts or clearing accounts.					

- b. Reconcile the payroll costs in (a) above to the total payroll amounts recorded on the books and to the FERC Form 1 for 2018.
- c. Explain the reasons for the change in the percent of payroll expensed and capitalized from one year to the next, if the percent expensed or capitalized changes by 3% or more from one year to the next.

RESPONSE:

- a. Attachment 1-12.a.xlsx provides the detail requested in the table above.

- b. In preparing this response it was discovered that the information reported on pages 354–355 of the FERC Form 1 was compiled using a limited system code that did not capture all of the payroll costs. The FERC Form 1 will be revised to correct these pages and the response will then be supplemented.
- c. The large increase in Other Balance Sheet Payroll from 2015 to 2018 of \$1,066,431 was primarily driven by additional storm work and an accounting change to how energy efficiency payroll gets recorded on the Company books.

	<u>% of Total</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u> 2015 to 2018
Payroll Expense - Regulated	65.0%	\$ 6,955,212.04	\$ 6,887,003.05	\$ 6,422,176.85	\$ 7,081,852.91	1.8%
Payroll Expense - Other	0.0%	\$ 8,524.89	\$ 4,160.83	\$ 1,144.97	\$ 2,704.50	-68.3%
Capitalized Payroll - Plant	27.6%	\$ 3,118,716.32	\$ 2,976,911.19	\$ 2,924,132.71	\$ 2,578,756.41	-17.3%
Other Balance Sheet Payroll	<u>7.4%</u>	<u>\$ 198,829.19</u>	<u>\$ 523,038.17</u>	<u>\$ 1,112,089.09</u>	<u>\$ 1,265,260.52</u>	<u>536.4%</u>
Total Payroll	100.0%	\$ 10,281,282.44	\$ 10,391,113.24	\$ 10,459,543.62	\$ 10,928,574.34	6.3%

Exhibit BCO-8

Docket No. DE 19-064

OCA 1-43

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Data Requests - Set 1

Date Request Received: 5/17/19
Request No. OCA 1-43

Date of Response: 6/18/19
Respondent: David B. Simek

REQUEST:

The Company's filing requirements Puc 1604.01(a)(14) includes various information regarding compensation.

- a. For each of the calendar years 2015, 2016, 2017 and 2018, provide the amount expensed by account number on Company books for: a) short-term incentives; b) shared bonus pool; c) performance and restricted share unit plan (long-term incentives); and d) all other one-time or recurring bonuses or awards expensed for these periods. Explain the reason for changes from year-to-year of 5% or greater for each category of incentive/compensation.
- b. Explain all changes in how the compensation in (a) above is determined, calculated, and recorded on the books for each of the years 2015 to 2018.

RESPONSE:

- a. Please see Attachment OCA 1-43.a for the shared and short-term incentive bonus amounts expensed for calendar years 2015, 2016, 2017, and 2018. The 6.6% shared and short-term incentive bonus expense increase from calendar year 2015 to calendar year 2018 is directly related to an increase in staff. The bonus shown in Attachment OCA 1-43.a does not include long term incentives (LTIP) of \$33,554 for 2015; \$34,963.20 for 2016; \$100,633.13 for 2017; and \$98,498.12 for 2018. The LTIP increase from calendar year 2016 to calendar year 2017 is based on an increase in the total number of shares granted. The number of LTIP shares granted is approved by the compensation committee and the board of directors and is based on Company performance and the number of qualified employees.
- b. The shared bonus accrual follows actual payroll each month. It is prorated to P&L accounts based on timesheets for each month, the offset being the accrual account. When bonuses are paid out the accrual is relieved. This method of recording shared and short-term incentive bonus on the Company's books has not changed since 2015. Granite State is allocated 30% of the New Hampshire LTIP accrual which also has not changed since 2015.

Shared and Short-Term Incentive Bonus by Account Number
2015 - 2018

Sum of Net Account Number	Account Description	Year				Grand Total
		2015	2016	2017	2018	
8830-2-0000-51-5010-5800	Operation supervision and engineering-Labour	21,880.85	15,935.96	1,387.05	316.81	39,520.67
8830-2-0000-51-5010-5810	Load dispatching - Labor	38,046.43	34,444.44	57,782.96	24,796.88	155,070.71
8830-2-0000-51-5010-5820	Station expenses - Labor	3,184.50	1,877.11		17.40	5,079.01
8830-2-0000-51-5010-5830	Overhead line expenses - Labor	20,069.19	8,890.89	2,411.96	145.22	31,517.26
8830-2-0000-51-5010-5840	Underground line expenses - Labor	330.61	410.98			741.59
8830-2-0000-51-5010-5850	Maint of street lighting & signal systems - labor	862.98	408.41			1,271.39
8830-2-0000-51-5010-5860	Meter expenses - Labor	1,323.83	785.87			2,109.70
8830-2-0000-51-5010-5870	Customer installations expenses - Labor	42.73	80.27	346.41		469.41
8830-2-0000-51-5010-5880	Misc distribution expenses Labor	42,142.68	30,464.74	15,097.20	7,117.23	94,821.85
8830-2-0000-56-5010-5701	Trans Maint-Substation-Trouble-Labor	812.04	457.65	432.71	937.17	2,639.57
8830-2-0000-56-5010-5900	Maint supervision and engineering	2,838.93	2,598.79	711.51		6,149.23
8830-2-0000-56-5010-5910	Maint of structures - Labor	151.16	825.72	13.06		989.94
8830-2-0000-56-5010-5920	Maint of station equipment - Labor	4,751.02	3,128.50	4.35		7,883.87
8830-2-0000-56-5010-5930	Maint of overhead lines Labor	11,790.73	20,454.40	3,387.23	(50.59)	35,581.77
8830-2-0000-56-5010-5932	Maint of overhead lines-Veg Mgmt-Labor	9,529.04	8,439.48	11,612.11	4,836.27	34,416.90
8830-2-0000-56-5010-5950	Maint of line transformers - Labor	2,184.88	841.37	151.78		3,178.03
8830-2-0000-56-5010-5960	Maint of street lighting & signal systems - labor	3,078.78	5,216.85	307.79		8,603.42
8830-2-0000-56-5010-5970	Maint of meters - Labor	19,967.30	16,082.20	2,970.82		39,020.32
8830-2-0000-56-5010-5980	Dist Maint-Misc Distr Plant - Labour	35,838.93	45,271.71	3,404.61	538.48	85,053.73
8830-2-0000-69-5010-9010	Supervision	9,945.46	2,911.99	373.18		13,230.63
8830-2-0000-69-5010-9020	Meter reading expenses - labor	15,455.68	15,300.82	1,374.68		32,131.18
8830-2-0000-69-5010-9030	Customer records & collection expenses - labor	80,760.09	87,676.34	5,495.94		173,932.37
8830-2-0000-69-5010-9080	Customer assistance expenses - labor	29,943.99	2,798.35	14.30		32,756.64
8830-2-0000-69-5010-9100	Misc customer service and info exp-Labor	3,069.83	1,372.97	724.73		5,167.53
8830-2-0000-69-5010-9120	Demonstrating and selling exp-Labor	1,699.12	-			1,699.12
8830-2-0000-69-5010-9160	Misc sales expenses (Major only)-Labor	238.95	-			238.95
8830-2-9800-69-5010-9200	A&G salaries - IT	10,226.16	8,800.96	801.31		19,828.43
8830-2-9810-69-5010-9200	A&G salaries - HR	23,028.87	22,066.67	26,260.39	72,339.24	143,695.17
8830-2-9812-69-5010-9200	L&D Salaries				488.79	488.79
8830-2-9815-69-5010-9200	A&G salaries - Environmental/Health& Safety	10,851.53	10,469.35	11,992.50	29,330.79	62,644.17
8830-2-9820-69-5010-9200	A&G salaries - Finance and Admin	35,237.20	35,289.13	49,534.27	84,843.29	204,903.89
8830-2-9823-69-5010-9200	A&G salaries - Legal	7,760.12	6,835.45	9,900.84	27,914.83	52,411.24
8830-2-9825-69-5010-9200	A&G Salaries - Purchasing	6,043.12	5,780.22	8,681.26	19,847.97	40,352.57
8830-2-9830-69-5010-9200	A&G salaries - Regulatory	18,283.65	18,397.80	26,524.75	72,464.80	135,671.00
8830-2-9835-69-5010-9200	A&G salaries - Energy Procurement	12,896.75	11,982.61	8,886.01	6,482.66	40,248.03
8830-2-9850-69-5010-9200	A&G salaries - Operations	2,125.00				2,125.00
8830-2-9851-51-5010-5630	Overhead Lines				17.77	17.77
8830-2-9851-51-5010-5810	Load Dispatching				14.97	14.97
8830-2-9851-51-5010-5820	Station Expenses				798.23	798.23
8830-2-9851-51-5010-5830	Overhead Line Expenses				2,314.79	2,314.79
8830-2-9851-51-5010-5840	Underground Line Expenses				40.09	40.09
8830-2-9851-51-5010-5850	Street Lighting & Signal Systems				120.34	120.34
8830-2-9851-51-5010-5860	Meter Expenses				2,734.35	2,734.35
8830-2-9851-51-5010-5870	Customer Installation Expenses				791.26	791.26
8830-2-9851-51-5010-5880	Misc Distribution expenses				3,410.37	3,410.37
8830-2-9851-56-5010-5701	Trans Maint Substation Trouble				50.72	50.72
8830-2-9851-56-5010-5910	Maint of Structures				826.70	826.70
8830-2-9851-56-5010-5920	Maint of Station Equipment				625.53	625.53
8830-2-9851-56-5010-5930	Maint of Overhead Lines				4,122.46	4,122.46
8830-2-9851-56-5010-5932	Maint of Overhead Lines - Veg Mgmt				1,801.13	1,801.13
8830-2-9851-56-5010-5940	Maint of Underground Lines				160.96	160.96
8830-2-9851-56-5010-5950	Maint of Line Transformers				379.37	379.37
8830-2-9851-56-5010-5960	Maint of Street Lighting & Signal Systems			6,484.04	25,515.55	31,999.59
8830-2-9851-56-5010-5970	Maint of Meters				95.36	95.36
8830-2-9851-56-5010-5980	Maint of Misc Distribution Plant				581.38	581.38
8830-2-9851-69-5010-9020	Meter Reading Expenses				2,631.05	2,631.05
8830-2-9851-69-5010-9030	Customer Records & Collections Expense				694.47	694.47
8830-2-9853-51-5010-5800	Operations Supervision & Engineering				1,684.95	1,684.95
8830-2-9853-51-5010-5810	Load Dispatching				4,822.54	4,822.54
8830-2-9853-51-5010-5880	Misc Distributions Expenses Labor				180.10	180.10
8830-2-9854-69-5010-9200	Admin and General Salaries				3,433.28	3,433.28
8830-2-9860-69-5010-9200	A&G salaries - Executive	9,805.42	13,416.01	16,613.22	62,575.11	102,409.76
8830-2-9865-69-5010-9010	Supervision			20,209.50	44,656.21	64,865.71
8830-2-9865-69-5010-9030	Customer Records & Collections Expenses - Labor				231.00	231.00
8830-2-9865-69-5010-9100	Misc Customer Service & Info Exp Labor				1.22	1.22
8830-2-9865-69-5010-9200	Admin Labor				4,424.90	4,424.90
8830-2-9866-69-5010-9020	Meter reading expenses - labor			10,015.23	5,737.35	15,752.58
8830-2-9867-69-5010-9160	Misc Sales Expenses - Labor				910.80	910.80
8830-2-9868-69-5010-9200	Admin & General Salaries				192.84	192.84
Grand Total		496,197.55	439,714.01	303,907.70	528,944.39	1,768,763.65

Exhibit BCO-9

Docket No. DE 19-064

OCA 1-44

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Data Requests - Set 1

Date Request Received: 5/17/19
Request No. OCA 1-44

Date of Response: 6/18/19
Respondent: David B. Simek

REQUEST:

The Company's filing requirements Puc 1604.01(a)(14) includes various information regarding: a) short-term incentives; b) shared bonus pool; and c) performance and restricted share unit plan (long-term incentives).

- a. For each of the categories of short-term incentives, shared bonus pool, and performance and restricted share unit plan (long-term incentives), provide the Company amount expensed in 2018 that is related to underlying criteria that are: (1) financial-focused (return on equity/ROR driven, etc.) ; and (2) customer-focused (service quality driven, etc.).
- b. Regarding (a) above, identify and explain how the Company categorized each of the criteria between financial-focused and customer-focused, and provide supporting documentation and calculations.

RESPONSE:

- a. Please refer to the response to OCA 1-43, Attachment OCA 1-43.a, and the response to part b. below.
- b. For short-term incentives, Company performance is measured based on the following criteria: Efficiency, Stakeholders, Business Processes, and People. Each criteria is assigned weights which are used to calculate an overall blended score and the scorecard bonus payout. The bonus payout amount is not broken down for each criteria, only a single amount is determined using an overall blended score.

The long term incentive plan works the same way. We have three factors: Efficiency, Safety, and Customer Service, with assigned weights which we use to arrive at an overall score. The overall score determines the payout. The payout is not broken down by each criteria.

Exhibit BCO-10

Docket No. DE 19-064

OCA TS 2-12

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Technical Session Data Requests - Set 2

Date Request Received: 10/22/19
Request No. OCA TS 2-12

Date of Response: 11/5/19
Respondent: Philip E. Greene
David B. Simek

REQUEST:

Perhaps another data request with this information has been provided to OCA and overlooked, but the response to OCA TS 1-18, at Attachment OCA TS 1-18.e.3, shows the most recent/latest written LTIP plan/policy as the “2015 LTIP” (for performance periods 2015 to 2017). Explain if the Company provided the 2016 to 2019 written Plans, and cite to these Plans at other data requests or provide these Plans. For example, OCA 7-17 Attachment 7-17.c show the “2018 Bonus Plan Changes”, but this does not seem to be the “2018 LTIP” in the same format as the “2015 LTIP” document, and it doesn’t show specific EBITDA target “amounts/dollars” for 2018.

RESPONSE:

Attachment OCA TS 1-18.e.3 is not a copy of the most recent/latest written LTIP plan policy. Rather, as stated in the response to OCA TS 1-18, part e., that document was a “sample award letter” for the 2015 LTIP. The most recent version of the LTIP Plan is the document that was provided in the Puc 1604 filing requirements and located at Bates I-153 through Bates I-173. That document has a most recent revision date of June 8, 2017. The LTIP Plan has not changed since that time.

Additional information for the LTIP for the years 2016 through 2018 can be found in the sample award letters provided in Attachment OCA TS 2-12.1 through Attachment OCA TS 2-12.3, respectively.

The reference to Attachment OCA 7-17.c. is not relevant to LTIP as that document was related to STIP.



PRIVATE & CONFIDENTIAL

November 2016

FIRSTNAME LASTNAME

Re: 2016 Long Term Incentive Program (“LTIP”)

Dear **FIRST NAME**

Congratulations. We are pleased to confirm your participation in the LTIP. The purpose of this award agreement (this “Award Agreement”) is to advise you of the specifics of your LTIP award.

Capitalized terms utilized but not defined herein shall take the meanings ascribed thereto in “Performance Share Unit Plan for Employees of Algonquin Power & Utilities Corp. and its Participating Affiliates” (the “Plan”) attached hereto as Appendix B.

The following terms shall be applicable to the PSU award set out under this Award Agreement.

Award Date:	January 1, 2016
Award Value:	CDN\$ 10,000
Award PSUs:	VALUE PSUs (based on Market Value of \$11.07 as at January 1, 2016)
Performance Period:	January 1, 2016 through December 31, 2018
Performance Adjustment Factor:	[Safety Achievement Factor + Customer Service Achievement Factor + Efficiency Achievement Factor] With each of the above noted factors calculated in accordance with Appendix A hereto.

This Award Agreement, together with Appendix A and Appendix B constitute the entire agreement with respect to this long term incentive program award. In the event of any conflict or inconsistency between the terms and conditions of this Award Agreement and the Plan, the terms and conditions of this Award Agreement shall prevail.

To acknowledge your acceptance of the terms of this Award Agreement and the grant of PSUs as set out in this Award Agreement and the Plan, please sign both copies of this Award Agreement and return one copy. You should keep the other copy for your records. The terms of this Award Agreement including the terms of the Plan are considered confidential information within the meaning of the confidentiality policies in force and effect in APUC and each of its subsidiaries and must be treated as confidential in the manner required by such policies.

This Award Agreement shall be governed and interpreted in accordance with the laws of the Province of Ontario.

We are grateful for your contributions to our success and are excited about the opportunity to build value over the coming years. If you have any questions about this letter describing our long term incentive program or the Plan, please contact Human Resources.

EMPLOYEE

ALGONQUIN POWER & UTILITIES CORP.

FIRSTNAME LASTNAME

By: Chief Executive Officer

Date Signed

APPENDIX A – LTIP Scorecard Achievement Factors

a) Safety Achievement Factor (10%):

The Safety Achievement Factor will be calculated as set out in the table below based on the ratio of the average of the actual United States Occupational Safety and Health Administration (OSHA) recordable incident rate on a consolidated basis across all businesses operated by Algonquin Power & Utilities Corp. over the Performance Period divided by the industry average OSHA Recordable Incident Rate (“Industry RIR”) over the same period. The Industry RIR will be calculated as the EBITDA weighted average Industry RIRs for each of the business groups of Algonquin Power & Utilities Corp.

Average Actual OSHA Recordable Incident Rate / Average Industry Average OSHA RIR	Safety Achievement Factor
Less than 0.70	0.200
Between 0.70 and 0.79	0.110
Between 0.80 and 0.94	0.105
Between 0.95 and 1.04	0.100
Between 1.05 and 1.19	0.095
Between 1.20 and 1.29	0.090
Greater than 1.30	0.000

b) Customer Service Achievement Factor (5%):

The Customer Service Achievement Factor will be calculated as set out in the table below based on the average of the measured overall customer satisfaction index of the Distribution business group of Algonquin Power & Utilities Corp. divided by the customer satisfaction target for each year comprising the Performance Period.

Average Overall Customer Satisfaction Scores	Customer Satisfaction Achievement Factor
<=50%	0.025
> 50% and <= 60%	0.030
> 60% and <= 70%	0.035
> 70% and <= 80%	0.040
> 80% and <= 90%	0.045
> 90% and <= 110%	0.050
> 110% and <= 120%	0.055
> 120% and <= 130%	0.060
> 130% and <= 140%	0.065
> 140% and <= 150%	0.070
> 150%	0.075

c) Efficiency Achievement Factor (85%):

Efficiency Achievement Factor will be calculated as the arithmetic average of the number of ‘points’ achieved for the ‘Efficiency’ category set out in the Algonquin Power & Utilities Corp. corporate scorecard for each year of the Performance Period.

Average Efficiency Achievement	Efficiency Factor
<=0.000	0.000
> 0 and <= 20	0.170
> 20 and <= 40	0.340
> 40 and <= 60	0.510
> 60 and <= 80	0.680
> 80 and <= 120	0.850
> 120 and <= 140	1.020
> 140 and <= 160	1.190
> 160 and <= 180	1.360
> 180 and <= 200	1.530
> 200	1.700

APPENDIX B – Performance Share Unit Plan for Employees for Algonquin Power & Utilities Corp. and its Participating Affiliates

PRIVATE & CONFIDENTIAL

June 2017

«First_Name» «Last_Name»

Re: 2017 Long Term Incentive Retention Program (“LTIP”)

Dear «First_Name»,

Congratulations. We are pleased to confirm your participation in the 2017 LTIP.

As communicated earlier, the Company has made some significant changes to the 2017 LTIP new discretionary program to recognize and compensate the extraordinary work being completed. The new program provides increased award targets, which ultimately provides a potential increase in your total compensation.

The purpose of this award agreement (this “Award Agreement”) is to advise you of the specifics of the Retention Element of your LTIP award.

Capitalized terms utilized but not defined herein shall take the meanings ascribed thereto in Performance Share Unit (“PSU”) Plan for Employees of Algonquin Power & Utilities Corp. and its Participating Affiliates” (the “Plan”) attached hereto as Appendix B.

The following terms shall be applicable to the PSU award set out under this Award Agreement.

Award Date:	January 1, 2017
AwardValue:	<u>_2017_Award_Value_US_Employees_in_CAD_»</u> (this represents «M_2017_LTIP_Percentage» of your U.S. base salary as of January 1, 2017, converted with an exchange rate of \$1.34)
Award PSUs:	«M_2017_Award_PSUs» PSUs (based on Market Value of CDN\$xx as at January 1, 2017)
Performance Period:	January 1, 2017 through December 31, 2019
Performance Adjustment Factor:	[Safety Achievement Factor + Customer Service Achievement Factor + Efficiency Achievement Factor]
	With each of the above noted factors calculated in accordance with Appendix A hereto.
Performance Modifier:	The Performance Adjustment Factor will be modified

by the relative total shareholder return (“TSR”) of APUC achieved during the performance period relative to the TSR performance of the TSX Capped Utilities Index over the same period. The modifier will adjust the performance adjustment factor between 80% and 120% depending on the relative TSR performance of APUC as more particularly described in Appendix C.

This Award Agreement, together with Appendix A, Appendix B, and Appendix C constitute the entire agreement with respect to this long term incentive program award. In the event of any conflict or inconsistency between the terms and conditions of this Award Agreement and the Plan, the terms and conditions of this Award Agreement shall prevail.

To acknowledge your acceptance of the terms of this Award Agreement and the grant of PSUs as set out in this Award Agreement and the Plan, please sign both copies of this Award Agreement and return one copy. You should keep the other copy for your records. The terms of this Award Agreement, including the terms of the Plan, are considered confidential information within the meaning of the confidentiality policies in force and effect in APUC and each of its subsidiaries and must be treated as confidential in the manner required by such policies.

This Award Agreement shall be governed and interpreted in accordance with the laws of the Province of Ontario.

We are grateful for your contributions to our success and are excited about the opportunity to build value over the coming years. If you have any questions about this letter describing our long term incentive program or the Plan, please contact Human Resources.

Please review and sign both copies of the document and return one signed copy to Angela Law, Total Rewards Coordinator.

EMPLOYEE

ALGONQUIN POWER & UTILITIES CORP.

«First_Name» «Last_Name»

By: Chief Executive Officer

Date Signed

APPENDIX A – LTIP Scorecard Achievement Factors

a) Safety Achievement Factor (10%):

The Safety Achievement Factor will be calculated as set out in the table below based on the ratio of the average of the actual United States Occupational Safety and Health Administration (OSHA) recordable incident rate on a consolidated basis across all businesses operated by Algonquin Power & Utilities Corp. over the Performance Period divided by the published industry average OSHA Recordable Incident Rate (“Industry RIR”) over the same period. The most recent published average will be used for the third year. The Industry RIR will be calculated as the EBITDA weighted average Industry RIRs for each of the business groups of Algonquin Power & Utilities Corp.

Average Actual OSHA Recordable Incident Rate / Average Industry Average OSHA RIR	Safety Achievement Factor
Less than 0.70	0.200
Between 0.70 and 0.79	0.110
Between 0.80 and 0.94	0.105
Between 0.95 and 1.04	0.100
Between 1.05 and 1.19	0.095
Between 1.20 and 1.29	0.090
Greater than 1.30	0.000

b) Customer Service Achievement Factor (5%):

The Customer Service Achievement Factor will be calculated as set out in the table below based on the average of the measured overall customer satisfaction index of the Distribution business group of Algonquin Power & Utilities Corp. divided by the customer satisfaction target for each year comprising the Performance Period.

Average Overall Customer Satisfaction Scores	Customer Satisfaction Achievement Factor
< 50%	0
= 50%	0.025
> 50% and <= 60%	0.030
> 60% and <= 70%	0.035
> 70% and <= 80%	0.040
> 80% and <= 90%	0.045
> 90% and <= 110%	0.050
> 110% and <= 120%	0.055
> 120% and <= 130%	0.060
> 130% and <= 140%	0.065
> 140% and <= 150%	0.070
> 150%	0.075

c) Efficiency Achievement Factor (85%):

Efficiency Achievement Factor will be calculated as the arithmetic average of the number of 'points' achieved for the 'Efficiency' category set out in the Algonquin Power & Utilities Corp. corporate scorecard for each year of the Performance Period.

Average Efficiency Achievement	Efficiency Factor
< = 0	0
> 0 and < = 20	0.170
> 20 and < = 40	0.340
> 40 and < = 60	0.510
> 60 and < = 80	0.680
> 80 and < = 120	0.850
> 120 and < = 140	1.020
> 140 and < = 160	1.190
> 160 and < = 180	1.360
> 180 and < = 200	1.530
> 200	1.700

APPENDIX B – Performance Share Unit Plan for Employees for Algonquin Power & Utilities Corp. and its Participating Affiliates

APPENDIX C – Performance Adjustment Factor

PRIVATE & CONFIDENTIAL

June 2017

«First_Name» «Last_Name»

Re: 2017 Long Term Incentive Recognition Program (“LTIP”)

Dear «First_Name»,

Congratulations. We are pleased to inform you that you have been awarded a 2017 LTIP Recognition Award for your exceptional contribution during 2016.

As communicated earlier, the Company has made some significant changes to the 2017 LTIP new discretionary program to recognize and compensate the extraordinary work being completed. The purpose of this award agreement (this “Award Agreement”) is to advise you of the Recognition Element of your LTIP award.

The intention of the new Recognition Element is to raise a spotlight on those who have exceeded expectations. The Recognition Element is also awarded based on your Award Group, which is determined by the region you are located in. Using the recommendation and rationale provided by your manager, your award recognition level is calibrated and finalized by the APUC committee.

Capitalized terms utilized but not defined herein shall take the meanings ascribed thereto in Performance Share Unit (“PSU”) Plan for Employees of Algonquin Power & Utilities Corp. and its Participating Affiliates” (the “Plan”) attached hereto as Appendix B.

The following terms shall be applicable to the PSU award set out under this Award Agreement.

Award Date:	January 1, 2017
Award Group:	«M_2017_Recognition_Region»
Award Recognition Level:	«M_2017_Recognition_Element»
Award Value:	CDN«M_2017_Recognition_Award_Value_»
Award PSUs:	«M_2017_Recognition_Award_PSUs» PSUs (based on Market Value of CDN\$xx as at January 1, 2017)
Performance Period:	January 1, 2017 through December 31, 2019

This Award Agreement, together with the information provided in the Retention Element of your LTIP award, constitute the entire agreement with respect to this long term incentive program award. In the event of any conflict or inconsistency between the terms and conditions of this Award Agreement and the Plan, the terms and conditions of this Award Agreement shall prevail.

To acknowledge your acceptance of the terms of this Award Agreement and the grant of PSUs as set out in this Award Agreement and the Plan, please sign both copies of this Award Agreement and return one copy. You should keep the other copy for your records. The terms of this Award Agreement, including the terms of the Plan, are considered confidential information within the meaning of the confidentiality policies in force and effect in APUC and each of its subsidiaries and must be treated as confidential in the manner required by such policies.

This Award Agreement shall be governed and interpreted in accordance with the laws of the Province of Ontario.

We are grateful for your contributions to our success and are excited about the opportunity to build value over the coming years. If you have any questions about this letter describing our long term incentive program or the Plan, please contact Human Resources.

Please review and sign both copies of the document and return one signed copy to Angela Law, Total Rewards Coordinator.

EMPLOYEE

ALGONQUIN POWER & UTILITIES CORP.

«First_Name» «Last_Name»

By: Chief Executive Officer

Date Signed

PRIVATE & CONFIDENTIAL

May 2018

«Common_Name» «Employee_Last_Name»

Re: 2018 Long Term Incentive Retention Program (“LTIP”)

Dear «Common_Name»,

Congratulations. We are pleased to confirm your participation in the 2018 LTIP.

The 2018 LTIP discretionary program was developed to recognize and compensate the extraordinary work being completed.

The purpose of this award agreement (this “Award Agreement”) is to advise you of the specifics of the Retention Element of your LTIP award.

Capitalized terms utilized but not defined herein shall take the meanings ascribed thereto in Performance Share Unit (“PSU”) Plan for Employees of Algonquin Power & Utilities Corp. and its Participating Affiliates” (the “Plan”) attached hereto as Appendix B.

The following terms shall be applicable to the PSU award set out under this Award Agreement.

Award Date:	January 1, 2018
Award Value:	CDN «M_2018_Reten_Award_Value_US_EEs_in_CAD_» (this represents «M_2018_LTIP_» of your U.S. base salary as of January 1, 2018, converted with an exchange rate of \$1xxxx)
Award PSUs:	«M_2018_Award_PSUs_in_CAD» PSUs (based on Market Value of CDN \$xxx as at January 1, 2018)
Performance Period:	January 1, 2018 through December 31, 2020
Performance Adjustment Factor:	[Safety Achievement Factor + Customer Service Achievement Factor + Efficiency Achievement Factor]

With each of the above noted factors calculated in accordance with Appendix A hereto.

Performance Modifier:	The Performance Adjustment Factor will be modified by the relative total shareholder return (“TSR”) of APUC achieved during the performance period relative to the TSR performance of the TSX Capped Utilities Index over the same period. The modifier will adjust the performance adjustment factor between 80% and 120% depending on the relative TSR performance of APUC as more particularly
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described in Appendix C.

This Award Agreement, together with Appendix A, Appendix B, and Appendix C constitute the entire agreement with respect to this long term incentive program award. In the event of any conflict or inconsistency between the terms and conditions of this Award Agreement and the Plan, the terms and conditions of this Award Agreement shall prevail.

To acknowledge your acceptance of the terms of this Award Agreement and the grant of PSUs as set out in this Award Agreement and the Plan, please sign both copies of this Award Agreement and return one copy. You should keep the other copy for your records. The terms of this Award Agreement, including the terms of the Plan, are considered confidential information within the meaning of the confidentiality policies in force and effect in APUC and each of its subsidiaries and must be treated as confidential in the manner required by such policies.

This Award Agreement shall be governed and interpreted in accordance with the laws of the Province of Ontario.

We are grateful for your contributions to our success and are excited about the opportunity to build value over the coming years. If you have any questions about this letter describing our long term incentive program or the Plan, please contact Human Resources.

Please review and sign both copies of the document and return one signed copy to Angela Law, Total Rewards Coordinator.

EMPLOYEE

ALGONQUIN POWER & UTILITIES CORP.

«Common_Name» «Employee_Last_Name»

By: Chief Executive Officer

Date Signed

APPENDIX A – LTIP Scorecard Achievement Factors

a) Safety Achievement Factor (10%):

The Safety Achievement Factor will be calculated as set out in the table below based on the ratio of the average of the actual United States Occupational Safety and Health Administration (OSHA) recordable incident rate on a consolidated basis across all businesses operated by Algonquin Power & Utilities Corp. over the Performance Period divided by the published industry average OSHA Recordable Incident Rate (“Industry RIR”) over the same period. The most recent published average will be used for the third year. The Industry RIR will be calculated as the EBITDA weighted average Industry RIRs for each of the business groups of Algonquin Power & Utilities Corp.

Average Actual OSHA Recordable Incident Rate / Average Industry Average OSHA RIR	Safety Achievement Factor
Less than 0.70	0.200
Between 0.70 and 0.79	0.110
Between 0.80 and 0.94	0.105
Between 0.95 and 1.04	0.100
Between 1.05 and 1.19	0.095
Between 1.20 and 1.29	0.090
Greater than 1.30	0.000

b) Customer Service Achievement Factor (5%):

The Customer Service Achievement Factor will be calculated as set out in the table below based on the average of the measured overall customer satisfaction index of the Distribution business group of Algonquin Power & Utilities Corp. divided by the customer satisfaction target for each year comprising the Performance Period.

Average Overall Customer Satisfaction Scores	Customer Satisfaction Achievement Factor
< 50%	0
= 50%	0.025
> 50% and <= 60%	0.030
> 60% and <= 70%	0.035
> 70% and <= 80%	0.040
> 80% and <= 90%	0.045
> 90% and <= 110%	0.050
> 110% and <= 120%	0.055
> 120% and <= 130%	0.060
> 130% and <= 140%	0.065
> 140% and <= 150%	0.070
> 150%	0.075

c) Efficiency Achievement Factor (85%):

Efficiency Achievement Factor will be calculated as the arithmetic average of the number of 'points' achieved for the 'Efficiency' category set out in the Algonquin Power & Utilities Corp. corporate scorecard for each year of the Performance Period.

Average Efficiency Achievement	Efficiency Factor
< = 0	0
> 0 and < = 20	0.170
> 20 and < = 40	0.340
> 40 and < = 60	0.510
> 60 and < = 80	0.680
> 80 and < = 120	0.850
> 120 and < = 140	1.020
> 140 and < = 160	1.190
> 160 and < = 180	1.360
> 180 and < = 200	1.530
> 200	1.700

APPENDIX B – Performance Share Unit Plan for Employees for Algonquin Power & Utilities Corp. and its Participating Affiliates

APPENDIX C – Performance Adjustment Factor

The Total Shareholder Return (TSR) Modifier will be calculated as set out below, based on the Company’s TSR relative to the TSR of a peer group of companies selected by the Company. For the 2018 PSU Awards the selected peer group comprises the companies in the S&P/TSX Capped Utilities Index. The TSR Modifier will be applied to adjust the number of PSUs that Vest based upon the return achieved by shareholders of the Company over the Performance Period in order to promote further alignment between employees and shareholders of the Company. Depending on the Company’s TSR relative to the selected peer group, the number of Vested PSUs may be higher or lower than it would be if based solely on the factors set out in paragraphs (a), (b) and (c) of this Appendix A.

Total Shareholder Return (TSR) is defined as the change in the total value of equity investment, taking into account the change in price and the reinvestment of distributions. The TSR Modifier will be calculated as follows:

Performance Level	TSR Ranking vs. Performance Peer Group	Performance Modifier*
<i>Below Threshold / Threshold</i>	$\leq P25$	80%
<i>Target</i>	<i>P26 to P74</i>	100%
<i>Maximum</i>	$\geq P75$	120%

**The Performance Modifier when performance is between the Threshold and Target and Target and Maximum will be interpolated on a linear basis*

TSR ranking will be calculated based on cumulative 3-yr TSR over the performance period, and will be based upon the 20-day volume weighted average trading price (VWAP) of the publicly listed common shares of the relevant company at the beginning and ending of the performance period – e.g. for the 2018 PSUs, the starting price will be calculated as the 20-day VWAP on the first trading day of 2018, and the ending price will be calculated as the 20-day VWAP on the final trading day of 2020.

PRIVATE & CONFIDENTIAL

May 2018

«Common_Name» «Employee_Last_Name»

Re: 2018 Long-Term Incentive Recognition Program (“LTIP”)

Dear «Common_Name»,

Congratulations! We are pleased to inform you that you have been awarded a 2018 LTIP Recognition Award for your exceptional contribution during 2017.

The purpose of this award agreement is to advise you of the Recognition Element of your LTIP award and to thank you for all your hard work. We attribute our company’s continued success to the contributions of employees like you. This LTIP Recognition Award is one of the ways we show our appreciation of your hard work.

The Recognition Element is also awarded based on your Award Group, which is determined by the region you are located in. Using the recommendation and rationale provided by your manager, your award recognition level is calibrated and finalized by the APUC committee.

Capitalized terms utilized but not defined herein shall take the meanings ascribed to it in Performance Share Unit (“PSU”) Plan for Employees of Algonquin Power & Utilities Corp. and its Participating Affiliates” (the “Plan”) attached as Appendix B.

The following terms shall apply to the PSU award set out under this Award Agreement.

Award Date:	January 1, 2018
Award Recognition Level:	«M_2018_Recognition_Award»
Award Value:	CDN «M_2018_Rec_Award_US_Employees_in_CAD__» (converted with an exchange rate of \$xxxx)
Award PSUs:	«M_2018_Recognition_Award_PSUs_in_CAD» PSUs (based on Market Value of CDN \$xxx as at January 1, 2018)
Performance Period:	January 1, 2018, through December 31, 2020

This Award Agreement, together with the information provided in the Retention Element of your LTIP award, constitute the entire agreement concerning this long-term incentive program award. In the event of any conflict or inconsistency between the terms and conditions of this Award Agreement and the Plan, the terms and conditions of this Award Agreement shall prevail.

To acknowledge your acceptance of the terms of this Award Agreement and the grant of PSUs as set out in this Award Agreement and the Plan, please sign both copies of this Award Agreement and return one copy. You should keep the other copy for your records. The terms of this Award Agreement, including the terms of the Plan, are considered confidential information within the meaning of the confidentiality policies in force and effect in APUC and each of its subsidiaries and must be treated as confidential in the manner required by such policies.

This Award Agreement shall be governed and interpreted in accordance with the laws of the Province of Ontario.

We are grateful for your contributions to our success and are excited about the opportunity to continue to build value over the coming years. If you have any questions about this letter describing our long-term incentive program or the Plan, please contact Human Resources.

Please review and sign both copies of the document and return one signed copy to Angela Law, Total Rewards Coordinator.

EMPLOYEE

ALGONQUIN POWER & UTILITIES CORP.

«Common_Name» «Employee_Last_Name»

By: Chief Executive Officer

Date Signed

Exhibit BCO-11

Docket No. DE 19-064

OCA TS 1-15

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Technical Session Data Requests - Set 1

Date Request Received: 8/21/19
Request No. OCA TS 1-15

Date of Response: 9/11/19
Respondent: Philip E. Greene
David B. Simek

REQUEST:

Regarding LTIP (Performance Share Units “PSUs” and Restricted Share Units (RSUs), the Company’s response to OCA 1-43.a states, “The LTIP increase from calendar year 2016 to calendar year 2017 is based on an increase in the total number of shares granted. The number of LTIP shares granted is approved by the compensation committee and the board of directors and is based on Company performance and the number of qualified employees.” In addition, Puc 1604.01(a)(15)(c), pages 13 and 14 of 21 (included with the Company’s filing) provides for payment of related Vested PSUs or Vested RSUs via the earliest of two possible dates, 1) payment in shares (Section 7.4); or 2) payment in cash (Section 7.5).

Regarding payment in shares, the LTIP plan states, “Subject to Section 10.10, in the event that such Vested PSUs or Vested RSUs have been designated by the Committee for settlement by way of the delivery of Shares bought on the open market, such Shares shall be delivered no later than the earlier of (i) the date that is six (6) months following the last day of the Performance Period...or (ii) December 31 of the third year following the year in which the Participant performed the services to which the Vested PSUs or Vested RSUs relate.”

Regarding payment in cash, the LTIP plan states, “In the event that a Participant’s Vested PSUs or RSUs have not been designated by the Committee for settlement in Shares, the Participant or his legal representative, as applicable, shall receive a cash payment equal to: (i) in the case of PSUs, the Market Value determined as of the last day of the Performance Period multiplied by the number of Vested PSUs credited to his PSU Account as of the last day of such Performance Period...and (ii) in the case of RSUs, the Market Value determined as of the Vesting Date of such RSUs multiplied by the number of Vested RSUs credited to his Account as of the Vesting Date... Subject to Section 10.10, the cash payment shall be made to the Participant or his legal representative, as applicable, in a single lump sum no later than the earlier of (i) the date that is six (6) months following the last day of the Performance Period...or (ii) December 31 of the third year following the year in which the Participant performed the services to which the Vested PSUs or Vested RSUs relate.” Address the following:

- a. For each of the categories of PSUs and RSUs, and for each of the years 2015 to 2019, explain and show how the related dollar amounts are recorded on the Company’s books by account number and account description (and provided the related total number of

PSU and RSU share reflected in these booked amounts), and show the allocation factors used and amounts allocated/assigned to Liberty New Hampshire for each of these years, and explain and show the related amounts included in this rate case.

- b. Regarding (a) above, explain and show how the amounts of PSUs and RSUs are recorded on the books (and provide the related number of PSU and RSU shares) while these amounts are being “accrued” (prior to payment in cash or shares), and explain and show how the amounts for PSUs and RSUs are recorded on the books (and provide the related number of PSUs and RSUs) when “payment” is actually made (and explain and show how the accounting on the books varies depending upon payment in shares or in cash).
- c. Regarding (a) and (b) above, for each of the years 2015 to 2019, provide a schedule that shows the number of PSU and RSU shares (and value/amount) for each year of the three-year cycle (payment in cash or shares is made three years following year in which Participant performed the services to which Vested PSUs or RSUs relate). For example, if there are a total of 5,000 PSU shares and 7,000 RSU shares at December 31, 2015, provide: i) the number of PSU and RSU shares (and their value) that are in year 1 of the 3-year cycle at December 31, 2015 (and were in the first year of which the Participant performed the services for the related PSU/RSU); ii) the number of PSU and RSU shares (and their value) that are in year 2 of the 3-year cycle; and iii) the number of PSU and RSU shares (and their value) that were in their third year at December 31, 2015 (and which were subsequently paid in cash or shares).
- d. Regarding (a), (b), and (c) above, reconcile the expenses for LTIP for years 2015 to 2018 to amounts provided at the Company response to OCA 1-43.a.
- e. For PSUs and RSUs for 2015 to 2018, explain how the number of shares and the related dollar value of these shares changed from year-to-year based on both: i) “Company performance”; and ii) “number of qualified employees” as cited in the response to 1-43.a.
- f. For each of the years 2015 to 2018, when PSU and RSU shares were paid (paid either in shares or in cash), provide the “performance adjustment factor” (Puc 1604.01(a)(15)(c), p. 5 of 21 of the Company filing)) that is applied to the PSU and RSU payment and provide related supporting calculations, and explain why the performance adjustment factor was adjusted “up” or “down.”

RESPONSE:

- a. The quarterly entry is shown below:

Quarterly entry

	Account number	Account description
Debit	8830-2-0000-69-7030-9200	LTIP expense
Credit	8810-2-0000-20-2810-2596	Due from APUC

- The cost of the PSU/RSU is measured as the number of PSU/RSU vested, multiplied by the performance factor, multiplied by the fair value of Algonquin Power & Utilities Corp.’s common share on the grant date. The cost is recognized over the vesting period of three years.

- Cost of PSU/RSU granted to employees in New Hampshire is allocated 30% to Granite State and 70% to EnergyNorth. Cost of PSU/RSU granted to employees located in shared services are allocated to Liberty New Hampshire based on the CAM of that entity.
- b. For the accrual, the budgeted cost of LTIP is recorded on a monthly basis. On a quarterly basis, the number of awards estimated to vest is calculated by adjusting the number of awards granted by a forfeiture factor of 10% and the performance factor is updated for the latest estimate. The expense is adjusted for the total estimated costs-to-date every quarter.

For the payment, employees forfeit their awards when they leave the company before the three year vesting period. When a grant has vested, the final performance factor is calculated and applied to the actual number of awards vested. The expense is adjusted to the final cost. All PSU/RSU settled in these years were settled in shares.

The recorded accrual and payment amounts are found under the Summary – Award and Expense tab within Attachment OCA TS 1-15.b.xlsx.

- c. Please see the Summary – Award and Expense tab within Attachment OCA TS 1-15.b.xlsx for three years of 2015 and 2016 grants. Please note that there will only be two years and one year of data for 2017 and 2018 grants, respectively. Cycle year is indicated in Column B.
- d. Please see the Summary – Award and Expense tab column I within Attachment OCA TS 1-15.b.xlsx.
- e. Please see the Summary – Award and Expense tab columns J through P within Attachment OCA TS 1-15.b.xlsx for the number of shares and eligible employees for each grant year as well as the performance factors and the grant price of the APUC shares on the grant date.
- f. The performance factor is determined based on the Company’s performance across three areas: efficiency, customer service, and safety. Please see Attachment OCA TS 1-15.f.xlsx for the supporting calculations of each year’s performance factor used upon payout.

LTIP
2016-YTD 2019

Sum of Net		Year				Grand Total
Account Number	Account Description	2016	2017	2018	YTD 2019	
8830-2-0000-69-7030-9200	LTIP Expense	34,963.20	100,633.13	-		135,596.33
8830-2-9810-69-7030-9200	LTIP Expense			98,498.12	30,441.59	128,939.71
Grand Total		34,963.20	100,633.13	98,498.12	30,441.59	264,536.04

LTIP
in USD

Quarterly Expense

2015						
Grant	Year in Cycle	Q1	Q2	Q3	Q4	Total
2012 Grant	Settlement adj			\$ 22,961		
2013 Grant	Year 3	\$ 34,562	\$ 34,562	\$ 26,331	\$ 32,743	
2014 Grant	Year 2	\$ 14,329	\$ 16,551	\$ 12,609	\$ 15,680	
2015 Grant	Year 1		\$ 10,700	\$ 21,521	\$ 22,084	
LUC LTIP expense	CAD	\$ 48,891	\$ 61,813	\$ 83,421	\$ 70,507	\$ 264,633
LUC allocation to Granite	CAD	\$ 5,876	\$ 7,211	\$ 9,731	\$ 8,225	\$ 31,043
2012 Grant	Settlement adj			\$ 35,223		
2013 Grant	Year 3	\$ 14,695	\$ 14,695	\$ 11,195	\$ 13,921	
2014 Grant	Year 2	\$ 30,103	\$ 27,881	\$ 21,241	\$ 26,414	
2015 Grant	Year 1		\$ 11,800	\$ 23,734	\$ 24,355	
LABS LTIP expense	CAD	\$ 44,798	\$ 54,377	\$ 91,393	\$ 64,690	\$ 255,258
LABS allocation to Granit	CAD	\$ 4,241	\$ 4,990	\$ 8,047	\$ 5,811	\$ 23,088
2012 Grant	Settlement adj			\$ -		
2013 Grant	Year 3	\$ 115,536	\$ 115,536	\$ 88,019	\$ 109,455	
2014 Grant	Year 2	\$ 75,429	\$ 75,429	\$ 57,465	\$ 71,459	
2015 Grant	Year 1		\$ 14,720	\$ 29,606	\$ 41,491	
APUC LTIP expense	CAD	\$ 190,965	\$ 205,684	\$ 175,090	\$ 222,405	\$ 794,144
APUC allocation to Grai	CAD	\$ 19,323	\$ 18,669	\$ 15,892	\$ 16,354	\$ 70,238
2013 Grant	Year 3	\$ 8,639	\$ 8,639	\$ 6,581	\$ 8,184	\$ 32,043
2014 Grant	Year 2	\$ 14,228	\$ 14,228	\$ 10,840	\$ 13,479	\$ 52,776
2015 Grant	Year 1	\$ -	\$ 5,326	\$ 10,711	\$ 10,991	\$ 27,028
NH LTIP expense		\$ 12,005	\$ 28,193	\$ 28,132	\$ 32,655	\$ 100,985
Granite State LTIP expen	30%	\$ 3,602	\$ 8,458	\$ 8,440	\$ 9,796	\$ 30,295
2013 Grant	Year 3	6,680	6,680	6,680	6,680	
2014 Grant	Year 2	18,967	18,967	18,967	18,967	
2015 Grant	Year 1	-	15,998	15,998	15,998	
NH # PSUs included		25,647	41,645	41,645	41,645	

2016						
Grant	Year in Cycle	Q1	Q2	Q3	Q4	Total
2013 Grant	Settlement adj		\$ -			
2014 Grant	Year 3	\$ 15,154	\$ 15,154	\$ 15,154	\$ 15,154	
2015 Grant	Year 2	\$ 22,084	\$ 21,651	\$ 21,651	\$ 21,651	
2016 Grant	Year 1		\$ 4,385	\$ 18,883	\$ 18,883	
LUC LTIP expense	CAD	\$ 37,238	\$ 41,190	\$ 55,688	\$ 55,688	\$ 189,804
LUC allocation to Granite	CAD	\$ 3,594	\$ 3,731	\$ 5,044	\$ 5,044	\$ 17,413
2013 Grant	Settlement adj		\$ -			
2014 Grant	Year 3	\$ 29,045	\$ 29,045	\$ 29,045	\$ 29,045	
2015 Grant	Year 2	\$ 28,685	\$ 28,685	\$ 28,685	\$ 28,685	
2016 Grant	Year 1		\$ 7,646	\$ 32,924	\$ 32,924	
LABS LTIP expense	CAD	\$ 57,730	\$ 65,375	\$ 90,654	\$ 90,654	\$ 304,413
LABS allocation to Granit	CAD	\$ 4,152	\$ 4,522	\$ 6,213	\$ 6,213	\$ 21,099
2013 Grant	Settlement adj		\$ -			
2014 Grant	Year 3	\$ 71,459	\$ 71,459	\$ 71,459	\$ 71,459	
2015 Grant	Year 2	\$ 38,714	\$ 38,714	\$ 38,714	\$ 38,714	
2016 Grant	Year 1		\$ 17,803	\$ 76,665	\$ 76,665	
APUC LTIP expense	CAD	\$ 110,172	\$ 127,976	\$ 186,838	\$ 186,838	\$ 611,824
APUC allocation to Grai	CAD	\$ 6,703	\$ 7,478	\$ 10,918	\$ 10,918	\$ 36,016
2013 Grant	Settlement adj		\$ -			
2014 Grant	Year 3	\$ 13,479	\$ 13,479	\$ 13,479	\$ 13,479	\$ 53,918
2015 Grant	Year 2	\$ 10,991	\$ 10,991	\$ 10,991	\$ 10,991	\$ 43,966
2016 Grant	Year 1	\$ -	\$ 1,941	\$ 8,360	\$ 8,360	\$ 18,660
NH LTIP expense	Year 1	\$ 24,471	\$ 26,412	\$ 32,830	\$ 32,830	\$ 116,544
Granite State LTIP expen	30%	\$ 7,341	\$ 7,924	\$ 9,849	\$ 9,849	\$ 34,963
2014 Grant	Year 3	18,967	18,967	18,967	18,967	
2015 Grant	Year 2	15,998	15,998	15,998	15,998	
2016 Grant	Year 1	-	7,667	7,667	7,667	
NH # PSUs included		34,965	42,632	42,632	42,632	

Per GL Difference
34,963 \$ (0)

2017						
Grant	Year in Cycle	Q1	Q2	Q3	Q4	Total
2014 Grant	Settlement adj	76,713				
2015 Grant	Year 3	\$ 21,698	\$ 28,891	\$ 28,991	\$ 145,156	
2016 Grant	Year 2	\$ 18,904	\$ 25,329	\$ 25,303	\$ 77,816	
2017 Grant	Year 1		\$ 23,631	\$ 52,813	\$ 52,813	
LUC LTIP expense	CAD	\$ 117,316	\$ 77,851	\$ 107,107	\$ 275,785	\$ 578,059
LUC allocation to Granite	CAD	\$ 6,196	\$ 4,212	\$ 5,950	\$ 15,320	\$ 31,677
2014 Grant	Settlement adj	147,030				
2015 Grant	Year 3	\$ 28,748	\$ 38,277	\$ 42,223	\$ 211,406	
2016 Grant	Year 2	\$ 32,961	\$ 44,164	\$ 52,250	\$ 160,703	
2017 Grant	Year 1		\$ 15,932	\$ 99,509	\$ 99,509	

LABS LTIP expense	CAD	\$	208,738	\$	98,373	\$	193,987	\$	471,618	\$	972,716
LABS allocation to Granit	CAD	\$	9,340	\$	4,504	\$	9,097	\$	22,117	\$	45,058
2014 Grant	Settlement adj	\$	361,737								
2015 Grant	Year 3	\$	38,780	\$	87,081	\$	49,274	\$	220,331		
2016 Grant	Year 2	\$	76,751	\$	102,837	\$	93,354	\$	287,096		
2017 Grant	Year 1	\$		\$	225,923	\$	210,941	\$	210,941		
APUC LTIP expense	CAD	\$	477,268	\$	415,840	\$	353,569	\$	718,368	\$	1,965,047
APUC allocation to Grai	CAD	\$	20,049	\$	17,758	\$	15,434	\$	31,358	\$	84,598
2014 Grant	Settlement adj	\$	68,236	\$	-	\$	-	\$	-	\$	68,236
2015 Grant	Year 3	\$	11,015	\$	14,667	\$	42,488	\$	45,920	\$	114,091
2016 Grant	Year 2	\$	8,369	\$	11,213	\$	20,256	\$	25,396	\$	65,234
2017 Grant	Year 1	\$	-	\$	-	\$	43,675	\$	43,675	\$	87,350
NH LTIP expense		\$	87,620	\$	25,880	\$	106,419	\$	114,991	\$	334,910
Granite State LTIP expen	30%	\$	26,286	\$	7,764	\$	31,926	\$	34,497	\$	100,473
2015 Grant	Year 3		15,998		15,998		15,998		15,998		
2016 Grant	Year 2		7,667		7,667		7,667		7,667		
2017 Grant	Year 1		-		-		24,562		24,562		
NH # PSUs included			23,665		23,665		48,227		48,227		

Per GL Difference
100,633 \$ (160)

2018						
Grant	Year in Cycle	Q1	Q2	Q3	Q4	Total
2015 Grant	Settlement adj	\$ (25,081)	\$ -	\$ -	\$ -	
2016 Grant	Year 3	\$ 16,743	\$ 14,519	\$ 9,701	\$ 21,481	
2017 Grant	Year 2	\$ 89,227	\$ 31,952	\$ 29,133	\$ 59,965	
2018 Grant	Year 1	\$	\$ 7,189	\$ 19,965	\$ 29,559	
LUC LTIP expense	CAD	\$ 80,889	\$ 53,660	\$ 58,799	\$ 111,005	\$ 304,353
LUC allocation to Granite	CAD	\$ 4,493	\$ 2,836	\$ 3,108	\$ 5,867	\$ 16,304
2015 Grant	Settlement adj	\$ (36,528)	\$ -	\$ -	\$ -	
2016 Grant	Year 3	\$ 28,372	\$ 61,458	\$ 75,193	\$ 141,021	
2017 Grant	Year 2	\$ 138,430	\$ 132,857	\$ 151,910	\$ 324,108	
2018 Grant	Year 1	\$	\$ 72,320	\$ 128,362	\$ 233,487	
LABS LTIP expense	CAD	\$ 130,273	\$ 266,634	\$ 355,464	\$ 698,617	\$ 1,450,989
LABS allocation to Granit	CAD	\$ 6,141	\$ 11,800	\$ 15,951	\$ 31,349	\$ 65,240
2015 Grant	Settlement adj	\$ (38,071)	\$ -	\$ -	\$ -	
2016 Grant	Year 3	\$ 61,772	\$ 104,029	\$ 104,166	\$ 230,883	
2017 Grant	Year 2	\$ 379,694	\$ 253,129	\$ 235,044	\$ 525,916	
2018 Grant	Year 1	\$	\$ 286,371	\$ 266,542	\$ 440,096	
APUC LTIP expense	CAD	\$ 403,395	\$ 643,529	\$ 605,752	\$ 1,196,895	\$ 2,849,571
APUC allocation to Grai	CAD	\$ 17,609	\$ 26,151	\$ 24,615	\$ 48,637	\$ 117,012
2015 Grant	Settlement adj	\$ (7,934)	\$ -	\$ -	\$ -	\$ (7,934)
2016 Grant	Year 3	\$ 7,412	\$ 12,483	\$ 10,339	\$ 20,481	\$ 50,715
2017 Grant	Year 2	\$ 69,880	\$ 52,410	\$ 38,700	\$ 57,201	\$ 218,191
2018 Grant	Year 1	\$ -	\$ 12,462	\$ 29,775	\$ 28,948	\$ 71,184
NH LTIP expense		\$ 69,358	\$ 77,355	\$ 78,813	\$ 106,630	\$ 332,156
Granite State LTIP expen	30%	\$ 20,807	\$ 23,206	\$ 23,644	\$ 31,989	\$ 99,647
2016 Grant	Year 3		7,667	7,667	7,667	7,667
2017 Grant	Year 2		24,562	24,562	24,562	24,562
2018 Grant	Year 1		-	23,013	23,013	23,013
NH # PSUs included			32,229	55,242	55,242	55,242

Per GL Difference
98,498 \$ 1,149

Quarterly entry

	Account number	Account description
Debit	8830-2-0000-69-7030-9200	LTIP expense
Credit	8810-2-0000-20-2810-2596	Due from APUC

Number of awards outstanding - New Hampshire

Grant	Grant date share price	# Eligible employees	2015	2016	2017	2018
2013 Grant	8.22	7	6,680			
2014 Grant	8.22	11	18,967	18,967		
2015 Grant	9.75	12	15,998	15,998	15,998	
2016 Grant	11.66	8		7,667	7,667	7,667
2017 Grant	13.65	8			24,562	24,562
2018 Grant	12.63	9				23,013
2015 Perf. Factor			100.0%	100.0%	161.0%	168.0%
2016 Perf. Factor				100.0%	161.0%	168.5%
2017 Perf. Factor					100.0%	141.0%
2018 Perf. Factor						100.0%

168% upon payout in Q1 2018

Exhibit BCO-12

Docket No. DE 19-064

OCA TS 1-18

New Hampshire Office of the Consumer Advocate

REVISED

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

DE 19-064
Distribution Service Rate Case

OCA Technical Session Data Requests - Set 1

Date Request Received: 8/21/19
Request No. OCA TS 1-18

Date of Response: 10/10/19
Respondent: Philip E. Greene
David B. Simek

REQUEST:

The Company did not provide a complete response to OCA 1-44, including the requested calculation of short and long-term incentive amounts and which criteria/targets (Balanced Scorecard measures) are considered to be financial-focused and which are customer-focused. Address the following for each of the years 2015, 2016, 2017 and 2018:

- a. Provide the supporting documentation and calculations for short-term incentives including the assigned weights for each of the Balanced Scorecard measures (Efficiency, Stakeholders, Business Processes, and People) that are used to calculate an overall blended score and the scorecard bonus payout amount. If there are different Balanced Scorecard measures used for prior years 2015 to 2017, then provide the assigned weighted for each of the measures for those years that are used to calculate an overall blended score and the final bonus payout amount.
- b. Provide the supporting documentation and calculations for long-term incentives including the assigned weights for each of the Balanced Scorecard measures (Efficiency, Safety, and Customer Service) that are used to calculate an overall blended score and the payout amount. If there are different Balanced Scorecard measures used for prior years 2015 to 2017, then provide the assigned weighted for each of the measures for those years that are used to calculate an overall blended score and the final payout amount.
- c. For each of the short-term incentives measures of Efficiency, Stakeholders, Business Processes, and People, explain which measures are considered to be financial-focused and which are considered to be customer-focused and explain how this determination was made (cite to the Company's decisions in prior New Hampshire rate cases, the Commission's decision in prior New Hampshire rate cases, and other state-regulatory decisions in other jurisdictions that have made this determination in a rate case).
- d. For each of the long-term incentives measures of Efficiency, Safety, and Customer Service, explain which measures are considered to be financial-focused and which are considered to be customer-focused and explain how this determination was made (cite to the Company's decisions in prior New Hampshire rate cases, the Commission's decision in prior New Hampshire rate cases, and other state-regulatory decisions in other jurisdictions that have made this determination in a rate case).

- e. For each of the Balanced Scorecard measures in (a) and (b) above STI and LTI for years 2015 to 2019, provide a description/definition of each specific measure, provide the specific underlying measurements for each Balanced Scorecard criteria (for example, based on the specific underlying criteria of Company ROE, Service Quality results, etc.), and provide the sliding scale of incentives that can be earned based on measurement achieved. A definition/description and the actual specific underlying criteria (the specific ROE, Service Quality results, etc.) for each of these Benchmark Scorecard measures is not provided in Puc 1604.01(a)(15)(a) of the Company's filing.
- f. Regarding (a) and (b) above, explain why the assigned weights changed for each of the years 2015 to 2018.

RESPONSE:

- a. Please refer to Attachment OCA TS 1-18.a.1, Attachment OCA TS 1-18.a.2, Attachment OCA TS 1-18.a.3, and Attachment OCA TS 1-18.a.4 for 2015, 2016, 2017, and 2018 STIP & SBP scorecard results, respectively.
- b. Please refer to Attachment OCA TS 1-18.b.1, Attachment OCA TS 1-18.b.2, and Attachment OCA TS 1-18.b.3 for 2013, 2014, and 2015 LTIP Award Calculations, respectively. As the question asked about the final payout amount, that is only determined after the three-year performance period, and done using a blended score of the efficiency, safety, and customer service measures looked at collectively over that three-year period. The 2013, 2014, and 2015 awards were paid out in 2016, 2017, and 2018, respectively.
- c. Efficiency is financially focused; Stakeholders and Business Processes are customer focused. The determinations are made by the nature of the measures. The Company is not aware of prior decisions to reference on this topic.
- d. Efficiency is financially focused; Safety and customer service are customer focused. The determinations are made by the nature of the measures. The Company is not aware of prior decisions to reference on this topic.
- e. Please refer to Attachment OCA TS 1-18.e.1, Attachment OCA TS 1-18.e.2, and Attachment OCA TS 1-18.e.3 sample award letters for LTIP for details. For details on the scorecard measures, please see the response to OCA TS 1-19.
- f. Please refer to the Company's response to subpart e. above.

REVISED RESPONSE:

When preparing responses to OCA 7-15 through OCA 7-19, it was determined that some of the attachments provided with the original response to OCA TS 1-18 needed to either be replaced or updated. This revised response includes the following attachments, which replace those included with the original response:

- Revised Attachment OCA TS 1-18.a.3 (original indicated 2015 and should have been 2016)
- Revised Attachment OCA TS 1-18.a.4 (original indicated 2015 and should have been 2017)
- Revised Attachment OCA TS 1-18.b.1 (updated to include details on the actual calculation for efficiency)
- Revised Attachment OCA TS 1-18.e.1 (original was not the final version of the document)

State Scorecard	Efficiency	Stakeholders	Business Processes	People	Blended Multiplier for SBP
NH	88.18%	89.36%	95.0%	106.09%	90.77%

2016	Liberty Utilities State Scorecard			
State Organizations	Efficiency	Stakeholders	Business Process	People
President	70%	10%	10%	10%
Vice President	65%	15%	10%	10%
Assistant General Counsel - State	60%	20%	10%	10%
Director	60%	20%	10%	10%
Area Manager	50%	20%	15%	15%
Sr. Manager	50%	20%	15%	15%
Senior Business Manager	50%	20%	15%	15%
Business Development	100%			
Manager	50%	20%	15%	15%
Business Manager	50%	20%	15%	15%
Blended Multiplier for SBP	70%	10%	10%	10%

Distribution	Efficiency	Stakeholders	Business Processes	People	blended multiplier for SBP
NH	108.00%	105.00%	115.00%	102.00%	107.73%

2017	Liberty Utilities/LABS - Head Office Scorecard			
Liberty Utilities	Efficiency	Stakeholders	Business Processes	Employee
President	70%	10%	10%	10%
Vice President	65%	15%	10%	10%
Senior Regional Business Manag	50%	20%	15%	15%
Director	60%	20%	10%	10%
Senior Regulatory Counsel	60%	20%	10%	10%
Sr. Manager	50%	20%	20%	10%
Sr. Manager LU LABS LP	55%	20%	15%	10%
Business Development	100%			
Manager	50%	20%	20%	10%
blended multiplier for SBP	70%	10%	10%	10%

Exhibit BCO-13

Docket No. DE 19-06

OCA 7-14

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Data Requests - Set 7

Date Request Received: 9/26/19
Request No. OCA 7-14

Date of Response: 10/10/19
Respondent: Philip E. Greene
David B. Simek

REQUEST:

The Company's response to OCA TS 1-14 shows that LTIP expense increased from \$33,554 and \$34,963 in 2015 and 2016 to significantly increased amounts of \$100,633 and \$98,498 in 2017 and 2018, respectively. The Company's response to TS 1-15, Attachment TS 1-15.b.xlsx, tab "Summary – Award & Expense" appears to show that LTIP expense increased in part in 2017 and 2018 due to a significant increase in number of shares, from shares of 15,998 in 2015, shares of 7,667 in 2016, to shares of 24,562 in 2017 and shares of 23,013 in 2018. And despite the number of shares increasing from 2015 to 2018, this same tab at Attachment TS 1-15.b.xlsx shows the related performance factor declined from 2015 to 2018, from 168 percent in 2015, 168.5 percent in 2016, 141 percent in 2017, and 100 percent in 2018 (Attachment TS 1-15.f, tabs for "Grant Performance" also show these same results for years 2013 to 2016). Please address the following:

- a. Explain if the Company increased the number of shares in 2017 and 2018 to offset the decrease in the performance factor for 2017 and 2018, such that an increase in LTIP expense was the result.
- b. Explain why it is reasonable for employees to be paid a greater amount in long-term incentives in 2017 and 2018 due to an increase in the number of shares, when the actual performance factor declined for both 2017 and 2018 from prior years.
- c. Explain why the performance factors declined from 168.5 percent in 2016 to 141 percent in 2017, to 100 percent in 2018, and provide supporting documentation.
- d. Explain why the number of shares were increased in 2017 and 2018, over prior years 2013 to 2015, and provide supporting documentation (including copies of Company policy) and calculations to explain this.
- e. Per (c) above, if the reason for the increase in shares in 2017 and 2018 is due to an increase in the number of employees receiving shares, explain why there were a greater number of employees receiving shares in 2017/2018 compared to 2015/2016 and identify the change in LTIP policy that made additional employees eligible for these shares or explain the reason for the increase in the number of executives eligible for these shares.

- f. For the period 2015 to 2018, identify the number of shares granted by each position description (CEO, CFO, COO, CLO, President, Secretary Treasurer, VPs, various levels of Directors, etc.), and provide the name of the person in that position description.

RESPONSE:

- a. No, there is no correlation between the number of awards granted in a given year and the ultimate performance factor for these grants.

According to the Company's policy, award amounts are determined by level (see Grants tab). For example in 2017, a director would have been awarded an amount equal to 15% of his salary. That amount (say \$15,000) is divided by the market value of the APUC shares on January 1 (say \$10). In that example, the employee would be allocated 1,500 award units ($\$15,000/\10).

Over the three-year vesting period from January 1, 2017, to December 31, 2019, the performance factor will calculate the three-year average safety, efficiency, and customer service metrics compared to our industry (see Performance Summary tab).

For example, say the three-year average is 139.8%. On December 31, 2019, the employee in this example has earned 2,097 awards in total ($1,500 * 139.8\%$). These awards are issued by APUC from Treasury and given to the employee once that calculation has been done. GSE pays APUC the value of the award.

Thus, the employees are incentivized to improve safety, efficiency, and customer service over the three years following the grant of awards as it will increase (decrease) the ultimate number of awards to be received at the end of that period.

- b. Employees are not paid a greater amount in incentives when the actual performance factor declines. In fact, the employees get less incentives when the performance factor declines. The performance factor can range from 2% to 237% of the number of PSU granted. In the example above (see the response to part a.), if the combined performance for the 2017–2019 period was 2%, the employee would have received 30 award units ($1,500 * 2\%$), a much lower number of incentives than the 1,500 granted.
- c. The final performance factor used for settlement of the awards upon vesting was 168.5% in 2016. The above factors for 2017 and 2018 are estimates. The final performance factor for 2017 and 2018 will be calculated on their respective performance periods of 2017–2019 and 2018–2020. In the meantime, the performance factor is estimated quarterly. The main driver for the difference is lower expected efficiency results (see Performance by year and driver on the Performance summary tab).
- d. The significant increase in awards granted starting in 2017 is driven by the new policy. Starting in 2017, the award amount is calculated as a percentage of the salary and a discretionary award (bronze, silver, gold) recognizes exceptional accomplishments in the prior year (see Grants tab 2017 table for details).
- e. The increase is due to the number of units each employee received based on a change in Company Policy, not the number of employees. See Grants tab for details of units per year and policy.
- f. Refer to Summary expense tab and supporting calculation tabs.

Exhibit BCO-14

Docket No. DE 19-064

OCA TS 2-7

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Technical Session Data Requests - Set 2

Date Request Received: 10/22/19
Request No. OCA TS 2-7

Date of Response: 11/5/19
Respondent: Philip E. Greene
David B. Simek

REQUEST:

The Company's response to OCA 7-14 regarding LTIP makes general reference to various tabs and calculations without citing to specific DR responses or specific Attachments, please provide the following:

- a. The Company response to OCA 7-14.a cites to the Jan. 1, 2017 to Dec. 31, 2019 3-year average safety, efficiency and customer service metrics at the "Performance Summary tab." Explain which DR response and Attachment includes this "Performance Summary tab", and also specifically identify each of the safety, efficiency and customer service metrics for each of the periods 2017, 2018, and 2019 that are included in the "3-year average", and cite to and provide the calculation for this 3-year average.
- b. The Company response to OCA 7-14.b and c. states the performance factor can range from 2% to 237% of the number of PSU granted, and the final performance factor used for settlement awards in 2016 was 168.5%, and the performance factors for 2017 and 2018 are estimates included at the "Performance Summary tab", and the final performance factor for 2017 and 2018 will be based on performance periods 2017-2019 (for 2017) and 2018-2020 (for 2018). Explain which DR response and Attachment includes this "Performance Summary tab", and explain and show how the estimated performance factors for 2017 and 2018 were calculated by showing the individual actual and projected performance factors for each of the periods 2017 to 2019 along with the 3-year average (for 2017 performance) and provide this same information for the projected performance factors for each of the years 2018-2020 along with the 3-year average (for 2018 performance). Show all actual and estimated performance factors by safety, efficiency and customer service.
- c. Explain how projected 2017, 2018, 2019, and 2020 projected performance factors were determined, by explaining how the Company determines if performance will improve or decline in these projected periods, and provide all information the Company relies upon to determine if performance will improve or decline for these periods.
- d. The Company's response to OCA 7-14.d states that the significant increase in awards granted began in 2017 due to a new policy, and the Company refers to the supporting calculations at the "Grants tab 2017 table" for details. Explain which DR response and

Attachment includes this “Grants tab 2017 table”, and provide this same information for 2018, 2019, and 2020.

- e. The Company’s response to OCA 7-14.d states that the significant increase in awards granted began in 2017 due to a new policy. Explain why this “new” policy was implemented and provide supporting documentation debating and addressing the pros and cons of implementing this change, including various reports, recommendations, HRCC/Compensation Board of Director Minutes and decisions, and various other documents.
- f. Explain if the change addressed in (e) above related to the significant increase in awards is consistent with other similarly sized and situated utilities as Liberty (and Parent Company and affiliates), and provide supporting documentation, or otherwise explain and provide the precedent for this change.
- g. If the new policy in (e) above had not been implemented in 2017, explain and show the calculation of awards and number of shares and related LTIP expense for 2017, 2018 and 2019.

RESPONSE:

- a. Please see Confidential Attachment OCA TS 2-7.a.xlsm, “Performance Summary” tab (screenshot below). Also, see added tab "Performance Calculations" for detailed calculations for 2017 and 2018. The 2019 factors use 2018 as a proxy (screenshot below).

Performance summary tab:

	Grant Vintage							
	Actual	Actual	Actual	Actual	Estimated	Estimated	Estimated	Estimated
	2013	2014	2015	2016	2017	2018	2019*	2020*
Safety	11.0%	20.0%	10.0%	10.5%	9.5%	10.5%	10.5%	10.5%
Efficiency	85.1%	136.0%	153.0%	153.0%	102.0%	85.0%	85.0%	85.0%
Customer Service	3.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
	99.6%	161.0%	168.0%	168.5%	116.5%	100.5%	100.5%	100.5%
TSR (2017 onwards)					1.20	1.20	1.20	1.20
					139.8%	120.6%	120.6%	120.6%
<i>*Please note that 2019 and 2020 use 2018 estimates as a proxy</i>								
<i>The safety, efficiency, and customer service metrics for each grant vintage represent an average of the score over the three year performance period. For example, the 2013 safety score of 11% is based on an average of the actual safety scores of 2013, 2014, and 2015.</i>								

Performance calculations tab:

GRANT YEAR	Achievement %		
	2017	2018	2019
Safety	9.50%	10.50%	10.50%
Efficiency	100.00%	95.00%	95.00%
Customer Service	1.00%	1.00%	1.00%
Total LTIP Achievement % =	16.50%	100.50%	100.50%
TSR for 2017 onwards	1.20	1.20	1.20
Total achievement	139.00%	120.60%	120.60%

Safety - 2017 estimate					Safety - 2018 estimate				
Year	APUC FRR	Industry Average	FRR LTIP Rate	Achievement Factor	Year	APUC FRR	Industry Average	FRR LTIP Rate	Achievement Factor
2017	2.78	2	1.39		2018	1.76	2	0.98	
2018	1.76	2	0.98		2019	1.95	2	0.98	
2019	1.95	2	0.98		2020	1.8	2	0.90	
Average =	2.163	2.000	1.08	9.5%	Average =	1.837	2.000	0.92	10.5%

Efficiency - 2017 estimate				Efficiency - 2018 estimate			
Year	Scorecard		Achievement Factor	Year	Scorecard		Achievement Factor
2017	1100%			2018	100%		
2018	145.00%			2019	100%		
2019	100%			2020	100%		
3 Yr. Average	125%		102%	3 Yr. Average	105%		85%

Customer Service - 2017 estimate					Customer Service - 2018 estimate				
Year	Customer Satisfaction Index Target	Customer Satisfaction Results	LTIP Rate	Achievement Factor	Year	Customer Satisfaction Index Target	Customer Satisfaction Results	LTIP Rate	Achievement Factor
2017	80.00	76.00	95.00%		2018	682.56	641.66	96.85%	
2018	462.56	441.66	96.85%		2019	687.00	653.66	98.00%	
2019	567.00	653.66	98.00%		2020	724.00	709.52	98.00%	
Average for Period	469.853	457.107	97%	0.950	Average for Period	68452.000%	66828.000%	98%	0.950

- b. Please see the response to part a.
- c. The performance factor is determined based on three metrics: safety, customer service, and efficiency. The projected performance factors for a future year are assumed based on the most recent “experienced” year being used as a proxy. That estimate is updated when actual performance is known.
- d. Please see Confidential Attachment OCA TS 2-7.a.xlsm, “Grants” tab (screenshot below).

Grant vintage	# Employees in original grant	Original grant units
2013	7	6,680
2014	11	18,967
2015	12	15,998
2016	12	10,382
2017	13	46,135
2018	16	44,005
2019	8	23,023
2020	6	15,147

The Company policy is to grant awards to employees in a position of Director or above. The dollar value of awards is a function of level and personal accomplishment in the prior year. The number of award units is calculated as the award amount divided by the market price of the Algonquin share on January 1.

The award amount was set as follows for each of the years considered.

Position Level	Awards			
	Solid	Bronze	Silver	Gold
Director	\$5,000	\$10,000	\$20,000	\$40,000
Vice President	\$10,000	\$20,000	\$40,000	\$80,000
President and Senior VP	\$15,000	\$30,000	\$60,000	\$100,000

2017

Position Level	Retention Element LTIP Percentage of Base Salary	Recognition Element		
		Bronze	Silver	Gold
Director	15%	\$ 5,000	\$ 10,000	\$ 30,000
Vice President	20%	\$ 7,500	\$ 15,000	\$ 40,000
Senior VP, LUCo Regional President	25%	\$ 10,000	\$ 20,000	\$ 50,000

2018-2019

Position Level	Retention Award	Recognition Award			
		Based Upon Average Salary	Bronze	Silver	Gold
DIRECTOR / SR DIRECTOR	15%	\$25,000	\$5,000	\$10,000	\$30,000
VP / STATE PRESIDENT	20%	\$40,000	\$7,500	\$15,000	\$40,000
LU REGIONAL PRESIDENT/ SVP	25%	\$55,000	\$10,000	\$20,000	\$50,000

- e. The change was to make the LTIP program in alignment with industry practice. Subsequent market studies have confirmed that our LTIP Awards are aligned or slightly below market. Please see Attachment OCA TS 2-7.e.
- f. Please see the response to part e.

- g. The Company does not have a calculation of what the awards and number of shares and related LTIP expense for 2017, 2018, and 2019 would have been had the new policy in (e) above had not been implemented in 2017. In order to obtain these numbers, the Company would need to recalculate each of the 2017, 2018, and 2019 grant dollar value for each APUC, LUC, LABS, and NH employees based on each individual's position at the time of grant and their recognition award level that year. Then, the Company would need to recalculate the expense for each of the three years based on the "new" grant units. This analysis has not been performed.

Confidential Attachment OCA TS 2-7.a.xlsm contains compensation information for specific employees and is thus confidential personnel information protected from disclosure by RSA 91-A:5, IV. Therefore, pursuant to that statute and Puc 203.08(d), the Company has a good faith basis to seek confidential treatment of this information and will submit a motion seeking confidential treatment prior to the final hearing in this docket.

Given the volume of confidential information in Confidential Attachment OCA TS 2-7.a.xlsm, and given that nearly all of the information is confidential, redaction of the confidential information would leave so little information visible that the document would not be informative. Thus, the Company will not provide a redacted version.



29 March 2018
Punam Maini
Liberty Algonquin Business Services

Algonquin				Mercer Benchmark Database Tables (National)								Mercer Benchmark Database Tables (Energy Sector)							
Grade	Salary Mid.	STI %	LTI %	Short-term Incentive				Long-term Incentive				Short-term Incentive				Long-term Incentive			
				Prev.	P25	P50	P75	Prev.	P25	P50	P75	Prev.	P25	P50	P75	Prev.	P25	P50	P75
N/A	\$300,000	--	--	91%	33%	49%	64%	72%	53%	86%	147%	98%	39%	51%	68%	88%	70%	130%	188%
A	\$255,000	30%	25%	86%	29%	39%	55%	67%	34%	56%	98%	88%	31%	41%	56%	83%	39%	74%	133%
B	\$227,460	30%	20%	86%	22%	31%	41%	70%	21%	38%	60%	89%	23%	31%	40%	85%	24%	40%	64%
C	\$195,933	30%	20%	84%	18%	25%	34%	60%	18%	27%	44%	86%	18%	25%	33%	77%	20%	27%	45%
D	\$175,787	25%	15%	84%	18%	25%	34%	60%	18%	27%	44%	86%	18%	25%	33%	77%	20%	27%	45%
E	\$158,367	25%	15%	80%	14%	22%	29%	48%	13%	19%	29%	79%	14%	21%	27%	59%	13%	18%	29%
F	\$142,673	20%	N/A	83%	12%	17%	23%	43%	9%	14%	23%	88%	12%	17%	23%	60%	8%	13%	22%
G	\$128,534	15%	N/A	83%	12%	17%	23%	43%	9%	14%	23%	88%	12%	17%	23%	60%	8%	13%	22%
H	\$115,796	10%	N/A	74%	9%	13%	18%	24%	7%	10%	18%	80%	10%	14%	19%	47%	7%	10%	18%
H	\$115,796	7-9%	N/A	74%	9%	13%	18%	24%	7%	10%	18%	80%	10%	14%	19%	47%	7%	10%	18%
I	\$104,321	10%	N/A	74%	9%	13%	18%	24%	7%	10%	18%	80%	10%	14%	19%	47%	7%	10%	18%
I	\$104,321	7-9%	N/A	74%	9%	13%	18%	24%	7%	10%	18%	80%	10%	14%	19%	47%	7%	10%	18%
J	\$93,982	7-9%	N/A	66%	7%	10%	14%	12%	--	--	--	71%	8%	11%	15%	37%	6%	8%	15%
K	\$84,670	7-9%	N/A	66%	7%	10%	14%	12%	--	--	--	71%	8%	11%	15%	37%	6%	8%	15%
L	\$76,278	7-9%	N/A	66%	7%	10%	14%	12%	--	--	--	71%	8%	11%	15%	37%	6%	8%	15%
M	\$68,720	7-9%	N/A	51%	5%	7%	10%	6%	--	--	--	54%	6%	9%	12%	17%	--	--	--
N	\$61,909	4-6%	N/A	51%	5%	7%	10%	6%	--	--	--	54%	6%	9%	12%	17%	--	--	--
O	\$55,774	4-6%	N/A	51%	5%	7%	10%	6%	--	--	--	54%	6%	9%	12%	17%	--	--	--
P	\$50,248	4-6%	N/A	51%	5%	7%	10%	6%	--	--	--	54%	6%	9%	12%	17%	--	--	--
Q	\$45,268	3-5%	N/A	43%	4%	5%	7%	2%	--	--	--	54%	5%	7%	10%	7%	--	--	--
R	\$40,782	3-5%	N/A	43%	4%	5%	7%	2%	--	--	--	54%	5%	7%	10%	7%	--	--	--
S	\$36,741	3-5%	N/A	43%	4%	5%	7%	2%	--	--	--	54%	5%	7%	10%	7%	--	--	--

Exhibit BCO-15

Docket No. DE 19-064

OCA TS 2-10

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Technical Session Data Requests - Set 2

Date Request Received: 10/22/19
Request No. OCA TS 2-10

Date of Response: 11/5/19
Respondent: Philip E. Greene
David B. Simek

REQUEST:

Per the Company response to OCA TS 1-18.b (and revised TS 1-18.b), and revised Attachment OCA TS 1-18.b.1 (and per OCA 7-16, the OCA TS 1-18.a.1 is 2014 scorecard results for 2014 expensed amounts, OCA TS 1-18.a.2 is 2015 scorecard results for 2015 expensed amounts, TS 1-18a.4 is 2017 scorecard results for 2017 expensed amounts, and OCA 7-16 shows 2018 scorecard results for 2018 expensed amounts). Also, for updated calculation of the LTIP Efficiency calculation for 2013, 2014 and 2015, the underlying target EBITDA calculation is based on all of the Liberty Utilities systems owned (along with Massachusetts Natural Gas Utility). And the 3-year performance period of 2013 to 2015 was paid in 2016, the 3-year performance period of 2014 to 2016 paid in 2017, and 3-year performance period 2015 to 2017 was paid in 2018. Also, per OCA 7-15.b, beginning in 2014 the LTIP and STIP was based on the Corporate Scorecard, also, per OCA 7-15, the Base and Directional EBITDA is not applicable to the STIP, only the LTIP, and per OCA 7-15.f, the Base and Directional EBITDA is only applicable to 2013 LTIP, and not subsequent years). Clarify if any of the previous statements were incorrect and address the follow:

- a. TS-18 appears to indicate that for 2013 to 2015 (and presumably later years), an LTIP Efficiency EBITDA is based on all Liberty Utilities systems, but then the response to OCA 7-17.c and .e (also see OCA 7-18) states that beginning in 2018 there was a move to a unified Liberty utilities scorecard and bonus structure instead of the state scorecards that had been used since 2015. Please clarify when the LTIP Efficiency EBITDA and all other LTIP measures moved to a unified Liberty Utilities basis (instead of an individual state basis) since 2013.
- b. Explain when all STIP measures moved to a unified Liberty utilities scorecard (instead of an individual state basis).
- c. Explain if there is an effective two or three-year lag between the first year of the LTIP 3-year performance period and payout year, for example if the 3-year performance period is 2013 to 2015 and the payout is in year 2016, explain if the payout is made towards the beginning or end of 2016 (thus resulting in either a 2-year or 3-year lag period from the first performance period).

- d. Explain how accruals for these LTIP payments/expenses are determined (the accrual for LTIP shares/awards is also addressed at OCA TS-15b which says LTIP is budgeted cost is recorded on a monthly basis and on a quarterly basis the number of awards estimated to vest is adjusted). For example, for a 3-year performance period of 2015 to 2017 with a payout year of 2018 (test period), explain if the 2018 test period may, or does, include true-up accruals related to prior performance years 2015 to 2017, and if the answer is “yes”, then provide a history of this expense and accrual amount for all years 2015 to 2018 - - along with an explanation of the accrual amounts for each year and the final LTIP expense for payment in 2018.
- e. Explain if the 2018 test period includes an accrual as part of a 3-year performance period including 2018, for a payout to be made in 2019, 2020, and 2021 that includes 2018 as one of the performance periods to be measured. If the answer is “yes”, provide the accrual expense in 2018 for performance (as one year of the moving 3-year performance period), that is expected to be part of a payout in 2019, 2020, and 2021 (and break-out the accrual for each of the expected payout years 2019, 2020, and 2021).
- f. Explain if the Company is aware of any other utilities that have a 3-year performance period with a lag of 2 to 3 years in payout for LTIP, and explain why the Company uses this 3-year performance payout approach instead of on an individual yearly basis, and explain the pros and cons of this approach.

RESPONSE:

Clarifications:

- “Per the Company response to OCA TS 1-18.b (and revised TS 1-18.b), and revised Attachment OCA TS 1-18.b.1” – *this is the calculation for performance factors for long term incentive (LTIP) payouts.*
- “...(and per OCA 7-16, the OCA TS 1-18.a.1 is 2014 scorecard results for 2014 expensed amounts, OCA TS 1-18.a.2 is 2015 scorecard results for 2015 expensed amounts, TS 1-18a.4 is 2017 scorecard results for 2017 expensed amounts, and OCA 7-16 shows 2018 scorecard results for 2018 expensed amounts)” – *this is for the scorecard results for short term incentive (STIP) payouts.*
- “Also, for updated calculation of the LTIP Efficiency calculation for 2013, 2014 and 2015, the underlying target EBITDA calculation is based on all of the Liberty Utilities systems owned (along with Massachusetts Natural Gas Utility)” – *LTIP Efficiency target is based on Algonquin Power & Utilities Corp. (APUC) and includes all entities in the organization.*
- “Also, per OCA 7-15.b, beginning in 2014 the LTIP and STIP was based on the Corporate Scorecard,” – *from 2014 the efficiency factor for LTIP was based on the APUC Scorecard (please see response to question 9 above). STIP was based on state (NH) scorecard from 2015-2017, and in 2018 a consolidated Liberty Utilities scorecard (Business group and Region).*
- “...also, per OCA 7-15, the Base and Directional EBITDA is not applicable to the STIP, only the LTIP, and per OCA 7-15.f, the Base and Directional EBITDA is only applicable to 2013

LTIP, and not subsequent years)” – *Correct. The terminology” Base and Directional EBITDA” was only used for the 2013 LTIP Awards.*

- a. TS 1-18 a. and c. are requests on STIP, while TS 1-18 b. and d. are requests on LTIP. Also, OCA 7-17 c. and e., and OCA 7-18 b., which refers to the change in the bonus structure, relate to short term incentives (STIP) and not LTIP. All LTIP efficiency metrics are based on the APUC scorecard, and the other performance factors (safety and customer service) are also measured on a company-wide basis.
- b. All STIP measures moved to a unified Liberty Utilities scorecard in 2018. Please refer to Attachment OCA 7-17.c.
- c. The awards are effective January 1 of the first performance year. For example, 2018 Awards are effective January 1, 2018. The performance period is for three years – e.g., for 2018 awards the performance period is January 1, 2018, through December 31, 2020. Company results for the third performance year are usually not available until the first quarter of the subsequent year. Only after the results are approved can the payout be calculated and approved – usually towards the middle of the year. So it is a three-year period for the awards to vest and then the awards are paid on the date fixed by the Board or as stated in the Award Agreement letter.
- d. The total expense for the three-year period is calculated as the number of units multiplied by APUC’s share price on the grant date. This expense is recognized straight-line over the three-year performance period. Adjustments are made as necessary as updated information about performance factors are received. The 2018 test period does include true-up accruals related to prior performance years – namely, the payout true-up for the 2015 grants, which were paid out in March 2018. Please see Confidential Attachment OCA TS 2-7.a.xlsm, “Summary - Expense” tab, rows 107 through 140. Rows 109, 117, 124, and 131 (in orange) show the true-up upon settlement of the 2015 awards, while cell C141 shows the portion of that expense adjustment allocated to Granite State in mixed US-Canadian dollars (see screenshot below).

		2018					
Grant	Year in Cycle	Q1	Q2	Q3	Q4	Total	
2015 Grant	Settlement adj	\$ (25,081)	\$ -	\$ -	\$ -		
2016 Grant	Year 3	\$ 16,743	\$ 14,519	\$ 9,701	\$ 21,481		
2017 Grant	Year 2	\$ 89,227	\$ 31,952	\$ 29,133	\$ 59,965		
2018 Grant	Year 1	\$ 7,189	\$ 19,965	\$ 29,559			
LUC LTIP expense	CAD	\$ 80,889	\$ 53,660	\$ 58,799	\$ 111,005	\$ 304,353	
LUC allocation to Granite State	CAD	\$ 4,493	\$ 2,836	\$ 3,108	\$ 5,867	\$ 16,304	
2015 Grant	Settlement adj	\$ (36,528)	\$ -	\$ -	\$ -		
2016 Grant	Year 3	\$ 28,372	\$ 61,458	\$ 75,193	\$ 141,021		
2017 Grant	Year 2	\$ 138,430	\$ 132,857	\$ 151,910	\$ 324,108		
2018 Grant	Year 1	\$ 72,320	\$ 128,362	\$ 233,487			
LABS LTIP expense	CAD	\$ 130,273	\$ 266,634	\$ 355,464	\$ 698,617	\$ 1,450,989	
LABS allocation to Granite State	CAD	\$ 6,141	\$ 11,800	\$ 15,951	\$ 31,349	\$ 65,240	
2015 Grant	Settlement adj	\$ (38,071)	\$ -	\$ -	\$ -		
2016 Grant	Year 3	\$ 61,772	\$ 104,029	\$ 104,166	\$ 230,883		
2017 Grant	Year 2	\$ 379,694	\$ 253,129	\$ 235,044	\$ 525,916		
2018 Grant	Year 1	\$ 286,371	\$ 266,542	\$ 440,096			
APUC LTIP expense	CAD	\$ 403,395	\$ 643,529	\$ 605,752	\$ 1,196,895	\$ 2,849,571	
APUC allocation to Granite State	CAD	\$ 17,609	\$ 26,151	\$ 24,615	\$ 48,637	\$ 117,012	
2015 Grant	Settlement adj	\$ (7,934)	\$ -	\$ -	\$ -	\$ (7,934)	
2016 Grant	Year 3	\$ 7,412	\$ 12,483	\$ 10,339	\$ 20,481	\$ 50,715	
2017 Grant	Year 2	\$ 69,880	\$ 52,410	\$ 38,700	\$ 57,201	\$ 218,191	
2018 Grant	Year 1	\$ -	\$ 12,462	\$ 29,775	\$ 28,948	\$ 71,184	
NH LTIP expense	USD	\$ 69,358	\$ 77,355	\$ 78,813	\$ 106,630	\$ 332,156	
Granite State LTIP expense	30%	\$ 20,807	\$ 23,206	\$ 23,644	\$ 31,989	\$ 99,647	
LUC, LABS, APUC Allocation to Gran	USD	\$ 21,726	\$ 31,374	\$ 33,595	\$ 66,040	\$ 152,735	
USD/ CAD FX rate used (prev month avg)		1.2586	1.2873	1.3041	1.3200		
LUC, LABS, APUC Allocation to Gran	USD	\$ 17,262	\$ 24,372	\$ 25,761	\$ 50,031	\$ 117,426	
Total LTIP expense		38,069	47,578	49,405	82,020	\$ 217,072	
2015 Grant total adjustments	USD-CAD mix	\$ (7,157)					

For a history of the expense for the 2015 awards that were paid out in 2018, please see “Summary - Expense” tab and refer to rows that say “2015 grant” for each of the tables. The total expense for payment in 2018 can be seen in the “2015 PSU Payout Calc” tab. The total expense for APUC as a whole was \$2,315,226 (cell C11). Over the three-year period we had accrued a total of \$2,177,903 (cell C10). As a result, an adjustment of \$137,323 (cell C13) was required Company-wide (blue highlights). The portions of the adjustment for each of LUC (\$25,081), LABS (\$36,528), APUC (\$38,071), and NH (\$7,934) can be found in rows 38–42 and are the highlighted numbers referred to above.

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1		Expense	Dividends	Total	PSU	Check	Diff									
2																
3		PSUs issued														
4		Original Grant less forfeit	138,183													
5		Less PSUs granted	(5,304)													
6		Achievement Factor	132,879													
7		Final Adjusted PSUs	223,254	33,886	257,140	6,111	263,029	143	256,877	143						
8		Original Cost - most of 2015	9,75													
9		Total Expense/dividends granted	2,177,903	392,983	2,570,886											
10		Total Expense to date	2,315,226													
11		Dividends accrued		376,386												
12		Cumulative Difference	(137,323)	16,596												
13		Tax paid	1,585,488													
14		PSU Issued net of tax	133,569													
15		PSU Withheld	123,408													
16		Weighted average price	8.60	431,765,935	3,713,037,000											
17		Value of share buyback	1,061,256													
18				2,203,762												
19																
20																
21																
22																
23																
24																
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- e. The 2018 test period includes one-third of the expense for the 2016, 2017, and 2018 grants, which will be paid out in 2019, 2020, and 2021, respectively. Please see Confidential Attachment OCA TS 2-7.a.xlsm, “Summary - Expense” tab rows 107 to 140, which details the 2018 expense. Expenses for each of the 2016, 2017, and 2018 grants (one-third of the three-year performance expected costs) are split out for APUC, LABS, LUC, and NH (see screenshot above).

f. The purpose of the LTIP Plan is:

- to promote a significant alignment between employees of the Corporation and the participating Affiliates and the growth objectives of the Corporation and the participating Affiliates;
- to associate a portion of participating employees' compensation with the performance of the Corporation and its participating Affiliates over the long term; and
- to attract and retain the critical employees to drive the business success of the Corporation and its participating Affiliates.

A three-year cliff vesting approach helps to align our employee's interests with long term growth plan of the company and retain critical talent.

Exhibit BCO-16

Docket No. DE 19-064

OCA 7-17

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Data Requests - Set 7

Date Request Received: 9/26/19
Request No. OCA 7-17

Date of Response: 10/10/19
Respondent: Philip E. Greene
David B. Simek

REQUEST:

The Company's response to OCA TS 1-18.a, provides Attachments TS 1-18.a1., a.2, a.3, and a.4 that are assumed to be related to periods 2014 to 2017 (and related to 2015 to 2018 expensed amounts), as requested for STI Balanced Scorecard. Also, the response to OCA 1-43.a, Attachment 1-43.a, shows that STI was \$496,198 for 2015, decreasing slightly to \$439,714 for 2016, decreased significantly to \$303,907 for 2017, and increased significantly to \$528,944 for 2018. Please address the following:

- a. Explain if STI expense decreased slightly from 2015 to 2016 primarily because the Balanced Scorecard criteria (measured by percentages) increased from Att. OCA TS 1-18.a.1 to TS 1-18a.2 for three of the four measures of Employees, Customer, and Operations, but since these combined three measures are only 30 percent of the weighted measurement, the decline in Efficiency from the prior year (which is weighted more heavily at 70 percent) caused the overall STI expense to decrease from 2015 to 2016. Otherwise, explain other reasons for the decline in STI from 2015 to 2016, and provide all supporting documentation.
- b. Explain if STI expense decreased significantly from 2016 to 2017 primarily because the Balanced Scorecard criteria (measured by percentages) decreased from Att. OCA TS 1-18.a.2 to TS 1-18a.3 for three of the four measures of Efficiency (most heavily weighted at 70 percent), Operations, and Customers (and these three combined are 90 percent of the weighting), whereas the Employees measure was the only criteria that increased from the prior year (but it is only 10 percent of the weighting), and this in turn caused the overall STI expense to decrease from 2016 to 2017. Otherwise, explain other reasons for the significant decline in STI from 2016 to 2017, and provide all supporting documentation.
- c. Explain if STI expense increased significantly from 2017 to 2018 primarily because the Balanced Scorecard criteria (measured by percentages) increased from Att. OCA TS 1-18.a.3 to TS 1-18a.4 for three of the four measures of Efficiency (most heavily weighted at 70 percent), Stakeholders/Operations, and Business Processes/Customers (and these three combined are 90 percent of the weighting), whereas the People/Employees measure was the only criteria that decreased from the prior year (but it is only 10 percent of the weighting), and this in turn caused the overall STI expense to increase significantly from

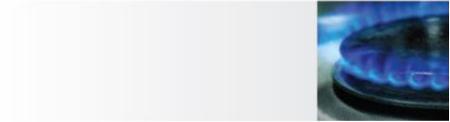
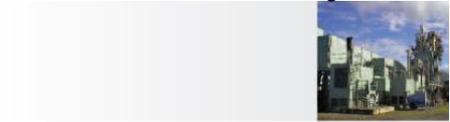
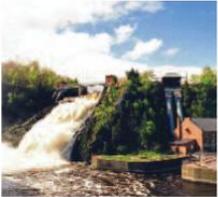
2017 to 2018. Otherwise, explain other reasons for the significant increase in STI from 2017 to 2018, and provide all supporting documentation.

- d. Explain the factors that caused the Balanced Scorecard measures to decrease significantly from 2016 to 2017 (from Att. OCA TS 1-18.a.2 to TS 1-18a.3) for three of the four measures of Efficiency (most heavily weighted at 70 percent), Operations, and Customers, and provide supporting documentation.
- e. Explain the factors that caused the Balanced Scorecard measures to increase significantly from 2017 to 2018 (from Att. OCA TS 1-18.a.3 to TS 1-18a.4) for three of the four measures of Efficiency (most heavily weighted at 70 percent), Stakeholders/Operations, and Business Processes/Customers, and provide supporting documentation.
- f. If the reason for the change (increase or decrease) in STI expense from 2015 to 2018 is primarily due to a decrease or increase in the number of employees being paid STIs, explain why there were a lesser or greater number of employees receiving STIs for that particular period compared to the prior period and identify the change in STI policy that made additional employees eligible for STI (and identify the change in the number of employees for the related periods) or explain the reason for the increase in the number of employees receiving STI that is not due to a policy change (and identify the change in the number of employees for the related periods).

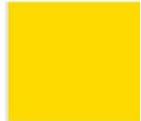
RESPONSE:

- a. Please refer to Attachment OCA TS 1-18.a.2 and Revised Attachment OCA TS 1-18.a.3. Three out of four scorecard elements declined (Efficiency, Business Processes/Operations, and Stakeholders/Customers). Only the People element had an increase. This would have been a significant factor in the expense decline.
- b. Please refer to Revised Attachment OCA TS 1-18.a.3 and Revised Attachment OCA TS 1-18.a.4. Three out four scorecard elements increased (Efficiency, Business Processes/Operations, and Stakeholders/Customers). Only the People element had a slight decline.
- c. Please refer to Revised Attachment OCA TS 1-18.a.4 and Attachment OCA 7-16. There were a number of significant changes within this period:
 - An increase in population as noted in final response OCA 1-43;
 - A change in the structure of the Bonus Plans;
 - Changes to scorecards – in 2018 there was a unified Liberty Utilities scorecard rather than state scorecards that had been used since 2015; and
 - Please refer to Attachment OCA 7-17.c.
- d. There was an increase (not decrease) in the balance scorecard measures between 2016 and 2017. Please refer to Revised Attachment OCA TS 1-18.a.3 and Revised Attachment OCA TS 1-18.a.4. In addition, please refer to Attachment OCA 7-17.d.1, Attachment OCA 7-17.d.2.xlsx, and Attachment OCA 7-17.d.3.xlsx for an explanation of the increase and supporting documents.

- e. There was a change in the scorecards – in 2018 there was a move to a unified Liberty Utilities scorecard and as well as the bonus structure. Scorecards were not tracked by state in 2018 (so there is no way to make a direct comparison).
- f. Please refer to the answers to a-e. The increase would be attributed to changes in the bonus plan, corporate scorecard, and an increase in the NH employee population supporting Granite State Electric.



2018 Bonus Plan Changes



Liberty Algonquin
Business Services



Liberty Utilities Scorecard

 Liberty Utilities WATER GAS ELECTRIC	Objectives	Indicators	Target	Stretch Target
 Customers & Communities	Conduct Operations Safely and Responsibly	Recordable Incident Rates (RIR)	2.77 RIR	2.22 RIR
	Deliver a Satisfactory Customer Experience	Achievement of customer satisfactions metrics	665 points	675 points
		Delivery of targeted customer administration costs	<100% of budget	<90% of budget
 People & Team	Foster Employee Engagement through Effective Leadership	Engagement survey results	maintain engagement level	>2.5% increase engagement level
 Processes	Efficient and Effective Management of Capital Re-investment Programs	Completion of the targeted capital investment program as compared against the budgetary targets	100% of targeted investment	110% of targeted investment
		Timely and on-budget completion of the annual large project construction program	100% completion on-budget	ahead of schedule and under budget
	Advance Customer First Business Process Overhaul	Achievement against the 2018 work plan	100% of work plan	material acceleration
 Efficiencies	Maximizing Operating Efficiency by Managing to Budgets	Business Group profit against annual budgetary targets	100% of budget	110% of budget
		Net profit against annual budgetary targets	100% of budget	110% of budget
	Reduce Cost of Capital through Prudent Investment	New corporate customer focused capital investments	5% EPS CAGR	10% EPS CAGR
		Overall consolidated annual FFO/Debt	>14%	>14.5%





Divisional Scorecard

REGULATED UTILITIES – EAST REGION

Objective	Priority/Weight	Description	Evaluation / Measurement Considerations
Advance Granite Bridge Project	High (45%)	[Description]	Points will be awarded (50% for each project) based on the successful initiation and completion of the plans. If the plan has been successfully initiated but the project is not set to be completed until a future year then 100% of the points are awarded. If the plan was initiated but the project fails or is not successful then zero points are awarded. Stretch points will be awarded (50% for each project) if the plan is determined or will be ahead of target
Deliver successful Liberty Utilities rate case outcomes	Medium (15%)	The objective is to: <ul style="list-style-type: none"> complete timely filing of targeted rate cases; secure additional regulatory mechanisms to reduce earnings volatility and regulatory lag; and secure timely and acceptable rate orders associated with current rate cases under prosecution. 	Accomplishment against this objective shall be determined based on : <ul style="list-style-type: none"> Timely filed of scheduled rate cases; and Securing additional regulatory mechanisms in the spirit of reducing regulatory lag or earnings volatility. Examples of this would be decoupling, CIBS etc. Securing of rate case orders which deliver, at least, 95% of revenue requirement projected in the long term model at the time of filing, with stretch accomplishment recognized for rate case For East Region: <ul style="list-style-type: none"> Settlement of EnergyNorth rate case Filing of Granite State Electric rate case Completion of GRAM filing in Georgia Completion of test year in Massachusetts
Delivery of targeted distribution reliability	Medium (15%)	The objective is to deliver reliability metrics (SAIDI, SAIFI, unplanned service disruptions) which meet or exceed utility specific annual targets.	Accomplishment against this objective shall be determined based on quantitative achievement, evaluated quarterly, against the annually established reliability targets, with significantly better than target performance being recognized as stretch accomplishment (Electric and Water – 95% of target reliability; Gas – 90% of target reliability).
Foster Organic Growth	Medium (15%)	Grow earnings through the identification and of new customers or rate base investments through sales and marketing efforts including: <ul style="list-style-type: none"> reconnecting dormant customers, connecting new customers through line extensions or otherwise; Managed expansion projects including Military Privatizations; and Tuck-in acquisitions announcements. 	Accomplishment against this objective shall be determined based on identifying and securing regulatory approval for investment by Liberty Utilities in growth opportunities which target: <ul style="list-style-type: none"> 4,200 identified EDU customers which are expected to connect to the system within 3 years, with stretch accomplishment recognized for more than 125% of this target; delivery of incremental gross profit margin of US\$4.0 million, with stretch accomplishment recognized for more than 125% of this target; and/or represent rate base investment of US\$7 million (allocation of achievement to be partially tied to actual dollar value of committed rate base acquired – i.e. stretch accomplishment recognized for more than 125% of this target)
Reduce Motor Vehicle Accident Rate	Low (10%)	The objective is to manage the business so that the safety performance for the work force meets which is equal to or less than the AGA industry average. The actual MVA rate will be compared against the AGA target	Accomplishment against this objective shall be determined based on delivering a 2018 actual MVA rate which is less than 80% of the AGA industry average.



Exhibit BCO-17

Docket No. DE 19-064

OCA TS 1-21

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Technical Session Data Requests - Set 1

Date Request Received: 8/21/19
Request No. OCA TS 1-21

Date of Response: 9/5/19
Respondent: Anthony Strabone
Heather M. Tebbetts

REQUEST:

Address the following regarding Staff 1-2, for the 2019 capital budget (and revenue requirement workpapers, 2019 Capital Budget, OCA 1-2.3):

- a. Provide the amount of total capitalized labor included in the 2019 Capital Budget, and show amounts by project (the capitalized labor for the 2019 Capital Budget was not provided in the response to 2-14.g, although the capitalized labor for the 2017 and 2018 Capital Budgets were provided in this response for each project).

RESPONSE:

- a. The total internal capital labor in the budget is estimated to be \$5.092 million for projects using internal labor resources. When calculating the capital costs for projects, any projects using contractors are based on historical spending for like projects, which provides a baseline for costs such as labor and materials. Those costs are not broken down by cost type because those projects use a bidding process which may include materials and labor. The capitalized labor for the 2017 and 2018 projects provided in Attachment OCA 2-14.g was provided from the total actual costs when the projects were complete and was not budgeted capitalized labor.

Exhibit BCO-18

Docket No. DE 19-064

OCA TS 1-22

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Technical Session Data Requests - Set 1

Date Request Received: 8/21/19
Request No. OCA TS 1-22

Date of Response: 9/5/19
Respondent: Anthony Strabone
Heather M. Tebbetts

REQUEST:

Regarding Staff 3-28.f (at revenue requirement workpapers, 2019 Capital Budget, OCA 1-2.3), address the following regarding “8830-1926 Reserve for Unidentified Discretionary Projects” (such as the \$100,000 in the 2019 Capital Budget):

- a. Provide the amount and percentage of “8830-1926 Reserve for Unidentified Discretionary Projects” in the 2016, 2017, and 2018 Capital Budgets, and explain why these amounts varied for each year and explain how the Company determines the “Reserve for Unidentified Discretionary Projects” amount to be included in each budget (and provide copies of the related Company policy).
- b. Regarding the “Reserve for Unidentified Discretionary Projects” amounts in the 2016, 2017, and 2018 Capital Budgets, provide documentation to show that these “discretionary” amounts were, or were not, filled with actual projects for those respective years.

RESPONSE:

- a. For 2016–2018, the reserve for unidentified discretionary projects was not included in the budget as 2019 was the first year it was included. The reserve was included in the 2019 budget to accommodate the fact that unanticipated projects have come up during the year, such as a pole relocation request by a city or town, and to budget for those “unidentified” costs.
- b. N/A

Exhibit BCO-19

Docket No. DE 19-064

OCA TS 2-18

New Hampshire Office of the Consumer Advocate

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

DE 19-064
Distribution Service Rate Case

OCA Technical Session Data Requests - Set 2

Date Request Received: 10/22/19
Request No. OCA TS 2-18

Date of Response: 11/5/19
Respondent: Joel Rivera
Anthony Strabone
Heather M. Tebbetts

REQUEST:

The Company's response to OCA 7-25 regarding the amount and percent of completion construction completed year-to-date will be subject to further questions.

- a. The Company's current projections show that \$14.5 m of its \$20 m capital budget will be completed by Dec. 31, 2019, will that result in the Company revising downward its Step Increase/Capital Project adjustment, and explain why or why not.
- b. If the Company's construction costs incurred at hearing or Dec. 31, 2019 is greater than the amount included in the Step Increase/Capital Project adjustment, will the Company seek to recover the higher amounts, and explain why or why not.
- c. For those projects not projected to be 50% completed or 100% completed by Dec. 31, 2019, the Company did not provide a revised projected completion date as requested, explain if a revised schedule will be provided or if the Company is assuming that all projects will be completed by Dec. 31, 2019.
- d. For project 8830-1901, explain why this amount of \$247,794 is shown as over budget at Aug. 31, 2019, but shows a final cost of \$70,000 at 12/31/19.
- e. For 2017 and 2018, provide capital budget construction expenditures by month (not necessary to show by project) for distribution plant (it is not necessary to provide for intangible or general plant).
- a. At OCA 7-24, the Company states the capitalized labor for 2019 capital budget is \$5.092 m, although the Company cannot identify this by project. Attachment OCA 7-25, shows total capitalized labor of \$1.4 m on these capital projects, explain the difference between the \$5.092 m noted in 7-24 and the \$1.4 m in OCA 7-25.
- f. Attachment OCA 7-25 shows total labor/materials/vendors/OHs of \$9.9 m (Overheads is \$4.5 m), are these amounts similar to the capitalized labor noted in the response of OCA 7-24 whereas such amounts are considered to be high level estimates.
- g. Attachment OCA 7-25 project 8830-1940 states for this \$225,000 project that it has been cancelled and all costs are reclassified to expenses. Will these costs be revised/removed

in the Company's revised filing, explain why or why not, and to which account number will these amounts be charged.

- h. Attachment OCA 7-25 indicates for projects 8830-1944 and 1946 that actual costs are lower than budget, will these amounts be revised downward in the Company's subsequent revised filing.
- i. Attachment OCA 7-25 indicates for projects 8830-1948 that the project has been removed from 2018 budget, will these amounts be removed in the Company's subsequent revised filing.

RESPONSE:

- a. The \$14.5 million is only the capitalized labor portion of the budget, consistent with the original request in OCA 2-12.
- b. The revenue requirement shown in Attachment AS/JR/HT-1 was merely illustrative to provide guidance on how the Company will calculate its revenue requirement associated with an approved step adjustment. The \$20 million shown is not the total capital budget for 2019. The capital budget for 2019 is provided starting on Bates I-064. The Company will seek to recover the actual costs of the projects placed into service by December 31, 2019, whether they are higher or lower than the budgeted amount.
- c. All projects for 2019 will be completed by December 31, 2019. Some of the projects are ongoing, such as projects associated with Tuscan Village, thus the identified scope for 2019 is expected to be completed by year end.
- d. The project number is associated with storm work orders. As part of the 2017 storm fund audit, capital dollars were transferred from the deferral and into this project number as is the appropriate and approved vehicle for capital charges associated with storm work orders. In addition, the \$70,000 is not the final cost. Rather, it is only the capitalized labor portion of the budget, consistent with the original request in OCA 2-12.
- e. Please see Staff 9-3 for all monthly expenditures for 2017 and 2018.
- f. These amounts are only through August 31, 2019.
- g. Yes. The project will be removed from the list of capital projects when the Company puts together the final list of 2019 completed projects to be included in the step adjustment. The charges were moved to account 592 Maintenance of Station Equipment.
- h. For the list of capital projects included in the step adjustment, the actual costs will be provided.
- i. Yes. To clarify, the notation in Attachment OCA 7-25 indicates that the project has been removed from the 2019 budget, not the 2018 budget.