

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

Docket No. DE 21-087

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Energy Service for the Period August 1, 2021, to January 31, 2022

Reconciliation for the Period August 1, 2020, to July 31, 2021

DIRECT TESTIMONY

OF

ADAM M. HALL

AND

DAVID B. SIMEK

May 14, 2021



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1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your full name, business address, and position.**

3 A. (AH) My name is Adam M. Hall. My business address is 15 Buttrick Road,
4 Londonderry, New Hampshire. My title is Analyst, Rates and Regulatory Affairs.

5 (DS) My name is David B. Simek. My business address is 15 Buttrick Road,
6 Londonderry, New Hampshire. My title is Manager, Rates and Regulatory Affairs.

7 **Q. By whom are you employed?**

8 A. We are employed by Liberty Utilities Service Corp. (“Liberty”), which provides services
9 to Liberty Utilities (Granite State Electric) Corp. (“Liberty,” “Granite State,” or “the
10 Company”).

11 **Q. Please describe your educational background and your business and professional
12 experience.**

13 A. (AH) I graduated from Siena College in 2014 with a Bachelor of Science in Finance. I
14 also received a Master’s of Business Administration from Franklin Pierce University in
15 2016. I joined Liberty Utilities as an Analyst, Rates and Regulatory Affairs in January
16 2019. Prior to this, I was employed by Southern New Hampshire University from 2016
17 to 2019.

18 (DS) I graduated from Ferris State University in 1993 with a Bachelor of Science in
19 Finance. I received a Master’s of Science in Finance from Walsh College in 2000. I also
20 received a Master’s of Business Administration from Walsh College in 2001. In 2006, I
21 earned a Graduate Certificate in Power Systems Management from Worcester

1 Polytechnic Institute. In August 2013, I joined Liberty as a Utility Analyst and I was
2 promoted to Manager, Rates and Regulatory Affairs in August 2017. Prior to my
3 employment at Liberty, I was employed by NSTAR Electric & Gas (“NSTAR”) as a
4 Senior Analyst in Energy Supply from 2008 to 2012. Prior to my position in Energy
5 Supply at NSTAR, I was a Senior Financial Analyst within the NSTAR Investment
6 Planning group from 2004 to 2008.

7 **Q. Have you previously testified before the New Hampshire Public Utilities**
8 **Commission (“the Commission”)?**

9 A. (AH) Yes, I have recently testified in Docket Nos DE 21-049 and DE 21-063.

10 (DS) Yes, I have testified on numerous occasions before the Commission.

11 **II. PURPOSE OF TESTIMONY**

12 **Q. What is the purpose of your testimony?**

13 A. The purpose of our testimony is to present Liberty’s proposed Energy Service
14 reconciliation for the period of August 1, 2020, to July 31, 2021. Our testimony includes
15 the results of: (i) the reconciliation of Energy Service power supply expense and
16 applicable revenue (“Energy Service Reconciliation”); (ii) the reconciliation of the
17 Company’s cost of complying with its actual 2020 Renewable Portfolio Standard
18 obligations and the applicable revenue (“Renewable Portfolio Standard Reconciliation”);
19 and (iii) the reconciliation of the administrative cost of providing Energy Service and the
20 applicable revenue (“Energy Service Cost Reclassification Adjustment Factor –ESCRAF-
21 Reconciliation”).

1 Liberty is not proposing new Energy Service rates at this time. The Company will
2 propose new rates when it submits its rate filing on June 14, 2021. This filing only
3 addresses the reconciliation portion of the rate calculation.

4 **Q. Did you perform your analyses consistent with processes and procedures for similar**
5 **filings in previous years?**

6 A. Yes. We have performed our analyses consistent with past methods and practices. The
7 actual revenues and costs tie to the Company's books.

8 **Q. Please provide the list of schedules attached to your testimony.**

9 A. Schedule AMH/DBS-3 Base Energy Service Expense Reconciliation
10 Schedule AMH/DBS-4 Renewable Portfolio Standard Reconciliation
11 Schedule AMH/DBS-5 Reconciliation and
12 Calculation of Proposed Energy Service Adjustment Factor
13 Schedule AMH/DBS-6 Reconciliation and
14 Calculation of Proposed Energy Service Cost
15 Reclassification Adjustment Factor

16 Schedules AMH/DBS-1 and AMH/DBS-2 (not attached) will provide rate calculations
17 based on the winning bids. These schedules will be filed with the full Energy Service
18 filing on June 14, 2021.

1 **III. RECONCILIATION OF ENERGY SERVICE ADJUSTMENT FACTOR (ESAF)**

2 **Q. Please summarize the Company's ESAF reconciliation.**

3 A. The Company calculates the differences between revenues and costs for the following
4 items for the reconciliation filing:

- 5 • Energy Service Reconciliation – power supply
- 6 • Renewable Portfolio Standard (RPS) reconciliation - costs for complying
7 with its RPS obligations
- 8 • Energy Service Adjustment Provision, which consists of two components:
 - 9 ○ Energy Service Adjustment Factor (ESAF) reconciliation – any
10 over- or under- collection of the prior period's ESAF
 - 11 ○ Energy Service Cost Reclassification Adjustment Factor
12 (ESCRAF) reconciliation – any over- or under- collection of the
13 prior period's ESCRAF

14 **IV. ENERGY SERVICE RECONCILIATION**

15 **Q. Is the Company presenting a reconciliation of Energy Service power supply costs
16 and revenues in this filing?**

17 A. Yes. The Energy Service Reconciliation for the period August 2020 through July 2021 is
18 presented in Schedule AMH/DBS-3.

19 **Q. Please explain the Energy Service Reconciliation.**

20 A. Schedule AMH/DBS-3, page 1, presents the reconciliation of Energy Service revenue
21 and Energy Service expense by month for the reconciliation period. The detail behind

1 each month's Energy Service revenue is included on page 2 of Schedule AMH/DBS-3.

2 The detail behind each month's Energy Service expense is included on page 3 of
3 Schedule AMH/DBS-3.

4 **Q. On Schedule AMH/DBS-3, page 2, why is the Company subtracting amounts from**
5 **Energy Service revenue in column (a) for the other components of revenue in**
6 **columns (b) through (e)?**

7 A. Any revenue relating to the RPS compliance, Energy Service Adjustment Factor, and the
8 Energy Service Cost Reclassification Adjustment Factor is reconciled separately from
9 Energy Service revenue. To perform these separate reconciliations, the revenue for these
10 items are subtracted from the total Energy Service revenue billed to customers in order to
11 properly reflect the base Energy Service revenue for the current reconciliation period.

12 **Q. What is the result of the Company's Energy Service Reconciliation for the period**
13 **ending July 2020?**

14 A. As shown on Schedule AMH/DBS-3, page 1 of 3, the Company has estimated an under-
15 collection of Energy Service power supply costs of \$802,279 and will reflect this under-
16 collection in its proposed Energy Service Adjustment Factor to take effect August 1,
17 2021.

18 **Q. Is the Company presenting a reconciliation of the cost of complying with the**
19 **Renewable Portfolio Standard obligation in this filing?**

20 A. Yes. The RPS Reconciliation for the period July 2020 through June 2021 is presented in
21 Schedule AMH/DBS-4. Although the RPS program year is a calendar year, the

1 reconciliation year is July 2020 through June 2021 because the Company may purchase
2 Renewable Energy Certificates (RECs) and make Alternative Compliance Payments
3 (ACPs) to meet its 2020 RPS obligations through June 2021. The expenses associated
4 with the 2020 program year are accounted for through June 15, 2021, because the trading
5 period for the 2020 program year ends on June 15, 2021. After this date, the Company
6 will know its obligations for RPS compliance and/or to pay the ACPs for the previous
7 year.

8 **Q. Please explain the Renewable Portfolio Standard Reconciliation.**

9 A. Schedule AMH/DBS-4 presents the actual reconciliation of RPS compliance adder
10 revenue and expense by month. The RPS compliance adder revenue is collected from
11 Energy Service customers during the period. These costs are based on actual revenues
12 and expenses for the period. The Company has estimated an under-collection of
13 \$315,036. The primary reason for this estimated under-collection is the timing mismatch
14 between 2021 RPS revenue and 2020 RPS costs. The RPS expenses incurred in 2021
15 were to meet a portion of the 2020 RPS obligation. The 2021 RPS revenue is based on
16 the increased RPS obligation for 2021 as compared to 2020 and the estimated market
17 price of 2021 RPS RECs.

18 **Q. How is the Company treating the projected under-collection of RPS expense?**

19 A. Consistent with the previously-approved methodology, the Company has combined the
20 projected RPS expense under-collection with the projected under-collection of Energy
21 Service power supply costs in the calculation of the proposed Energy Service Adjustment
22 Factor.

1 **V. CALCULATION OF THE ESAF RECONCILIATION**

2 **Q. Please explain Schedule AMH/DBS-5.**

3 A. The calculation of the Energy Service Adjustment Factor charged to customers includes
4 the under-collection of Energy Service, the under-collection associated with the Energy
5 Service Adjustment Factor for the prior period, and the under-collection of RPS. The
6 sum of these amounts is estimated to be an under-collection of \$1,874,664 which, when
7 divided by estimated Energy Service forecasted kilowatt-hour sales, results in an
8 estimated ESAF of \$0.00415 to be included in Energy Service rates effective August 1,
9 2021.

10 **VI. ENERGY SERVICE COST RECLASSIFICATION ADJUSTMENT FACTOR**

11 **(ESCRAF) RECONCILIATION**

12 **Q. Please describe the reconciliation of the administrative costs of providing Energy**
13 **Service.**

14 A. The Company must reconcile its administrative cost of providing Energy Service with its
15 Energy Service revenue associated with the collection of administrative costs, and the
16 excess or deficiency resulting from that reconciliation, including interest at prime, must
17 be reflected in the subsequent year's ESCRAF.

18 **Q. Is the Company presenting a reconciliation of administrative costs of providing**
19 **Energy Service with its Energy Service revenue associated with the collection of**
20 **administrative costs in this filing?**

21 A. Yes. The ESCRAF Reconciliation for the period August 2020 through July 2021 is
22 presented in Schedule AMH/DBS-6.

1 **Q. Please explain the ESCRAF reconciliation.**

2 A. The detail behind each month's ESCRAF administrative expense is shown on pages 2
3 through 4 of Schedule AMH/DBS-6. The calculation of the cash working capital impact
4 is presented on pages 5 through 8 of Schedule AMH/DBS-6.

5 **Q. Has the Company calculated proposed ESCRAF for the period beginning August 1,**
6 **2020?**

7 A. Yes. Schedule AMH/DBS-6, page 1, calculates the estimated ESCRAF of (\$0.00046)
8 per kWh for the Small Customer Group and (\$0.00109) per kWh for the Large Customer
9 Group for the period of August 1, 2021, through July 31, 2022. The proposed ESCRAF
10 would be combined with the Energy Service rates for billing.

11 **Q. Has the Company calculated the ESCRAF in the same manner as in the prior year's**
12 **filing?**

13 A. Yes. The Company has calculated the ESCRAF in the same manner as in the prior year's
14 filing and in accordance with the methodologies and allocations approved in the
15 Settlement Agreement in Docket No. DR 95-169, Granite State Electric Company Rate
16 Increase.

17 **VII. BILL IMPACTS**

18 **Q. Has the Company determined the impact of the Energy Service rate change on**
19 **customers' bills?**

20 A. Not at this time. As stated earlier, Liberty is not yet proposing new Energy Service rates,
21 thus the impact of the Energy Service rate change on customers' bills is not known. The

1 Company will propose new rates when it submits its rate filing on June 14, 2021. This
2 filing only addresses the reconciliation portion of the rate calculation.

3 **VIII. CONCLUSION**

4 **Q. Does this conclude your testimony?**

5 **A. Yes.**

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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
DE 21-087 Energy Service Reconciliation
Schedule AMH/DBS-3 Base ES Reconciliation
Page 2 of 3

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Energy Service Revenue
August 2020 - July 2021

Month	Energy Service Revenue (a)	Renewable Portfolio Standard Revenue (b)	Energy Service Adjustment Revenue (c)	Energy Service Cost Reclass. Adjustment Factor (d)	Base Energy Service Revenue (e)
[1] Aug-20	\$ 2,745,560	\$ 332,038	\$ (168,924)	\$ 84,295	\$ 2,498,151
[2] Sep-20	\$ 2,243,649	\$ 274,817	\$ (139,813)	\$ 80,052	\$ 2,028,593
[3] Oct-20	\$ 2,006,238	\$ 228,446	\$ (116,221)	\$ 68,168	\$ 1,825,846
[4] Nov-20	\$ 2,268,572	\$ 236,755	\$ (120,448)	\$ 27,356	\$ 2,124,910
[5] Dec-20	\$ 2,911,767	\$ 287,651	\$ (146,342)	\$ 79,521	\$ 2,690,937
[6] Jan-21	\$ 3,094,956	\$ 320,298	\$ (162,951)	\$ 79,128	\$ 2,858,481
[7] Feb-21	\$ 2,695,447	\$ 307,091	\$ (156,232)	\$ 76,404	\$ 2,468,184
[8] Mar-21	\$ 2,541,338	\$ 298,757	\$ (151,992)	\$ 79,949	\$ 2,314,624
[9] Apr-21	\$ 2,026,475	\$ 257,627	\$ (131,067)	\$ 70,384	\$ 1,829,532
[10]* May-21	\$ 2,184,488	\$ 257,212	\$ (130,856)	\$ 82,096	\$ 1,976,036
[11]* Jun-21	\$ 2,378,996	\$ 284,727	\$ (144,855)	\$ 87,890	\$ 2,151,233
[12]* Jul-21	\$ 2,737,938	\$ 322,904	\$ (164,277)	\$ 97,490	\$ 2,481,821
Total	\$ 29,835,426	\$ 3,408,324	\$ (1,733,979)	\$ 912,733	\$ 27,248,348

(a) Per general ledger

(b) Actual kWh sales multiplied by approved RPS Adder

(c) Actual kWh sales multiplied by approved Energy Service Adjustment Factor

(d) Actual kWh sales multiplied by the Energy Service Cost Reclassification Adjustment Factor approved

(e) Column (a) - Column (b) - Column (c) - Column (d) - Column (e)

* Projection

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
DE 21-087 Energy Service Reconciliation
Schedule AMH/DBS-3 Base ES Reconciliation
Page 3 of 3

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Energy Service Expense Calculation
August 2020 - July 2021

		Energy Service Expense (a)	RPS Expense (b)	Base Energy Service Expense (c)
[1]	Aug-20	\$ 2,411,420	\$ -	\$ 2,411,420
[2]	Sep-20	\$ 2,077,019	\$ -	\$ 2,077,019
[3]	Oct-20	\$ 1,807,694	\$ 63,046	\$ 1,744,648
[4]	Nov-20	\$ 2,590,553	\$ 485,000	\$ 2,105,553
[5]	Dec-20	\$ 3,032,941	\$ 36,750	\$ 2,996,191
[6]	Jan-21	\$ 4,314,416	\$ 825,587	\$ 3,488,828
[7]	Feb-21	\$ 2,906,682	\$ -	\$ 2,906,682
[8]	Mar-21	\$ 2,548,897	\$ -	\$ 2,548,897
[9]	Apr-21	\$ 2,117,887	\$ 62,826	\$ 2,055,061
[10]*	May-21	\$ 1,973,578	\$ 26,336	\$ 1,947,243
[11]*	Jun-21	\$ 3,200,454	\$ 1,361,048	\$ 1,839,407
[12]*	Jul-21	\$ 1,906,806	\$ -	\$ 1,906,806
	Total	\$ 30,888,347	\$ 2,860,592	\$ 28,027,755

- (a) Per general ledger
- (b) Per general ledger
- (c) Column (a) - Column (b)
- * Projection

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
DE 21-087 Energy Service Reconciliation
Schedule AMH/DBS-4 RPS Reconciliation
Page 1 of 1

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Renewable Portfolio Standard Reconciliation
2020 Program Year

	Month	Beginning Balance (a)	Revenue (b)	Expense (c)	Monthly (Over)/Under (d)	Ending Balance (e)	Balance Subject to Interest (f)	Interest Rate (g)	Interest (h)	Cumulative Interest (i)
[1]	Jul-20	\$ -	\$ 114,350	\$ 1,277,899	\$ 1,163,549	\$ 1,163,549	\$ 581,774	3.25%	\$ 1,576	\$ 1,576
[2]	Aug-20	\$ 1,165,124	\$ 332,038	\$ -	\$ (332,038)	\$ 211,181	\$ 377,201	3.25%	\$ 1,022	\$ 2,597
[3]	Sep-20	\$ 212,203	\$ 274,817	\$ -	\$ (274,817)	\$ (62,614)	\$ 74,794	3.25%	\$ 203	\$ 2,800
[4]	Oct-20	\$ (62,412)	\$ 228,446	\$ 63,046	\$ (165,400)	\$ (227,812)	\$ (145,112)	3.25%	\$ (393)	\$ 2,407
[5]	Nov-20	\$ (228,205)	\$ 236,755	\$ 485,000	\$ 248,245	\$ 20,040	\$ (104,082)	3.25%	\$ (282)	\$ 2,125
[6]	Dec-20	\$ 19,759	\$ 287,651	\$ 36,750	\$ (250,901)	\$ (231,143)	\$ (105,692)	3.25%	\$ (286)	\$ 1,839
[7]	Jan-21	\$ (231,429)	\$ 320,298	\$ 825,587	\$ 505,289	\$ 273,861	\$ 21,216	3.25%	\$ 57	\$ 1,896
[8]	Feb-21	\$ 273,918	\$ 307,091	\$ -	\$ (307,091)	\$ (33,173)	\$ 120,372	3.25%	\$ 326	\$ 2,222
[9]	Mar-21	\$ (32,847)	\$ 298,757	\$ -	\$ (298,757)	\$ (331,604)	\$ (182,226)	3.25%	\$ (494)	\$ 1,729
[10]	Apr-21	\$ (332,098)	\$ 257,627	\$ 62,826	\$ (194,801)	\$ (526,899)	\$ (429,499)	3.25%	\$ (1,163)	\$ 565
[11]*	May-21	\$ (528,062)	\$ 257,212	\$ 26,336	\$ (230,876)	\$ (758,939)	\$ (643,501)	3.25%	\$ (1,743)	\$ (1,177)
[12]*	Jun-21	\$ (760,682)	\$ 284,727	\$ 1,361,048	\$ 1,076,320	\$ 315,638	\$ (222,522)	3.25%	\$ (603)	\$ (1,780)
			\$ 3,199,770	\$ 4,138,491						

Cumulative (Over)/Under Collection of RPS Compliance Costs \$ 315,036

- (a) Prior Month Column (e) + Prior Month Column (h)
- (b) Actual kWh sales multiplied by the RPS adder
- (c) Actual Monthly REC expenses
- (d) Column (c) - Column (b)
- (e) Column (a) + Column (d)
- (f) [Column (a) + Column (e)] ÷ 2
- (g) Interest Rate on Customer Deposits
- (h) Column (f) x Column (g) / 12
- (i) Column (h) + Prior Month Column (i)
- * Projection

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
DE 21-087 Energy Service Reconciliation
Schedule AMH/DBS-5 ES Adjustment Factor Reconciliation
Page 1 of 2

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Calculation of Energy Service Adjustment Factor
Effective August 1, 2021

[1] Base Energy Service (Over)/Under Collection	\$	802,279
[2] Energy Service Adjustment Factor (Over)/Under Collection	\$	757,349
[3] RPS (Over)/Under Collection	\$	315,036
[4] Total (Over)/Under Collection	\$	1,874,664
[5] Estimated Energy Service kWh Deliveries		450,974,253
[6] Energy Service Adjustment Factor per kWh	\$	0.00415

[1] Schedule AMH/DBS-3, Page 1

[2] Schedule AMH/DBS-5 Page 2

[3] Schedule AMH/DBS-4

[4] Sum of Lines 1 - 3

[5] Per Company forecast August 2020 - July 2021

[6] Line (4) ÷ Line (5), truncated after 5 decimal places

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
DE 21-087 Energy Service Reconciliation
Schedule AMH/DBS-5 ES Adjustment Factor Reconciliation
Page 2 of 2

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Reconciliation of Energy Service Adjustment Factor (Over)/Under
Balance Incurred August 2020 - July 2021

	Month	Beginning (Over)/Under Balance (a)	Energy Service Adjustment Revenue (b)	Ending (Over)/Under Balance (c)	Balance Subject to Interest (d)	Effective Interest Rate (e)	Interest (f)	Cumulative Interest (g)
[1]	Aug-20	\$ (972,769)	\$ (168,924)	\$ (803,845)	\$ (888,307)	3.25%	\$ (2,406)	\$ (2,406)
[2]	Sep-20	\$ (806,250)	\$ (139,813)	\$ (666,438)	\$ (736,344)	3.25%	\$ (1,994)	\$ (4,400)
[3]	Oct-20	\$ (668,432)	\$ (116,221)	\$ (552,210)	\$ (610,321)	3.25%	\$ (1,653)	\$ (6,053)
[4]	Nov-20	\$ (553,863)	\$ (120,448)	\$ (433,415)	\$ (493,639)	3.25%	\$ (1,337)	\$ (7,390)
[5]	Dec-20	\$ (434,752)	\$ (146,342)	\$ (288,410)	\$ (361,581)	3.25%	\$ (979)	\$ (8,369)
[6]	Jan-21	\$ (289,389)	\$ (162,951)	\$ (126,438)	\$ (207,914)	3.25%	\$ (563)	\$ (8,932)
[7]	Feb-21	\$ (127,001)	\$ (156,232)	\$ 29,231	\$ (48,885)	3.25%	\$ (132)	\$ (9,065)
[8]	Mar-21	\$ 29,099	\$ (151,992)	\$ 181,091	\$ 105,095	3.25%	\$ 285	\$ (8,780)
[9]	Apr-21	\$ 181,376	\$ (131,067)	\$ 312,443	\$ 246,909	3.25%	\$ 669	\$ (8,111)
[10]*	May-21	\$ 313,112	\$ (130,856)	\$ 443,968	\$ 378,540	3.25%	\$ 1,025	\$ (7,086)
[11]*	Jun-21	\$ 444,993	\$ (144,855)	\$ 589,848	\$ 517,420	3.25%	\$ 1,401	\$ (5,685)
[12]*	Jul-21	\$ 591,249	\$ (164,277)	\$ 755,526	\$ 673,387	3.25%	\$ 1,824	\$ (3,861)

\$ (1,733,979)

Total (Over)/Under Collection: \$ 757,349

- (a) Prior month Column (c) + Prior month Column (f)
- (b) Actual kWh sales multiplied by the approved Energy Service Adjustment Factor
- (c) Column (a) - Column (b)
- (d) [Column (a) + Column (c)] ÷ 2
- (e) Interest rate on Customer Deposits
- (f) Column (d) x Column (e) / 12
- (g) Column (f) + Prior Month Column (g)
- * Projection

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
DE 21-087 Energy Service Reconciliation
Schedule AMH/DBS-6 ES Cost Reclassification Adj Factor
Page 1 of 8

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Energy Service Cost Reclassification Adjustment Factor (ESCRAF)
Effective August 1, 2021

	<u>Total</u>	<u>Residential and Small C&I</u>	<u>Medium and Large C&I</u>
[1] Total Forecast of 2020 Costs	\$ 185,111	\$ 106,701	\$ 78,410
[2] Overcollection Related to ESCRAF	\$ (461,360)	\$ (265,935.46)	\$ (195,425)
[3] Net Estimated Commodity Related Costs	\$ (276,249)	\$ (159,234)	\$ (117,014)
[4] Estimated Forecast Energy Service kWh Deliveries	<u>450,974,253</u>	<u>343,677,954</u>	<u>107,296,298</u>
[5] 2020 ESCRAF per kWh	\$ (0.00061)	\$ (0.00046)	\$ (0.00109)

(1) Forecast of costs using previous period; Schedule AMH/DBS-6, Page 3, Line 4

(2) Schedule AMH/DBS-6, Page 2

(3) Line (1) + Line (2)

(4) Per Company forecast

(5) Line (3) ÷ Line (4), truncated after 5 decimal places

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
DE 21-087 Energy Service Reconciliation
Schedule AMH/DBS-6 ES Cost Reclassification Adj Factor
Page 2 of 8

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Energy Service Cost Reclassification Adjustment Factor (ESCRAF) Reconciliation
August 2020 - July 2021

	Month	Beginning Balance (a)	Revenue (b)	Expense (c)	Monthly (Over)/Under (d)	Ending Balance (e)	Balance Subject to Interest (f)	Interest Rate (g)	Interest (h)	Cumulative Interest (i)
[1]	Aug-20	\$ 214,735	\$ 84,295	\$ 19,407	\$ (64,887)	\$ 149,848	\$ 182,291	3.25%	\$ 494	\$ 494
[2]	Sep-20	\$ 150,341	\$ 80,052	\$ 16,823	\$ (63,228)	\$ 87,113	\$ 118,727	3.25%	\$ 322	\$ 815
[3]	Oct-20	\$ 87,435	\$ 68,168	\$ 15,973	\$ (52,195)	\$ 35,239	\$ 61,337	3.25%	\$ 166	\$ 981
[4]	Nov-20	\$ 35,405	\$ 27,356	\$ 17,850	\$ (9,506)	\$ 25,900	\$ 30,653	3.25%	\$ 83	\$ 1,064
[5]	Dec-20	\$ 25,983	\$ 79,521	\$ 33,672	\$ (45,848)	\$ (19,866)	\$ 3,059	3.25%	\$ 8	\$ 1,073
[6]	Jan-21	\$ (19,857)	\$ 79,128	\$ 23,461	\$ (55,667)	\$ (75,524)	\$ (47,691)	3.25%	\$ (129)	\$ 944
[7]	Feb-21	\$ (75,653)	\$ 76,404	\$ 19,431	\$ (56,973)	\$ (132,626)	\$ (104,140)	3.25%	\$ (282)	\$ 661
[8]	Mar-21	\$ (132,908)	\$ 79,949	\$ 21,852	\$ (58,098)	\$ (191,006)	\$ (161,957)	3.25%	\$ (439)	\$ 223
[9]	Apr-21	\$ (191,445)	\$ 70,384	\$ 17,839	\$ (52,545)	\$ (243,990)	\$ (217,717)	3.25%	\$ (590)	\$ (367)
[10]*	May-21	\$ (244,579)	\$ 82,096	\$ 17,839	\$ (64,257)	\$ (308,836)	\$ (276,708)	3.25%	\$ (749)	\$ (1,116)
[11]*	Jun-21	\$ (309,586)	\$ 87,890	\$ 17,839	\$ (70,051)	\$ (379,637)	\$ (344,611)	3.25%	\$ (933)	\$ (2,050)
[12]*	Jul-21	\$ (380,570)	\$ 97,490	\$ 17,839	\$ (79,651)	\$ (460,222)	\$ (420,396)	3.25%	\$ (1,139)	\$ (3,188)
			\$ 912,733	\$ 239,826						

Cumulative (Over)/Under Collection of Energy Service Cost Reclassification Adjustment Provision: \$ (461,360)

- (a1) Estimated July 2020 ending balance in DE 20-053, Bates 131, Line 3
- (a2 - a12) Prior Month Column (e) + Prior Month Column (h)
- (b) Actual kWh sales multiplied by approved ESCRAF
- (c) AMH/DBS-6 Page 4 Column (d)
- (d) Column (c) - Column (b)
- (e) Column (a) + Column (d)
- (f) [Column (a) + Column (e)] ÷ 2
- (g) Interest Rate on Customer Deposits
- (h) Column (f) x Column (g) / 12
- (i) Column (h) + Prior Month Column (i)
- * Projection

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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Energy Service Cost Reclassification Adjustment Factor (ESCRAF)
Expense Summary August 2020 - July 2021

	<u>Total</u>	<u>Residential and Small C&I</u>	<u>Medium and Large C&I</u>
<u>Wholesale Costs:</u>			
[1] Procurement and Ongoing Administration Costs	\$17,691	\$8,845	\$8,845
<u>Direct Retail:</u>			
[2] Bad Debt Expense	<u>\$94,287</u>	<u>\$55,110</u>	<u>\$39,177</u>
<u>Cash Working Capital:</u>			
[3] Working Capital Impact	<u>\$73,134</u>	<u>\$42,746</u>	<u>\$30,388</u>
[4] Total Estimated Commodity Related Costs	\$185,112	\$106,701	\$78,410

- (1) Schedule AMH/DBS-6 Page 4 Column (a), allocated evenly
(2) Bad debt calculation August 2020 - July 2021. Allocated to customer group based on method agreed to in the settlement in Docket DE 05-126.
(3) Schedule AMH/DBS-6 Page 4 Column (c), allocated to customer group based on DR 95-169 allocation.
(4) Line (1) + Line (2) + Line (3)

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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Energy Service Cost Reclassification Adjustment Factor Expenses
August 2020 - July 2021

		Payroll and Other Admin Expenses (a)	Bad Debt Expense (b)	Cash Working Capital Expense (c)	Total Expense (d)
[1]	Aug-20	\$836	\$7,918	\$10,654	\$19,407
[2]	Sep-20	\$0	\$6,169	\$10,654	\$16,823
[3]	Oct-20	\$0	\$5,319	\$10,654	\$15,973
[4]	Nov-20	\$0	\$7,196	\$10,654	\$17,850
[5]	Dec-20	\$13,674	\$9,344	\$10,654	\$33,672
[6]	Jan-21	\$0	\$12,807	\$10,654	\$23,461
[7]	Feb-21	\$269	\$8,508	\$10,654	\$19,431
[8]	Mar-21	\$2,748	\$8,450	\$10,654	\$21,852
[9]	Apr-21	\$41	\$7,144	\$10,654	\$17,839
[10]*	May-21	\$41	\$7,144	\$10,654	\$17,839
[11]*	Jun-21	\$41	\$7,144	\$10,654	\$17,839
[12]*	Jul-21	\$41	\$7,144	\$10,654	\$17,839
	Total	\$17,691	\$94,287	\$127,848	\$239,826

(a) Per general ledger

(b) Per general ledger

(c) Per general ledger

(d) Column (a) + Column (b) + Column (c)

* Projection based on previous period's costs

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Energy Service Cost Reclassification Adjustment Factor Expenses
Working Capital Summary

	<u>Days of Cost</u> (a)	<u>Annual Percent</u> (b)	<u>Customer Payment Lag %</u> (c)	<u>CWC %</u> (d)	<u>Expense</u> (e)	<u>Working Capital Requirement</u> (f)
[1] 2020 Purchase Power Costs	(34.996)	-9.56%	16.70%	7.14%	\$ 31,082,921	\$ 2,219,321
[2] Renewable Portfolio Standard	(225.604)	-61.64%	16.70%	-44.94%	\$ 3,199,770	\$ (1,437,977)
[3] Working Capital Requirement						\$ 781,344
[4] Capital Structure Post-tax						7.60%
[5] Working Capital Impact						\$ 59,382
[6] Capital Structure Pre-tax						9.36%
[7] Working Capital Impact						\$ 73,134

Columns:

- [1](a) Schedule AMH/DBS-6 Page 6
- (b) Column (a) ÷ 366
- (c) Schedule AMH/DBS-6 Page 8
- (d) Column (b) + Column (c)
- (e) Schedule AMH/DBS-6 Page 6
- [2](a) Schedule AMH/DBS-6 Page 7
- (b) Column (a) ÷ 366
- (c) Schedule AMH/DBS-6 Page 8
- (d) Column (b) + Column (c)
- (e) Schedule AMH/BS-6 Page 7
- (f) Column (d) x Column (e)

Lines:

- [3] Line 1(f) + Line 2(f)
- [4] Settlement Agreement Docket No. DE 19-064
- [5] Line (3) x Line (4)
- [6] Settlement Agreement Docket No. DE 19-064
- [7] Line (3) x Line (6)

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Energy Service Cost Reclassification Adjustment Factor Expenses

Invoice Month	Expense Description	Invoice Amount	Mid-Point Service Period	Invoice Date	Due Date	Payment Date	Elapsed Days	% of Total	Weighted Days
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
January 2020	Current Charge for January 2020	\$ 1,151,750.84	1/16/2020	2/10/2020	2/20/2020	2/20/2020	35	3.71%	1.30
January 2020	Supplier Reallocation for September 2019	\$ 30,274.22	1/16/2020	2/10/2020	2/20/2020	2/20/2020	35	0.10%	0.03
January 2020	Current Charge for January 2020	\$ 3,426,638.55	1/16/2020	2/10/2020	2/20/2020	2/20/2020	35	11.02%	3.86
January 2020	Supplier Reallocation for September 2019	\$ (94,419.30)	1/16/2020	2/10/2020	2/20/2020	2/20/2020	35	-0.30%	(0.11)
January 2020	Broker Charge	\$ 345.55	1/16/2020	2/1/2020	2/28/2020	2/25/2020	40	0.00%	0.00
February 2020	Current Charge for February 2020	\$ 939,971.31	2/15/2020	3/10/2020	3/20/2020	3/20/2020	34	3.02%	1.03
February 2020	Supplier Reallocation for October 2019	\$ (18,972.21)	2/15/2020	3/10/2020	3/12/2020	3/27/2020	41	-0.06%	(0.03)
February 2020	Current Charge for February 2020	\$ 2,873,712.22	2/15/2020	3/10/2020	3/20/2020	3/20/2020	34	9.25%	3.14
February 2020	Supplier Reallocation for October 2019	\$ (49,480.05)	2/15/2020	3/10/2020	3/20/2020	3/20/2020	34	-0.16%	(0.05)
February 2020	Broker Charge	\$ 345.55	2/15/2020	3/1/2020	3/31/2020	3/25/2020	39	0.00%	0.00
March 2020	Current Charge for March 2020	\$ 672,192.62	3/16/2020	4/9/2020	4/20/2020	4/18/2020	33	2.16%	0.71
March 2020	Supplier Reallocation for November 2019	\$ (13,466.00)	3/16/2020	4/9/2020	4/20/2020	4/20/2020	35	-0.04%	(0.02)
March 2020	Current Charge for March 2020	\$ 1,995,613.91	3/16/2020	4/9/2020	4/20/2020	4/18/2020	33	6.42%	2.12
March 2020	Supplier Reallocation for November 2019	\$ 94,224.14	3/16/2020	4/9/2020	4/20/2020	4/18/2020	33	0.30%	0.10
March 2020	Broker Charge	\$ 345.55	3/16/2020	4/1/2020	4/30/2020	4/24/2020	39	0.00%	0.00
April 2020	Current Charge for April 2020	\$ 537,366.12	4/15/2020	5/8/2020	5/20/2020	5/21/2020	36	1.73%	0.62
April 2020	Supplier Reallocation for December 2019	\$ 14,718.53	4/15/2020	5/8/2020	5/20/2020	5/21/2020	36	0.05%	0.02
April 2020	Current Charge for April 2020	\$ 1,556,465.06	4/15/2020	5/8/2020	5/20/2020	5/20/2020	35	5.01%	1.75
April 2020	Supplier Reallocation for December 2019	\$ (20,307.10)	4/15/2020	5/8/2020	5/20/2020	5/20/2020	35	-0.07%	(0.02)
April 2020	Broker Charge	\$ 345.55	4/15/2020	5/1/2020	5/31/2020	5/23/2020	38	0.00%	0.00
May 2020	Current Charge for May 2020	\$ 441,484.02	5/16/2020	6/10/2020	6/22/2020	6/20/2020	35	1.42%	0.50
May 2020	Supplier Reallocation for January 2020	\$ 7,600.34	5/16/2020	6/10/2020	6/22/2020	6/20/2020	35	0.02%	0.01
May 2020	Current Charge for May 2020	\$ 1,652,227.55	5/16/2020	6/10/2020	6/22/2020	6/20/2020	35	5.32%	1.86
May 2020	Supplier Reallocation for January 2020	\$ (149,107.42)	5/16/2020	6/10/2020	6/22/2020	6/20/2020	35	-0.48%	(0.17)
May 2020	Broker Charge	\$ 345.55	5/16/2020	6/1/2020	6/30/2020	6/25/2020	40	0.00%	0.00
June 2020	Current Charge for June 2020	\$ 437,224.00	6/15/2020	7/10/2020	7/20/2020	7/18/2020	33	1.41%	0.46
June 2020	Supplier Reallocation for February 2020	\$ (78,550.30)	6/15/2020	7/10/2020	7/20/2020	7/31/2020	46	-0.25%	(0.12)
June 2020	Current Charge for June 2020	\$ 1,719,127.68	6/15/2020	7/10/2020	7/20/2020	7/31/2020	46	5.53%	2.54
June 2020	Supplier Reallocation for February 2020	\$ 14,683.42	6/15/2020	7/10/2020	7/20/2020	7/31/2020	46	0.05%	0.02
June 2020	Broker Charge	\$ 345.55	6/15/2020	7/1/2020	7/31/2020	7/30/2020	45	0.00%	0.00
July 2020	Current Charge for July 2020	\$ 566,495.42	7/16/2020	8/12/2020	8/24/2020	8/22/2020	37	1.82%	0.67
July 2020	Supplier Reallocation for March 2020	\$ (54,262.56)	7/16/2020	8/12/2020	8/24/2020	8/24/2020	39	-0.17%	(0.07)
July 2020	Current Charge for July 2020	\$ 2,209,929.41	7/16/2020	8/10/2020	8/20/2020	8/20/2020	35	7.11%	2.49
July 2020	Supplier Reallocation for March 2020	\$ 135,270.22	7/16/2020	8/10/2020	8/20/2020	8/20/2020	35	0.44%	0.15
July 2020	Broker Charge	\$ 345.55	7/16/2020	8/1/2020	8/31/2020	8/25/2020	40	0.00%	0.00
August 2020	Current Charge for August 2020	\$ 514,838.00	8/16/2020	9/10/2020	9/21/2020	9/19/2020	34	1.66%	0.56
August 2020	Supplier Reallocation for April 2020	\$ (73,841.85)	8/16/2020	9/10/2020	9/21/2020	9/25/2020	40	-0.24%	(0.10)
August 2020	Current Charge for August 2020	\$ 1,770,705.00	8/16/2020	9/10/2020	9/21/2020	9/19/2020	34	5.70%	1.94
August 2020	Supplier Reallocation for April 2020	\$ 220,839.75	8/16/2020	9/10/2020	9/21/2020	9/19/2020	34	0.71%	0.24
August 2020	Broker Charge	\$ 345.55	8/16/2020	9/1/2020	9/30/2020	9/24/2020	39	0.00%	0.00
September 2020	Current Charge for September 2020	\$ 424,757.57	9/15/2020	10/9/2020	10/20/2020	10/14/2020	29	1.37%	0.40
September 2020	Supplier Reallocation for May 2020	\$ (13,406.61)	9/15/2020	10/9/2020	10/20/2020	10/20/2020	35	-0.04%	(0.02)
September 2020	Current Charge for September 2020	\$ 1,480,955.94	9/15/2020	10/9/2020	10/20/2020	10/20/2020	35	4.76%	1.67
September 2020	Supplier Reallocation for May 2020	\$ (29,148.78)	9/15/2020	10/9/2020	10/20/2020	10/20/2020	35	-0.09%	(0.03)
September 2020	Broker Charge	\$ 345.55	9/15/2020	10/1/2020	10/31/2020	10/23/2020	38	0.00%	0.00
October 2020	Current Charge for October 2020	\$ 431,944.01	10/16/2020	11/10/2020	11/20/2020	11/20/2020	35	1.39%	0.49
October 2020	Supplier Reallocation for June 2020	\$ 5,362.32	10/16/2020	11/10/2020	11/20/2020	11/20/2020	35	0.02%	0.01
October 2020	Current Charge for October 2020	\$ 1,338,310.99	10/16/2020	11/10/2020	11/20/2020	11/20/2020	35	4.31%	1.51
October 2020	Supplier Reallocation for June 2020	\$ (26,708.93)	10/16/2020	11/10/2020	11/20/2020	11/20/2020	35	-0.09%	(0.03)
October 2020	Broker Charge	\$ 345.55	10/16/2020	11/1/2020	11/30/2020	11/25/2020	40	0.00%	0.00
November 2020	Supplier Reallocation for July 2020	\$ 16,199.89	11/15/2020	12/10/2020	12/21/2020	12/18/2020	33	0.05%	0.02
November 2020	Current Charge for November 2020	\$ 488,404.42	11/15/2020	12/10/2020	12/21/2020	12/18/2020	33	1.57%	0.52
November 2020	Current Charge for November 2020	\$ 1,620,651.77	11/15/2020	12/10/2020	12/21/2020	12/18/2020	33	5.21%	1.72
November 2020	Supplier Reallocation for July 2020	\$ (61,322.71)	11/15/2020	12/10/2020	12/21/2020	12/18/2020	33	-0.20%	(0.07)
November 2020	Broker Charge	\$ 345.55	11/15/2020	12/1/2020	12/31/2020	12/24/2020	39	0.00%	0.00
December 2020	Supplier Reallocation for August 2020	\$ (10,984.76)	12/16/2020	1/8/2021	1/20/2021	1/20/2021	35	-0.04%	(0.01)
December 2020	Current Charge for December 2020	\$ 648,449.93	12/16/2020	1/7/2021	1/20/2021	1/20/2021	35	2.09%	0.73
December 2020	Current Charge for December 2020	\$ 2,382,113.49	12/16/2020	1/7/2021	1/20/2021	1/20/2021	35	7.66%	2.68
December 2020	Supplier Reallocation for August 2020	\$ (47,750.17)	12/16/2020	1/7/2021	1/20/2021	1/20/2021	35	-0.15%	(0.05)
December 2020	Broker Charge	\$ 345.55	12/16/2020	1/1/2021	1/31/2021	1/23/2021	38	0.00%	0.00

[1] Total \$ 31,082,920.51 Days 35.00

Columns:

- (a) Month in which obligation for payment occurred
- (b) Per invoices
- (c) Per invoices
- (d) Midpoint of applicable service period
- (e) Per invoices
- (f) Per agreements
- (g) Date paid
- (h) Number of days between Column (d) and Column (g)
- (i) Column (c) + Line (1)
- (j) Column (h) x Column (i)

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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
RPS Obligation Program Year 2020

<u>Invoice Month</u> (a)	<u>Obligation Amount</u> (b)	<u>Mid-Point of Service Period</u> (c)	<u>Due Date</u> (d)	<u>Elapsed (Days)</u> (e)	<u>% of Total</u> (f)	<u>Weighted Days</u> (g)
Jul-20	\$ 114,350	7/16/2020	3/31/2021	258	3.57%	9.22
Aug-20	\$ 332,038	8/16/2020	3/31/2021	227	10.38%	23.56
Sep-20	\$ 274,817	9/15/2020	3/31/2021	197	8.59%	16.92
Oct-20	\$ 228,446	10/16/2020	6/30/2021	257	7.14%	18.35
Nov-20	\$ 236,755	11/15/2020	6/30/2021	227	7.40%	16.80
Dec-20	\$ 287,651	12/16/2020	6/30/2021	196	8.99%	17.62
Jan-21	\$ 320,298	1/16/2021	9/30/2021	257	10.01%	25.73
Feb-21	\$ 307,091	2/14/2021	9/30/2021	228	9.60%	21.88
Mar-21	\$ 298,757	3/16/2021	9/30/2021	198	9.34%	18.49
Apr-21	\$ 257,627	4/15/2021	12/31/2021	260	8.05%	20.93
May-21	\$ 257,212	5/16/2021	12/31/2021	229	8.04%	18.41
Jun-21	\$ 284,727	6/15/2021	12/31/2021	199	8.90%	17.71
[1] Total	\$ 3,199,770				[2] Days	225.60

Columns:

- (a) Month in which obligation occurred
- (b) Obligation based on kWh sales multiplied by the approved RPS rates for period
- (c) Midpoint of Service Period
- (d) Date of Obligation for Payment
- (e.) Number of days between Column (c) and Column (d)
- (f) Column (b) / Line 1
- (g) Column (c) multiplied by Column (e.)

Lines:

- (1) Sum of Column (b)
- (2) Sum of Column (g)

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Revenue Lead/Lag Applied to Energy Service

<u>Service Period</u>		Monthly Customer Accts.Receivable (a)	Monthly Sales (b)	Days In Month (c)	Average Daily Revenues (d)
1/1/2020	1/31/2020	\$ 11,871,159	\$ 9,127,734	31	\$ 294,443
2/1/2020	2/29/2020	\$ 11,574,393	\$ 8,351,443	29	\$ 287,981
3/1/2020	3/31/2020	\$ 10,946,896	\$ 7,952,974	31	\$ 256,548
4/1/2020	4/30/2020	\$ 10,622,685	\$ 7,389,731	30	\$ 246,324
5/1/2020	5/31/2020	\$ 9,722,410	\$ 6,548,999	31	\$ 211,258
6/1/2020	6/30/2020	\$ 10,602,030	\$ 7,442,641	30	\$ 248,088
7/1/2020	7/31/2020	\$ 12,527,392	\$ 9,175,627	31	\$ 295,988
8/1/2020	8/31/2020	\$ 13,003,472	\$ 9,480,429	31	\$ 305,820
9/1/2020	9/30/2020	\$ 11,770,270	\$ 8,010,405	30	\$ 267,014
10/1/2020	10/31/2020	\$ 10,713,997	\$ 6,995,628	31	\$ 225,665
11/1/2020	11/30/2020	\$ 10,761,620	\$ 7,122,662	30	\$ 237,422
12/1/2020	12/31/2020	\$ 11,506,872	\$ 8,306,619	31	\$ 267,955
Average		\$ 11,301,933			\$ 262,042

[1] Service Lag	15.25
[2] Collection Lag	43.13
[3] Billing Lag	<u>2.59</u>
[4] Total Average Days Lag	60.97
[5] Customer Payment Lag-annual percent	16.70%

Columns:

- (a) Accounts Receivable per general ledger at end of month
- (b) Per Company billing data
- (c) Number of days in applicable service period
- (d) Column (b) ÷ Column (c.)

Lines:

- [1] Settlement Agreement Docket No. DE 19-064
- [2] (a) / (d)
- [3] Settlement Agreement Docket No. DE 19-064
- [4] Sum of Lines 1-3
- [5] Line (4) ÷ 366