

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

DG 17-048
Distribution Service Rate Case

Staff Data Requests - Set 1

Date Request Received: 5/16/17
Request No. Staff 1-1

Date of Response: 5/24/17
Respondent: David Simek

REQUEST:

Please provide an electronic version of the Company's April 28, 2017 filing with all spreadsheets in "live format."

RESPONSE:

- Attachment Staff 1-1.1.xlsx is the Revenue Requirement Model & Work Papers
- CONFIDENTIAL Attachment Staff 1-1.2.xlsx is the Marginal Cost Model & Work Papers
- Attachment Staff 1-1.3.xlsx is the Rates Model & Work Papers
- Attachment Staff 1-1.4.xlsm is the Functional Cost Model
- Attachment Staff 1-1.5.xlsx is the Depreciation Model Schedule A
- Attachment Staff 1-1.6.xlsx is the Depreciation Model Schedule B
- Attachment Staff 1-1.7.xlsx is the Lead-Lag Study

Confidential Attachment Staff 1-1.2.xlsx contains proprietary information of the Company's consultant, Concentric Energy Advisors. Specifically, Concentric has used the same methodology to prepare multiple marginal cost studies and has developed and refined these spreadsheet files over the past 10 years in support of those studies. Concentric's competitive position would be harmed if other firms had unrestricted access to these files. Therefore, pursuant to 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. Confidential Attachment Staff1-1.2.xlsx is being provided in electronic working spreadsheet (Microsoft Excel) format to OCA and Staff. Redacted versions will not be provided.

REDACTED

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

DG 17-048
Distribution Service Rate Case

Staff Data Requests - Set 1

Date Request Received: 5/16/17
Request No. Staff 1-10

Date of Response: 5/24/17
Respondent: Cynthia Trottier

REQUEST:

Reference Bates 015 – Schedule T, p. 1 and Order 25,694 where the Commission approved a Special Contract and Lease Agreement with iNATGAS. Please indicate how much, if any, of the Revenue, Operating Expenses, and Rate Base figures in the Column labelled “Distribution Operating Income” on Bates 015 arise from Liberty’s, Special Contract and/or Lease Agreement with iNATGAS. Please provide an estimate of the 2017 property tax and depreciation expense related to Liberty’s capital investment to serve iNATGAS and 2017 revenues at the contract take-or-pay requirement for the 2017. Provide supporting schedules.

RESPONSE:

Revenue, operating expenses, and rate base for iNATGAS included in Schedule T, Bates 015 are:

2016	
Rent	\$ 3,200
Customer Charge (G54)	\$ 658
Operating Expenses	\$ -
Depreciation	\$ -
Property Tax	\$ 6,039
Rate Base	\$ 4,971,030

Rent revenue from iNATGAS was overstated in the books for 2016 as [REDACTED] months were included in the test year, but rent was only for the months of October to December 2016. [REDACTED]

iNATGAS went into service in December 2016 and depreciation expense was recorded starting the following month, January 2017.

Please see Attachment Staff 1-10.1 for details of the property tax. Half of the annual assessed amount for 2016 property tax of \$12,078 (\$6,039) was charged to expense in 2016.

Please see Attachment Staff 1-10.2.xlsx for the supporting schedules for iNATGAS' book value as of December 31, 2016, included in Rate base.

Estimated property taxes and depreciation expense for 2017 are:

2017	
Revenues	
Property Tax	\$ 12,078
Depreciation	\$ 142,828

The property tax estimate is based on the latest bill received from the City of Concord (see Attachment Staff 1-10.1). Please see Attachment 1-10.3.xlsx for the supporting schedule for depreciation expense.

Estimated revenues for 2017 are:

Rent	
Customer Charge (G54)	\$ 7,689
Minimum take or pay	
Total	\$ 205,120

The estimated revenues assume that iNATGAS will take the minimum transportation quantity as provided in the Special Contract. The Contract also provides that iNATGAS has the option to roll over a shortfall of its minimum transportation quantity into the following year once during the term of the Contract. In such case, iNATGAS will pay only for the dekatherms actually delivered. Please see Confidential Attachment Staff 1-10.4 for revenue details.

The portions of this response that are shaded in the confidential version and redacted in the public version contain proprietary and competitively sensitive information that the Commission previously found to warrant protective treatment. See Transcript of the April 23, 2014, prehearing conference in Docket DG 14-091 (the docket that considered and approved the Company's special contract with iNATGAS), at pages 12-13. The Company incorporates the reasons for confidential treatment stated in the motion in that docket. Therefore, pursuant to 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.

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

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Staff Data Requests - Set 2

Date Request Received: 6/16/17
Request No. Staff 2-5

Date of Response: 6/30/17
Respondent: Daniel Dane

REQUEST:

Reference Attachment DBS/DSD-2, Schedule RR-EN-3-2, Page 1 of 1 (Bates 048): Please provide the supporting documentation and/or computations for the amounts indicated in the following columns on this schedule:

- a) Employees
- b) Regular Salary
- c) Incentive
- d) Overtime and Premiums
- e) To EN
- f) To EN OpEx

RESPONSE:

Please see Confidential Attachment Staff 2-5, which provides the supporting computations for the amounts requested.

Confidential Attachment Staff 2-5 lists by job title the salaries and other compensation information for every EnergyNorth employee. Since many of the job titles have a single or very few employees, it is easy to identify the compensation of many specific employees. For example, there is only one president. This employee compensation information is confidential pursuant to RSA 91-A:5, IV. Therefore, pursuant to 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.

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

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Staff Data Requests - Set 2

Date Request Received: 6/16/17
Request No. Staff 2-6

Date of Response: 6/30/17
Respondent: Daniel Dane

REQUEST:

Reference Attachment DBS/DSD-2, Schedule RR-EN-3-2, Page 1 of 1 (Bates 048): Please provide a similar schedule which contains the actual compensation amounts incurred by department during test year 2016.

RESPONSE:

Please see Confidential Attachment Staff 2-6, which provides the 2016 salary, bonus at target, overtime, and premium pay, by department.

Confidential Attachment Staff 2-6 lists by job title the salaries and other compensation information for every EnergyNorth employee. Since many of the job titles have a single or very few employees, it is easy to identify the compensation of many specific employees. For example, there is only one president. This employee compensation information is confidential pursuant to RSA 91-A:5, IV. Therefore, pursuant to 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.

REDACTED

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

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Staff Data Requests - Set 2

Date Request Received: 6/16/17
Request No. Staff 2-41

Date of Response: 6/30/17
Respondent: William Clark

REQUEST:

Please provide a comprehensive business plan for the Keene Division that includes a Discounted Cash Flow analysis based on stand-alone operating, supply and capital costs and revenue estimates. The business plan should include a detailed description of plans and costs to convert Keene customers from propane air service to natural gas service and expected sales and revenue growth. Provide an electronic version of the DCF analysis and supporting schedules with all spreadsheets in “live format.”

RESPONSE:

Please refer to Confidential Attachment Staff 2-41.xlsx for a DCF analysis of the five-year growth projections of the Keene Division if fuel supply switched to natural gas and EnergyNorth distribution rates. (Temp Rates effective July 1, 2017).

Phase 1 will include customers along Production Ave and [REDACTED]. Bensonwood, on Production Ave., has already committed to taking service and is expected to be served from the temporary CNG facility to be constructed in summer of 2017. Adding this customer would put the temporary facility at its maximum capacity. The remaining customers would be expected to be converted in summer of 2018.

Phase 2 will be an extension of high pressure main from the existing “high line” to serve [REDACTED]. This Phase also includes an extension on Winchester Street south of Route 101. Phase 2 is expected to commence in spring of 2019.

Phase 3 would continue across Main Street and down Marlboro Street as well as Optical Avenue to serve customers such as [REDACTED], and [REDACTED]. This phase is expected to begin in spring of 2020.

Phase 4 would begin an extension north along Route 9 with [REDACTED]. This phase is also expected to begin in spring of 2020.

Phase 5 extends further north and is expected to begin in spring of 2021.

The existing Keene customers will be converted over multiple years by geography and strategic valves to isolate these customers from the propane air system. It is expected to take between four and seven years to accomplish the conversion. Current estimates are conversion costs will be approximately \$850 per customer, which equates to \$1,062,500 (based on 1250 customers). These costs will be borne by all (existing and new) Keene Division customers over a number of years through the Keene Division COG.

The identities of potential customers for each phase of the Company's planned expansion in Keene is confidential customer information, and confidential business information. Therefore, pursuant to RSA 91-A:5, IV, 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.

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

DG 17-048
Distribution Service Rate Case

Staff Data Requests - Set 3

Date Request Received: 6/28/17
Request No. Staff 3-3

Date of Response: 7/13/17
Respondent: Daniel Dane

REQUEST:

Re: Attachment DBS/DSD-2, Schedule RR-K-3-1, Page 1 of 1 (Bates 059): Please provide the supporting documentation and/or computations for the amounts indicated in the following columns on this schedule:

- a) Employees
- b) Regular Salary
- c) Incentive
- d) Overtime and Premiums
- e) To Keene
- f) To Keene OpEx

RESPONSE:

Please see Confidential Attachment Staff 3-3, which provides the supporting computations for the amounts requested.

Confidential Attachment Staff 3-3 lists by job title the salaries and other compensation information for every Keene employee. Since many of the job titles have a single or very few employees, it is easy to identify the compensation of many specific employees. This employee compensation information is confidential pursuant to RSA 91-A:5, IV. Therefore, pursuant to 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.

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

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Staff Data Requests - Set 3

Date Request Received: 6/28/17
Request No. Staff 3-4

Date of Response: 7/13/17
Respondent: Daniel Dane

REQUEST:

Re: Attachment DBS/DSD-2, Schedule RR-K-3-1, Page 1 of 1 (Bates 059): Please provide a similar schedule which contains the actual compensation amounts that were incurred during test year 2016 for each of the 7 Keene positions.

RESPONSE:

Please see Confidential Attachment Staff 3-4, which provides the 2016 salary, bonus at target, overtime, and premium pay for each of the seven Keene positions.

Confidential Attachment Staff 3-4 lists by job title the salaries and other compensation information for every Keene employee. Since many of the job titles have a single or very few employees, it is easy to identify the compensation of many specific employees. This employee compensation information is confidential pursuant to RSA 91-A:5, IV. Therefore, pursuant to 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.

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

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Staff Data Requests - Set 3

Date Request Received: 6/28/17
Request No. Staff 3-5

Date of Response: 7/13/17
Respondent: Daniel Dane

REQUEST:

Reference Attachment DBS/DSD-2, Schedule RR-K-3-3, Page 1 of 1 (Bates 061): Please provide the supporting documentation and/or computations for the amount indicated for Health Care/Other in the amount of \$76,318.

RESPONSE:

Please see Confidential Attachment Staff 3-5, which provides the supporting computations for the amounts requested.

Confidential Attachment Staff 3-5 lists by job title the benefits for every Keene employee. Since many of the job titles have a single or very few employees, it is easy to identify the benefits of many specific employees. This employee benefits information is confidential pursuant to RSA 91-A:5, IV. Therefore, pursuant to 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.

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

DG 17-048
Distribution Service Rate Case

Staff Data Requests - Set 5

Date Request Received: 7/27/17
Request No. Staff 5-4

Date of Response: 8/10/17
Respondent: William Clark

REQUEST:

Reference DG 14-091 Company response to Staff DR 1-1.

- a. Please provide updated schedules to reflect actual capital costs and actual monthly revenue to date and updated monthly projected revenues.
- b. Please prepare a comparison of the revenue estimates provided in DG 14-091 with the actual and updated projected monthly revenues provided in (a) above and explain variances.

RESPONSE:

- a. Please see Attachment Staff 5-4.1 and Attachment Staff 5-4.2 for actual capital costs. Please see Confidential Attachment Staff 5-4.3 for actual revenues from the December 1, 2016, commencement date through May 31, 2017.
- b. The Company provided revenue estimates in DG 14-091 under three scenarios: Take or Pay minimum requirements, baseline projections, and an accelerated growth model. After recent discussions with iNATGAS, the Company estimates the first two years post-commencement date revenues will be at the Take or Pay minimum. From there, it is expected to increase to the baseline scenario.

Those portions of Confidential Attachment Staff 5-4.3 that are highlighted (or redacted in the public version) contain iNATGAS's actual monthly consumption and the Company's resulting gross margin for the months December 2016 through May 2017. This customer-specific is confidential customer usage data. See RSA 363:38. Therefore, pursuant to RSA 91-A:5, IV, 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.

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

DG 17-048
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Staff Data Requests - Set 5

Date Request Received: 7/27/17
Request No. Staff 5-16

Date of Response: 8/10/17
Respondent: Lori Oliveira

REQUEST:

Salaries and Wages: Reference Attachment DBS/DSD-2, Schedule RR-EN-3-2. For each of the 33 Vacancies, please provide:

- a. Department, position, and salary
- b. How long has the vacancy been open
- c. Whether the position has been filled
- d. How the work assigned to the vacant position is being done

RESPONSE:

- a. - d. Reference Confidential Attachment Staff 5-16.

The information that is marked as confidential (or redacted in the public version) in Confidential Attachment Staff 5-16 is the salary of the listed positions, most of which have been filled by current employees. Because the specific job titles are listed, and because most of the positions have been filled and the remaining positions will be filled in the near future, it is easy to identify which employees are earning the corresponding salaries. An employee's salary is information entitled to confidential treatment. Therefore, pursuant to RSA 91-A:5, IV, 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.

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Staff Data Requests - Set 5

Date Request Received: 7/27/17
Request No. Staff 5-17

Date of Response: 8/10/17
Respondent: Lori Oliveira

REQUEST:

Salaries and Wages, Incentive Compensation: For each year 2014, 2015 and 2016, please provide the amount of incentive compensation awarded by type (Short-term, long-term, etc.) by senior management, non-union, and union employees.

RESPONSE:

For salaries and wages refer to Confidential Attachment Staff 5-17.1, Confidential Attachment Staff 5-17.2, and Confidential Attachment Staff 5-17.3 representing salary and wages for 2014, 2015, and 2016 respectively. The compensation amounts on the attachment represents what was actually paid out and not the amount expensed on the company income statement. Also, these amounts are totals and do not reflect any allocation between the two utilities. The amounts were calculated by department and some departments have a blend of union and non-union employees. The column titled "Employees" shows the total number of employees that were in that particular department at any time during the year. All amounts in the "Incentive" column are short-term incentives.

The following departments have both union and non-union employees:

- Operations-Engineering
- Operations-Gas Production
- Operations-Gas-Field Operations
- Billing/Collections
- Customer Service

The following department only has union employees:

- Operations-Gas-CMS

All other departments listed have only non-union employees.

Attachment Staff 5-17.4 shows total incentive and long term incentive compensations payments actually paid out for 2014, 2015, and 2016.

The information highlighted (or redacted) in Confidential Attachment Staff 5-17.1, Confidential Attachment Staff 5-17.2, and Confidential Attachment Staff 5-17.3, is aggregate employee salary information for those departments that have three or fewer employees, which may allow one to calculate individual salary information. Therefore, pursuant to RSA 91-A:5, IV, 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.

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

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Staff Data Requests - Set 5

Date Request Received: 7/27/17
Request No. Staff 5-36

Date of Response: 8/10/17
Respondent: Lori Oliveira

REQUEST:

Keene Employee Headcount, Payroll and Benefits: Reference Staff 3-3 and Staff 3-4.

- a. Please provide a corresponding spreadsheet for 2015.
- b. For each Keene employee/position, please provide the date and amount of the change in annual salary and benefits cost since the acquisition and explain the changes.
- c. Does the Company anticipate reducing the number of employees, including any voluntary early retirement or other force reduction programs, during 2017 or 2018? If yes, state the timing and number of affected employees. Also state the projected costs and savings of any such plan.

RESPONSE:

- a. Please refer to Confidential Attachment Staff 5-36.
- b. In 2015, there was no annual salary change for Keene employees. The change in the cost of benefits occurred at the beginning of the year and these changes were the result of medical inflation, utilization, and regulatory increases associated with the Affordable Healthcare Act. Combined (health, dental, vision) increase was 3.46%.

In 2016, for non-union employees, the annual salary change was a 3% merit increase that occurred in late March. For union employees, the annual salary change was the result of contract negotiations and market data which showed that the Keene gas technicians were compensated far below the market rate, so in February 2016 this group received a combined market adjustment and merit increase of 29% following contract negotiations. The change in the cost of benefits occurred at the beginning of the year as a result of medical inflation, utilization, and regulatory increases associated with the Affordable Healthcare Act. Combined (health, dental, vision) increase was 13.09%.

In 2017, non-union employees received an average 3% merit increase in mid-February. Salary changes occurred in mid-February. For union employees, salary change was 2.6% as agreed to in the contract. The change in the cost of benefits occurred at the beginning of the year as a result of medical inflation, utilization, and regulatory increases associated

with the Affordable Healthcare Act. Combined (health, dental, vision) increase was 7.59%.

c. No.

Those portions of Confidential Attachment Staff 5-36 which are highlighted (or redacted in the public version) contain salary and other compensation information for each of the job titles within the Keene Division. Although the list does not include employee names, there is only one person for each position and thus disclosure of this compensation information by job title is tantamount to disclosing that information by name. An individual's compensation information is confidential. Therefore, pursuant to RSA 91-A:5, IV, 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.

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

DG 17-048
Distribution Service Rate Case

Staff Data Requests - Set 5

Date Request Received: 7/27/17
Request No. Staff 5-50

Date of Response: 8/10/17
Respondent: Lori Oliveira

REQUEST:

Reference Company's response to Staff 2-5:

- a. Please indicate which, if any, of the positions listed under Vacancies have been filled during 2017.
- b. Please indicate which, if any, positions identified in the Company's total response to Staff 2-5 have become vacant during 2017.
- c. With regard to the following positions listed under Vacancies, please provide:
 - i. a brief description of each position's associated job responsibilities, and
 - ii. the current necessity for filling each position, especially with regard to those positions identified with an "*" which appear to already have individuals occupying similar positions within the parenthetically identified departments:
 1. HR Business Partner* (Human Resources)
 2. Electric System Control Operator
 3. Specialist, SCADA
 4. Operations Coordinator* (Operations – Engineering)
 5. Gas Project Engineer* (Operations – Engineering)
 6. Project Planning Engineer* (Operations – Engineering)
 7. VP, Finance & Administration
 8. Manager, Construction & Contractor Oversight
 9. Temporary Construction Supervisory Inspectors (3)
 10. Program Manager, Communications & Media Relations* (Customer Care)
 11. Facilities Security Maintenance Technician

RESPONSE:

- a. Refer to Confidential Attachment Staff 5-50.a.
- b. The following positions became vacant in 2017:
 - HR Business Partner: Promoted to Manager, Human Resources
 - Analyst, Planner Operations: Promoted to Supervisor, Resource Planning

- Vice President, Human Resources (East Region): Promoted to President, Massachusetts
- c. In regard to the listed positions:
- i. Refer to Confidential Attachment Staff 5-50.a
 - ii. In regard to necessity:
 1. HR Business Partner* (Human Resources): Filled due to internal Promotion
 2. Electric System Control Operator: Filled in response to assuming responsibility for Tahoe, CA, Electric System control
 3. Specialist, SCADA: Filled in response to assuming responsibility for Liberty Utilities Enterprise wide SCADA systems
 4. Operations Coordinator* (Operations – Engineering): Filled in response to expanded Gas Service Territory and internal promotion
 5. Gas Project Engineer* (Operations – Engineering): Filled in response to expanded Gas Service Territory
 6. Project Planning Engineer* (Operations – Engineering): Filled in response to expanded Gas Service Territory
 7. VP, Finance & Administration: Open, but needed for Liberty Utilities’ Regional model
 8. Manager, Construction & Contractor Oversight: Filled in response to expanded Gas Service Territory
 9. Temporary Construction Supervisory Inspectors (3): Filled in response to expanded Gas Construction projects
 10. Program Manager, Communications & Media Relations* (Customer Care): Created in response to Liberty Utilities Regionalization model
 11. Facilities Security Maintenance Technician: Filled in response to facilities upgrades and location expansion.

The information that is marked as confidential (or redacted in the public version) in Confidential Attachment Staff 5-50.a is the salary of the listed positions, most of which have been filled by current employees. Because the specific job titles are listed, and because most of the positions have been filled and the remaining positions will be filled in the near future, it is easy to identify which employees are earning the corresponding salaries. An employee’s salary is information entitled to confidential treatment. Therefore, pursuant to RSA 91-A:5, IV, 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.

- c. Will the filling of any of the positions listed under “Vacancies” reduce the Overtime and Premiums paid to the above positions and/or any of the respective Company departments? Please provide a detailed explanation.

RESPONSE:

- a. For all of the positions other than the Billing/Collections position, incurrence of overtime and premiums are typical for those positions. Further, overtime and premiums are included in the union contracts.
- b. Overtime and premiums are always taken into account during union contract negotiations. While no particular studies have been conducted, the Company continuously evaluates whether additional positions are necessary to complete the work, or if the use of overtime is most optimal.
- c. Filling the positions will not necessarily reduce overtime or premiums, since overtime and premium pay is a common occurrence due to work requirements and the increasing amount of work due to system growth. The incurrence of overtime or premium pay is a function of the amount of work that must be completed, deadlines for completing work, and emerging work that is not anticipated in advance.

The information attached to the response to Staff 2-5 (and used in the development of the proforma adjustment on Attachment DBS/DSD-2, Schedule RR-EN-3-2 (Bates 048)) was developed from the same source information that was used to develop the attachment to the response to Staff 2-6. As discussed in the response to Staff 5-51, that source document did not include actual amounts for the entire test year, so certain amounts were annualized. Additionally, the source document excluded employees who had terminated employment during the test year and bonus amounts were at target rather than actual amounts.

Attachment Staff 5-51 contains the revised information on actual compensation, but not proformed amounts. There is a need to revise Confidential Attachment Staff 2-5 as well as the calculation of the proforma on Attachment DBS/DSD-2, Schedule RR-EN-3-2. The revised attachments (both to the data responses as well as Attachment DBS/DSD-2, Schedule RR-EN-3-2) will be provided as soon as they are available to provide the parties sufficient opportunity to review the revisions. In addition, Schedule RR-EN-3-2 will be included in the corrections and updates filing that will be made once discovery is completed.

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

DG 17-048
Distribution Service Rate Case

Staff Data Requests - Set 6

Date Request Received: 7/27/17
Request No. Staff 6-8

Date of Response: 10/4/17
Respondent: Steven Mullen

REQUEST:

Please provide the Employee Engagement Survey results from most recent survey(s) in 2017 and 2016. (Reference: Customer Service Recommendation 4).

RESPONSE:

Results from the 2017 Employee Engagement Survey will not be available until mid-October 2017. Results from the 2016 Employee Engagement Survey are attached as Confidential Attachment Staff 6-8.

Confidential Attachment Staff 6-8 contains information pertaining to internal personnel practices and related confidential information. Therefore, pursuant to RSA 91-A:5, IV, 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. Confidential Attachment Staff 6-8 is being provided in electronic format to Staff and OCA. A redacted version will not be provided.

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

DG 17-048
Distribution Service Rate Case

Staff Data Requests – Set 8

Date Request Received: 10/4/17
Request No. Staff 8-7

Date of Response: 10/18/17
Respondent: Tisha Sanderson

REQUEST:

Reference Company's response to Staff Tech 1-1, Attachment DBS/DSD-2, Schedule RR-K-3-3, Line 2: Please provide the supporting documentation and computations for the proposed Health Care / Other amount of \$150,104.

RESPONSE:

Please see Confidential Attachment Staff 8-7.xlsx.

Confidential Attachment Staff 8-7.xlsx contains a list of employees with the specific health benefit costs attributable to each. These employee names and specific benefit amounts are 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.

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

DG 17-048
Distribution Service Rate Case

Staff Data Requests – Set 8

Date Request Received: 10/4/17
Request No. Staff 8-23

Date of Response: 10/18/17
Respondent: Lori Oliveira

REQUEST:

Salaries and Wages: Reference Staff 1.1, attachment 1-1.1 Tab RR-EN-3-2 and Audit Report dated August 22, 2017, page 117. Audit found that EnergyNorth included severance pay of \$144,130. Please provide:

- a) Amount included in test year
- b) When was the severance paid?
- c) What were the circumstances that resulted in severance pay being paid?
- d) What were the positions and the amount for each person that received severance pay?

RESPONSE:

- a) \$144,129.54
- b) Severance payments were made throughout 2016 for employee resignations and layoffs.
- c) Please refer to Confidential Attachment Staff 8-23.
- d) Please refer to Confidential Attachment Staff 8-23.

In Confidential Attachment Staff 8-23 the Company has marked as confidential (or redacted) only the amount of severance paid in 2016 to a list of employees, by title only, who resigned or were laid off in 2016. Since one could easily determine the identity of the employees who resigned or were laid off by reviewing the job titles disclosed in Confidential Attachment Staff 8-23, the amount paid to those job titles constitutes 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.

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

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Staff Data Requests – Set 8

Date Request Received: 10/4/17
Request No. Staff 8-28

Date of Response: 10/18/17
Respondent: Lori Oliveira

REQUEST:

Incentive Compensation: Reference Staff Tech 1.19.

- a) For each employee, please breakout the 2017 incentive by Short Term, Shared Bonus Pool, and Performance Share Unit Plan.
- b) For each type of award, please explain how the 2017 incentive for employee was calculated when 2017 is not complete and the final performance levels have not been measured.
- c) Does the 2017 incentive included in the 2017 pro-forma assume that all employees will achieve the maximum award available?
- d) For 2015 and 2016, what was the maximum award available to distribute? How much was distributed?
- e) For 2017, what is the maximum award available for distribution?

RESPONSE:

- a) Please refer to Confidential Attachment Staff 8-28.
- b) Incentive awards for 2017 were calculated based on target amounts for each position.
- c) The 2017 amounts are based on target amounts. Maximum amounts are 120% of target.
- d) 2015: Maximum available amount: \$2,454,754.88; Distributed amount: \$2,025,390.78.
2016: Maximum available amount: \$2,441,422.56; Distributed amount: \$2,080,263.82.
- e) \$2,541,603.60

In Confidential Attachment Staff 8-28 the Company has marked as confidential (or redacted) the annual salary and targeted amounts performance awards for company employees, who are listed by name. Such employee compensation 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.

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

DG 17-048
Distribution Service Rate Case

Staff Data Requests – Set 8

Date Request Received: 10/4/17
Request No. Staff 8-49

Date of Response: 10/18/17
Respondent: Tisha Sanderson

REQUEST:

Reference Simek / Dane Testimony, Page 17 of 27 (Bates 021), Line13 through Page 18 of 27 (Bates 022), Line 2:

- a) Please provide the necessary updates to the Company’s proposed revenue requirement related to the acquisition of The Empire District Electric Company by Algonquin Power & Utilities Corp on January 1, 2017. Please provide detailed explanations, along with all appropriate calculations, for all updates provided by the Company.
- b) Please provide the necessary updates to the Company’s proposed revenue requirement related to Liberty Utilities’ adoption of a regional structure which became effective in 2017. Please provide detailed explanations, along with all appropriate calculations, for all updates provided by the Company.

RESPONSE:

- a) Please see Attachment Staff 8-49.a. The amounts in the “Forecast” column include actuals for the months of January – September 2017 and forecasted amounts for the remaining three months of the year. The amounts in the “Change” column showing a total net reduction of \$163,124 will be included in the Corrections and Updates filing.
- b) Please see Confidential Attachment Staff 8-49.b.xlsx, which contains the regional employees that were also included in the response to Staff Tech 1-19. The Company’s response to Staff Tech 1-19 captured the necessary updates to the proposed revenue requirement relating to the adoption of a regional structure that became effective in 2017.

Confidential Attachment Staff 8-49.b.xlsx contains compensation information for employees identified by name, which 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.

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

DG 17-048
Distribution Service Rate Case

Staff Data Requests – Technical Session Set 1

Date Request Received: 8/29/17
Request No. Staff Tech 1-7

Date of Response: 9/13/17
Respondent: Lori Oliveira

REQUEST:

Salaries and Wages/Headcount: Reference Staff 5-14. The request was for number of employees and total salaries by department. The Company's response refers to the response for 5.11 which does not provide headcount. Please provide the headcount by department for 2014-2016.

RESPONSE:

Please refer to Confidential Attachment Staff Tech 1-7.

The Company has highlighted in the confidential version of Confidential Attachment Staff Tech 1-7, and redacted in the public version, the salary information for those departments with three or fewer employees because, for those small departments, one could reasonably identify the salary of individual employees, which is confidential information. Therefore, pursuant to RSA 91-A:5, IV, 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.

REDACTED

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

DG 17-048
Distribution Service Rate Case

Staff Data Requests – Technical Session Set 1

Date Request Received: 8/29/17
Request No. Staff Tech 1-17

Date of Response: 9/13/17
Respondent: Lori Oliveira

REQUEST:

Reference Company’s response to Staff 2-5: Please identify the specific wage and salary incentive(s) which are associated with the following positions and please indicate how each of the incentive percentages indicated were derived:

- a. Operations-Engineering: Director, Engineering [REDACTED]
- b. Operations-Engineering: Manager – GIS / Mapping [REDACTED]
- c. Human Resources: Manager, Human Resources [REDACTED]
- d. Human Resources: HR Business Partner [REDACTED]
- e. Environmental, Health & Safety: Manager, EHS [REDACTED]
- f. Operations – Compliance & Emergency Planning: Manager [REDACTED]
- g. Procurement – Manager, Procurement [REDACTED]
- h. Operations – Production / Dispatch / Control: Manager [REDACTED]
- i. Operations – Gas: Director, Gas Operations [REDACTED]
- j. Regulatory: Director, Rates and Regulatory Affairs [REDACTED]

RESPONSE:

- a. Information on target incentives as a percentage of base salary is collected from competitive analysis obtained from external, independent compensation/pay market data surveys. This information is then aligned to the Liberty levels/salary grades. An incentive target percentage is established for each salary grade to reflect the competitive pay analysis and the job’s scope and responsibilities. Jobs in a higher salary grade have greater scope and responsibility, generally resulting in a higher incentive target percentage. Incentive target percentages are consistent for jobs within a salary grade.
- b. Please refer to Confidential Attachment Staff Tech 1-17.1.xlsx and Confidential Attachment Staff Tech 1-17.2.xlsx for detailed calculations and Attachment Staff Tech 1-17.3 and Attachment Staff Tech 1-17.4 for details on how the spreadsheets work to calculate the amounts given to each employee.

The information highlighted above in the confidential version of this answer, and redacted in the public version, and the information in Confidential Attachment Staff Tech 1-17.1.xlsb and Confidential Attachment Staff Tech 1-17.2.xlsb is confidential employee compensation information. Therefore, pursuant to RSA 91-A:5, IV 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.

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

DG 17-048
Distribution Service Rate Case

Staff Data Requests – Technical Session Set 1

Date Request Received: 8/29/17
Request No. Staff Tech 1-19

Date of Response: 9/20/17
Respondent: Tisha Sanderson

REQUEST:

Reference Company's responses to Staff 2-5, Staff 5-10, and Staff 5-50: Please provide an updated version of Attachment Staff 2-5 which reflects the Company's data responses relative to its pro-forma compensation expense for ENNG.

RESPONSE:

Please see Confidential Attachment Staff Tech 1-19. The figures presented in this schedule present the 2016 actual expense updated for known and measureable changes. The Company has quantified the charges to affiliates and included that information in the revised schedule. The vacancies that were called out separately on the initial schedule have largely been filled and integrated into their respective departments. For the vacancies that remain unfilled a separate schedule has been included in the response to provide comment on the status of those positions.

The Company has highlighted in the first page of the confidential version of Confidential Attachment Staff Tech 1-19, and redacted in the public version, the salary information for those departments with three or fewer employees because, for those small departments, one could reasonably identify the salary of individual employees, which is confidential information. The Company has marked as confidential all of the information in second page of Confidential Attachment Staff Tech 1-19, which is a list of employees, by name, and the details of their compensation, which is confidential information. The Company has also marked as confidential all of the information in the third page, which is a list of specific unfilled positions and associated compensation which, when filled, will allow one to determine the compensation of those people. Pursuant to RSA 91-A:5, IV, 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.

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

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Distribution Service Rate Case

Staff Data Requests – Technical Session Set 1

Date Request Received: 8/29/17
Request No. Staff Tech 1-26

Date of Response: 9/13/17
Respondent: Tisha Sanderson

REQUEST:

Reference Company's response to Staff 5-55: Will the Company be providing a Revised Confidential Attachment 3-4 based on its response to Staff 5-55? Please explain.

RESPONSE:

Please see Confidential Attachment Staff Tech 1-26, which represents the revised confidential attachment for data request Staff 3-4.

Confidential Attachment Staff Tech 1-26 lists by job title the salaries and other compensation information for every Keene employee. Since many of the job titles have a single or very few employees, it is easy to identify the compensation of specific employees. This employee compensation information is confidential pursuant to RSA 91-A:5, IV. Therefore, pursuant to 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.

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

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Distribution Service Rate Case

Staff Data Requests – Technical Session Set 1

Date Request Received: 8/29/17
Request No. Staff Tech 1-42

Date of Response: 9/20/17
Respondent: Tisha Sanderson

REQUEST:

Reference Attachment Staff 5-35. Please explain the reasons for the budget to actual variances for 2016 for Regular Salary, Incentive, and Overtime and Premiums.

RESPONSE:

Please see Confidential Attachment Staff Tech 1-42.

The Company has highlighted in the confidential version of Confidential Attachment Staff Tech 1-42, and redacted in the public version, the salary information for those departments with three or fewer employees because, for those small departments, one could reasonably identify the salary of individual employees, which is confidential information. Therefore, pursuant to RSA 91-A:5, IV, 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.

REDACTED

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

DG 17-048
Distribution Service Rate Case

OCA Data Requests – Technical Session Set 2

Date Request Received: 11/3/17
Request No. OCA Tech 2-1

Date of Response: 11/15/17
Respondent: Steven Mullen

REQUEST:

Please provide a breakdown of all training-related costs included in the proposed revenue requirement. The breakdown should include, but not be limited to:

- a. Payroll broken down by title (instructor, etc.);
- b. Consultant broken down by activity (instruction, design, etc.);
- c. Suppliers;
- d. Software (computer based training, etc.); and
- e. Other

RESPONSE:

Upon receipt of the question, Liberty contacted the OCA to inform them that providing a response would require the gathering of a significant amount of information from a number of sources and would require a large amount of time. In response, the OCA requested an approximation of the training costs described in the question.

“Training-related” costs include the costs of instruction, payroll for employees’ time to attend the training, travel, lodging, meals, training materials, software costs, training facility costs, and vendor costs. Gathering such test year information for EnergyNorth would require a significant amount of time and effort, even for the purpose of providing an approximate cost. For example, obtaining a complete picture of the costs associated with an employee traveling to an off-site location to attend a training course or seminar would require analysis of the employee’s travel and expense report, and then the cost of the employee’s travel and attendance time would need to be calculated. What follows is information that is reasonably available to provide an understanding of the different types of training-related costs.

- A large amount of training is tracked through Liberty’s Learning and Management System. During 2016, a listing by employee of the time spent in training courses by New Hampshire employees totaled 8,331 hours. That total includes a variety of training topics including technical (both gas and electric), management, safety, cybersecurity, customer service, software skills, personal development, and other topics. In order to determine a

cost of the employees' time that would have been charged to EnergyNorth for the purpose of this response, the time for each employee would have to be allocated between EnergyNorth and Granite State Electric, as applicable, and then an hourly rate would need to be applied to the EnergyNorth portion.

- Liberty employs a gas technical trainer and an electric technical trainer in New Hampshire. Their respective 2016 salaries were [REDACTED] and [REDACTED]. Those costs must be inflated by a payroll burden factor of 1.1895 (gas) and 1.4851 (electric) for 2016 to capture things like pension and benefit costs. In addition, a Learning Specialist from the corporate office periodically traveled to New Hampshire to provide training on topics such as management and personal development. The cost of her time and travel expenses to provide training in New Hampshire amounted to \$6,040 during 2016, with 70% being EnergyNorth's portion of those costs.
- In addition to the above costs, please see the following attachments for copies of invoices for training materials and software costs. Please note that these invoices are on a New Hampshire basis, and portions were allocated to EnergyNorth and Granite State following conversion from Canadian dollars, as applicable:
 - Attachment OCA Tech 2-1.1 – Invoice for the Learning and Management System, with a New Hampshire cost of \$16,348.46
 - Attachment OCA Tech 2-1.2 – Invoice from Industrial Training Services for yearly fees associated with the Learning and Management System, with a New Hampshire cost of \$1,955.00
 - Attachment OCA Tech 2-1.3 – September 2016 invoice from Achieveblue for training materials for the Coaching Program, with a New Hampshire cost of \$5,582.39
 - Attachment OCA Tech 2-1.4 – November 2016 invoice from Achieveblue for training materials for the Coaching Program, with a New Hampshire cost of \$1,271.66

The shaded or redacted figures above are the yearly salaries of two particular employees, which information is confidential. Therefore, pursuant to RSA 91-A:5, IV 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.

REDACTED

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

DG 17-048
Distribution Service Rate Case

OCA Data Requests – Technical Session Set 2

Date Request Received: 11/3/17
Request No. OCA Tech 2-2

Date of Response: 11/15/17
Respondent: Steven Mullen

REQUEST:

Reference Attachment Staff 5-46.xlsx column “Gas Technical Training Staff.” For each year please provide a breakdown of individual expenses, by category, contained within the total expense reported for the year.

RESPONSE:

The costs each year include the salary of the trainer and related payroll burdens. Please see the following table:

	Salary	Payroll Burden	Total
2013			
2014			
2015			
2016			

The shaded or redacted figures above are the yearly salary of the gas technical trainer, which information is confidential. Therefore, pursuant to RSA 91-A:5, IV 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.

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

DG 17-048
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Staff Data Requests – Technical Session Set 3

Date Request Received: 11/3/17
Request No. Staff Tech 3-12

Date of Response: 11/15/17
Respondent: William Clark

REQUEST:

Reference Staff DR 5-4:

- a) Please provide a REVISED Attachment to Staff 1-1.e in DG 14-091 (Hall Testimony, Attachment SRH-1) that includes projected AFUDC based on the cost estimates, anticipated construction schedule and Concord property tax rate at that time. Provide supporting work papers in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.
- b) Please provide an updated REVISED Attachment to Staff 1-1.e in DG 14-091 (Hall Testimony, Attachment SRH-1) using the actual investment amounts (including AFUDC), calendar years corresponding to the in-service date and current Concord property tax rate. Provide supporting work papers in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.
- c) Please update Attachment 5-4.3 to include actual monthly consumption and gross margin since May 2017.

RESPONSE:

- a) Please see Attachment Staff Tech 3-12.a.xlsx for revised Attachment Staff 1-1.e in DG 14-091, which includes projected AFUDC based on original project cost and timeline. Including AFUDC in these calculations is atypical.
- b) Please see Attachment Staff Tech 3-12.b.xlsx with revised investment amounts based on actual costs and actual AFUDC.
- c) Please see Confidential Attachment Staff Tech 3-12.c.

The redacted or highlighted portions of Confidential Attachment Staff Tech 3-12.c contain particular usage of a customer usage, which is rendered confidential by RSA 363:38 and other authority, and the rent paid by that customer, which was rendered confidential by order in Docket No. DG 14-091. Therefore, pursuant to RSA 91-A:5, IV 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.

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

DG 17-048
Distribution Service Rate Case

Staff Data Requests – Technical Session Set 3

Date Request Received: 11/3/17
Request No. Staff Tech 3-18

Date of Response: 11/20/17
Respondent: Tisha Sanderson

REQUEST:

Reference Schedule RR-EN-3-4 in the original filing and in the update provided in Staff Tech 1-1:

- a) Do these schedules assume that all payroll amounts are matched at 4 percent in the 401K plan?
- b) Do all employees receive 4 percent payroll matching in the 401K plan. If not, please indicate the percent of test year payroll that was actually matched in the 401K plan.
- c) Please recalculate the 401K column on Schedule RR-EN-3-4 using the percentage calculated in (b) above.

RESPONSE:

- a) The schedule assumed that all payroll amounts are matched at 4 percent in the 401K plan.
- b) Not all of the Company's employees receive a 4 percent payroll matching in the 401K plan. Please see Attachment Staff Tech 3-18.b for the corrected schedule. This information will be incorporated into the Corrections and Updates filing.
- c) Please see Confidential Attachment Staff Tech 3-18.b.

The redacted or shaded portions of Confidential Attachment Staff Tech 3-18.b are categories of employees containing three or fewer employees, with details of their total compensation from which one could easily compute individual compensation. This constitutes confidential information. Therefore, pursuant to RSA 91-A:5, IV and Puc 203.08(d), the Company has a good faith basis to seek confidential treatment of the marked portions of Confidential Attachment Staff Tech 3-18.b. and will submit a motion seeking confidential treatment prior to the final hearing in this docket.