

REDACTED

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

Docket No. DE 22-024

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty  
Energy Service for the Period February 1, 2023 – July 31, 2023

**DIRECT TESTIMONY**

**OF**

**JOHN D. WARSHAW**

December 16, 2022



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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is John D. Warshaw, and my business address is 15 Buttrick Road,  
4 Londonderry, New Hampshire.

5 **Q. Please state your position.**

6 A. I am the Manager of Electric Supply for Liberty Utilities Service Corp. (“LUSC”), which  
7 provides services to Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty  
8 (“Granite State,” “Liberty,” or “the Company”). I oversee the procurement of power for  
9 Energy Service for Granite State as well as the procurement of Renewable Energy  
10 Certificates (“RECs”).

11 **Q. Please describe your educational background and training.**

12 A. I graduated from the State University of New York Maritime College in 1977 with a  
13 Bachelor of Science in Nuclear Science. I received a Master’s in Business  
14 Administration from Northeastern University in 1986. In 1992, I earned a Master of Arts  
15 in Energy and Environmental Management from Boston University.

16 **Q. What is your professional background?**

17 A. In November 2011, I joined LUSC as Manager, Electric Supply for Granite State. Prior  
18 to my employment at LUSC, I was employed by National Grid USA Service Company  
19 (“National Grid”) as a Principal Analyst in Energy Supply – New England from 2000 to  
20 2010. In that position, I conducted a number of solicitations for wholesale power to meet  
21 the needs of National Grid’s New England distribution companies. I also administered

1 both short-term and long-term power purchase agreements for National Grid’s New  
2 England distribution companies. Prior to my employment at National Grid, I was  
3 employed at COM/Energy (now Eversource) from 1992 to 2000. From 1992 to 1997, I  
4 was a Rate Analyst in Regulatory Affairs at COM/Energy responsible for supporting state  
5 and federal rate filings. In 1997, I transferred to COM/Electric to work in Power Supply  
6 Administration.

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

9 A. Yes. I most recently testified before the Commission in Docket No. DE 22-024, Granite  
10 State’s Default Service Filing, on June 14, 2022.

11 **Q. Have you testified before any other state regulatory agencies?**

12 A. Yes. I have testified before both the Massachusetts Department of Public Utilities and  
13 the Rhode Island Public Utilities Commission regarding electric supply and renewable  
14 portfolio procurement activities.

15 **II. PURPOSE OF TESTIMONY**

16 **Q. Mr. Warshaw, what is the purpose of your testimony?**

17 A. The purpose of my testimony is to support the Company’s request for Commission  
18 approval of Liberty’s proposed Energy Service rates for both (i) the Large and Medium  
19 Commercial and Industrial Customer Group (“Large Customer Group”<sup>1</sup>) for the period

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<sup>1</sup> The Large Customer Group is comprised of customers taking service under General Long-Hour Service Rate G-2 or General Service Time-Of-Use Rate G-1 of the Company’s Retail Delivery Tariff.

1 May 1, 2023, through July 31, 2023 (“Block B”), and (ii) the Residential and Small  
2 Commercial Customer Group (“Small Customer Group”<sup>2</sup>) for the six-month period  
3 February 1, 2023, through July 31, 2023. My testimony will describe the process used by  
4 Liberty to procure Energy Service for both the Large and Small Customer Groups, the  
5 proposed Energy Service rates, how the Company will conduct a new solicitation for the  
6 Large Customer Group for the three-month period February 1, 2023, through April 30,  
7 2023 (“Block A”), and how the Company proposes to meet its 2022 Renewable Portfolio  
8 Standard (“RPS”) obligations.

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

10	A.	Schedule JDW-1	Energy Service RFP February 1, 2023, through July 31, 2023
11		Schedule JDW-2	Energy Service Procurement Summary
12		Schedule JDW-3	Comparison of Change in Futures Prices to Change in Procurement
13			Costs
14		Schedule JDW-4	Energy Service Contract for the Large Customer Group May 1,
15			2023, through July 31, 2023, with Calpine Energy Services, L.P.
16		Schedule JDW-5	Energy Service Contract for the Small Customer Group February
17			1, 2023, through July 31, 2023, with NextEra Energy Marketing,
18			LLC
19		Schedule JDW-6	Summary of May 1, 2022, RPS Solicitation
20		Schedule JDW-7	Summary of 2022 and 2023 REC Positions
21		Schedule JDW-8	Summary of 2022 and 2023 REC Purchase Agreements

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<sup>2</sup> The Small Customer Group is comprised of customers taking service under Domestic Service Rate D; Domestic Service - Optional Peak Load Pricing Rate D-10; Outdoor Lighting Service Rate M; Limited Total Electrical Living Rate T; General Service Rate G-3; or Limited Commercial Space Heating Rate V of the Company’s Retail Delivery Tariff.

1 **III. ENERGY SERVICE BIDDING PROCESS**

2 **Q. Mr. Warshaw, why does Liberty need to procure Energy Service for both the Large**  
3 **and Small Customer Groups for the period beginning February 1, 2023?**

4 A. Pursuant to the procurement process approved by the Commission, which I describe later  
5 in my testimony, Liberty procures power supply through contracts having a three-month  
6 term for the Large Customer Group and a six-month term for the Small Customer Group.  
7 Liberty's currently effective Energy Service supply contracts for both the Large and  
8 Small Customer Groups expire on January 31, 2022. Therefore, to assure that Energy  
9 Service will continue to be available, Liberty requires new Energy Service supply  
10 arrangements beginning February 1, 2023.

11 **Q. Please describe the process Liberty used to procure its Energy Service supply for**  
12 **the six-month period beginning February 1, 2023.**

13 A. Liberty conducted its procurement of Energy Service supply consistent with the  
14 principles of the electric restructuring statute, RSA 374-F, and previous Commission  
15 orders. The Company complied with the solicitation, bid evaluation, and procurement  
16 process set forth in the Settlement Agreement dated November 18, 2005, which was  
17 approved by the Commission in Order No. 24,577 (Jan. 13, 2006) in Docket No. DE 05-  
18 126, amended by Order No. 24,922 (Dec. 19, 2008) in Docket No. DE 08-011, amended  
19 by Order No. 25,601 (Nov. 27, 2013) in Docket No. DE 13-018, and further amended by  
20 Order No. 25,806 (Sept. 2, 2015) in Docket No. DE 15-010 (as amended through these  
21 subsequent orders, the "Settlement Agreement"). On November 1, 2022, Liberty issued a

1 request for proposals (“RFP”) for certain power supply services and sought suppliers for  
2 Liberty’s Energy Service covering both the Large and Small Customer Groups.

3 **Q. Was the Company’s solicitation for the period beginning February 1, 2023,**  
4 **consistent with the Commission-approved process for Energy Service?**

5 A. Yes, Liberty’s Energy Service RFP was conducted consistent with the Settlement  
6 Agreement.

7 **Q. Could you describe the nature of the RFP that Liberty issued?**

8 A. On November 1, 2022, and consistent with past practice, Liberty issued an RFP to a  
9 number of potential suppliers soliciting power for the period February 1, 2023, through  
10 July 31, 2023. Liberty also distributed the RFP to all members of the New England  
11 Power Pool (“NEPOOL”) Markets Committee and posted the RFP on Liberty’s energy  
12 supply website. As a result, the RFP had wide distribution throughout the New England  
13 energy supply marketplace. The RFP requested fixed pricing for each month of service  
14 on an as-delivered energy basis. Prices could vary by month and by service; that is, the  
15 prices did not have to be uniform across the entire service period or between the three  
16 load blocks. A copy of the RFP is provided as Schedule JDW-1.

17 **IV. RESULTS OF ENERGY SERVICE BIDDING**

18 **Q. Mr. Warshaw, did Liberty receive responses to the RFP?**

19 A. Yes. Indicative proposals were received on December 6, 2022. Final proposals were  
20 received on December 13, 2022. None of the bidders made their provision of Liberty’s  
21 Energy Service contingent upon the provision of any other service.

1 **Q. Was participation in this RFP like past solicitations?**

2 A. No. Several bidders elected to not participate in this RFP due to the current volatility in  
3 the energy markets, uncertainty regarding the Mystic cost of service (“COS”) costs, and  
4 the unknown effects of the New Hampshire Community Aggregation programs. The  
5 Large Customer Group Block A (February 1, 2023, to April 30, 2023) received no  
6 acceptable final bids. This is the first time Liberty had no acceptable final bids in an  
7 Energy Service RFP.

8 **Q. How do the current futures prices for electricity and natural gas compare to the**  
9 **futures prices at the time of the Company’s previous solicitations?**

10 A. The futures market prices for electricity and natural gas at the time of receiving final bids  
11 for the previous two solicitation periods on December 14, 2021, and June 7, 2022, as well  
12 as current futures market prices, are shown in Schedule JDW-3. These are the most  
13 recent solicitations for the Small Customer Group. As shown, current electric wholesale  
14 and natural gas future prices are still significantly higher as compared to the prior year’s  
15 final bids that were received on December 14, 2021. However, futures prices are lower  
16 when compared to the June 7, 2022, futures prices. Due to the volatility in the electric  
17 futures market, uncertainty regarding the Mystic COS costs, and the unknown effects of  
18 the New Hampshire Community Aggregation programs, the proposed retail prices for the  
19 Small Customer Group are slightly lower when compared to the retail prices currently in  
20 rates.



1 **Q. Did Liberty select any of the proposals received in response to the RFP?**

2 A. Yes. Liberty evaluated the bids received and selected the supplier that: (i) provided a bid  
3 that was conforming to the RFP; (ii) had the lowest price; (iii) met the credit  
4 requirements described in the RFP; and (iv) passed our qualitative evaluation. On  
5 December 14, 2022, Liberty entered into a wholesale Transaction Confirmation with  
6 Calpine Energy Services, L.P. (Calpine), the winning bidder, to provide Energy Service  
7 to the Large Customer Group for the three-month period May 1, 2023, through July 31,  
8 2023, Block B. Together, a Transaction Confirmation and a Master Power Agreement  
9 provide the terms for the purchase of Energy Service from a supplier. A copy of the  
10 Transaction Confirmation between Calpine and Liberty, with certain confidential sections  
11 redacted, is attached as Schedule JDW-4. A copy of the Calpine Master Power  
12 Agreement was filed with the Commission on September 17, 2007, in Docket No. DE 07-  
13 012 (Energy Service proceeding), and the First Amendment to that Master Power  
14 Agreement was filed with the Commission on December 12, 2016, in Docket No. DE 16-  
15 249 (Energy Service proceeding).

16 On December 14, 2022, Liberty entered into a wholesale Transaction Confirmation with  
17 NextEra Energy Marketing, LLC. (NextEra), the winning bidder, to provide Energy  
18 Service to the Small Customer Group for the six-month period February 1, 2023, through  
19 July 31, 2023. Together, a Transaction Confirmation and a Master Power Agreement  
20 provide the terms for the purchase of Energy Service from a supplier. A copy of the  
21 Transaction Confirmation between NextEra and Liberty, with certain confidential  
22 sections redacted, is attached hereto as Schedule JDW-5. A copy of the NextEra Master

1 Power Agreement was filed with the Commission on September 17, 2007, in Docket No.  
2 DE 07-012 (Energy Service proceeding), and the First Amendment to that Master Power  
3 Agreement was filed with the Commission on September 20, 2010, in Docket No. DE 10-  
4 020 (Energy Service proceeding).

5 **Q. Does the Company have a value of the contracts with Calpine and NextEra?**

6 A. The notional value of the transactions with Calpine and NextEra is \$39.8 million, based  
7 on the contracted fixed prices and Liberty's forecast of retail sales for this Energy Service  
8 period for the combined large (Block B only) and small customer groups.

9 **Q. How does the Company propose to proceed to address the remaining load that was**  
10 **not met by any suppliers in the RFP?**

11 A. For the Large Customer block that received no acceptable bids, the Company requests  
12 that the Commission allow for a second RFP, limited to only Block A load. If the  
13 Commission approves this request, Liberty will issue a second RFP for the Large  
14 Customer Group for the service period of February 1, 2023, through April 30, 2023  
15 (Block A). The Company proposes the following schedule for the second RFP and  
16 approval process:

RFP Issued	December 23, 2023
Final Bids Due	January 4, 2023
Energy Service Filing to Commission	January 6, 2023
Commission Order Needed	January 13, 2023
Service Begins	February 1, 2023

17

1 **Q. Does Liberty have an alternate option to provide supply for the Large Customer**  
2 **Group during the period February 1, 2023, to April 30, 2023?**

3 A. Yes, absent receiving an acceptable final bid from a second solicitation, Liberty would  
4 serve the load from the ISO-NE spot market, bidding into the day ahead market and  
5 taking on the responsibility for all ancillary services normally associated with serving  
6 load in New England. Liberty would propose a monthly retail price that would be based  
7 on energy market futures and other appropriate ancillary costs. The Company would  
8 reconcile its costs with the revenue received from the Large Customer Group of  
9 customers. This reconciliation would occur as part of the annual Energy Service  
10 reconciliation to be filed in May 2023.

11 **V. RENEWABLE PORTFOLIO STANDARD**

12 **Q. Mr. Warshaw, what are the RPS obligations for 2022 and 2023?**

13 A. As specified in the RPS statute, RSA 362-F, a provider of electricity must obtain and  
14 retire certificates sufficient in number and class type to meet the following minimum  
15 percentages of total megawatt-hours of electricity supplied by the provider to its  
16 customers that year:

<b>NH-RPS Classes</b>	<b>2022</b>	<b>2023</b>
RPS Class I	10.3%	11.0%
RPS Class I Thermal	2.0%	2.2%
RPS Class II	0.7%	0.7%
RPS Class III	8.0%	8.0%
RPS Class IV	1.5%	1.5%
Total	22.5%	23.4%

17

1 **Q. How does Liberty expect to satisfy its RPS obligations consistent with the RPS rules**  
2 **as promulgated by the Commission?**

3 A. On February 18, 2009, Liberty entered into an amended settlement agreement with the  
4 Commission Staff and the Office of Consumer Advocate intended to resolve all issues  
5 associated with the process by which Liberty would comply with the requirements of the  
6 RPS statute and the PUC 2500 rules (“Amended RPS Settlement”). The Amended RPS  
7 Settlement was approved by the Commission in Order No. 24,953 (March 23, 2009) in  
8 Docket No. DE 09-010. The Amended RPS Settlement provides that the Company may  
9 satisfy RPS obligations by providing either RECs for each RPS class from the NEPOOL  
10 Generation Information System (“NEPOOL-GIS”) or by making an Alternative  
11 Compliance Payment (“ACP”) to the State of New Hampshire’s Renewable Energy  
12 Fund. As specified in the Amended RPS Settlement, Liberty requested bidders to  
13 provide a separate RPS Compliance Adder with their bids. This RPS Compliance Adder  
14 is the incremental charge by a bidder for agreeing to take on the RPS obligation with the  
15 Energy Service obligation.

16 **Q. If a winning bidder’s RPS Compliance Adder is accepted, how would the bidder**  
17 **satisfy the RPS obligation?**

18 A. The supplier assumes the RPS obligation for its transaction when the RPS compliance  
19 adder is accepted. This means that the supplier must deliver RECs to satisfy each RPS  
20 class obligation to the Company’s NEPOOL-GIS account, or it must pay the Company  
21 the ACP for the undelivered RECs. The quantity of RECs required is calculated by

1 multiplying the RPS obligation percentage for each REC class by the electricity sales for  
2 the term of the transaction.

3 **Q. What were the criteria Liberty used to evaluate any RPS Compliance Adder which**  
4 **may have been provided by a bidder?**

5 A. In Schedule JDW-2, Exhibit 11, Liberty calculated a Renewable Portfolio Standard  
6 Adder rate of \$0.00815/kWh based on market prices as of November 28, 2022. Liberty  
7 would use that RPS Adder to benchmark against any RPS Compliance Adders that may  
8 be included in bids received from suppliers.

9 **Q. Did Liberty accept an RPS Compliance Adder provided by a bidder?**

10 A. No. The winning Energy Service bidder did not propose an RPS Compliance Adder.

11 **Q. Is Liberty proposing any changes to the Renewable Portfolio Standard Adder at this**  
12 **time?**

13 A. No. Liberty is proposing to not change the current Commission-approved Renewable  
14 Portfolio Standard Adder as discussed in the Energy Service hearing of June 14, 2022.

15 Liberty issued a request for proposals on November 1, 2022, for the acquisition of New  
16 Hampshire RPS compliant RECs to meet its forecasted 2022 and a portion of its 2023  
17 obligations. The results of Liberty's November 1, 2022, solicitation are included in  
18 Schedule JDW-2, Exhibit 10. At this time, Liberty has completed its analysis of the bids  
19 but has not started contract negotiations with the bidders. Liberty will notify the winning  
20 bidders by December 31, 2022, and will provide an update in the next Energy Service

1 filing scheduled for June 2023. At that time Liberty will propose a new Renewable  
2 Portfolio Standard Adder based on both RPS solicitation results and market prices.

3 **Q. What happens if Liberty's actual RPS compliance costs are different from those**  
4 **used in calculating the Renewable Portfolio Standard Adder?**

5 A. Liberty reconciles its costs of RPS compliance with the revenue billed to customers from  
6 the Renewable Portfolio Standard Adder. This reconciliation occurs as part of the annual  
7 Energy Service reconciliation.

8 **Q. Has Liberty been able to contract for RECs?**

9 A. Yes. In December 2021, Liberty was able to contract for Class I, Class I Thermal, and  
10 Class IV RECs to help meet a portion of its 2022 RPS obligations. A summary of the  
11 results of Liberty's June 2022 RPS solicitation is included in Schedule JDW-6. Schedule  
12 JDW-7 is a summary of Liberty's RPS positions. As shown in Schedule JDW-7, Liberty  
13 forecasts it could spend up to \$3,969,420 to meet its 2022 RPS Obligations and up to  
14 \$4,919,258 to meet its 2023 RPS Obligations if the estimated REC shortages are met  
15 solely by Alternative Compliance Payments. Schedule JDW-8 is a list of the contracts  
16 Liberty has executed with RPS REC suppliers for vintage 2022 NH RPS compliant  
17 RECs.

18 **Q. Why is Liberty forecasting that it will have a surplus of Vintage 2020 Class III**  
19 **RECs?**

20 A. At this time Liberty is forecasting that it will have 14,601 vintage 2020 Class III RECs, at  
21 a value of \$504,319 based on the 2020 ACP for Class III, that it will be unable to use to

1 meet the 2022 or 2023 RPS Class III REC obligations due to the 30% limit in using  
2 “banked” RECs in a single compliance year as specified in RSA 362-F:7 and that  
3 “banked” RECs can only be used in the two subsequent years from the REC vintage year.  
4 If the 2022 RPS Class III REC obligation is reduced, Liberty expects to have even more  
5 surplus RECs to recover costs. Liberty will propose to recover the cost of these surplus  
6 RECs in the 2023 Energy Service Reconciliation.

7 **Q. When will Liberty issue the next REC request for proposals?**

8 A. Liberty plans to issue an RPS solicitation in May 2023 to procure RECs to satisfy its  
9 2022 RPS obligations and a portion of the 2023 RPS obligations.

10 **VI. ENERGY SERVICE COMMODITY COSTS**

11 **Q. Mr. Warshaw, please summarize the power supply cost at the retail meter based on  
12 Liberty’s expected procurement cost used to develop the proposed retail rates.**

13 A. The load-weighted average of the power supply costs for the Large Customer Group for  
14 only the three-month period of May 1, 2023, through July 31, 2023, is 12.258¢ per kWh  
15 as compared to the load-weighted average of 16.708¢ per kWh for the three-month period  
16 August 1, 2022, through October 31, 2022. Liberty selected this comparison to compare  
17 prices between the two most recent three-month periods that did not include winter  
18 months. The load-weighted average of the power supply costs for the Small Customer  
19 Group for February 1, 2023, through July 31, 2023, is 22.007¢ per kWh as compared to  
20 the load-weighted average of 22.228¢ per kWh for the period August 1, 2022, through  
21 January 31, 2023. The power supply costs at the retail customer meter (¢ per kWh) were  
22 calculated by multiplying the commodity prices at the wholesale level (\$ per MWh) by

1 the applicable loss factor and then dividing the results by ten. The applicable loss factors  
2 can be found in the RFP summary in Schedule JDW-2. The loss factor is a calculated  
3 ratio of wholesale purchases to retail deliveries.

4 **Q. How will Liberty reconcile any difference in costs associated with Energy Service?**

5 A. To the extent that the actual cost of procuring Energy Service varies from the amounts  
6 billed to customers for the service, Liberty will reconcile the difference through the  
7 reconciliation mechanism pursuant to Liberty's Energy Service Adjustment Factor  
8 contained in its currently effective Retail Delivery Tariff.

9 **VII. CONCLUSION**

10 **Q. What will be the Company's requests at the December 20, 2022, hearing?**

11 A. The Company will ask the Commission to (1) approve the Calpine contract for the Large  
12 Customer Group Block B; (2) approve the NextEra contract for the small customer  
13 group; and (3) approve the Company's proposal to conduct a second solicitation for a  
14 contract to supply the Large Customer Group Block A according to the process outlined  
15 above that calls for a hearing and Commission order by January 13, 2023.

16 **Q. Mr. Warshaw, when will Liberty issue the next RFP for Energy Service?**

17 A. The Large Customer Group rates and the Small Customer Group rates proposed in this  
18 filing will both end on July 31, 2023. Per the terms of the Settlement Agreement, Liberty  
19 will next issue an RFP for both groups in May 2023. For purposes of notice to the  
20 Commission, the following table illustrates Liberty's proposed timeline for the next RFP:



<b>RFP Process Steps</b>	<b>Proposed May 2023 RFP</b>
RFP Issued	May 1, 2023
Indicative Bids Due	June 13, 2023
Final Bids Due	June 20, 2023
Energy Service Filing to Commission	June 23, 2023
Commission Order Needed	June 30, 2023
Service Begins	August 1, 2023

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

3 A. Yes, it does.

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

## **Request for Power Supply Proposals to Provide Default Service**

For the Period:

February 1, 2023 through July 31, 2023

**November 1, 2022**



## **REQUEST FOR POWER SUPPLY PROPOSALS**

### **1. Overview**

#### **1.1 Background**

Legislation and restructuring settlement agreements in New Hampshire<sup>1</sup> provide for competition in the electric utility industry by extending competition in the wholesale power supply markets to retail customers through the provision of retail access to all customers.

In New Hampshire, the Restructuring Settlement provides access to the competitive retail electricity market for all retail electric customers of Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities (“Liberty”) as of July 1, 1998 pursuant to the provisions of the New Hampshire Act. The Restructuring Settlement and the New Hampshire Act require Liberty to provide generation service (“Energy Service”) to those customers that are not receiving generation service from a competitive supplier<sup>2</sup>.

#### **1.2 Default Service<sup>3</sup>**

The Default Service Settlement Agreement in New Hampshire and the New Hampshire Act require Liberty to provide Energy Service to those customers that are not receiving generation service from a competitive energy supplier. In compliance with the Default Service Settlement Agreement, Liberty will procure Default Service by customer group (Small Customer Group and Large Customer Group). For the Small Customer Group, Liberty will procure 100% of their Default Service supply for a six-month period. For the Large Customer Group, Liberty will procure 100% of their Default Service supply for two consecutive three-month periods.

Liberty is hereby seeking proposals from qualified power suppliers to supply firm, load-following power to meet its Default Service requirements.

Liberty intends to use existing Master Power Agreements (and any Amendments) that are currently in place with suppliers.

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<sup>1</sup> Granite State Electric Company’s Second Amended Restructuring Settlement Agreement (“Restructuring Settlement”) and RSA 374-F (“New Hampshire Act”).

<sup>2</sup> The New Hampshire Act specifies that Transition Service ends at midnight on April 30, 2006. All Transition Service customers who did not choose a competitive supplier by April 30, 2006 began receiving Energy Service on May 1, 2006. A settlement agreement approved by the New Hampshire Public Utilities Commission (“NHPUC”) on July 13, 2006 in Order No. 24,577 provides for the procurement of Default Service commencing May 1, 2006 (“Default Service Settlement Agreement”).

<sup>3</sup>For clarity, when referring to Default Service, Liberty is describing the wholesale service to be procured in this solicitation. When referring to Energy Service, Liberty is describing the retail service it provides to its customers.

Liberty, at its sole discretion, reserves the right to issue additional instructions or requests for additional information, to extend the due date, to modify any provision in this Request for Power Supply Proposals (“RFP”) or any appendix thereto and to withdraw this RFP.

### 1.3 Customer Group

For the purposes of this solicitation, the customer groups are defined as:

<b>Customer Group</b>	<b>Rate Class</b>
Small Customer Group	D, D-10, G-3, M, T and V
Large Customer Group	G-1 and G-2

## 2. Description of Services

### 2.1 Description

Appendix A contains an overview of the services covered by this RFP. The Appendix provides:

- A brief description of Energy Service; and
- The eligibility requirements for a customer to obtain or leave Energy Service.

### 2.2 Expected Loads

Liberty is unable to predict the potential load requirements of any customer group. Liberty’s customers are free to leave Energy Service at any time to take service from competitive suppliers. The ability of customers to enroll or return to Energy Service is described in Appendix A.

To assist Respondents in determining the potential load requirements, Liberty is able to provide the following information on the Liberty’s Power Procurement website:

For Default Service:

- Aggregated historical hourly load information for Default Service (since May 1, 2006);
- Class average load shapes at the retail meter point;
- Historical customer counts: the number of active accounts in each rate class as of the last billing day in each month;
- Historical customer counts for customers taking service from a competitive supplier, as of the last billing day in each month, by rate class; and
- ICAP tags as of the last day of the month for each load asset.

Please use the following link to access the site:

<https://new-hampshire.libertyutilities.com/londonderry/commercial/procurements.html>

This link replaces the previous link used in Liberty’s RFPs. Click on “Data” at the upper right of the screen to access Load Data, Customer Count Data, Class Average Load Shapes and ICAP Tags. This site is open to anyone with the above link. No user id or password is required to access the data on the site.

### 2.3 Load Blocks

Liberty’s total Default Service requirements covered by this RFP are broken down into the following three load blocks:

Load Block	Customer Group	SMD Load Zone	Load Share	Type of Service	Period
A	Large	NH	100%	Default Service	02/01/2023 – 04/30/2023
B	Large	NH	100%	Default Service	05/01/2023 – 07/31/2023
C	Small	NH	100%	Default Service	02/01/2023 – 07/31/2023

Respondents may not limit the amount of service that may be purchased for a given load block. Proposals that contain limits on the amount of service provided will be rejected<sup>4</sup>.

The amount of load to be supplied by the winning Supplier will be determined in accordance with the procedure contained in Article 6 of the Master Power Agreement, a copy of which is provided in Appendix B.

### 2.4 Retail Customer Rates

During the term of service covered by this RFP, Liberty intends, in accordance with the Default Service Settlement Agreement, to establish retail rates for generation service for Energy Service customers (“Energy Service Rates”). The Energy Service Rates will reflect Liberty’s purchase costs for such service due to commitments made as a result of this RFP. The Default Service Settlement Agreement also requires Liberty to include in its Energy Service Rates a surcharge to account for the administrative costs associated with Energy Service. The Energy Service Rates must be approved by the NHPUC.

### 2.5 Effectiveness of Contracts

Any agreement(s) entered into for the delivery of Default Service pursuant to this solicitation will be subject to the approval by the NHPUC of the retail rates prior to the

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<sup>4</sup> For example, a Respondent offering to supply Block A load must agree to supply 100% of the needs of that load block during every month of the Period (for example, 100% of the total load of the Industrial customer group in the Large NH Load Zone). The Respondent may not offer to serve Block A subject to a maximum or minimum level of demand in any hour.

agreement(s) becoming effective. Section 1 of the New Hampshire Master Power Agreement Form of Confirmation addresses the possibility that the NHPUC may not approve the retail rates.

### 3. General Provisions

#### 3.1 Terms and Conditions

The winning Supplier will be selected to provide Default Service to the customer groups/load block during the term covered by this RFP. Default Service will be provided by such Supplier to Liberty in accordance with the terms and conditions of the Master Power Agreement. A copy of the Master Power Agreement for New Hampshire is provided in Appendix B.

All Respondents must have an updated executed Master Power Agreement prior to the indicative bid date.

The winning Supplier will be required to execute a confirmation within two (2) business days of being notified that it has been selected as the winning Supplier.

Under Article 7 of the Master Power Agreement, failure of the winning Supplier to deliver Requirements would constitute an event of default under the Master Power Agreement, allowing Liberty to terminate and recover liquidated damages from the Supplier.

#### 3.2 Proposal Process and Submission Dates

The following table outlines the key dates associated with this procurement process.

<b>Process Step</b>	<b>Date</b>
Issue Request for Proposal	November 1, 2022
Submit Respondent Proposal Information	November 14, 2022– 5pm ET
Submit Indicative Pricing	December 6, 2022– 10am ET
Submit Final Pricing	December 13, 2022– 10am ET
Execute Agreements and Submit solicitation process summary, Agreements and retail rates to NHPUC	No later than three business days after receipt of all executed agreements.
NHPUC Reviews and Approves Energy Service Rates	No later than five business days after filing of Energy Service Rates
Service Begins	February 1, 2023

One (1) copy of a Respondent’s Proposal Information must be submitted by e-mail or mailed to the following address:

Liberty Utilities (Granite State Electric) Corp.  
Request for Power Supply Proposals  
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Liberty Utilities (Granite State Electric) Corp.  
c/o Liberty Utilities Service Corp.  
15 Buttrick Rd  
Londonderry, NH 03053  
603-216-3564 (phone)  
Attn: John Warshaw  
[john.warshaw@libertyutilities.com](mailto:john.warshaw@libertyutilities.com)

Liberty is conducting the procurement process in three steps. The first step is for Respondents to provide Liberty with their background and financial information by 5:00 p.m. ET on Monday, November 14, 2022. Upon receipt, Liberty will evaluate each Respondent's qualifications and will notify any Respondent that does not qualify by at least one business day before indicative pricing is due.

Liberty will not evaluate any indicative or final pricing if the Respondent does not have an executed Master Power Agreement. The Master Power Agreement must be executed prior to submitting indicative pricing.

The second step in this process is for Respondents to provide indicative pricing information by 10:00 a.m. ET on Tuesday, December 6, 2022, at the above address. Liberty will evaluate the indicative pricing as described above, and if required, Liberty may seek clarifications from Respondents.

The third step is for Respondents to provide final pricing information by 10:00 a.m. ET on Tuesday, December 13, 2022, at the above address. Liberty requests final pricing be valid until **2:00 p.m.** that same day. Liberty intends to evaluate the final pricing and select a Supplier that day by that time. Final pricing shall be binding until execution of a confirmation. Respondents should specify the manner in which they will accept a binding acceptance of their offer by Liberty prior to receipt of an executed agreement (letter of intent or e-mail) or they will be deemed to be bound by Liberty's acceptance communicated in any of the preceding manners.

Within three business days of receipt of all executed agreements, Liberty will file with the NHPUC a confidential summary of the solicitation process, the executed agreement(s) and proposed Energy Service Rates.

Consistent with the Default Service Settlement Agreement, the NHPUC will have five business days to either approve the proposed Energy Service Rates or reject them. If the NHPUC denies Liberty's request for approval of the retail rates, the agreement(s) will be void and the parties will have no further obligation under the agreements(s).



At any time, Liberty, at its sole discretion, reserves the right to issue additional instructions or requests for additional information, to extend the due date, to modify any provision in this RFP or any appendix thereto and to withdraw this RFP.

### 3.3 Contact Person/Questions

All questions regarding this Request for Proposal should be directed to Mr. Warshaw at the address provided in Section 3.2 above.

### 3.4 Right to Select Supplier

Liberty shall have the exclusive right to select or reject any and/or all of the proposals submitted at any time, for any reason.

## 4. Service Features

### 4.1 Commencement Date of Supply

Service from the winning Supplier to Liberty shall begin as of HE 0100 ET on the date specified in the table found in Section 2.3 – Load Blocks.

Service from Liberty to individual customers, who are taking Energy Service in each customer group as of the Commencement Date, if any, will continue with the winning Supplier providing such service to Liberty as of the Commencement Date.

Service from Liberty to individual customers taking Energy Service as of the Commencement Date shall begin on the customer's meter reading date following notification/determination that a customer will be commencing Energy Service.

Liberty's procedures provide for customers to be switched from one service option to another (e.g., from Energy Service to a competitive supplier, from one competitive supplier to another competitive supplier, from a competitive supplier to Energy Service) on their normal cycle meter reading dates. However, there may be circumstances (e.g., default of a competitive supplier) that might require a customer to be switched to Energy Service "off-cycle". In such case, the customer will be switched to Energy Service on a date designated by Liberty.

### 4.2 Termination Date of Supply

Service from the winning Supplier to Liberty shall terminate at HE 2400 ET on the dates specified in the table found in Section 2.3 – Load Blocks.

Individual customers taking Energy Service from Liberty may terminate the service at any time. Terminations may include, but not be limited to: (i) a customer's taking competitive service from a competitive supplier; (ii) disconnection of service by Liberty in accordance with regulations and procedures approved by the NHPUC; or (iii) closing

of a customer’s account. Liberty’s procedures provide for customers electing to terminate such service to be switched to their successor service on their normal cycle meter reading date following the date that Liberty receives notification of such switch. However, there may be circumstances which might require a customer to be terminated “off-cycle”. In such a case, the customer will be terminated from Energy Service on a date to be determined by Liberty.

#### 4.3 Delivery Points

The Supplier of Default Service will be responsible for delivering power to the nodes/zones representing the actual locations of the Default Service loads. The Supplier of each of the services will be responsible for any PTF losses allocated by the ISO related to the services. The locations of the Default Service load assets are as follows:

<b>SMD Load Zone</b>	<b>Load Asset</b>	<b>Load Asset Name</b>	<b>Load Block</b>
NH	11437	GRANITE LARGE CG DS SVC LOAD	A
NH	11437	GRANITE LARGE CG DS SVC LOAD	B
NH	11436	GRANITE SMALL CG DS SVC LOAD	C

#### 4.4 Form of Service

The Supplier of the Load Block shall be responsible for meeting the specified service requirements for all of Liberty’s customers in a specific Load Block. These service requirements include the generation and/or market procurement and delivery to the delivery point(s) of the portion of the electric capacity, energy and ancillary services required to meet the needs of Liberty’s ultimate customers taking such service. Liberty will implement the transfer of these responsibilities to the Supplier by updating the asset registration for each of the above Load Assets. Liberty will assign to the Supplier the applicable Ownership Share for each Load Asset. Once a Supplier’s obligation terminates, Liberty will terminate the Supplier’s Ownership Share of a Load Asset.

The Supplier shall be responsible for all obligations, requirements, and costs associated with the Supplier having the Load Asset Ownership Share which shall include but not be limited to the day-ahead load obligations and real-time load obligations at the nodes/zones of each Load Asset. A more complete description of a Supplier’s responsibilities can be found in the Master Power Agreement in Appendix B of this RFP.

The Supplier shall be responsible for all decisions and data submissions associated with any bids into the market system to manage these obligations. The Supplier shall be responsible for all components of any Locational Marginal Prices the Supplier must pay in delivery of the services. These components include, but are not limited to, the day-ahead and real-time energy, marginal losses, and congestion charges. As the supplier of such services, the Supplier will be responsible for all present or future requirements and associated costs (to the extent such charges are not imposed on Liberty as a transmission

charge by NEPOOL or the ISO) associated with the services and any other requirements, market products, expenses or charges imposed by NEPOOL or the ISO, as they may be in effect from time to time.

The Supplier will also be responsible for all transmission and distribution losses associated with delivery of the electricity from the delivery point to the Energy Service customer's meter. A description of the estimation process for determining supplier hourly load can be found in Appendix A of the Master Power Agreement, found in Appendix B of this RFP.

Liberty will make arrangements with the ISO for transmission service over the PTF and non-PTF, from and after the Delivery Point to the Customers' meters. Liberty will be billed by the ISO and the applicable Participating Transmission Owner(s) for these services. Liberty will pay these bills and collect the costs, along with Liberty's distribution costs, from its retail customers through its retail delivery service tariffs. Any other transmission or distribution costs will be the Supplier's responsibility.

#### 4.5 Implementation of the New Hampshire Renewable Portfolio Standards ("NH-RPS")

In 2007 the State of New Hampshire enacted an Electric Renewable Portfolio Standards law ("NH-RPS Law") (RSA 362-F) to foster the development of renewable energy sources to meet New Hampshire's energy needs. The NH-RPS Law requires all retail electricity suppliers to source a minimum portion of their energy needs from a portfolio of renewable energy resources. The NHPUC rules (Chapter PUC 2500) implementing the NH-RPS Law can be found at:

<http://www.puc.state.nh.us/Regulatory/Rules/Puc2500.pdf>

These rules require Liberty to demonstrate that a portion of its electricity sales are supplied from a mix of renewable energy generation sources. They are:

**Class I** consists of certain new renewable generators that began operation after July 1, 2006);

**Class I Thermal** consists of certain new renewable technologies producing useful thermal energy that began operation after July 1, 2013;

**Class II** consists of certain new generators utilizing solar technologies;

**Class III** consists of existing generators utilizing: 1) biomass technologies with a gross nameplate capacity of 25 MW or less; and 2) methane gas; and

**Class IV** consists of existing qualifying small hydroelectric generators with a gross nameplate capacity of 5 MW or less.

The renewable requirements as a percent of sales are divided into separate classes and summarized below:

<b>NH RPS Classes</b>	<b>2023</b>
RPS Class I Non-Thermal	11.0%
RPS Class I Thermal	2.2%
RPS Class II	0.7%
RPS Class III	8.0%
RPS Class IV	1.5%
Total	23.4%

Liberty requests Respondents to separately bid the cost of NH-RPS compliance equivalent to 23.4% in 2023. Liberty will have the option to select bids that include or exclude the NH-RPS component. Liberty will not select a supplier’s bid for just the NH-RPS compliance.

If Liberty accepts bids with the NH-RPS components, Liberty will require the winning Supplier to utilize the NEPOOL Generation Information System (“NEPOOL GIS”) to provide NEPOOL GIS Certificates that comply with the requirements of the NH-RPS rules. Respondents may propose alternate methods for demonstrating compliance. In each monthly invoice for a service that includes the NH-RPS component, Liberty will take a credit equal to the product of the NH-RPS obligation and the applicable Alternative Compliance Payment. Once a Supplier delivers the required number of NEPOOL GIS Certificates, the credit will be returned to the Supplier.

**5. Proposal Requirements**

5.1 Format of Proposal

The information required by Liberty to evaluate each proposal is identified in Appendix C. Respondents may simply complete the forms provided in Appendix C in any legible fashion and return them to Mr. Warshaw as provided in Section 3.2. In addition, proposals should contain explanatory, descriptive and/or supporting materials as necessary.

5.2 Proposed Pricing

Respondents must specify the price at which they will provide Default Service for each Load Block on which they are bidding to serve. Purchases will be made on an “as-delivered” energy basis with prices stated on a fixed dollar per MWh (\$/MWh) basis. Such prices may vary by calendar month and by customer group but must be uniform for the entire calendar month and cover the entire term of this Request for Proposals.

Prices which contain demand components, minimum purchase requirements or which vary by time-of-use within a calendar month will be rejected. Prices which exclude one or more market costs (e.g., capacity, uplift costs, etc.) will be rejected.

Liberty intends to pay a Supplier based on the billing determinants as defined in the Master Power Agreement. These billing determinants are the loads as reported to and settled by the ISO, which include transmission and distribution losses, and exclude any PTF losses allocated to the Supplier by the ISO during the settlement.

Liberty is seeking the following pricing:

- **All-Inclusive Bids:** For Load Blocks A, B and C, a price which includes all costs. Should Liberty select this option, (1) Suppliers would be responsible for all costs including capacity market charges, and (2) Suppliers would not be responsible for supplying the RPS component.
- **NH-RPS Compliance:** The price, on a separate dollar per MWh (\$/MWh) basis in 2023, for Supplier to provide the required NH-RPS component for the load block they are proposing to serve. Should Liberty select this option, the NH-RPS Compliance Bid prices would be added to the All-Inclusive Bid price and the Supplier would provide the applicable quantity of NEPOOL GIS Certificates (see Section 4.5). Liberty will not select a supplier's bid for the NH-RPS compliance without accepting a supplier's All-Inclusive bid.

### 5.3 Terms and Conditions

Service will be provided pursuant to the terms of the Master Power Agreement provided in Appendix B of this RFP.

### 5.4 New England Market Participation

Each Respondent must indicate whether it has an executed and accepted Market Participant Service Agreement with ISO New England or if it plans to execute an agreement and, if so, at what step it is in the application process and the time frame for completing the process. Respondents must also provide evidence of agreements with a Market Participant if Respondent will have another Market Participant be responsible for its market settlement obligations.

### 5.5 Competitive Supplier Registration

The service provided by the Supplier of Default Service to Liberty is a wholesale transaction between the Supplier and Liberty; therefore, the Supplier does not have to be licensed or a registered supplier with any state regulatory commission.

## 5.6 Regulatory Approvals

The Supplier of the services covered by this Request for Proposal must obtain and maintain all necessary regulatory approvals required to enable it to provide the applicable service; such approvals must be obtained prior to February 1, 2023.

## 6. Retail Customer Relationships

### 6.1 Customer Billing

All customers taking Energy Service covered by this RFP will be retail customers of Liberty. As the retail provider of such service, Liberty will bill customers for the Energy Service provided.

### 6.2 Notification of Enrollments and Terminations

Liberty may provide electronic notification to the Supplier of Default Service customer enrollments and terminations within a customer group. Enrollment information will include account number, rate class and commencement date of service. Termination information will include account number, rate class and termination date of service. Such notifications shall only be provided when a Supplier establishes an Electronic Data Interchange (EDI) account with Liberty.

### 6.3 Customer Service

Liberty, as the retail provider of Energy Service, will provide customer service to all customers receiving Energy Service.

## 7. Selection Process

The principal criteria to be used in evaluating proposals will include:

- Lowest evaluated bid price by Load Block;
- Respondent's ability to meet the credit requirements established in the Master Power Agreement provided in Appendix B;
- Firmness of delivery;
- The supplier's past experience in providing similar services to Liberty;
- The supplier's past experience in providing similar services to other companies in New England;
- The supplier's past experience in providing similar services to other companies in other regions;
- The supplier's demonstrated understanding of its obligations under the Master Power Agreement; and

- Whether there have been any past or are any present events that are known that may adversely affect the supplier's ability to provide the requirements to Liberty's Energy Service customers.

Liberty will evaluate the NH-RPS Compliance bids only for the Load Block winning Respondents. Liberty will accept the NH-RPS Compliance bid if it is at or less than the available market prices.

## 8. Credit Requirements

In order to protect Liberty's Energy Service customers from the risk of Supplier default, a winning Supplier must be able to demonstrate it has the financial resources to perform during the term of the agreement. As reflected in the attached Master Power Agreement (Appendix B to this RFP), Liberty will require Supplier(s) to provide some form of security when entering into a Confirmation. The security arrangement will be based on the expected volume of load for the bid block and a mark-to-market margining clause. As forward market prices change, the Supplier will be required to post security for those incremental changes. Additionally, Suppliers that are rated at or below BBB-/Baa3 will be required to post an Independent Amount equal to 10% of the notional value of each Load Block awarded. The Supplier shall provide security in one of the following forms:

- Unsecured line of credit for a rated counterparty;
- Parental Guaranty;
- Letter of Credit; and
- Cash deposit with Liberty.

Respondents that are rated by a major credit rating agency must provide the ratings assigned by such agencies. Respondents that are not rated by a major credit rating agency must provide the following information to enable Liberty to evaluate a Respondent's financial strength:

- Respondent's organizational history;
- Date of establishment;
- Initial (if founded within the last ten years) and current capitalization;
- Certified financial statements, including balance sheets and statements of income and cash flow with respect to the two previous fiscal years and the most recent interim period;
- Forms 10-K and 10-Q, submitted to the United States Securities and Exchange Commission for the two previous fiscal years, if applicable;
- Short-term and long-term debt ratings from Moody's Investor Service or Standard & Poor's Corporation; and
- Corporate affiliates or joint venture partners including any details regarding financial limitations between partners or affiliates.

If a Respondent has provided this information to Liberty or an affiliate in a response to a previous RFP, then the Respondent needs only to identify the date and to whom the information was submitted and update the previously provided information.

## **9. General Requirements**

Liberty may withdraw and terminate this RFP at any time without any liability. Liberty reserves the right to accept or reject, in whole or in part, any and all proposals. Liberty will not be responsible to any Respondent, or any other party, for failure to execute a Master Power Agreement or Confirmation.

Liberty shall reject proposals submitted in response to this RFP that are incomplete, or do not conform to the requirements of the RFP or are submitted beyond the deadline for submission. All proposals submitted by Respondents in response to the RFP will become the exclusive property of Liberty.

If any information provided by the Respondent changes or fails to remain valid, it is the sole responsibility of the Respondent to notify Liberty of such change. Failing to do so may result in disqualification of the Respondent and its proposal for the solicitation.

Respondents shall, at their own cost and expense, defend, indemnify and hold harmless Liberty, its parent, subsidiaries and affiliates and their officers, directors, trustees, employees, shareholders, executors, administrators, successors and assigns against any and all manner of past, present, or future claims, demands, disputes, controversies, complaints, suits, actions proceeding or allegations of any kind which in any manner relate to arise out of, or result from any false statements or misrepresentations, intentional or unintentional, in its proposal, or breach of any covenant by the Respondent set forth herein.

Liberty agrees that it will treat the information it receives from Respondents in a confidential manner and will not, except as required by law or regulatory authority, disclose such information to any third party or use such information for any purpose other than in connection with this RFP.



**APPENDIX A**

**DESCRIPTION OF SERVICES**

<b>Liberty Utilities (Granite State Electric) Corp.</b>	
<b>Default (Energy) Service</b>	
Description	Service provided to retail customers who are not taking service from a competitive energy supplier.
Eligibility Requirements	Service to customers is initiated by: a) A customer notifying Liberty that it wishes to terminate service from its competitive energy supplier and commence Energy Service. b) A competitive energy supplier notifying Liberty that it is terminating service to a customer. c) A competitive energy supplier ceasing to provide service to a customer without notifying Liberty. d) A customer moving into Liberty's service territory and does not affirmatively choose a competitive energy supplier.
Aggregate Number of Customers Taking Service and Historical Load Profiles	Note: Historic customer count data and historical hourly load profiles are available at Liberty's procurement website under:  <a href="https://new-hampshire.libertyutilities.com/londonderry/commercial/procurements.html">https://new-hampshire.libertyutilities.com/londonderry/commercial/procurements.html</a>

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Appendix A

**APPENDIX B**

**NEW HAMPSHIRE MASTER POWER AGREEMENT**

## NEW HAMPSHIRE MASTER POWER AGREEMENT

This **MASTER POWER AGREEMENT** (“Master Power Agreement”) is dated as of \_\_\_\_\_ and is by and between **LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.** (“Liberty Utilities” or “Buyer”), a New Hampshire corporation, and **[Company]**, a [what] (“**Seller**”) This Master Power Agreement provides for the sale by Seller of Default Service, as defined herein, to the Buyer. Buyer and Seller are referred to herein individually as a “Party” and collectively as the “Parties”.

### **ARTICLE 1. BASIC UNDERSTANDINGS**

Seller and Buyer have agreed to execute this Master Power Agreement in order to establish the basic terms of Seller’s provision and sale of, and Buyer’s acceptance and purchase of, Default Service. This Master Power Agreement, together with the Appendices and written supplements (including any Confirmations) hereto, and any designated collateral, credit support or margin agreement or similar arrangement between the Parties regarding the Transactions (as defined in Article 2), shall be referred to as the “Agreement” and shall constitute the entire agreement between the Parties relating to the subject matter hereof and supersedes any other agreements, written or oral, between the Parties concerning such subject matter but specifically excluding written agreements executed by the Parties prior to the Effective Date.

### **ARTICLE 2. DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings specified in this Article. In addition, except as otherwise expressly provided, terms with initial capitalization used in this Agreement and not defined herein shall have the meaning as defined in the NEPOOL Rules.

**Affiliate** means, with respect to any Party, any entity (other than a person) that, directly or indirectly, controls, or is controlled by, or is under common control with, such Party. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

**Alternative Compliance Payment Rate** means the value as published by the NH PUC (as defined below) in accordance with Puc 2503.02 of the New Hampshire Code of Administrative Rules.

**Award Block** means the numerical designation, for administrative purposes only, as may be set forth on a Confirmation to identify Customer Groups to be served from and including the Commencement Date through the Conclusion Date, in a specified Load Zone, and the associated Load Asset Number and Load Asset Name, or other information as may be associated therewith in a Confirmation.

**Bid Proxy Price** means, the product of (a) the Reference New England Internal Hub Price as set forth in the Confirmation for the applicable Transaction, (b) the Resulting Bid Factor for a calendar month, and (c) the Adjustment Factor, all for the applicable Transaction.

**Business Day** means a 24-hour period ending at 5:00 p.m. EPT, other than Saturday, Sunday and

any day which is a legal holiday or a day on which banking institutions in the State of New Hampshire are authorized by law or other governmental action to close.

**Buyer** has the meaning set forth in the preamble of this Master Power Agreement, along with any successors, assigns, employees, agents and authorized representatives thereof.

**Buyer's System** means the electrical distribution system of the Buyer.

**Buyer's Service Territory** means the geographic area served by Liberty Utilities (Granite State Electric) Corp.

**Class I NEPOOL-GIS Certificate** means a NEPOOL-GIS Certificate from a resource that represents Class I Renewable Generation Attributes (as defined below).

**Class I Renewable Generation Attributes** means a "Class I source" as defined in Puc 2502.07 of the New Hampshire Code of Administrative Rules, as may be amended from time to time.

**Class I Thermal NEPOOL-GIS Certificate** means a NEPOOL-GIS Certificate from a resource that represents Class I Thermal Renewable Generation Attributes (as defined below).

**Class I Thermal Renewable Generation Attributes** means a "Class I Thermal source" as defined in Puc 2502.07 of the New Hampshire Code of Administrative Rules, as may be amended from time to time.

**Class II NEPOOL-GIS Certificate** means a NEPOOL-GIS Certificate from a resource that represents Class I Renewable Generation Attributes (as defined below).

**Class II Renewable Generation Attributes** means a "Class II source" as defined in Puc 2502.08 of the New Hampshire Code of Administrative Rules, as may be amended from time to time.

**Class III NEPOOL-GIS Certificate** means a NEPOOL-GIS Certificate from a resource that represents Class III Renewable Generation Attributes.

**Class III Renewable Generation Attributes** means a "Class III source" as defined in Puc 2502.09 of the New Hampshire Code of Administrative Rules, as may be amended from time to time.

**Class IV NEPOOL-GIS Certificate** means a NEPOOL-GIS Certificate from a resource that represents Class IV Renewable Generation Attributes.

**Class IV Renewable Generation Attributes** means a "Class IV source" as defined in Puc 2502.10 of the New Hampshire Code of Administrative Rules, as may be amended from time to time.

**Commencement Date** means the period at HE 0100 EPT on the date set forth for each Customer Group in the Confirmation for the applicable Transaction.

**Commission** means the Federal Energy Regulatory Commission, or its successor.

**Commodity Business Day** means Monday through Friday, excluding NERC Holidays.

**Competitive Supplier Terms** means NHPUC's PUC 2000 Competitive Electric Power Supplier Rules, as may be amended from time to time.

**Conclusion Date** means the period at HE 2400 EPT on the date set forth for each Customer Group in the Confirmation for the applicable Transaction.

**Confirmation** means a confirmation that is mutually agreed to and executed by the Parties, which may be in the form set forth in Appendix B or in a form otherwise agreed to by the Parties, such document to serve as a supplement or modification of this Master Power Agreement with respect to a specific Transaction.

**Confirmation Term** means, for the applicable Transaction, the period beginning as of the effective date set forth in a Confirmation and continuing through to the date both Parties have fulfilled all of their obligations with respect to such Transaction.

**Contract Rate** has the meaning set forth in the Confirmation for the applicable Transaction.

**Credit Rating** means, with respect to a Party (or its Credit Support Provider, as the case may be) or entity, on any date of determination, (1) the ratings assigned by Moody's, S&P and/or the other specified rating agency or agencies to such Party's (or its Credit Support Provider's, as the case may be) or entity's unsecured, senior, long-term debt not supported by third party credit enhancement, or (2) if the applicable entity does not have such a rating, then the rating assigned to such entity by Moody's and/or S&P as its corporate credit rating or issuer rating, or (3) if the applicable entity is a financial institution, its unsecured, unsubordinated, long-term deposits by Moody's, S&P and/or the other specified rating agency or agencies. In the event of an inconsistency in ratings by the rating agencies (a "split rating"), the lowest rating assigned shall control.

**Credit Support Annex or CSA** means the credit support annex mutually agreed to and executed by the Parties, in the form set forth as Appendix D hereto and incorporated by reference herein.

**Credit Support Provider** means the entity providing a guaranty substantially in the form set forth in Appendix C of this Master Power Agreement guaranteeing the financial obligations of a Party for the benefit of the other Party.

**Customer Disconnection Date** means the date when a Default Service Customer is disconnected from service, as determined by the Buyer in accordance with the Distribution Service Terms.

**Customer Group** means Buyer's customers who receive Default Service in the Large Customer Group and/or Small Customer Group as specified on the Confirmation for the applicable Transaction.

**Customer Termination Date** means the date when a Default Service Customer ceases to take service under the Default Service Tariff, each date as determined by the Buyer in accordance with the Distribution Service Terms.

**Daily Proxy Settlement Amount** means, for a given day, the product of (a) the Expected Daily Load and (b) the Proxy Price for such day minus the Bid Proxy Price.

**Default Service** means the provision of Requirements by Seller at the Delivery Point to the Buyer to meet all needs of Default Service Customers.

**Default Service Customer(s)** means, for a specific Transaction, the customers in each Customer Group set forth in the applicable Confirmation, taking service pursuant to the Default Service Tariff during the applicable Delivery Term.

**Default Service Tariff** means Buyer's Tariff for Retail Delivery Service for the Period after New England Power Company Divests Substantially all of its Non-nuclear Generation, N.H.P.U.C. No. 18, as may be amended from time to time and approved by the NHPUC.

**Delivered Energy** means the quantity of energy, expressed in megawatt-hours, provided by Seller with respect to a specific Transaction. This quantity shall be the sum of the quantity of energy reported to the ISO by the Buyer for each of the Load Assets identified in a specific Transaction, with such quantity determined by the Buyer in accordance with Section 6.3 of this Master Power Agreement. Such quantity shall not include any allocation of PTF losses (which the ISO may assess to Seller in relation to such energy), but shall include transmission and distribution losses on the Buyer's System from the Delivery Point to the meters of Default Service Customers.

**Delivery Point** means, for each Load Asset (x) identified in or in accordance with a specific Transaction and (y) as set forth in the Confirmation related to a specific Transaction (i) the Nodes at which the Real-Time Load Obligations are established in the ISO Settlement Power System Model for the registered Load Assets representing the physical loads of Default Service Customers for the Delivery Term for such customers, identified by the Load Asset ("Loads With Nodes"), for any period and in any location in which there are Loads With Nodes and the ISO requires use of Nodes for Real-Time Load Obligations, or (ii) the Load Zones at which the Real-Time Load Obligations are established in the ISO Settlement Power System Model for the Load Assets representing the physical loads of Default Service Customers for the Delivery Term for such customers, identified by the Load Asset ("Loads with Zones") if (a) the ISO does not require use of Nodes for Real-Time Load Obligations and (b) the use of Loads with Zones in a calculation of ISO settlement charges and costs yields the same mathematical result as a calculation thereof using Loads with Nodes; or (iii) in the event of neither (i) nor (ii), Loads with Nodes and, in any location in which there are no Loads with Nodes, Loads with Zones.

**Delivery Term(s)** means the period(s) set forth in the Confirmation for a particular Transaction for the respective Default Service designations, beginning at the top of the HE 01:00 EPT on the Commencement Date (set forth in the applicable Confirmation) and continuing through and including the end of HE 24:00 EPT on the Conclusion Date).

**Distribution Service Terms** means Buyer's Tariff for Retail Delivery Service for the Period after New England Power Company Divests Substantially all of its Non-nuclear Generation, N.H.P.U.C. No. 18, as may be amended from time to time and approved by the NHPUC.

**Effective Date** means the date that this Master Power Agreement is executed by all Parties.

**EPT** means Eastern Prevailing Time.

**Governing Documents** means, with respect to any particular entity, (a) if a corporation, the (i) articles of organization, articles of incorporation or certificate of incorporation and (ii) the bylaws; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles or certificate of organization or formation and operating agreement; (e) if another type of entity, any other charter or similar document adopted or filed in connection with the creation, formation or organization of such entity; (f) all equity holders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any entity or relating to the rights, duties and obligations of the equity holders of any entity; and (g) any amendment or supplement to any of the foregoing.

**Initiation Date** means the date a retail customer of the Buyer begins taking service pursuant to the Default Service Tariff as determined by the Buyer in accordance with the Distribution Service Terms.

**Interest Rate** means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day, on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

**Investment Grade** means (i) if any entity has a Credit Rating from both S&P and Moody's then, a Credit Rating from S&P equal to "BBB-" and a Credit Rating from Moody's equal to "Baa3"; or (ii) if an entity has a Credit Rating from only one of S&P and Moody's, then a Credit Rating from S&P equal to "BBB-" or a Credit Rating from Moody's equal to "Baa3 or (iii) if the Parties have mutually agreed in writing on an additional or alternative rating agency, then a credit rating equal to that mutually agreed to in writing by the Parties in each Party's sole and exclusive judgment.

**ISO** means ISO New England Inc., authorized by the Commission to exercise for New England the functions required pursuant to the Commission's Order No. 2000 (and its progeny) and the Commission's regulations, and any successor organization (including but not limited to a Regional Transmission Organization).

**ISO Tariff** means the ISO New England Inc. Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3, as amended, modified, superseded and supplemented from time to time, and including the Market Rules and Procedures.

**ISO New England Operating Documents** means the ISO Tariff and the ISO New England Operating Procedures, as amended, modified, superseded and supplemented from time to time.

**Large Customer Group Contract Rate** means the value as set forth in the Confirmation for the applicable Transaction as applicable to a month in the Delivery Term.

**Large Customer Group** means the Buyer's customers in the Rate G-1 and G-2 retail rate classes (the "Large Rate Classes"), or such other rate classes as may be added from time to time during the Delivery Term, provided that such Large Rate Classes shall be comprised of



customers previously in one of the Large Rate Classes or such customer would have qualified for one of the Large Rate Classes.

**Locational Marginal Pricing** means as set forth in the Market Rules and Procedures.

**Market Rules and Procedures** means the Market Rules, Manuals and Procedures adopted by the ISO and/or NEPOOL, as may be amended from time to time, and as administered by the ISO to govern the operation of the NEPOOL markets.

**Material Adverse Effect** means, with respect to a Party, any change in or effect on such Party after the date of this Agreement that is materially adverse to the transactions contemplated hereby, excluding any change or effect resulting from (a) changes in the international, national, regional or local wholesale or retail markets for electric power; (b) changes in the international, national, regional or local markets for any fuel; (c) changes in the North American, national, regional or local electric transmission or distribution systems; and (d) any action or inaction by a governmental authority, but in any such case not affecting the Parties or the transactions contemplated hereby in any manner or degree significantly different from others in the industry as a whole.

**Moody's** means Moody's Investors Service, its successors and assigns.

**MWh** means Megawatt-hour.

**NEPOOL-GIS** means the NEPOOL Generation Information System, which includes a generation information database and certificate system, operated by NEPOOL, its designee or successor entity, that accounts for generation attributes of electricity consumed within New England.

**NEPOOL-GIS Certificates** means an electronic record produced by the NEPOOL-GIS that identifies the relevant generation attributes of each MWh accounted for in the NEPOOL-GIS that comply with the New Hampshire Electric Renewable Portfolio Standard Law. NEPOOL-GIS Certificates shall conform to the eligibility criteria set forth in the New Hampshire Electric Renewable Portfolio Standard Law, and shall represent title to and claim over all environmental attributes associated with the specified MWh of generation.

**NEPOOL** means the New England Power Pool, or its successor.

**NEPOOL Agreement** means the Second Restated New England Power Pool Agreement dated as of February 1, 2005, as amended or accepted by the Commission and as may be amended, modified, superseded, supplemented and/or restated from time to time.

**NEPOOL Rules** means all rules adopted by NEPOOL or the ISO, as such rules may be amended, modified, supplemented or superseded and restated from time to time, including but not limited to, the NEPOOL Agreement, the ISO Tariff, the ISO New England Operating Documents, the Transmission Operating Agreement, the Participants Agreement, the NEPOOL Manuals, and the NEPOOL Operating Procedures, as amended, superseded or restated from time to time.

**NERC** means the North American Electric Reliability Corporation.

**Net Worth** means total assets, exclusive of intangible assets, less total liabilities, as reflected on

the most recent balance sheet prepared by a certified public accountant as part of a certified financial statement in accordance with generally accepted accounting principles consistently applied in the business sector of the Seller.

**New England Internal Hub Price** means for each day remaining in the current calendar month and each day in all future calendar months during the term of this Transaction : (A) the sum of (x) the product of the applicable On-Peak ISO New England Internal Hub Price times the number of On-Peak Hours in such day and (y) the product of the applicable Off-Peak New England Internal Hub Price times the number of Off-Peak hours in such day and (B) then divided by twenty four (24).

**New Hampshire Electric Renewable Portfolio Standard Law or RPS** means the provisions of New Hampshire RSA 362-F et seq. that require all retail electricity suppliers who provide electricity to end-use customers in New Hampshire to source a minimum percentage of their electricity sales from certain renewable energy generating resources beginning on January 1, 2008, as more explicitly provided for in regulations set forth in the New Hampshire Code of Administrative Rules, Chapter Puc 2500 et. seq., as such regulations may be amended from time to time.

**NH Load Zone** means the New Hampshire Reliability Region as defined in the NEPOOL Rules.

**NHPUC** means the New Hampshire Public Utilities Commission, or its successor.

**NYMEX** means the New York Mercantile Exchange, Inc., its successors and assigns.

**Off-Peak Hour** means any hour that is not an On-Peak Hour.

**Off-Peak ISO New England Internal Hub Price** means, in a given month, the ISO New England Off-Peak LMP Swap price as published by NYMEX on a Valuation Date and represented by the NYMEX trading symbol KI.

**On-Peak Hour** means Hour Ending (“HE”) 08:00 EPT through HE 23:00 EPT on any Commodity Business Day.

**On-Peak ISO New England Internal Hub Price** means, in a given month, the ISO New England Internal Hub Peak LMP Swap price as published by NYMEX on a Valuation Date and represented by the NYMEX trading symbol NI.

**Proxy Price** means, for a given day, the product of (a) the New England Internal Hub Price for such day, (b) the Resulting Bid Factor for a calendar month, and (c) the Adjustment Factor.

**PTF** means facilities categorized as Pool Transmission Facilities under the ISO Tariff.

**Resulting Bid Factor** means (A) the Contract Rate in a calendar month divided by (B) the Reference New England Internal Hub Price for the same calendar month.

**Requirements** means all electric generation and/or market purchases and delivery, to the Delivery Point, of the electric capacity, energy, ancillary services, operating reserves (including forward reserves) and all other market products required by the Buyer to provide kilowatt-hours to meet the needs of Default Service Customers during the Delivery Term.

**Small Customer Group Contract Rate** means the value as set forth in the Confirmation for the applicable Transaction as applicable to a month in the Delivery Term.

**Small Customer Group** means the Buyer's customers in the Rate D, D-10, G-3, M, T and V retail rate classes (the "Small Rate Classes"), or such other rate classes as may be added from time to time during the Delivery Term, provided that such Small Rate Classes shall be comprised of customers previously in one of the Small Rate Classes or such customer would have qualified for one of the Small Rate Classes.

**S&P** means Standard & Poor's Rating Group, its successors and assigns.

**Term** means as defined in Section 3.1.

**Transaction** means a particular transaction agreed to by Buyer and Seller relating to the purchase and sale of Default Service pursuant to this Agreement, as evidenced by the execution of a written Confirmation by Buyer and Seller setting forth the specific terms and conditions thereof.

**ARTICLE 3. TERM, SERVICE PROVISIONS AND REGISTRATION REQUIREMENTS**

Section 3.1 Term

The term of this Master Power Agreement (the "Term") shall commence on the Effective Date and shall continue in effect until the earlier of (i) its termination by any Party upon thirty (30) days' prior written notice and (ii) its termination in accordance with Subsection 7.2(a); provided, however, that such termination shall not affect or excuse the performance of any Party under any provision of this Master Power Agreement that by its terms or operation survives any such termination and, provided further, that this Master Power Agreement and any other documents executed and delivered hereunder shall remain in effect with respect to the Transaction(s) entered into prior to the effective date of such termination until both Parties have fulfilled all of their obligations with respect to such Transaction(s). As of the termination of this Master Power Agreement, subject to the immediately foregoing sentence, and subject to any time limits specifically set forth in this Master Power Agreement or in a Confirmation, the Parties shall no longer be bound by the terms and provisions hereof, except to the extent necessary to enforce the rights and obligations of the Parties arising under this Master Power Agreement before such expiration or termination or (b) that such terms and provisions expressly or by their operation survive the termination or expiration of this Master Power Agreement.

Section 3.2 Commencement of Supply

(a) Beginning as of the Commencement Date for each specific Customer Group in a specific Transaction, Seller shall provide Requirements to the Buyer. For purposes of certainty: Seller's obligations on the Commencement Date shall be to provide Requirements for all Default Service Customers identified in the related Confirmation taking service as of and including the Commencement Date.

(b) With respect to each person or entity that becomes a Default Service Customer subsequent to the applicable Commencement Date, Seller shall provide Requirements to the

Buyer to meet the needs of the Default Service Customer(s) as of and including the Initiation Date for such customer initiating such service during the applicable Delivery Term.

(c) If Seller elects to receive electronic notification as provided in Section 3.7, the Buyer shall provide to Seller a notice of Initiation Date via electronic file transfer and in a format specified by the Buyer. Each notice of Initiation Date shall include the account number, the date Seller's service to the Buyer is to begin for a Default Service Customer and the customer's rate class.

### Section 3.3 Termination and Conclusion of Supply

(a) With respect to each Default Service Customer that terminates Default Service during the applicable Delivery Term, Seller shall provide Requirements to the Buyer for such customer on the Customer Termination Date but shall not provide Requirements for such customer after the Customer Termination Date.

(b) If Seller elects to receive electronic notification as provided in Section 3.7, the Buyer shall provide to Seller a notice of Customer Termination Date via electronic file transfer and in a format specified by the Buyer. Each notice of Customer Termination Date shall include the account number, the Customer Termination Date and the customer's rate class.

(c) Seller's obligation to provide Requirements with respect to each specific Customer Group in a specific Transaction shall cease at the applicable Conclusion Date.

### Section 3.4 Customer Disconnection Date

(a) With respect to each Default Service Customer whose Default Service is disconnected during the applicable Delivery Term, Seller shall provide Requirements to the Buyer for such customer on the Customer Disconnection Date but shall not provide Requirements for such customer after the Customer Disconnection Date.

(b) If Seller elects to receive electronic notification as provided in Section 3.7, the Buyer shall provide to Seller a notice of Customer Disconnection Date via electronic file transfer and in a format specified by the Buyer. Each notice of Customer Disconnection Date shall include the account number, the Customer Disconnection Date and the customer's rate class.

### Section 3.5 Distribution Service Interruptions

Seller acknowledges that interruptions in distribution service occur and may reduce the load served hereunder. Seller further acknowledges and agrees that the Buyer may interrupt distribution service to customers consistent with the Distribution Service Terms and the Competitive Supplier Terms. In no event shall a Party have any liability or obligation to the other Party in respect of any such interruptions in distribution service.

### Section 3.6 Release of Customer Information

The Buyer will not issue any customer information to Seller unless Seller has first obtained the necessary authorization in accordance with the provisions of the Competitive Supplier Terms.

### Section 3.7 Electronic Notification

At Seller's election, the Buyer shall provide notices contemplated by Sections 3.2, 3.3 and 3.4 via electronic file transfer. Such election shall only be effective when Seller (i) establishes a Windows or Unix file server with capability of sending and receiving File Transfer Protocol ("FTP"), files with Pretty Good Privacy ("PGP"), Encryption/Decryption, and (ii) verifies its ability to transfer files to and receive files from the Buyer at least fourteen (14) days prior to the day on which Seller desires to commence electronic receipt.

### Section 3.8 Change in Supply; No Prohibition on Programs

(a) Seller acknowledges and agrees that the number of customers and the Requirements to meet the needs of such customers will fluctuate throughout the Delivery Term and may equal zero. The Buyer shall not be liable to Seller for any losses Seller may incur, including but not limited to lost revenues, and losses that may result from any change in Requirements, number or location of customers taking service, the location of the Delivery Point(s), the composition or components of market products or Requirements, or the market for electricity, or change in the Distribution Service Terms or the Default Service Tariff. Seller further acknowledges and agrees that there is no limit on the number of Customer Initiation Dates, Customer Termination Dates and Customer Disconnection Dates.

(b) Seller acknowledges and agrees that the Buyer has the right but not the obligation to continue, initiate, support or participate in any programs, promotions, or initiatives designed to or with the effect of encouraging customers to leave Default Service for any reason ("Programs"). Nothing in this Agreement shall be construed to require notice to or approval of Seller in order for the Buyer to take any action in relation to any Programs.

(c) Seller acknowledges and agrees that the Buyer and Affiliates of the Buyer will not provide Seller preferential access to or use of the Buyer's System and that Seller's sole and exclusive rights and remedies with regard to access to, use or availability of the Buyer's System, and the Buyer's or Affiliates of the Buyer's obligation to transmit electricity are those rights, remedies and obligations provided under the Distribution Service Terms or the NEPOOL Rules.

### Section 3.9 Uniform Disclosure Requirements

Seller shall provide the Buyer information reasonably ascertainable by Seller pertaining to power plant emissions, fuel types, labor information and any other information required by the Buyer to comply with any disclosure regulations which may be imposed upon the Buyer during the term of this Agreement, as such disclosure requirements apply to Default Service provided by Seller pursuant to this Agreement.

Seller shall utilize the NEPOOL-GIS to transfer Load Obligations or NEPOOL-GIS Certificates, as applicable, to the Buyer's certificate account in the number equal to the Delivered Energy for Default Service in a month during the term of a Transaction. Such Load Obligations or NEPOOL-GIS Certificates, as applicable, shall be delivered by Seller at least five (5) Business Days prior to the close of the applicable Trading Period. The Load Obligations or NEPOOL-GIS Certificates, as applicable, shall be delivered by Seller to an account within the NEPOOL-GIS Certificates as designated by the Buyer.

## ARTICLE 4. SALE AND PURCHASE

### Section 4.1 Provision Delivery and Receipt

With respect to each Transaction, Seller shall provide and deliver to the Delivery Point and the Buyer shall receive at the Delivery Point the percent of the Requirements applicable to each Customer Group during the Delivery Term, all as set forth in the Confirmation related to such Transaction.

### Section 4.2 Responsibilities

(a) The Buyer shall arrange with the ISO for transmission service over the PTF and non-PTF from and after the Delivery Point to the customers' meters. The Buyer shall be responsible for all transmission costs over the PTF and non-PTF from the Delivery Point to the meters of the Buyer's customers. Seller shall be responsible for all transmission and distribution costs associated with the delivery of Requirements to and including the Delivery Point except the transmission costs otherwise provided for in this paragraph.

(b) Seller shall be responsible for all decisions and data submissions associated with the Ownership Share of the Load Assets in Article, Section 6.4 including any bids into the market system to manage these obligations.

(c) Seller shall be responsible for all present and future obligations, requirements, and costs associated with the Requirements and/or Seller's provision thereof, whether system wide or locational based, including, but not limited to, the real-time load obligations, capacity obligations and/or charges (including, but not limited to, installed capacity, unforced capacity, locational installed capacity, locational unforced capacity, forward capacity market obligations, forward capacity market transition payment obligations), regulation obligations and/or charges (including any regulation opportunity costs), operating reserve obligations and/or charges (including, but not limited to, (w) any real-time reserve charges, (x) any forward reserve charges, (y) any charges associated with reserve constraint penalty factors, and (z) net commitment period compensation ("NCPC") charges (other than monthly fixed-cost charges paid to resources pursuant to reliability agreements negotiated under Market Rule 1 Appendix A, Section III.A.6 and Exhibit 2), emergency energy charges, inadvertent energy revenue charges, ISO Schedule 1 charges (other than ISO Schedule 1 charges that are both (i) associated with the Buyer's Regional Network Service and (ii) allocated on the basis of Regional Network Load), ISO Schedule 2 charges, ISO Schedule 3 charges, day-ahead energy market charges, and real-time energy market charges at the nodes, if any, and if none, the zones representing the actual locations of the meters of the Default Service Customers, and any other requirements, market products, expenses and charges imposed by NEPOOL or the ISO, as they may be in effect from time to time related to the provision and/or delivery of Requirements to and including the Delivery Point. Except as otherwise specifically excluded in this paragraph, Seller's responsibility for costs and charges shall be without regard to the manner in which they are allocated by NEPOOL or the ISO.

(d) Seller shall be responsible for all costs and components thereof of any Locational Marginal Prices to provide Default Service (during the applicable Delivery Term), including its delivery to the Delivery Point. These components include the energy component, loss component, and congestion component.

(e) Seller shall be responsible for all congestion charges for delivery to the actual meters of Default Service Customers (during the applicable Delivery Term).

(f) Seller shall notify Buyer within one Business Day of receipt of notice of termination from the ISO or event of default or similar occurrence under the Market Participant Service Agreement.

## **ARTICLE 5. AMOUNT, BILLING and PAYMENT**

### **Section 5.1 Amount**

The amount payable by the Buyer to Seller shall be the sum of the amounts due under all applicable Transactions.

### **Section 5.2 Billing and Payment**

(a) On or before the tenth (10th) day of each month during the Term, Seller shall calculate the amount due and payable to Seller pursuant to Section 5.1 with respect to the preceding month (the "Calculation"). Seller shall provide the Calculation to the Buyer and such Calculation shall include sufficient detail for the Buyer to verify its formulation and computation. Calculations under this paragraph shall be subject to recalculation in accordance with Article 6 and shall be subject to adjustment (positive or negative) based upon such recalculation (a "Reconciliation Adjustment"). Seller shall promptly calculate the Reconciliation Adjustment upon receiving data described in Section 6.3 and shall include the adjustment, if any, in the next month's Invoice. A Reconciliation Adjustment based upon a change in the quantity for an earlier month shall be calculated using the applicable Contract Rate for the month in which the Delivered Energy was received.

(b) Seller shall submit to the Buyer an invoice with such Calculation as provided for in paragraph (a) of this Section (the "Invoice") and the respective amounts due under this Master Power Agreement not later than the tenth (10th) day of each month. The Buyer shall pay Seller the amount of the Invoice (including the Reconciliation Adjustment, if any, as a debit or credit) less any amounts disputed in accordance with Section 5.3, on or before the later of the twentieth (20<sup>th</sup>) day of the month or ten (10) Business Days after receiving the Invoice (the "Due Date"). Except for amounts disputed in accordance with Section 5.3, if all or any part of the Invoice remains unpaid after the Due Date, interest shall accrue after but not including the Due Date and be payable to Seller on such unpaid amount at the Interest Rate in effect on the Due Date. The Due Date for a Reconciliation Adjustment shall be the Due Date of the Invoice in which it is included.

(c) Each Party shall notify the other Party upon becoming aware of an error in an Invoice, Calculation or Reconciliation Adjustment (whether the amount is paid or not) and Seller shall promptly issue a corrected Invoice. Overpayments shall be returned by the receiving Party upon request or deducted by the receiving Party from subsequent invoices, with interest accrued at the Interest Rate from the date of the receipt of the overpayment until the date paid or deducted.

### **Section 5.3 Challenge to Invoices**

Unless otherwise agreed: (i) either Party may challenge, in writing, the accuracy of Calculations, Invoices or Reconciliation Adjustments (or the data utilized in the forgoing) no later than twenty-four (24) months after the Due Date of the Invoice in which the disputed information is contained; (ii) if a Party does not challenge the accuracy within such twenty-four (24) month period, such Invoice shall be binding upon that Party and shall not be subject to challenge. If an Invoice is paid and thereafter the payment or the Invoice on which the payment was based is disputed, upon notice of dispute, the Party receiving payment shall hold the amount in dispute in escrow for the benefit of the prevailing Party until the resolution of such dispute. If any amount in dispute is ultimately determined (under the terms herein) to be due to the other Party, it shall be paid or returned (as the case may be) to the other Party within three (3) Business Days of such determination along with interest accrued at the Interest Rate from the (i) date due and owing in accordance with the Invoice until the date paid or (ii) if the amount was paid and is to be returned, from the date paid, until the date returned.

#### Section 5.4 Taxes, Fees and Levies

Seller shall be obligated to pay all present and future taxes, fees and levies (“Taxes”) which may be assessed by any entity upon the Seller's performance under this Agreement including but not limited to the purchase and sale of Requirements to the Buyer associated with the Delivery of the Requirements up to and at the Delivery Point. The Buyer will pay all Taxes with respect to the Requirements after the Delivery Point. All Requirements, including electricity and other related market products delivered hereunder by Seller to the Buyer shall be sales for resale with the Buyer reselling such electricity and products.

#### Section 5.5 Netting and Setoff

Except for security provided pursuant to this Agreement (which shall not be considered for purposes of this Section 5.5) and unless otherwise specified in another agreement between the Parties, if the Parties are required to pay an amount on the same date each to the other under this Agreement or any other agreement between the Parties, or if any costs that are a Party's responsibility under this Agreement are incorrectly or inappropriately charged to the Party by the ISO, such amounts shall be netted, and the Party owing the greater aggregate amount shall pay to the other Party any difference between the amounts owed. Each Party reserves all rights, setoffs, counterclaims and other remedies and defenses (to the extent not expressly herein or therein waived or denied) that such Party has or to which such Party may be entitled arising from or out of this Agreement or the other agreement. Further, if the Buyer incurs any costs or charges that are the responsibility of Seller under this Agreement, such costs or charges may, at the Buyer's election, be netted against any amount due to Seller under this Agreement.

### **ARTICLE 6. QUALITY; LOSSES and QUANTITIES REQUIRED; DETERMINATION AND REPORTING OF HOURLY LOADS**

#### Section 6.1 Quality

All electricity shall be delivered to the Buyer in the form of three-phase sixty-hertz alternating current at the Delivery Point.

#### Section 6.2 Losses



Seller shall be responsible for all transmission and distribution losses and the costs related to such losses and associated with the Requirements, namely, losses from the Delivery Point to the meters of the Default Service Customers. Seller shall provide to the Buyer at the Delivery Point quantities of electricity and ancillary services, capacity and all other market products related thereto to cover such losses from the Delivery Point to the meters of Default Service Customers. The quantities required for this purpose in each hour of a billing period shall be determined in accordance with ISO's and the Buyer's procedures for loss determination.

### Section 6.3 Determination and Reporting of Hourly Loads

(a) The Buyer will estimate the Delivered Energy for Default Service provided by Seller pursuant to each Transaction based upon average load profiles developed for each of the Buyer's customer classes and the Buyer's actual total hourly load. The Buyer shall report to the ISO and Seller, the estimated Delivered Energy for each Transaction. The Buyer will normally report to the ISO and to Seller Seller's estimated Delivered Energy by 1:00 P.M. EPT of the second following Business Day. Appendix A provides a general description of the estimation process that the Buyer will initially employ (the "Estimation Process"). The Buyer shall have the right but not the obligation, in its sole and exclusive judgment, to modify the Estimation Process from time to time, provided that any such modification is designed with the objective of improving the accuracy of the Estimation Process.

Each month, the Buyer shall reconcile the Buyer's estimate of the Delivered Energy for each Transaction based upon the Buyer's meter reads (such meter reads as provided for in the Distribution Service Terms). The reconciliation, including all losses, shall be the adjusted Delivered Energy. The Buyer will normally notify the ISO of any resulting adjustment (debit or credit) to Seller's account for the Load Assets (set forth in a specific Confirmation) no later than the last day of the third month following the billing month. Appendix A provides a general description of this reconciliation process, which process may be changed by the Buyer from time to time in its sole and exclusive discretion.

### Section 6.4 ISO Settlement Market System Implementation

As soon as possible after the execution of a Confirmation related to a specific Transaction and before the applicable Commencement Date, the Buyer shall assign to Seller, and Seller shall accept assignment of an Ownership Share for each Load Asset in such Confirmation. Such assignment shall be effective beginning on the applicable Commencement Date. Seller shall maintain such ownership until the Conclusion Date (or, if earlier, the termination date established in accordance with 7.2(a)). Seller shall take any and all actions necessary to effectuate such assignment and, if applicable in accordance with the foregoing, transfer, including executing documents required by the ISO. Once Seller's provision of Default Service terminates (effective as of the minute after the Conclusion Date or, if earlier, the termination date established in accordance with 7.2(a)), the Buyer will terminate Seller's Ownership Shares of the aforementioned Load Assets

The Buyer shall have the right to change the Load Asset designations from time to time, consistent with the definition and provision of Default Service. If and to the extent such designations change, the Buyer and Seller shall cooperate to timely put into effect the necessary ISO Settlement Market System contracts that may be necessary to implement the new designations and terminate the prior designations.

## ARTICLE 7. DEFAULT AND TERMINATION

### Section 7.1 Events of Default

(a) Any one or more of the following events shall constitute an "Event of Default" hereunder with respect to the Buyer:

(i) Failure of the Buyer

(A) in any material respect to comply with, observe or perform any covenant, warranty or obligation under this Agreement (but excluding events that are otherwise specifically covered in this Section as a separate Event of Default and except due to causes excused by Force Majeure or attributable to Seller's wrongful act or failure to act in breach of this Agreement); and

(B) After receipt of written notice from Seller such failure continues for a period of five (5) Business Days, or, if such failure cannot be reasonably cured within such five (5) Business Day period, such further period as shall reasonably be required to effect such cure (but in no event longer than thirty (30) days), provided that the Buyer (x) commences within such five (5) Business Day period to effect a cure and at all times thereafter proceeds diligently to complete the cure as quickly as possible and (y) provides to Seller written documentation of its efforts and plan to cure and estimated time for completion of the cure.

(b) Any one or more of the following events shall constitute an "Event of Default" hereunder with respect to Seller:

(i) Failure of Seller

(A) in any material respect to comply with, observe, or perform any covenant, warranty or obligation under this Agreement (but excluding events that are otherwise specifically covered in this Section as a separate Event of Default and except due to causes excused by Force Majeure or attributable to the Buyer's wrongful act or wrongful failure to act in breach of this Agreement); and

(B) after receipt of written notice from the Buyer such failure continues for a period of five (5) Business Days, or, if such failure cannot be reasonably cured within such five (5) Business Day period, such further period as shall reasonably be required to effect a cure (but in no event longer than thirty (30) days), provided that Seller (x) commences within such five (5) Business Day period to effect such cure and at all times thereafter proceeds diligently to complete the cure as quickly as possible and (y) provides to the Buyer written documentation of its efforts and plan to cure and estimated time for completion of the cure;

(ii) Failure of Seller to provide Requirements in accordance with Articles 3 and 4;

(iii) Failure of Seller to satisfy its obligation to provide security when due and in accordance with the CSA;

- (c) Any one or more of the following events with respect to either Party shall constitute an "Event of Default" hereunder with respect to such Party:
- (i) The entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of such Party in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or (B) a decree or order adjudging such Party as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of such Party under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of such Party or of any substantial part of its property, or ordering the winding up or liquidation of its affairs;
  - (ii) The commencement by such Party of a voluntary case or proceeding, or any filing by a third party of an involuntary case or proceeding against a Party that is not dismissed within thirty (30) days of such third party's filing, under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or of any other case or proceeding to be adjudicated as bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of such Party in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of a Party or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by such Party in furtherance of any such action;
  - (iii) Any representation or warranty made by a Party is or becomes false or misleading in any material respect.
  - (iv) The failure of such Party to deliver or return Eligible Collateral as required under the CSA or the failure of such Party to pay Interest as required under the CSA and the continuation of such failure for two (2) Business Days after notice of that failure is given to that Party;
  - (v) The violation by such Party of any other obligation or agreement with respect to Credit Support under the CSA and the continuation of such violation for five (5) Business Days after notice of that failure is given to that Party.

Section 7.2 Remedies Upon Default

The Parties shall have the following remedies available to them with respect to the occurrence of an Event of Default with respect to the other Party hereunder:

(a) Upon the occurrence of an Event of Default, the non-defaulting Party shall have the right to (i) continue performance under this Agreement and exercise such rights and remedies as it may have at law, in equity or under this Agreement and seek remedies as may be necessary or desirable to enforce performance and observation of any obligations and covenants under this Agreement, so long as such rights and remedies are not duplicative of any other rights and remedies hereof, and do not otherwise enable the non-defaulting Party to obtain performance or payments in excess of the performance and payments to which it is otherwise entitled pursuant to this Agreement, or (ii) at its option, give such defaulting Party a written notice (a “Termination Notice”) terminating this Agreement and all, but not less than all, Transactions. Upon a termination for an Event of Default under Section 7.1(a), (b) or (c)(iii), (c)(iv) or (c)(v) such termination shall be effective as of the date specified in the Termination Notice, which date shall be no earlier than the date such notice is effective and no later than thirty (30) days after the date of such notice is provided to the defaulting Party in accordance with Article 8. Upon a termination for a default or Event of Default under Section 7.1(c)(i) or (ii), such termination shall be effective as of the Event of Default, provided that the non-defaulting Party provides written notice to the defaulting Party in accordance with Article 8 within ten (10) Business Days of the Event of Default. If such notice is not given within ten (10) Business Days of the Event of Default, the non-defaulting Party shall be entitled to terminate this Agreement effective as of the date specified in the written notice termination. Any attempted cure by a defaulting Party after this Agreement has been terminated by the non-defaulting Party shall be void and of no effect. The Parties’ obligations under this Agreement, in general and under this Section 7.2 in particular, are subject to the duty to mitigate damages as provided under common law. Termination of this Agreement shall in no way limit or restrict any Party’s right to pursue any legal or equitable remedies available to it arising from an Event of Default.

(b) Seller expressly agrees that at any time after the occurrence of an Event of Default by Seller, or the delivery of a Termination Notice to Seller by the Buyer, the Buyer may exercise any rights it may have pursuant to the CSA.

(c) In the event of termination for an Event of Default as provided in Section 7.1, in addition to any amounts owed for performance (or failure to perform) hereunder prior to such termination, the non-defaulting Party may recover, without duplication, its direct damages resulting from such Event of Default; such damages shall include the positive (if any) present value of this Agreement to the non-defaulting Party for the portion of the Delivery Term remaining at the time of such termination, to be determined by reference to market prices, transaction costs and load reasonably projected for the remaining portion of the Delivery Term (“Termination Damages”). The Termination Damages shall include all reasonably incurred transaction costs and expenses that otherwise would not have been incurred by the non-defaulting Party. In determining its Termination Damages, the non-defaulting Party shall offset its losses and costs by any gains or savings realized by the non-defaulting Party as a result of the termination. Seller and Buyer agree that the foregoing provision is intended to reflect a mutually acceptable measure of damages for such Event of Default.

Payment of Termination Damages, if any, shall be made by the defaulting Party to the non-defaulting Party within five (5) days after calculation of such Termination Damages and receipt of a notice including such calculation of the amounts owed hereunder and a written statement showing in reasonable detail the calculation and a summary of the method used to

determine such amounts. Upon the reasonable request of the defaulting Party, the non-defaulting Party shall provide reasonable documentation to verify the costs underlying the Termination Damages. If the defaulting Party disputes the non-defaulting Party's calculation of the Termination Damages, in whole or in part, the defaulting Party shall, within five (5) days of receipt of the non-defaulting Party's calculation of the Termination Damages, provide to the non-defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that, the defaulting Party shall first pay the Termination Damages, if any, to the non-defaulting Party in accordance with the preceding sentence, and the non-defaulting Party shall then deposit such disputed amount into an interest bearing bankruptcy-remote escrow account for the benefit of the prevailing Party and the dispute shall be resolved in accordance with Section 15.2.

(d) Notwithstanding any other provision of this Agreement, the cure of any default or failure to comply with, observe or perform any covenant, warranty or obligation under this Agreement within the period provided therefor in this Article shall not release such defaulting Party from its obligations under Section 9.2 of this Agreement.

(e) Upon termination the Buyer shall, and upon the occurrence of an Event of Default by Seller, the Buyer shall have the right to, immediately notify the ISO that (i) the assignment from the Buyer to Seller of the Ownership Share has been terminated, (ii) the Load Asset(s) shall be removed from Seller's account and placed in the account of the Buyer and (iii) Seller consents to such action. In the event the Buyer so notifies the ISO, Seller shall immediately take any and all actions that may be required by the ISO to remove the Load Asset from Seller's account and place it in the account of the Buyer. If the Agreement and any Transactions have not been terminated, the Buyer, in its sole discretion with five (5) Business Days prior notice to Seller, may elect to assign the Ownership Share of the Load Asset(s) set forth in the associated Confirmation(s) to the account of Seller and Seller shall accept such assignment, consistent with the actions required by Section 6.4 of this Master Power Agreement.

Section 7.3 Forward Contract.

Each Party represents and warrants to the other that it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code, that this Agreement is a “forward contract” within the meaning of the United States Bankruptcy Code, and that the remedies identified in this Agreement, including but not limited to those specified in Section 7, shall be “contractual rights” as provided for in 11 U.S.C. § 556 as that provision may be amended from time to time.

**ARTICLE 8. NOTICES, REPRESENTATIVES OF THE PARTIES**

Section 8.1 Notices

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing. It shall either be sent by facsimile (with receipt confirmed by telephone and electronic transmittal receipt), courier, personally delivered (including overnight delivery service) or mailed, postage prepaid, to the representative of the other Party designated in accordance with this Article. Any such notice, demand, or request shall be deemed to be given (i) when sent by facsimile confirmed by telephone and electronic transmittal receipt, (ii) when actually received if delivered by courier or personal delivery

(including overnight delivery service) or (iii) seven (7) days after deposit in the United States mail, if sent by first class mail return receipt requested.

Notices and other communications by Seller to the Buyer shall be addressed to:

Director, Energy Procurement  
Liberty Utilities (Granite State Electric) Corp.  
c/o Liberty Energy Utilities (New Hampshire) Corp.  
15 Buttrick Rd  
Londonderry, NH 03053  
603-216-3608 (phone)  
603-421-1769 (fax)

and

Notices concerning Article 7 shall also be sent to:

Assistant General Counsel  
Liberty Energy Utilities (New Hampshire) Corp.  
15 Buttrick Rd  
Londonderry, NH 03053  
603-216-3631 (phone)  
603-421-1769 (fax)

Notices and other communications by the Buyer to Seller shall be addressed to:

[Name]  
[Company]  
[Address]  
[City, State & Zip]  
[Phone]  
[Fax]

Any Party may change its representative or address for notices by written notice to the other Party; however such notice shall not be effective until it is received by the other Party.

Section 8.2 Authority of Representative

The Parties' representatives shall have full authority to act for their respective Party in all matters relating to the performance of this Agreement. Notwithstanding the foregoing, a Party's representative shall not have the authority to amend, modify, or waive any provision of this Agreement unless they are duly authorized officers of their respective entities and such amendment, modification or waiver is made in accordance with Article 17.

**ARTICLE 9. LIABILITY; INDEMNIFICATION; RELATIONSHIP OF PARTIES**

Section 9.1 Limitation on Consequential, Incidental and Indirect Damages

EXCEPT AS EXPRESSLY PROVIDED IN SECTION 9.2, TO THE FULLEST EXTENT PERMISSIBLE BY LAW, NEITHER THE BUYER NOR SELLER, NOR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, PARENT OR AFFILIATES, SUCCESSOR OR ASSIGNS, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, OR EMPLOYEES, SUCCESSORS, OR ASSIGNS, SHALL BE LIABLE TO THE OTHER PARTY OR ITS PARENT, SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS, FOR CLAIMS, SUITS, ACTIONS OR CAUSES OF ACTION FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, MULTIPLE OR CONSEQUENTIAL DAMAGES (INCLUDING ATTORNEY'S FEES OR LITIGATION COSTS EXCEPT AS EXPRESSLY PROVIDED IN SECTION 15.2 AND IN ACCORDANCE WITH THE LIMITATION THEREUNDER) CONNECTED WITH OR RESULTING FROM PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION WITH OR RELATED TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY SUCH DAMAGES WHICH ARE BASED UPON CAUSES OF ACTION FOR BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND MISREPRESENTATION), BREACH OF WARRANTY, STRICT LIABILITY, STATUTE, OPERATION OF LAW, OR ANY OTHER THEORY OF RECOVERY. THE PROVISIONS OF THIS SECTION SHALL APPLY REGARDLESS OF FAULT AND SHALL SURVIVE TERMINATION, CANCELLATION, SUSPENSION, COMPLETION OR EXPIRATION OF THIS AGREEMENT.

Section 9.2 Indemnification

(a) Seller agrees to defend, indemnify and save the Buyer, its officers, directors, employees, agents, successors assigns, and Affiliates and their officers, directors, employees and agents harmless from and against any and all third-party claims, suits, actions or causes of action and any resulting losses, damages, charges, costs or expenses, (including reasonable attorneys' fees and court costs), arising from or in connection with any (a) breach of a representation or warranty or failure to perform any covenant or agreement in this Agreement by Seller, (b) any violation of applicable law, regulation or order by Seller, (c) any act or omission by Seller with respect to this Agreement, first arising, occurring or existing during the term of this Agreement, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, except to the extent caused by an act of gross negligence or willful misconduct by an officer, director, agent, employee, or Affiliate of the Buyer or its respective successors or assigns.

(b) The Buyer agrees to defend, indemnify and save Seller, its officers, directors, employees, agents, successor, assigns, and Affiliates and their officers, directors, employees and agents harmless from and against any and all third-party claims, suits, actions or causes of action and any resulting losses, damages, charges, costs or expenses, (including reasonable attorneys' fees and court costs), arising from or in connection with any (a) breach of representation or warranty or failure to perform any covenant or agreement in this Agreement by said Buyer, (b) any violation of applicable law, regulation or order by Buyer, (c) any act or omission by the Buyer, with respect to this Agreement first arising, occurring or existing during the term of this Agreement, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, except to the extent caused by an act of gross negligence or willful misconduct by an officer, director, agent, employee or Affiliate of Seller or its respective successors or assigns.

(c) If any Party intends to seek indemnification under this Section from the other Party with respect to any action or claim, the Party seeking indemnification shall give the other Party notice of such claim or action within thirty (30) days of the later of the commencement of, or actual knowledge of, such claim or action; provided, however, that in the event such notice is delivered more than thirty (30) days after the Party seeking indemnification knows of such claim or action, the indemnifying Party shall be relieved of its indemnity hereunder only if and to the extent such indemnifying Party was actually prejudiced by such delay. The Party seeking indemnification shall have the right, at its sole cost and expense, to participate in the defense of any such claim or action. The Party seeking indemnification shall not compromise or settle any such claim or action without the prior consent of the other Party, which consent shall not be unreasonably withheld.

### Section 9.3 Independent Contractor Status

Nothing in this Agreement shall be construed as creating any relationship between the Buyer and Seller other than that of independent contractors for the sale and delivery of Requirements for Default Service.

## **ARTICLE 10. ASSIGNMENT**

### Section 10.1 General Prohibition Against Assignments

Except as provided in Section 10.2, neither Party shall assign, pledge or otherwise transfer this Agreement or any right or obligation under this Agreement without first obtaining the other Party's written consent, which consent shall not be unreasonably withheld.

### Section 10.2 Exceptions to Prohibition Against Assignments

(a) Seller may, without the Buyer's prior written consent, collaterally assign this Agreement in connection with financing arrangements provided that any such collateral assignment that provides for the Buyer to direct payments to the collateral agent (i) shall be in writing, (ii) shall not be altered or amended without prior written notice to the Buyer from both Seller and the collateral agent, and (iii) provided that any payment made by the Buyer to the collateral agent shall discharge the Buyer's obligation as fully and to the same extent as if it had been made to the Seller. Seller must provide the Buyer at least ten (10) days advance written notice of collateral assignment and provide copies of any such assignment and relevant agreements or writings.

(b) The Buyer may assign all or a portion of its rights and obligations under this Agreement to any Affiliate of the Buyer without consent of Seller. Either Party may, upon written notice, assign its rights and obligations hereunder, or transfer such rights and obligations by operation of law, to any entity with which or into which such Party shall merge or consolidate or to which such Party shall transfer all or substantially all of its assets, provided that such other entity agrees to be bound by the terms hereof and provided further, that such other entity's creditworthiness is comparable to or higher than that of such Party at the time this Agreement was executed and such Party is not relieved of any obligation or liability hereunder as a result of such assignment



## **ARTICLE 11. SUCCESSORS AND ASSIGNS**

This Agreement shall inure to the benefit of and shall be binding upon the Parties hereto and their respective successors and permitted assigns.

## **ARTICLE 12. FORCE MAJEURE**

(a) Force Majeure shall include but not be limited to acts of God, earthquakes, fires, floods, storms, strikes, labor disputes, riots, insurrections, acts of war (whether declared or otherwise), terrorism, acts of terrorism, acts of governmental, regulatory or judicial bodies, but if and only to the extent that such event or circumstance (i) directly affects the availability of the transmission or distribution facilities of the New England Transmission System, the Buyer or an Affiliate of the Buyer necessary to provide service to the Buyer's customers which are taking service pursuant to the Default Service Tariff and (ii) it is not within the reasonable control of, or the result of the negligence of, the claiming Party, and which, by the exercise of due diligence, the claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (A) fluctuations in Default Service, (B) the cost to a Party to overcome or avoid, or cause to be avoided, the event or circumstance affecting such Party's performance or (C) events affecting the availability or cost of operating any generating facility.

(b) To the extent that either Party is prevented by Force Majeure from carrying out, in whole or in part, its obligations hereunder and (i) such Party gives notice and detail of the Force Majeure to the other Party as soon as practicable after the onset of the Force Majeure, including an estimate of its expected duration and the probable impact on the performance of its obligations hereunder; (ii) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure, and (iii) the Party claiming Force Majeure uses commercially reasonable efforts to remedy or remove the inability to perform caused by Force Majeure, then the affected Party shall be excused from the performance of its obligations prevented by Force Majeure. However, neither Party shall be required to pay for any obligation the performance of which is excused by Force Majeure. This paragraph shall not require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest. It is understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the Party involved in the dispute.

(c) No obligations of either Party which arose before the Force Majeure occurrence causing the suspension of performance shall be excused as a result of the event of Force Majeure.

(d) Prior to the resumption of performance suspended as a result of a Force Majeure occurrence, the Party claiming the Force Majeure shall give the other Party written notice of such resumption.

## **ARTICLE 13. WAIVERS**

No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient.

The waiver of any single breach or default of any term or condition of this Agreement shall not be deemed to constitute the waiver of any other prior or subsequent breach or default of the Agreement or any other term or condition.

#### **ARTICLE 14. LAWS AND REGULATIONS**

(a) This Agreement and all rights, obligations, and performances of the Parties hereunder, are subject to all applicable federal and state laws, and to all duly promulgated orders and other duly authorized action of governmental authorities having jurisdiction hereof.

(b) The rates, terms and conditions contained in this Agreement are not subject to change under Section 205 of the Federal Power Act as that section may be amended or superseded, absent the mutual written agreement of the Parties. Each Party irrevocably waives its rights, including its rights under §§ 205-206 of the Federal Power Act, unilaterally to seek or support a change in the rate(s), charges, classifications, terms or conditions of this Agreement or any other agreements entered into in connection with this Agreement. By this provision, each Party expressly waives its right to seek or support: (i) an order from the Commission finding that the market-based rate(s), charges, classifications, terms or conditions agreed to by the Parties in the Agreement are unjust and unreasonable; or (ii) any refund with respect thereto. Each Party agrees not to make or support such a filing or request, and that these covenants and waivers shall be binding notwithstanding any regulatory or market changes that may occur hereafter and (z) that it shall not challenge or support a challenge to the enforceability of the waiver in this Section (b).

(c) Absent the agreement of all Parties to a proposed change, the standard of review for changes to this Agreement proposed by a non-party or the Commission acting sua sponte shall be the "public interest" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (the "Mobile-Sierra" doctrine).

(d) The Parties agree that, if and to the extent that the Commission adopts a final rule or order which requires that, in order to exclude application of the just and reasonable standard of review and to mandate application of the public interest standard of review under the Mobile-Sierra doctrine for a proposed change to this Agreement which is not agreed to by all Parties, the Parties must agree to language which varies from that set forth in Article 14(c) then, without further action of either Party, Article 14(c) will be deemed amended to incorporate the specific language required by such final rule or order as is necessary to have the public interest standard of review under the Mobile-Sierra doctrine apply to any proposed change to this Agreement to which all Parties do not agree.

(e) Nothing in this Article 14 is intended to modify any Party's right to enforce the terms of this Agreement as written.

#### **ARTICLE 15. INTERPRETATION, DISPUTE RESOLUTION**

##### Section 15.1 Governing Law

The Agreement shall be governed by and construed and performed in accordance with and the laws of the State of New Hampshire, without giving effect to its conflict of laws principles.

Section 15.2 Dispute Resolution

All disputes between Buyer and Seller under this Agreement shall be referred, upon notice by one Party to the other Party, to a senior manager of Seller designated by Seller, and a senior manager of Buyer designated by Buyer, for resolution on an informal basis as promptly as practicable. In the event the designated senior managers are unable to resolve the dispute within ten (10) calendar days of receipt of the notice, or such other period to which the Parties may jointly agree in writing, the Parties shall be free to pursue other remedies available at law.

Section 15.3 Venue; Waiver of Jury Trial

Each Party hereto irrevocably (i) submits to the exclusive jurisdiction of the federal and state courts located in the State of New Hampshire; (ii) waives any objection which it may have to the laying of venue of any proceedings brought in any such court; and (iii) waives any claim that such proceedings have been brought in an inconvenient forum. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT.

**ARTICLE 16. SEVERABILITY**

Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change will not otherwise affect the remaining provisions and lawful obligations that arise under this Agreement. If any provision of this Agreement, or the application thereof to any Party or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision, and (b) the remainder of this Agreement and the application of such provision or circumstances shall not be affected by such invalidity or unenforceability.

**ARTICLE 17. MODIFICATIONS**

No modification or amendment of this Agreement will be binding on any Party unless it is in writing and signed by both Parties.

**ARTICLE 18. ENTIRE AGREEMENT**

This Master Power Agreement, including the Appendices, any Confirmations relating to specific Transactions, the tariffs and agreements referred to herein or therein, embody the entire agreement and understanding of the Parties in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. It is expressly acknowledged and agreed that there are no restrictions, promises, representations, warranties,

covenants or undertakings contained in any material provided or otherwise made available by the Seller or the Buyer to each other. This Agreement supersedes all prior agreements and understandings between the Parties with respect to the transactions contemplated hereby and specifically excludes written agreements executed by the Parties prior to the Effective Date.

#### **ARTICLE 19. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

#### **ARTICLE 20. INTERPRETATION; CONSTRUCTION**

The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement. For purposes of this Agreement, the term "including" shall mean "including, without limitation". The Parties acknowledge that, each Party and its counsel have reviewed and or revised this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement, and it is the result of joint discussion and negotiation.

#### **ARTICLE 21. REPRESENTATIONS; WARRANTIES AND COVENANTS**

Each Party represents to the other Parties, upon execution and continuing throughout the term of this Agreement, as follows:

(a) It is duly organized in the form of business entity set forth in the first paragraph of this Agreement, validly existing and in good standing under the laws of its state of its organization and has all requisite power and authority to carry on its business as is now being conducted, including all regulatory authorizations as necessary for it to legally perform its obligations hereunder.

(b) It has full power and authority to execute and deliver this Master Power Agreement and any and all Confirmations related to Transactions and to consummate and perform the transactions contemplated hereby. This Master Power Agreement has been, and any Confirmation will be, duly and validly executed and delivered by it, and, assuming that this Master Power Agreement, together with any and all Confirmations, constitutes a valid and binding agreement of the other Parties, constitute together its valid and binding agreement, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, or the terms of any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, concession, contract, lease or other instrument to which it is bound, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) No declaration, filing with, notice to, or authorization, permit, consent or approval of any governmental authority is required for the execution and delivery of this Master Power Agreement or any and all Confirmations related to a Transaction by it or the performance by it of its obligations hereunder and thereunder, other than such declarations, filings, registrations, notices, authorizations, permits, consents or approvals which, if not obtained or made, will not, in the aggregate, have a Material Adverse Effect.

(e) Neither the execution and delivery of this Master Power Agreement or any and all Confirmations by it, nor the performance by it of its obligations under this Master Power Agreement and any and all Confirmations related to Transactions, will or does (i) conflict with or result in any breach of any provision of its Governing Documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which it or any of its subsidiaries is a party or by which it or any of its subsidiaries is bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained or which, in the aggregate, would not have a Material Adverse Effect; or (iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to it, which violation would have a Material Adverse Effect.

(f) There are no claims, actions, proceedings or investigations pending or, to its knowledge, threatened against or relating to it before any governmental authority acting in an adjudicative capacity relating to the transactions contemplated hereby that could have a Material Adverse Effect. It is not subject to any outstanding judgment, rule, order, writ, injunction or decree of any court or governmental authority which, individually or in the aggregate, would create a Material Adverse Effect.

(g) There are no bankruptcy, insolvency, reorganization, receivership or other similar proceedings pending or being contemplated by it, or of its knowledge threatened against it.

(h) With respect to Seller, (i) it and the ISO have fully executed a Market Participant Service Agreement (“Seller’s MPSA”), and it has been approved by the Commission in accordance with Subsection 7.1 of the MPSA with the ISO and (ii) the ISO has not filed with the Commission a notice of termination of Seller’s MPSA.

(i) It is acting for its own account, has made its own independent decision to enter into this Master Power Agreement and any and all Confirmations related to a Transaction and as to whether this Master Power Agreement and any such Confirmation is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party hereto, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Master Power Agreement and any such Confirmation or Transaction.

## **ARTICLE 22. CONSENTS AND APPROVALS**

The Parties shall cooperate so that each Party may take such actions as necessary and required for the other Party to effectuate and comply with this Agreement including to (i) promptly prepare and file all necessary documentation, (ii) effect all necessary applications, notices, petitions and filings and execute all agreements and documents, and (iii) use all commercially reasonable efforts to obtain all necessary consents, approvals and authorizations of

all other entities, in the case of each of the foregoing clauses (i), (ii) and (iii), necessary or advisable to consummate the transactions contemplated by this Agreement. The Buyer shall have the right to review and approve in advance all characterizations of the information relating to the transactions contemplated by this Agreement which appear in any filing, press release or public announcement made in connection with the transactions contemplated hereby.

### **ARTICLE 23. CONFIDENTIALITY**

Neither Seller nor the Buyer shall provide copies of or disclose the contents or terms of [BIDDERS: Insert additional sections] of the Master Power Agreement (the “Confidential Terms”) to any third party without the prior written consent of the other Party; provided, however, that either Party may provide a copy of the Confidential Terms, in whole or in part to (1) any regulatory agency or governmental authority with jurisdictional interest requesting and/or requiring such Confidential Terms, or in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding, provided that in the case of a disclosure pursuant to the foregoing, such disclosure must include a request for confidential treatment of the Confidential Terms, and (2) an Affiliate if related to the Party’s performance of its obligations hereunder, provided that such Affiliate agrees to treat the Confidential Terms as confidential in accordance with this clause.

**[Remainder of Page Intentionally Left Blank]**

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Master Power Agreement on their behalf as of the date first above written.

**LIBERTY UTILITIES (GRANITE STATE  
ELECTRIC) CORP.**

\_\_\_\_\_  
Name (print): \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
Name (print): \_\_\_\_\_  
Title: \_\_\_\_\_

## **APPENDIX A** **ESTIMATION OF SELLER HOURLY LOADS**

### **Overview**

Generating units operated by suppliers are dispatched by the power pool to meet the region's electrical requirements reliably, and at the lowest possible cost. As a result, a supplier's electricity production may not match the demand of its customers. In each hour some suppliers with low cost production units or that contract for the output of such units are net sellers of electricity to the pool, while other suppliers are purchasing power from the pool to meet the demand of their customers. To determine the extent to which suppliers are net buyers or sellers on an hourly basis, it is necessary to estimate the hourly aggregate demand for all of the customers served by each supplier. The Buyer will estimate Seller's Default Service load obligations within the Buyer's service territory and report the hourly results to the ISO on a daily basis.

The estimation process is a cost-effective approach to producing results that are reliable, unbiased and reasonably accurate. The hourly load estimates will be based on rate class load profiles, which will be developed from statistically designed samples. Each day, the class load shapes will be scaled to the population of customers served by each supplier. In cases where telemetered data on individual customers is available, it will be used in place of the estimated shapes. On a monthly basis, the estimates will be refined by incorporating actual usage data obtained from meter readings. In both processes, the sum of all suppliers' estimated loads will match the total load delivered into the distribution system. A description of the estimation process follows.

### **Daily Estimation of Suppliers' Own Load**

The daily process estimates the hourly load for each supplier for the previous day. The following is an outline of this process:

- Select a proxy date from the previous year with characteristics which best match the day for which the hourly demand estimates are being produced. Extract class load shapes for the selected proxy date from the load research database.
- Scale the class load shapes appropriately for each individual customer based on the usage level of the customer relative to the class average usage level.
- Calculate a factor for each customer which reflects their relative usage level and includes an adjustment for losses ("load adjustment factor"). Aggregate the load adjustment factors across the customers served by each supplier in each class.
- Produce a preliminary estimate of each supplier's hourly loads by combining the proxy day class load shapes with the supplier's total load adjustment factors. Aggregate the loads across the classes for each supplier.



- Adjust the preliminary hourly supplier estimates so that their sum is equal to the Buyer's actual hourly metered loads (as metered at the point of delivery to the distribution system) by allocating any differences to suppliers in proportion to their estimated load.
- Adjust the hourly supplier estimates to include transmission losses within the Buyer's transmission system.
- Submit the hourly loads to the ISO.

After the Buyer has submitted the supplier hourly loads, the ISO will allocate PTF losses to the supplier's account during the settlement process.

### **Monthly Reconciliation Process**

The monthly process will improve the estimates of supplier loads by incorporating the most recent customer usage information, which will be available after the monthly meter readings are processed. The actual customer meter readings, as well as actual interval data for the largest customers, are used to re-estimate all of the days in the calendar month being reconciled. Updates to customers' account status and supplier assignments that may have been missed during the daily processing (due to timing) are included. The resulting hourly supplier load estimates for all the days in the month are reported and used by the ISO as the basis for the monthly resettlement.

**APPENDIX B  
MASTER POWER AGREEMENT  
FORM OF CONFIRMATION**

This Confirmation shall confirm the Transaction agreed to on, and effective as of \_\_\_\_\_, between **LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.** (“Liberty Utilities” or “Buyer”), a New Hampshire corporation and \_\_\_\_\_ (“Seller”), a [state] [what], regarding the sale/purchase of Default Service specified herein under the terms and conditions under the Master Power Agreement, dated \_\_\_\_\_ (the “Master Power Agreement”) between Buyer and Seller, as specified and modified herein. Terms used but not defined herein shall have the meanings ascribed to them in the Master Power Agreement.

**1. Confirmation Effective Date; Condition Precedent; Filing Obligation; Term**

This Confirmation shall be binding on the Parties upon execution by both Parties (such date the “Confirmation Effective Date”). Promptly after execution by both Parties, Buyer shall submit the Default Service retail rates to the NHPUC for its approval. The Parties performance of Sections 3.2 through 6.4 of the Master Power Agreement are subject to the occurrence, on or before the fifth Business Day after (but not including) the Buyer’s submission of the Default Service retail rates to the NHPUC (the “Fifth Day”), for the approval by the NHPUC. If the NHPUC does not issue a decision approving Buyer’s request to approve the Default Service retail rates as filed on or before the Fifth Day (a “NHPUC Denial”), then this Confirmation shall be null and void and of no further force and effect, and neither Party shall have any obligation whatsoever to the other Party, and such a voiding of the Confirmation and the NHPUC Denial shall not be a default or constitute an Event of Default by either Party; provided, however, that neither Party shall undertake any action with the NHPUC or otherwise in opposition of approval by the NHPUC of the Master Power Agreement or the Confirmation as executed.

**2. Default Service Requirements Matrix**

Award Block	Customer Group	Load Zone	Load Responsibility	Commencement Date	Conclusion Date
TBD	TBD	NH	100%	TBD	TBD

**3. Contract Rate - \$/MWh**

Contract Rate	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
TBD	TBD	TBD	TBD	TBD	TBD	TBD

**4. Load Asset Designation within the ISO Settlement Market System**

Award Block	Customer Group	Load Zone	Load Asset Number	Load Asset Name
TBD	TBD	NH	TBD	TBD

## 5. Renewable Portfolio Requirement

For each calendar month during the term of this Transaction the sum of:

- i) The Class I RPS Requirement shall mean the product of (a) Delivered Energy in a calendar month and (b) the Class I RPS obligation of TBD PERCENT (X.X%), plus
- ii) The Class I Thermal RPS Requirement shall mean the product of (a) Delivered Energy in a calendar month and (b) the Class I Thermal RPS obligation of TBD PERCENT (X.X%), plus
- iii) The Class II RPS Requirement shall mean the product of (a) Delivered Energy in a calendar month and (b) the Class I RPS obligation of TBD PERCENT (X.X%), plus
- iv) The Class III RPS Requirement shall mean the product of (a) Delivered Energy in a calendar month and (b) the Class III RPS obligation of TBD PERCENT (X.X%), plus
- v) The Class IV RPS Requirement shall mean the product of (a) Delivered Energy in a calendar month and (b) the Class IV RPS obligation of TBD PERCENT (X.X%).

## 6. Amount Payable

The amount payable by the Buyer to Seller in a month shall be:

- (i) The product of (a) the Delivered Energy for Default Service to the Large Customer Group and (b) Large Customer Group Contract Rate in the month plus,
- (ii) The product of (a) the Delivered Energy for Default Service to the Small Customer Group and (b) Small Customer Group Contract Rate in the month plus,
- (iii) the product of (a) the number Class I NEPOOL-GIS Certificates delivered in a month and (b) the applicable Alternative Compliance Payment plus,
- (iv) the product of (a) the number Class I Thermal NEPOOL-GIS Certificates delivered in a month and (b) the applicable Alternative Compliance Payment plus,
- (v) the product of (a) the number Class II NEPOOL-GIS Certificates delivered in a month and (b) the applicable Alternative Compliance Payment plus
- (vi) the product of (a) the number of Class III NEPOOL-GIS Certificates delivered in a month and (b) the applicable Alternative Compliance Payment plus,
- (vii) the product of (a) the number of Class IV NEPOOL-GIS Certificates delivered in a month and (b) the applicable Alternative Compliance Payment less,
- (viii) the product of (a) the Class I RPS Requirement in a month and (b) the applicable Alternative Compliance Payment less,
- (ix) the product of (a) the Class I Thermal RPS Requirement in a month and (b) the applicable Alternative Compliance Payment less,
- (x) the product of (a) the Class II RPS Requirement in a month and (b) the applicable Alternative Compliance Payment less
- (xi) the product of (a) the Class III RPS Requirement in a month and (b) the applicable Alternative Compliance Payment less,
- (xii) the product of (a) the Class IV RPS Requirement in a month and (b) the applicable Alternative Compliance Payment.

[To be determined consistent with each transaction]

## 7. Modifications to the Master Power Agreement

Appendix B – Page 2

[To be determined for each Transaction]

## 8. Security

### 8.1 Calculation of Exposure

Exposure shall be calculated in accordance with Paragraph 3 of the CSA, subject to the conditions and definitions below.

**Seller Independent Amount** means the amount set forth below, and is required through the dates listed in the table:

Award Block	Customer Group	Load Zone	Amount of Security (USD)	Posting Required Through
TBD	TBD	TBD	TBD	TBD

**Expected Daily Load** means the average daily load based upon 2 years of available actual loads for a given month, as specified in the following table:

Award Block	Customer Group	Load Zone	Month1	Month2	Month3	Month4	Month5	Month6
TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

**Adjustment Factor** is X.XX.

**Reference New England Internal Hub Price** means the prices as specified in the following table:

ISO New England Internal Hub Price	Month1	Month2	Month3	Month4	Month5	Month6
Off-Peak	TBD	TBD	TBD	TBD	TBD	TBD
Peak	TBD	TBD	TBD	TBD	TBD	TBD
Reference New England Internal Hub Price**	TBD	TBD	TBD	TBD	TBD	TBD

\*\*The Reference New England Internal Hub price shall be calculated as ((Peak Price x number of Peak Hours in the Month) + (Off-Peak Price x number of Off-Peak Hours in the Month))/(Total Hours in the Month)), as applicable.

### 8.2 Delivery of Collateral

Within five (5) Business Days after the execution of this Confirmation, Seller shall provide Collateral in accordance with Paragraph 3(a) of the Credit Support Annex of the Master

Power Agreement, and in any of the forms specified in Paragraph 6 of the Credit Support Annex of the Master Power Agreement.

**9. Confidentiality**

Articles 3 and 8.1 of this Confirmation is Confidential Terms within the meaning of Article 23 of the Master Power Agreement and shall be subject to confidential treatment until such time such information is published by the Federal Energy Regulatory Commission.

**10. Ratification of the Terms and Conditions of the Agreement**

(a) Except as expressly amended or waived by this Confirmation, the terms, conditions, covenants, agreements, warranties and representations contained in the Master Power Agreement are in all respects ratified, confirmed and remade as of the date hereof and, except as amended or waived hereby, shall continue in full force and effect.

(b) Nothing in this Confirmation shall, or shall be construed to, alter or amend any other Confirmation.

**11. Counterparts**

This Confirmation may be executed in counterparts, all of which together shall constitute one and the same instrument.

This Confirmation constitutes part of and is subject to the terms and provisions of such Master Power Agreement.

**[Remainder of Page Intentionally Left Blank]**

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

**LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.**

\_\_\_\_\_  
Name (print): \_\_\_\_\_  
Title: \_\_\_\_\_

**[COMPANY]**

\_\_\_\_\_  
Name (print): \_\_\_\_\_  
Title: \_\_\_\_\_

## APPENDIX C FORM OF GUARANTY

### Guaranty

This Guaranty (this “Guaranty”), dated effective as of [ ], 20\_\_ (the “Effective Date”), is made and entered into by [ ], a [ ] corporation (“Guarantor”).

#### **WITNESSETH:**

WHEREAS, Liberty Utilities (Granite State Electric) Corp. (“the Buyer”) and [ ], a corporation organized under the laws of the State of [ ] (“Seller”) and a [ ] of Guarantor, have entered into that certain Confirmation, dated \_\_\_\_\_ (the “Confirmation”), under the Master Power Agreement, dated [ ], (collectively with the Confirmation, as the foregoing and the terms therein and the obligations and liabilities thereunder may from time to time and without notice to or consent of the Guarantor, and without impairing or releasing the obligations of the Guarantor, be amended, modified, revised, supplemented or waived by Buyer and Seller, the "Agreement") and

WHEREAS, Guarantor will directly or indirectly benefit from the Agreement between Seller and the Buyer;

NOW THEREFORE, in consideration of the Buyer entering into the Agreement, Guarantor hereby covenants and agrees as follows:

- 1) GUARANTY. Subject to the provisions hereof, Guarantor hereby irrevocably and unconditionally guarantees the full and faithful timely performance and payment when due of the obligations of Seller that are now due or may hereafter become due and payable to the Buyer under the Agreement (the “Obligations”). This Guaranty shall constitute a guarantee of performance and payment and not of collection. The liability of Guarantor under this Guaranty shall be specifically limited to performance and payments expressly required to be made under the Agreement (even if such payments are or are deemed to be damages) as well as costs of collection and enforcement of this Guaranty (including attorney’s fees) to the extent reasonably and actually incurred by the Buyer, but in no event shall Guarantor be subject hereunder to consequential, exemplary, equitable, loss of profits, punitive or tort damages, or, except to the extent specifically provided in the Agreement, any other damages.
- 2) DEMANDS AND NOTICE. Upon the occurrence and during the continuance of an Event of Default or termination, as may be defined in the Agreement, if Seller fails or refuses to perform or pay any Obligations and the Buyer elects to exercise its rights under this Guaranty, the Buyer shall make a demand upon Guarantor (hereinafter referred to as a “Demand”). A Demand shall be in writing and shall reasonably and briefly specify in what manner and what amount Seller has failed to perform or pay and an explanation of why such performance or payment is due, with a specific statement that the Buyer is calling upon Guarantor to perform and/or pay under this Guaranty. A Demand satisfying the foregoing requirements shall be required with respect to Obligations before Guarantor is required to perform or pay (free of any deductions or withholdings) such Obligations hereunder and shall be deemed sufficient notice to Guarantor that it must perform the Obligations within two (2) Business Days, or pay the Obligations within five (5) Business Days, after its receipt

of the Demand. A single written Demand shall be effective as to any specific default during the continuance of such default, until Seller or Guarantor has cured such default, and additional written demands concerning such default shall not be required until such default is cured. As used herein, the term "Business Day" shall mean a day on which commercial banks or financial institutions are open for business in the State of New Hampshire.

3) REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants that:

(a) it is a corporation duly organized and validly existing and in good standing under the laws of the State of [ ] and has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Guaranty;

(b) the execution, delivery and performance of this Guaranty and each transaction contemplated by this Guaranty, do not and will not (with or without the lapse of time, the giving of notice or both, contravene, conflict with or result in a breach of or default under any provision of its constitution or any writ, order, judgment, law, rule or regulation to which it is a party or is subject or by which it is bound; and

(c) no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty; and

(d) this Guaranty, when executed and delivered, will constitute a valid and legally binding agreement of Guarantor, except as the enforceability of this Guaranty may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

4) SETOFFS AND COUNTERCLAIMS. Without limiting Guarantor's own defenses and rights hereunder, Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which Seller or any other affiliate of Guarantor is or may be entitled to arising from or out of the Agreement or otherwise, except for defenses arising out of the bankruptcy, insolvency, dissolution or liquidation of Seller, the lack of power or authority of Seller to enter into, amend and/or perform the Agreement, or waiver or consent with respect to any provision thereof, or a claim as to the Agreement's validity regularity or enforceability, or any similar circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor generally.

5) AMENDMENT OF GUARANTY. No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and the Buyer.

6) WAIVER; TERMINATION. Except as required in Section 2 above, Guarantor hereby waives (a) notice of acceptance of this Guaranty; (b) presentment, demand and notice of dishonor concerning the liabilities of Guarantor; and (c) any right to require that any action or proceeding be brought against Seller or any other person, or to require that the Buyer exhaust its remedies against Seller or seek enforcement of any performance against Seller or any other person, or against any collateral pledged by Seller or any other person liable for payment or performance of the Obligations, prior to any action against Guarantor under the terms hereof. Buyer shall not be obligated



to file any claim relating to the Obligations in the event that Seller becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of the Buyer to so file shall not affect the Guarantor's obligations hereunder.

Except as to applicable statutes of limitation, no delay of the Buyer in the exercise of, or failure to exercise, any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from any obligations hereunder.

Guarantor consents to the renewal, compromise, extension, acceleration or other changes including in the time of payment of and other changes in the terms of the Obligations, or any part thereof and amendments thereto, or any changes and modifications to the terms of the Agreement or waivers there under.

Guarantor shall not be discharged or released from its obligations hereunder by any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Seller or by any defense which Seller may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding. Guarantor agrees that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if all or any part of any payment made hereunder is at any time avoided or rescinded or must otherwise be restored or repaid by the Buyer as a result of the bankruptcy of Seller, or otherwise, all as though such payments had not been made.

This Guaranty and the Guarantor's obligations hereunder shall remain in effect for the term of the Agreement.

NOTICE. Any Demand, notice, request, instruction, correspondence or other document to be given hereunder by any party to another (herein collectively called "Notice") shall be in writing and delivered personally or mailed by certified mail, postage prepaid and return receipt requested, or by telegram or facsimile, as follows:

To the Buyer:

Director, Energy Procurement  
Liberty Utilities (Granite State  
Electric) Corp.  
c/o Liberty Energy Utilities (New  
Hampshire) Corp.  
15 Buttrick Rd  
Londonderry, NH 03053  
603-216-3608 (phone)  
603-421-1769 (fax)

To Guarantor:

Fax No.:  
Phone No.:

Notice given by personal delivery or mail shall be effective upon actual receipt. Notice given by telegram shall be effective upon actual receipt if received during the recipient's normal

business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. Notice given by facsimile shall be effective upon (i) actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours and (ii) confirmation of receipt by telephone. All Notices by telegram or facsimile shall be confirmed promptly after transmission in writing by certified mail or personal delivery. Any party may change any address to which Notice is to be given to it by giving notice in accordance with the requirements of this Section.

MISCELLANEOUS. This Guaranty shall in all respects be governed by, and construed in accordance with, the law of the State of New Hampshire, without regard to principles of conflicts of laws.

This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by the Buyer and its successors and permitted assigns. The Guarantor may not assign this Guaranty in part or in whole without the prior written consent of the Buyer. The Buyer may not assign its rights or benefits under this Guaranty in part or in whole except (i) with the prior written consent of the Guarantor, or (ii) pursuant to a permitted assignment of Agreement (“Assigned Agreement”), in which case the assignee will succeed to the rights of the Buyer hereunder arising after the date of such assignment. Neither the Guarantor nor the Buyer will unreasonably withhold or delay consent to assignment.

This Guaranty embodies the entire agreement and understanding between Guarantor and the Buyer and supersedes all prior agreements and understandings relating to the subject matter hereof. The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof.

Time is of the essence of this Guaranty. The remedies provided to the Buyer in this Guaranty are cumulative and not exclusive of any other remedies provided by law.

Words importing the singular number hereunder shall include the plural number and vice versa and any pronouns used herein shall be deemed to cover all genders. The term "person" as used herein means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated association, or government (or any agency or political subdivision thereof).

Wherever possible, any provision in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**Remainder of Page Intentionally Left Blank**

**IN WITNESS WHEREOF, the Guarantor has executed this Guaranty on \_\_\_\_\_,  
20\_\_ , but it is effective as of the Effective Date.**

[GUARANTOR]

\_\_\_\_\_

Name (print): \_\_\_\_\_

Title: \_\_\_\_\_

## APPENDIX D

### CREDIT SUPPORT ANNEX (NH Default Service)

This Credit Support Annex to the Master Power Agreement (the “CSA”) is made and entered into by and between Buyer and Seller, as those terms are defined in the Master Power Agreement.

All provisions contained or incorporated by reference in the Master Power Agreement will govern this CSA except as expressly modified herein. Any terms capitalized, but not defined herein shall have the meaning given to them in the Master Power Agreement.

#### **Paragraph 1. Definitions.**

As Used in this CSA, the following terms have the meanings specified below:

“**Calculation Period**” shall mean the period between the commencement date of the transaction, and the conclusion date of the transaction, as defined in the confirmation.

“**Cash**” means U.S. dollars held by or on behalf of a Party as Posted Collateral hereunder.

“**Collateral Account**” shall have the meaning specified in Paragraph 6(a)(iii)(B).

“**Collateral Interest Rate**” means the daily effective federal funds rate as published in the applicable statistical release designated as H.12(510), or any successor publication by the Board of Governors of the Federal Reserve System. If such rate is expressed as a range, the Collateral Interest Rate shall equal the arithmetic average of such range.

“**Collateral Threshold**” shall have the meaning specified in Paragraph 3(c)(i).

“**Custodian**” shall have the meaning specified in Paragraph 6(a)(i).

“**Delivery Amount**” shall have the meaning specified in Paragraph 4.

“**Disputing Party**” shall have the meaning specified in Paragraph 7.

“**Eligible Collateral**” shall have the meaning specified in Paragraph 3(c)(iii).

“**Exposure**” shall have the meaning specified in Paragraph 3(b).

“**Interest Amount**” means with respect to a Party and an Interest Period, the sum of the daily interest amounts for all days in such Interest Period; each daily interest amount to be determined by such Party as follows: (a) the amount of Cash held by such Party on that day (but excluding any interest previously earned on such Cash); *multiplied by* (b) the Collateral Interest Rate for that day; *divided by* (c) 360

“**Interest Period**” means the period from (and including) the last Business Day on which an Interest Amount was Transferred by a Party (or if no Interest Amount has yet been Transferred by such Party, the Business Day on which Cash was Transferred to such Party) to (but excluding) the Business Day on which the current Interest Amount is to be Transferred.

“**Invoiced Amounts**” shall have the meaning specified in Paragraph 3(b)(i)

“**Letter of Credit**” shall mean an irrevocable, non-transferable, standby letter of credit, issued by a Qualified Institution utilizing a form acceptable to the party in whose favor the letter of credit is issued. All costs relating to any Letter of Credit shall be for the account of the Pledgor.

“**Letter of Credit Default**” shall mean with respect to an outstanding Letter of Credit, the occurrence of any of the following events (a) the issuer of such Letter of Credit shall fail to be a

Qualified Institution (as defined below); (b) the issuer of the Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit if such failure shall be continuing after the lapse of any applicable grace period; (c) the issuer of the Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit; or (d) the Letter of Credit shall expire or terminate or have a Value of zero at any time the Pledgor is required to Transfer Eligible Credit Support pursuant to Paragraph 4 below and the Pledgor has not Transferred replacement Eligible Credit Support; provided, however, that no Letter of Credit Default shall occur in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be cancelled or returned to the Pledgor in accordance with the terms of this CSA.

**“Notification Time”** shall mean 1:00 p.m. EPT on a Business Day.

**“Obligations”** shall have the meaning specified Paragraph 2.

**“Pledgor”** means either party, when that party (i) receives a demand for or is required to Transfer Eligible Collateral or (ii) has Transferred Eligible Collateral under this CSA.

**“Posted Collateral”** means all Eligible Collateral and all proceeds thereof that have been Transferred to or received by the Secured Party under this CSA and not Transferred to the Pledgor or released by the Secured Party. Any interest amount or portion thereof not Transferred will constitute Posted Collateral in the form of Cash.

**“Potential Event of Default”** means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

**“Qualified Institution”** means a major U.S. commercial bank or trust company, a foreign bank with a U.S. branch office or financial institution, in any case, organized under the laws of the United States or a political subdivision thereof having assets of at least \$10 billion and Credit Ratings of at least “A3” from Moody’s and “A-“ from S&P.

**“Return Amount”** shall have the meaning specified in Paragraph 5.

**“Reference Market-Maker”** means a leading dealer in the relevant market that is selected in a commercially reasonable manner and is not an affiliate of either party.

**“Request Date”** shall have the meaning specified in Paragraph 7.

**“Requesting Party”** shall have the meaning specified in Paragraph 7.

**“Rounding Amount”** shall have the meaning specified Paragraph 3(c)(ii).

**“Secured Party”** means either party, when that party (i) makes a demand for or is entitled to receive Eligible Collateral or (ii) holds or is deemed to hold Posted Collateral under this CSA.

**“Seller’s Credit Support Provider”** means, \_\_\_\_\_

**“Seller’s Independent Amount”** means none, unless otherwise specified in the applicable Confirmation.

**“Substitute Eligible Collateral”** shall have the meaning specified in Paragraph 6(f).

**“Transfer”** means, with respect to any Posted Collateral or Interest Amount, and in accordance with the instructions of the Party entitled thereto:

- (a) in the case of Cash, payment or transfer by wire transfer into one or more bank accounts specified by Buyer; and
- (b) in the case of Letters of Credit, delivery of the Letter of Credit or an amendment thereto to Buyer.

“**Valuation Agent**” means the Requesting Party; provided, however, that that in all cases, if an Event of Default or Potential Event of Default has occurred and is continuing with respect to the party designated as the Valuation Agent, then in such case, and for so long as the Event of Default or Potential Event of Default continues, the other party shall be the Valuation Agent.

“**Valuation Date**” means each Business Day.

“**Valuation Percentage**” shall have the meaning specified in Paragraph 3(c)(iii).

“**Valuation Time**” means the close of business on the Business Day before the Valuation Date or date of calculation, as applicable.

“**Value**” means, with respect to Posted Collateral or Eligible Collateral, means the Valuation Percentage multiplied by the amount then available under the Letter of Credit to be unconditionally drawn by the Secured Party.

**Paragraph 2. Encumbrance: Grant of Security Interest.** Each party hereby pledges to the other Party as security for all outstanding Transactions and any other documents, instruments or agreements executed in connection therewith (collectively, the “**Obligations**”), and grants to the other Party a first priority continuing security interest, lien on, and right of set-off against all Collateral delivered to or received by such Party (the “**Secured Party**”) hereunder. Upon the return by the Secured Party to the other Party (such Party, the “**Pledgor**”) of posted Collateral, the security interest and lien granted hereunder on that posted Collateral will be released immediately and, to the extent possible, without further action by either Party.

**Paragraph 3. Calculations of Collateral Requirement.**

(a) **Collateral Requirement.** The “Collateral Requirement” for Seller means the Exposure, *minus the sum of*:

- (i) Seller’s Collateral Threshold;
- (ii) Seller’s Independent Amount, if any, as defined in the Confirmation;
- (iii) the amount of Cash previously Transferred to Buyer, and the amount of Cash held by Buyer as Posted Collateral as the result of drawing under any Letter of Credit; and
- (iv) the Value of each Letter of Credit maintained by Seller for the benefit of Buyer;

provided, however, that the Collateral Requirement of Seller will be deemed to be zero (0) whenever the calculation of Exposure yields a number less than zero (0).

(b) **Calculation of Exposure.** On any Valuation Date, the “**Exposure**” shall be calculated as *the sum of*:

- (i) all amounts that have been invoiced, but not yet paid for the Transaction under each Confirmation (“**Invoiced Amounts**”). Such amount shall be a positive number if owed by Seller to Buyer and a negative amount if owed from Buyer to Seller;
- (ii) all amounts that have been accrued, but not yet invoiced for the Transaction under each confirmation (“**Accrued Amounts**”). Such amount shall be a positive number if owed by Seller to Buyer and a negative amount if owed from Buyer to Seller; and

(iii) the Daily Proxy Settlement Amounts for each day remaining in the current Calculation Period and all future Calculation Periods for Each Transaction (“*Proxy Settlement Amount*”);

(c) **Seller’s Collateral Threshold.**

(i) “*Seller’s Collateral Threshold*” means, the amount set forth below opposite the lowest Credit Rating for Seller on the Valuation Date, *provided*, however, that the Threshold for Seller shall be zero (“0”) if on the Valuation Date, Seller does not have a Credit Rating from S&P or Moody’s or an Event of Default or a Potential Event of Default with respect to Seller has occurred and is continuing.

Or

(i) “*Seller’s Collateral Threshold*” means, the amount set forth below opposite the lowest Credit Rating for Seller on the Valuation Date; *provided*, however, if Seller has provided a guaranty from its Credit Support Provider (substantially in the form set forth in Appendix C of this Master Power Agreement), then Seller’s Threshold shall correspond to the lesser of (1) the amount of such guaranty and (2) the amount set forth below opposite the lowest Credit Rating for Seller’s Credit Support Provider on the Valuation Date; and *provided*, further, the Threshold for Seller shall be zero if on the Valuation Date, (i) Seller or its Credit Support Provider (if Seller has provided a guaranty) does not have a Credit Rating from S&P or Moody’s, (ii) an Event of Default or Potential Event of Default with respect to Seller or its Credit Support Provider has occurred and is continuing or (iii) the guaranty, if any, provided by Seller fails to be in full force and effect unless Seller is relying on its own Credit Rating to establish its Threshold pursuant to the table below.

<u>Seller’s Collateral Threshold</u>	<u>Moody’s Credit Rating</u>	<u>S&amp;P Credit Rating</u>
\$	A3 or above	A- or above
\$	Baa1 or Baa2	BBB+ or BBB
\$0	Baa3 or below	BBB- or below

(ii) **Rounding.** The Delivery Amount, as defined below, will be rounded up, and the Return Amount, as defined below, will be rounded down, in each case to the nearest integral multiple of \$100,000 (“*Rounding Amount*”).

(iii) The following items will qualify as “*Eligible Collateral*” for the Party specified:

	<u>Seller</u>	<u>“Valuation Percentage”</u>
(A) Cash	[X]	100%
(B) Letters of Credit	[X]	100% unless either (i) a Letter of Credit Default shall have occurred and be continuing with respect to such Letter of Credit, or (ii) twenty (20) or fewer Business Days remain prior to the expiration of such Letter of Credit, in which

cases the Valuation Percentage shall be zero (0).

(d) **Valuation Agent/Valuation Time.** All calculations with respect to Collateral shall be made by the Valuation Agent as of the Valuation Time on the Valuation Date.

**Paragraph 4. Delivery of Collateral.** On any Business Day during the remaining term hereof on which (a) no Event of Default has occurred and is continuing with respect to Buyer, (b) no Termination date has occurred or has been designated as a result of an Event of Default with respect to Buyer for which there exist any unsatisfied payment Obligations, and (c) Seller's Collateral Requirement exceeds \$0.00, then Buyer may request, by written notice, that Seller Transfer to Buyer, or cause to be Transferred to Buyer, Eligible Collateral for the benefit of Buyer, having a Value of at least the Collateral Requirement ("***Delivery Amount***"). Such Eligible Collateral shall be delivered to Buyer on the next Business Day if the request is received by the Notification Time; otherwise Eligible Collateral is due by the close of business on the second Business Day.

**Paragraph 5. Reduction and Substitution of Posted Collateral.** On any Business Day during the term hereof on which (a) no Event of Default has occurred and is continuing with respect to Seller, (b) no Termination date has occurred or has been designated as a result of an Event of Default with respect to Seller for which there exist any unsatisfied payment Obligations, and (c) the Eligible Collateral posted by Seller exceeds the Exposure (rounding downwards for any fractional amount to the next interval of the Rounding Amount), then Seller may, at its sole cost, request that Buyer return Eligible Collateral in the amount of such difference ("***Return Amount***") and Buyer shall be obligated to do so. Such Eligible Collateral shall be returned to Seller on the next Business Day if the request is received by the Notification Time; otherwise Eligible Collateral is due by the close of business on the second Business Day. The Parties agree that if Seller has posted more than one type of Eligible Collateral to Buyer, Seller can, in its sole discretion, select the type of Eligible Collateral for Buyer to return; provided, however, that Buyer shall not be required to return the specified Eligible Collateral if immediately after such return, Seller would be required to post additional Eligible Collateral pursuant to the calculation of Exposure.

**Paragraph 6. Administration of Posted Collateral.**

(a) **Cash.** Posted Collateral provided in the form of Cash to Buyer hereunder shall be subject to the following provisions.

(i) So long as no Event of Default has occurred and is continuing with respect to Buyer, Buyer will be entitled to either hold Cash or to appoint an agent which is a Qualified Institution (a "***Custodian***") to hold Cash for Buyer. In the event that an Event of Default has occurred and is continuing with respect to Buyer, then the provisions of Paragraph 6(a)(ii) shall not apply with respect to Buyer and Cash shall be held in a Qualified Institution in accordance with the provisions of Paragraph 6(a)(iii)(B). Upon notice by Buyer to Seller of the appointment of a Custodian, Seller's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Cash by a Custodian will be deemed to be the holding of Cash by Buyer for which the Custodian is acting. If Buyer or its Custodian fails to satisfy any conditions for holding Cash as set forth above, or if Buyer is not entitled to hold Cash at any time, then Buyer will Transfer, or cause its Custodian to Transfer, the Cash to a Qualified Institution and the Cash shall be maintained in accordance with Paragraph 6(a)(iii)(B). Except as set forth in Paragraph 6(c), Buyer will be liable for the acts or omissions of the Custodian to the same extent that Buyer would be held liable for its own acts or omissions.



(ii) **Use of Cash.** Notwithstanding the provisions of applicable law, if no Event of Default has occurred and is continuing with respect to Buyer and no Termination date has occurred or been designated as a result of an Event of Default with respect to Buyer for which there exists any unsatisfied payment Obligations, then Buyer shall have the right to sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise use in its business any Cash that it holds as Posted Collateral hereunder, free from any claim or right of any nature whatsoever of Seller, including any equity or right of redemption by Seller.

(iii) Notwithstanding Paragraph 6(a)(ii), if neither Buyer nor the Custodian is eligible to hold Cash pursuant to Paragraph 6(a)(i) then:

(A) the provisions of Paragraph 6(a)(ii) will not apply with respect to the Buyer; and

(B) the Buyer shall be required to Transfer (or cause to be Transferred) not later than the close of business within five (5) Business Days following such ineligibility all Cash in its possession or held on its behalf to a Qualified Institution to be held in a segregated, safekeeping or custody account (the “*Collateral Account*”) within such Qualified Institution with the title of the account indicating that the property contained therein is being held as Cash for Buyer. The Qualified Institution shall serve as Custodian with respect to the Cash in the Collateral Account, and shall hold such Cash in accordance with the terms of this CSA and for the security interest of Buyer and execute such account control agreements as are necessary or applicable to perfect the security interest of Seller therein pursuant to Section 9-314 of the Uniform Commercial Code or otherwise, and subject to such security interest, for the ownership and benefit of Seller. The Qualified Institution holding the Cash will invest and reinvest or procure the investment and reinvestment of the Cash in accordance with the written instructions of Buyer, subject to the approval of such instructions by the Seller (which approval shall not be unreasonably withheld). Buyer shall have no responsibility for any losses resulting from any investment or reinvestment effected in accordance with Seller’s approval.

(iv) **Interest.** So long as no Event of Default with respect to the Seller has occurred and is continuing, and no termination date for which any unsatisfied payment Obligations of Seller exist has occurred or been designated as the result of an Event of Default with respect to Seller, in the event that Buyer or its Custodian is holding Cash, Buyer will Transfer (or cause to be Transferred) to Seller, in lieu of any interest or other amounts paid or deemed to have been paid with respect to such Cash (all of which shall be retained by Buyer), the Interest Amount. Interest on Cash shall accrue at the Collateral Interest Rate. Interest accrued during the previous month shall be paid by the Buyer to the Seller on the 3rd Business Day of each calendar month and on any Business Day that posted Eligible Collateral in the form of Cash is returned to Seller. On or after the occurrence of an Event of Default with respect to Seller or a termination date as a result of an Event of Default with respect to Seller, Buyer or its Custodian shall retain any such Interest Amount as additional Posted Collateral hereunder until the obligations of Seller under the Agreement have been satisfied in the case of a termination date or for so long as such Event of Default is continuing in the case of an Event of Default.

(b) **Buyer’s Rights and Remedies.** If at any time an Event of Default with respect to Seller has occurred and is continuing, then, unless the Seller has paid in full all of its obligations that are then due, including those under Section 7.2(c) of this Agreement (“Obligations”), the Buyer may exercise one or more of the following rights and remedies: (i) all rights and remedies available to

a Secured Party under applicable law with respect to posted Eligible Collateral held by the Buyer, (ii) the right to set-off any amounts payable by the Seller with respect to any Obligations against any posted Eligible Collateral or the Cash equivalent of any posted Eligible Collateral held by the Buyer, or (iii) the right to liquidate any posted Eligible Collateral held by the Buyer and to apply the proceeds of such liquidation of the posted Eligible Collateral to any amounts payable to the Buyer with respect to the Obligations in such order as the Buyer may elect. For purposes of this Paragraph 6, the Buyer may draw on the entire undrawn portion of any Letter of Credit. Cash proceeds that are not applied to the Obligations shall be maintained in accordance with the terms of this CSA. The Seller shall remain liable for amounts due and owing to the Secured Party that remain unpaid after the application, pursuant to this Paragraph 6, of Eligible Collateral to the Obligations.

(c) **Seller's Rights and Remedies.** If at any time a termination date has occurred or been designated as the result of an Event of Default with respect to Buyer, then unless the Buyer has paid in full all of its obligations that are then due, including those under Section 7.2(c) of this Agreement: (i) the Seller may exercise all rights and remedies available to a Seller under applicable law with respect to the posted Eligible Collateral, (ii) the Buyer will be obligated immediately to return all posted Eligible Collateral and accrued Interest to the Seller, or (iii) to the extent that posted Eligible Collateral or accrued Interest are not returned pursuant to (ii) above, the Seller may set-off any amounts payable by the Seller with respect to any Obligations against any posted Eligible Collateral or the cash equivalent thereof or to the extent that Seller does not set off such amounts, withhold payment of any remaining amounts payable by the Seller with respect to any Obligations, up to the value of the remain posted Eligible Collateral held by the Buyer, until that posted Eligible Collateral is Transferred to the Seller. For avoidance of doubt, (i) the Buyer will be obligated immediately to Transfer any Letter of Credit to the Seller and (ii) the Seller may do any one or more of the following: (x) to the extent that the Letter of Credit is not Transferred to the Seller as required pursuant to (i) above, set-off any amounts payable by the Seller with respect to any Obligations against any such Letter of Credit held by the Buyer and, to the extent its rights to set-off are not exercised, withhold payment of any remaining amounts payable by the Seller with respect to any Obligations, up to the value of any remaining posted Eligible Collateral and the value of any Letter of Credit held by the Buyer, until any such Posted Eligible Collateral and such Letter of Credit is Transferred to the Seller; and (y) exercise rights and remedies available to the Seller under the terms of the Letter of Credit.

(d) **Letters of Credit.** Eligible Collateral provided in the form of a Letter of Credit shall be subject to the following provisions.

(i) As one method of providing Eligible Collateral, the Pledgor may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit.

(ii) Upon the occurrence of a Letter of Credit Default, Seller agrees to Transfer to Buyer either a substitute Letter of Credit or Cash, in each case on or before the first Business Day after the occurrence thereof (or the third (3<sup>rd</sup>) Business Day after the occurrence thereof if only clause (a) under the definition of Letter of Credit Default applies).

(iii) Notwithstanding Paragraphs 4 and 5, (1) the Buyer need not return a Letter of Credit unless the entire principal amount is required to be returned, (2) the Buyer shall consent to a reduction of the principal amount of a Letter of Credit to the extent that a Delivery Amount would not be created thereby (as of the time of the request or as of the last time the Delivery Amount was determined), and (3) if there

is more than one form of Posted Collateral when a Return Amount is to be Transferred, the Secured Party may elect which to Transfer.

(e) **Care of Posted Eligible Collateral.** Buyer shall exercise reasonable care to assure the safe custody of all posted Eligible Collateral to the extent required by applicable law, and in any event the Buyer will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Buyer will have no duty with respect to the posted Eligible Collateral, including without limitation, any duty to enforce or preserve any rights thereto.

(f) **Substitutions.** Unless otherwise prohibited herein, upon notice to the Buyer specifying the items of posted Eligible Collateral to be exchanged, the Seller may, on any Business Day, deliver to the Buyer other Eligible Collateral ("***Substitute Eligible Collateral***"). On the Business Day following the day on which the Substitute Eligible Collateral is delivered to the Buyer, the Buyer shall return to the Seller the items of Eligible Collateral specified in the Seller's notice; provided, however, that the Buyer shall not be required to return the specified Eligible Collateral if immediately after such return, Seller would be required to post additional Eligible Collateral pursuant to the calculation of Exposure set forth in Paragraph 3(b) and the Confirmation.

**Paragraph 7. Exercise of Rights Against Posted Collateral.**

(a) **Disputes regarding amount of Eligible Collateral.** If either Party disputes the amount of Eligible Collateral to be provided or returned (such Party the "***Disputing Party***"), then the Disputing Party shall (a) deliver the undisputed amount of Eligible Collateral to the other Party (such Party, the "***Requesting Party***") and (b) notify the Requesting Party of the existence and nature of the dispute no later than 5:00 p.m. EPT on the Business Day that the request for Eligible Collateral was made (the "***Request Date***"). On the Business Day following the Request Date, the Parties shall consult with each other in order to reconcile the two conflicting amounts. If the Parties are not able to resolve their dispute, the Eligible Collateral shall be recalculated, on the Business Day following the Request Date, by each Party requesting quotations from two (2) Reference Market-Makers for a total of four (4) quotations. The highest and lowest of the four (4) quotations shall be discarded and the arithmetic average shall be taken of the remaining two (2), which shall be used in order to determine the amount of Eligible Collateral required. On the same day the Eligible Collateral amount is recalculated, the Disputing Party shall deliver any additional Eligible Collateral required pursuant to the recalculation or the Requesting Party shall return any excess Eligible Collateral that is no longer required pursuant to the recalculation.

(b) **Further Assurances.** Promptly following a request by a Party, the other Party shall execute, deliver, file, and/or record any financing statement, specific assignment, or other document and take any other action that may be necessary or desirable to create, perfect, or validate any security interest or lien, to enable the requesting party to exercise or enforce its rights or remedies under this CSA, or to effect or document a release of a security interest on posted Eligible Collateral or accrued Interest.

(c) **Further Protection.** The Pledgor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding, or lien that involves the posted Eligible Collateral delivered to Secured Party by Pledgor or that could adversely affect any security interest or lien granted pursuant to this CSA.

**Paragraph 8. Miscellaneous.**

(a) **Demands and Notices.** All demands, specifications, and notices to Buyer with respect to Credit Support shall be made pursuant to the Notices Section of the Agreement with a copy to:

Vice President, Energy Procurement  
Liberty Utilities (Granite State Electric) Corp.  
c/o Liberty Energy Utilities (New Hampshire) Corp.  
15 Buttrick Rd  
Londonderry, NH 03053  
603-216-3531 (phone)  
603-421-1769 (fax)

Treasury Manager  
Liberty Utilities (Granite State Electric) Corp.  
c/o Algonquin Power Systems, Inc  
2845 Bristol Circle, Oakville  
Ontario, Canada L6H 7H7  
905-465-4500 (phone)  
905-465-4514 (fax)

All demands, specifications, and notices to Seller with respect to Credit Support shall be made pursuant to the Notices Section of the Agreement with a copy to:

Counterparty  
Attn:  
Address  
City, State Zip  
Phone - (\_\_\_\_) \_\_\_\_ - \_\_\_\_  
Fax - (\_\_\_\_) \_\_\_\_ - \_\_\_\_  
Email –

(b) The provisions of this CSA shall apply to any and all Transactions entered into under the Master Power Agreement subsequent to the effective date of this CSA.

(c) The information contained in Paragraph 3(c)(i) of this CSA constitutes “Confidential Terms” within the meaning of Article 23 of the Master Power Agreement.

**APPENDIX C**

**REQUIRED PROPOSAL INFORMATION**

**RESPONDENT:** \_\_\_\_\_

**1. General Information**

Name of Respondent	
Principal contact person < Name < Title < Company < Mailing address < Telephone number (office) < Telephone number (cell) < Fax number < E-mail address	
Secondary contact person (if any) < Name < Title < Company < Mailing address < Telephone number (office) < Telephone number (cell) < Fax number < E-mail address	
Legal form of business organization of Respondent (e.g., sole proprietorship, partnership, limited partnership, joint venture, or corporation)	
State(s) of incorporation, residency and organization Indicate whether Respondent is in good standing in all states in which Respondent is authorized to do business and, if not, which states and the reason it is not.	
If Respondent is a partnership, the names of all general and limited partners.  If Respondent is a limited liability company, the names of all direct owners.	
Description of Respondent and all affiliated entities and joint ventures transacting business in the energy sector	

Liberty Utilities (Granite State Electric) Corp.  
 Request for Power Supply Proposals  
 November 1, 2022  
 Appendix C

**RESPONDENT:** \_\_\_\_\_

**2. Financial Information**

Current debt rating for Respondent (include ratings and names of rating agencies).	
Date of Respondent's last fiscal year ended.	
Total revenue for Respondent for the most recent fiscal year.	
Total net income for Respondent for the most recent fiscal year.	
Total assets for Respondent as of the close of the previous fiscal year.	
Copy of the Respondent's most recent balance sheet, income statement and cash flow statement.	
Copy of the Respondent's most recent audited balance sheet, income statement and cash flow statement.	

**3. Defaults and Adverse Situations**

<p>Describe, in detail, any situation in which Respondent (either individually or as part of a consortium, joint venture or other group), or an affiliate of Respondent, defaulted or was deemed to be in noncompliance of its contractual obligations to transact business in the energy sector within the past five years including, without limitation, to purchase or deliver energy, capacity or other market products at retail or wholesale, or for the purchase or sale of electricity or natural gas, and including any financing agreements or financing provisions of any agreement.</p> <p>Explain the situation, its outcome and all other relevant facts associated with the event.</p> <p>If there was litigation, provide the case caption, index number and court.</p> <p>Identify the name, title and telephone number of the principal manager of the customer/client who asserted the event of default or noncompliance.</p>	
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**RESPONDENT:** \_\_\_\_\_

<p>Has Respondent, or any affiliate of Respondent, in the last five years, (a) consented to the appointment of, or was taken in possession by, a receiver, trustee, custodian or liquidator of a substantial part of its assets, (b) filed a bankruptcy petition in any bankruptcy court proceeding, (c) answered, consented or sought relief under any bankruptcy or similar law or failed to obtain a dismissal of an involuntary petition, (d) admitted in writing of its inability to pay its debts when due, (e) made a general assignment for the benefit of creditors, (f) was the subject of an involuntary proceeding seeking to adjudicate that Party bankrupt or insolvent, (g) sought reorganization, arrangement, adjustment, or composition of it or its debt under any law relating to bankruptcy, insolvency or reorganization or relief of debtors.</p>	
<p>Describe any facts presently known to Respondent that might adversely affect its ability to provide the service(s) bid herein as provided for in the RFP</p>	

**4. NEPOOL AND POWER SUPPLY EXPERIENCE**

<p>Is Respondent a member of NEPOOL?</p>	
<p>Does Respondent have an executed and accepted Market Participant Service Agreement with ISO New England?</p>	
<p>Name of Market Participant if Respondent will have another Market Participant be responsible for its market settlement obligations.</p>	
<p>Describe Respondent's experience and record of performance in the areas of power marketing, brokering, sales, and/or contracting, for the last five years within NEPOOL and/or the New England region.</p>	
<p>Provide three references (name, title and contact information) who have contracted with the Respondent for similar load following services within the last 2 years.</p>	



**RESPONDENT:** \_\_\_\_\_

**5. CONFLICTS OF INTEREST**

Briefly describe any known conflicts of interest between Respondent or an affiliate of Respondent and Liberty, Liberty or any affiliates of the foregoing.	
Enumerate any litigation, claims or complaints asserted by Respondent or an affiliate of Respondent, against Liberty, Liberty or an affiliate of any of the foregoing.	
Enumerate any litigation, claims or complaints asserted against Respondent or an affiliate of Respondent by Liberty, Liberty or an affiliate of any of the foregoing.	

**6. SCOPE OF BID AND TERMS OF SALE**

Will Respondent execute a contract substantially similar to the Master Power Agreement contained in Appendix B?  Explain any proposed modifications.	
List all regulatory approvals required before service can commence.	

**RESPONDENT:** \_\_\_\_\_

**7. Proposed Pricing**

**(Respondent required to use bidding spreadsheet included on procurement website)**

Liberty Utilities (Granite State Electric) Corp.  
Request for Power Supply Proposals  
November 1, 2022  
Appendix C

**ENERGY SERVICE PROCUREMENT SUMMARY**  
**FOR**  
**LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.**  
**FOR THE PERIOD**  
**FEBRUARY 1, 2023 – JULY 31, 2023**

**1. RFP Issued**

Liberty Utilities (Granite State Electric) Corp. (“Liberty”) issued its Request for Power Supply Proposals (“RFP”) on May 2, 2022, to a number of suppliers for the six-month service period February 1, 2023, through July 31, 2023.

The RFP was also distributed to all members of the NEPOOL Markets Committee and posted on Liberty’s energy supply website. As a result, the RFP had wide distribution throughout the New England energy supply marketplace.

The procurement was conducted in the same manner as prior procurements and in accordance with applicable New Hampshire rules and regulations including Liberty’s Second Amended Restructuring Settlement Agreement (“Restructuring Settlement”), RSA 374-F (“New Hampshire Act”), and Granite State Electric Company Post-Transition Service Energy Service Proposal Settlement Agreement (“New Hampshire Settlement Agreement”) approved by the New Hampshire Public Utilities Commission in Order No. 24,577 (Jan. 13, 2006).

Liberty’s RFP requested all-inclusive pricing for:

- 100% of the Large Customer Group Energy Service requirements for the six-month period February 1, 2023, through July 31, 2023; and
- 100% of the Small Customer Group Energy Service requirements for the six-month period February 1, 2023, through July 31, 2023.

A description of these load blocks is provided in Exhibit 1.

**2. Key RFP Dates**

- The RFP was issued on November 1, 2022.
- Supplier information was received on November 14, 2022.
- Indicative bids were received on December 6, 2022.
- Final bids were received on December 13, 2022.

### 3. Contract Submissions

All bidders had previously executed Master Power Agreements with Liberty.

### 4. Indicative Bids

Indicative bids were received on December 6, 2022, from [REDACTED] bidders. The indicative bids were evaluated and ranked (see Exhibits 2 and 3). Indicative pricing was used only to determine current market prices, to prepare an initial ranking of bids, and to identify any bidding anomalies. The retail prices in Exhibit 3 were calculated by adjusting the wholesale prices in Exhibit 2 by the ratio of wholesale purchases to retail deliveries.

The lowest indicative bids for each load block were compared to Liberty's estimate of expected indicative bids. Expected bid prices were calculated by comparing the historical relationship of bid prices to the market components that comprise those bid prices (see Exhibit 4). This method utilizes a detailed on-peak and off-peak calculation and incorporates all bid components: energy, capacity, and ancillary services.

In evaluating the bid prices, Liberty compared the expected bid price for each block, as derived above, to the lowest average indicative bid price for the block.

In addition to evaluating the bid price and ability to meet credit requirements, Liberty also performed a qualitative review of each bidder's ability to provide Energy Service during the service period based on the following:

- The bidder's past experience in providing similar services to Liberty or its affiliates;
- The bidder's past experience in providing similar services to other companies in New England;
- The bidder's past experience in providing similar services to other companies in other regions;
- The bidder's demonstrated understanding of the market rules related to the provision of Energy Service;
- The bidder's demonstrated understanding of its obligations under the proposed Master Power Agreement; and
- Whether there have been any past or are any present events that are known that may adversely affect the bidder's ability to provide Energy Service.

Liberty concluded that all bidders were qualified to provide Energy Service and would be capable of providing any required contract security.

## 5. Final Bids

Final bids were received on December 13, 2022, from [REDACTED] bidders. No bidders provided acceptable bids for Block A of the Large Customer Group. The final bids were evaluated and ranked (see Exhibits 5 and 6). The retail prices in Exhibit 6 were calculated by adjusting the wholesale prices in Exhibit 5 by the ratio of wholesale purchases to retail deliveries.

A summary of the number of conforming bids per block is provided in the following table:

Customer Group	Block - # Bids
Large	A - [REDACTED]
Large	B - [REDACTED]
Small	C - [REDACTED]

## 6. Analysis and Award

The lowest final bids were compared to Liberty’s expected bids. The calculations of these expected prices are found in Exhibit 7.

The winning bids for the Large and Small Customer Block were significantly above the expected prices as estimated. Communications from the bidders explained that there continued volatility in the electric futures markets for New England, uncertainty regarding Mystic COS costs and the implementation of community aggregation programs in New Hampshire next year. Liberty still determined it was appropriate to select the winning bids. As a result, the accepted bids are a reasonable representation of the market price for power supply. Liberty will propose a process to secure a supply for the Large Customer Group, Block A.

Exhibit 8 provides a summary of the winning suppliers and the basis for the award. Exhibit 9 provides a bidder key to help identify bidders.

## 7. New Hampshire Electric Renewable Energy Portfolio Standard

The load covered by this RFP is subject to the following Renewable Portfolio Standard (“RPS”) requirements:

NH-RPS Classes	2022	2023
RPS Class I	10.3%	11.0%
RPS Class I Thermal	2.0%	2.2%
RPS Class II	0.7%	0.7%
RPS Class III	8.0%	8.0%
RPS Class IV	1.5%	1.5%
Total	22.5%	23.4%

Liberty also issued a Request for Proposals to Provide NEPOOL-GIS Certificates in Compliance with the New Hampshire Electric Renewable Portfolio Standards (“RECs”) on November 1, 2022. Bids were received from [REDACTED] bidders on November 28, 2022. Exhibit 10

provides an initial analysis of the REC bids received. While the responses are still under review by Liberty, the prices in the bids and current market prices were used in developing the market price of RECs for this RFP by utilizing a combination of the REC bid price, previous RFP contracted REC purchases, and current market prices. Exhibit 11 provides a calculation of the Renewable Portfolio Standard Cost Adder using current market condition. None of the bidders provided an RPS adder in their final bids.

## **8. Retail Rate**

The expected retail rates, excluding administrative cost adders, were based on the winning wholesale costs. The retail prices in Exhibit 6 were calculated by adjusting the wholesale prices in Exhibit 5 by the ratio of wholesale purchases to retail deliveries.

A summary of the estimated retail rates is provided in Exhibit 13. The Energy Service retail rates were adjusted to include the average cost of RPS certificates that could be purchased in the open market.

As a result of the failure to receive acceptable bids for Block A, Liberty will propose to the NH Public Utility Commission a process to secure a supply for the February 1, 2023 to April 30, 2023 period for the Large Customer Group.

**EXHIBIT 1**  
**LOAD BLOCK DESCRIPTIONS**

<b>Load Block</b>	<b>Customer Group</b>	<b>SMD Load Zone</b>	<b>Load Share</b>	<b>Type of Service</b>	<b>Period</b>
<b>A</b>	Large	NH	100%	Energy Service	02/01/2023 – 04/30/2023
<b>B</b>	Large	NH	100%	Energy Service	05/01/2023 – 07/31/2023
<b>C</b>	Small	NH	100%	Energy Service	02/01/2023 – 07/31/2023

**EXHIBIT 2**  
**INDICATIVE BID RANKING AT WHOLESALE**

December 6, 2022 Initial Bid Prices (\$ / MWh) at Wholesale Delivery Point, Excluding cost of RPS Compliance																
		100 % of NH Load Obligations														
Monthly Weighting		Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	Expected Bid based on Electric Forecast	2023 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min		
Block A	NH Large Default	Bidder A														
		Bidder B														
		Bidder C														
		Bidder D														
		Bidder E														
		Bidder F														
		Bidder G														
		Bidder H														
		Bidder I														
		Bidder J														
		Bidder K														
		Bidder L														
		Bidder M														
		Bidder N														
		Bidder O														
		Monthly Weighting														
		Block B	NH Large Default	Bidder A												
Bidder B																
Bidder C																
Bidder D																
Bidder E																
Bidder F																
Bidder G																
Bidder H																
Bidder I																
Bidder J																
Bidder K																
Bidder L																
Bidder M																
Bidder N																
Bidder O																
Monthly Weighting																
Block C	NH Small Default			Bidder A												
		Bidder B														
		Bidder C														
		Bidder D														
		Bidder E														
		Bidder F														
		Bidder G														
		Bidder H														
		Bidder I														
		Bidder J														
		Bidder K														
		Bidder L														
		Bidder M														
		Bidder N														
		Bidder O														



**EXHIBIT 3**  
**INDICATIVE BID RANKING AT RETAIL**  
**WITHOUT RPS (¢/kWh)**

December 6, 2022 Initial Bid Prices (¢ / kWh) at Retail Customer Meter, Excluding RPS Compliance												
100 % of NH Load Obligations												
Monthly Weighting												
			Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	
Block A	NH Large Default	Bidder A										
		Bidder B										
		Bidder C										
		Bidder D										
		Bidder E										
		Bidder F										
		Bidder G										
		Bidder H										
		Bidder I										
		Bidder J										
		Bidder K										
		Bidder L										
		Bidder M										
		Bidder N										
		Bidder O										
		Monthly Weighting										
		Block A	NH Large Default	Bidder A								
Bidder B												
Bidder C												
Bidder D												
Bidder E												
Bidder F												
Bidder G												
Bidder H												
Bidder I												
Bidder J												
Bidder K												
Bidder L												
Bidder M												
Bidder N												
Bidder O												
Monthly Weighting												
Block B	NH Small Default			Bidder A								
		Bidder B										
		Bidder C										
		Bidder D										
		Bidder E										
		Bidder F										
		Bidder G										
		Bidder H										
		Bidder I										
		Bidder J										
		Bidder K										
		Bidder L										
		Bidder M										
		Bidder N										
		Bidder O										
		Notes:										
		1) Total NH load for the 12 month period ending: May-2022 per Load Data Services data was:										
			Mwhrs w/losses	Mwhrs without losses	Loss Factor							
NH Large Default Service												
NH Small Default Service												

**EXHIBIT 4**  
**ESTIMATED INDICATIVE PRICES**  
**FORECAST BASED ON NYMEX ELECTRICITY FUTURES**  
**FEBRUARY 1, 2023 – JULY 31, 2023**

			Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Average
(A)	Electric Futures Price (\$/MWh)	On-Peak	262.85	151.00	85.00	59.25	62.50	88.50	118.18
		Off-Peak	242.30	140.00	76.50	49.00	49.50	59.55	102.81
(B)	Premium Bid Factor	NH Large							
		NH Large							
		NH Small							
(C)	FCM Price (\$/kw-Month)	Capacity							
(D)	Ancillary Price (\$/MWh)	All Zones							
(E)	On-Peak Days #								
(F)	ICAP Load Factor	NH Large							
		NH Large							
		NH Small							
(G)	Monthly On-Peak Factor	NH Large							
		NH Large							
		NH Small							
(H)	Expected Bid Price (\$/MWh)	NH Large							
		NH Large							
		NH Small							
(I)	Expected Retail Price (¢/kWh)	NH ES Large							
		NH ES Large							
		NH ES Small							

**EXHIBIT 5**  
**FINAL BID RANKING AT WHOLESALE**

December 13, 2022 Final Bid Prices (\$ / MWh) at Wholesale Delivery Point, Excluding cost of RPS Compliance															
100 % of NH Load Obligations															
Monthly Weighting															
			Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	% Change From Indicative	Expected Bid based on Electric Forecast		
Block A	NH Large Default	Bidder A													
		Bidder B													
		Bidder C													
		Bidder D													
		Bidder E													
		Bidder F													
		Bidder G													
		Bidder H													
		Bidder I													
		Bidder J													
		Bidder K													
		Bidder L													
		Bidder M													
		Bidder N													
		Bidder O													
		Monthly Weighting													
		Block B	NH Large Default	Bidder A											
Bidder B															
Bidder C															
Bidder D															
Bidder E															
Bidder F															
Bidder G															
Bidder H															
Bidder I															
Bidder J															
Bidder K															
Bidder L															
Bidder M															
Bidder N															
Bidder O															
Monthly Weighting															
Block C	NH Small Default			Bidder A											
		Bidder B													
		Bidder C													
		Bidder D													
		Bidder E													
		Bidder F													
		Bidder G													
		Bidder H													
		Bidder I													
		Bidder J													
		Bidder K													
		Bidder L													
		Bidder M													
		Bidder N													
		Bidder O													

**EXHIBIT 6**  
**FINAL BID RANKING AT RETAIL**  
**WITHOUT RPS (¢/kWh)**

December 13, 2022 Final Bid Prices (¢ / kWh) at Retail Customer Meter, Excluding RPS Compliance											
100 % of NH Load Obligations											
Monthly Weighting											
			Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block A	NH Large Default	Bidder A									
		Bidder B									
		Bidder C									
		Bidder D									
		Bidder E									
		Bidder F									
		Bidder G									
		Bidder H									
		Bidder I									
		Bidder J									
		Bidder K									
		Bidder L									
		Bidder M									
		Bidder N									
		Bidder O									
Block B	NH Large Default	Bidder A									
		Bidder B									
		Bidder C									
		Bidder D									
		Bidder E									
		Bidder F									
		Bidder G									
		Bidder H									
		Bidder I									
		Bidder J									
		Bidder K									
		Bidder L									
		Bidder M									
		Bidder N									
		Bidder O									
Monthly Weighting											
Block C	NH Small Default	Bidder A									
		Bidder B									
		Bidder C									
		Bidder D									
		Bidder E									
		Bidder F									
		Bidder G									
		Bidder H									
		Bidder I									
		Bidder J									
		Bidder K									
		Bidder L									
		Bidder M									
		Bidder N									
		Bidder O									

Notes:  
 1) Total NH load for the 12 month period ending: May-22 per Load Data Services data was:

	Mwhrs w/losses	Mwhrs without losses	Loss Factor
NH Large Default Service			
NH Small Default Service			

**EXHIBIT 7**  
**ESTIMATED FINAL PRICES**  
**FORECAST BASED ON NYMEX ELECTRICITY FUTURES**  
**FEBRUARY 1, 2023 – JULY 31, 2023**

			Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Average
(A)	Electric Futures Price (\$/MWh)	On-Peak	255.00	142.50	80.25	58.50	62.00	83.49	113.62
		Off-Peak	235.30	130.59	73.50	48.40	48.65	63.42	99.98
(B)	Premium Bid Factor	NH Large							
		NH Large							
		NH Small							
(C)	FCM Price (\$/kw-Month)	Capacity							
(D)	Ancillary Price (\$/MWh)	All Zones							
(E)	On-Peak Days #								
(F)	ICAP Load Factor	NH Large							
		NH Large							
		NH Small							
(G)	Monthly On-Peak Factor	NH Large							
		NH Large							
		NH Small							
(H)	Expected Bid Price (\$/MWh)	NH Large							
		NH Large							
		NH Small							
(I)	Expected Retail Price (¢/kWh)	NH ES Large							
		NH ES Large							
		NH ES Small							

**EXHIBIT 8**  
**SUMMARY OF LOAD BLOCK AWARDS**

<b>Load Block</b>	<b>Customer Group</b>	<b>SM Load Zone</b>	<b>Supplier</b>	<b>Basis for Award</b>
<b>A</b>	Large	NH		No acceptable bids
<b>B</b>	Large	NH	Calpine Energy Services, L.P.	Lowest bidder for block
<b>C</b>	Small	NH	NextEra Energy Marketing, LLC	Lowest bidder for block

**EXHIBIT 9**  
**BIDDER KEY**

<b>Bidder</b>	<b>Name</b>
Bidder A	
Bidder B	
Bidder C	
Bidder D	
Bidder E	
Bidder F	
Bidder G	
Bidder H	
Bidder I	
Bidder J	
Bidder K	
Bidder L	
Bidder M	
Bidder N	
Bidder O	
Bidder P	

**EXHIBIT 10**  
**ANALYSIS OF RPS BIDS**

Liberty Utilities (Granite State Electric) Corp.									
Analysis of Bids Received - November 28, 2022									
		Vintage	Class I	Class I Thermal	Class II	Class III	Class IV		
	RECS Required:	2022	17,500	100	700	-	1,400		
	ACP	2022	\$ 59.12	\$ 26.86	\$ 59.12	\$ 36.36	\$ 30.59		
	Market	2022							
	RECS Required:	2023	13,000	2,600	300	-	1,800		
	ACP	2023	\$ 60.27	\$ 27.38	\$ 60.27	\$ 37.78	\$ 31.78		
	Market	2023							
Bid Recommendation	Respondent	Vintage	Class	Price	Quantity	Delivery Type	Class Total	Total Cost	Avg Cost
[REDACTED]									



**EXHIBIT 11**  
**RENEWABLE PORTFOLIO STANDARD ADDER CALCULATION**

		YEAR	
		2023	2023
		ACP	Market
<b><u>Section 1A: Calculation of Class I Renewable Energy Resource Charge</u></b>			
(1)	Class I Alternative Compliance Payment or Market Price	\$60.27	
(2)	Class I Renewable Energy Resource Obligation	11.00%	11.00%
(3)	Incremental Cost - \$/MWh	\$6.63	
<b><u>Section 1B: Calculation of Class I Thermal Energy Resource Charge</u></b>			
(1)	Class I Alternative Compliance Payment or Market Price	\$27.38	
(2)	Class I Renewable Energy Resource Obligation	2.20%	2.20%
(3)	Incremental Cost - \$/MWh	\$0.60	
<b><u>Section 2: Calculation of Class II Renewable Energy Resource Charge</u></b>			
(1)	Class II Alternative Compliance Payment or Market Price	\$60.27	
(2)	Class II Renewable Energy Resource Obligation	0.70%	0.70%
(3)	Incremental Cost - \$/MWh	\$0.42	
<b><u>Section 3: Calculation of Class III Renewable Energy Resource Charge</u></b>			
(1)	Class III Alternative Compliance Payment or Market Price	\$37.78	
(2)	Class III Renewable Energy Resource Obligation	8.00%	8.00%
(3)	Incremental Cost - \$/MWh	\$3.02	
<b><u>Section 4: Calculation of Class IV Renewable Energy Resource Charge</u></b>			
(1)	Class IV Alternative Compliance Payment or Market Price	\$31.78	
(2)	Class IV Renewable Energy Resource Obligation	1.50%	1.50%
(3)	Incremental Cost - \$/MWh	\$0.48	
<b><u>Section 5: Calculation of Renewable Portfolio Standard Adder</u></b>			
(4)	Sum of Class I, II, III and Class IV Incremental Costs - \$/MWh	\$11.15	\$8.15
(5)	Renewable Portfolio Standard Adder to be included in Retail Rates - \$/kWh	\$ 0.01115	\$ 0.00815
(6)	Total RPS Obligation %	23.40%	23.40%
(7)	Obligation Weighted cost	\$47.66	\$34.83
<b>Notes</b>			
(1)	2023 & 2024 ACP & Market Prices		
(2)	From 362-F:3 of NH RPS legislation		
(3)	Line (1) times Line (2)		
(4)	Sum of all Line (3)s		
(5)	Line (4) divided by 1,000 to convert from \$/MWh to \$/kWh.		
(6)	Sum of all Line (2)s		
(7)	Line (4) divided by Line (6)		

**EXHIBIT 12**  
**SUMMARY OF RPS COMPLIANCE ADDERS**

<b>INDICATIVE</b>		
	Compliance Adder \$/MWh	NH RPS REC COST \$/REC
	NH-RPS-2023	2023
Avg Market Cost		
ACP Value	\$ 11.15	\$ 47.66
Bidder A		
Bidder B		
Bidder C		
Bidder D		
Bidder E		
Bidder F		
Bidder G		
Bidder H		
Bidder I		
Bidder J		
Bidder K		
Bidder L		
Bidder M		
Bidder N		
Bidder O		
min		
max		
<b>FINAL</b>		
	NH RPS Compliance	NH RPS REC COST
	NH-RPS-2023	2023
Avg Market Cost		
ACP Value	\$ 11.15	\$ 47.66
Bidder A		
Bidder B		
Bidder C		
Bidder D		
Bidder E		
Bidder F		
Bidder G		
Bidder H		
Bidder I		
Bidder J		
Bidder K		
Bidder L		
Bidder M		
Bidder N		
Bidder O		
min		
max		

**EXHIBIT 13**  
**RETAIL RATES BASED ON FINAL BID PRICES**

<b>November 1, 2022 Request for Power Supply Proposals</b>							
December 13, 2022 Final Bid Prices (\$ / MWh) at Wholesale Delivery Point, Excluding cost of RPS Compliance							
100 % of NH Load Obligations							Average Price
	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	
NH Large DS							
NH Large DS							
NH Small DS							
December 13, 2022 Final Bid Prices (¢ / kWh) at Retail Customer Meter, Including RPS Compliance							
100 % of NH Load Obligations							Weighted Average Price
	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	
NH Large DS							
NH Large DS				11.830	11.421	13.380	12.258
NH Small DS	44.257	23.336	17.843	13.504	13.252	18.432	22.007

Liberty Utilities (Granite State Electric) Corp.

Comparison of Change in Futures Prices to Change in Procurement Costs

		Period 1							Period 2							Hourly Weighted Average	Percent Change (Period 1 to 2))	Percent Change (Period 1 to 1))
		Feb	Mar	Apr	May	Jun	Jul	Average	Aug	Sep	Oct	Nov	Dec	Jan	Average			
Electric Futures Price December 13, 2022 (\$/MWh)	On-Peak	255.00	142.50	80.25	58.50	62.00	83.49	113.62	105.71									
	Off-Peak	235.30	130.59	73.50	48.40	48.65	63.42	99.98										
										Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23			
Electric Futures Price June 7, 2022 (\$/MWh)	On-Peak									121.88	101.96	96.00	129.00	211.00	258.15	153.00	137.94	
	Off-Peak									81.30	83.43	79.00	107.75	189.25	221.44	127.03		
		Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22											
Electric Futures Price December 14, 2021 (\$/MWh)	On-Peak	150.75	90.05	55.70	41.85	46.35	56.05	73.46	66.09									
	Off-Peak	132.20	80.25	44.65	32.80	32.70	41.95	60.76										
		Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23											
NYMEX Natural Gas Price plus basis December 13, 2022 (\$/mmBtu)		31.916	16.778	6.866	4.697	4.759	5.249	11.711										
										Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23			
										8.961	8.385	8.545	13.674	25.048	30.440	15.842		
		Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22											
NYMEX Natural Gas Price plus basis December 14, 2021 (\$/mmBtu)		19.126	9.921	4.307	3.222	3.200	3.597	7.229										
																		-26.1%
		Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23											
Final Small Customer Group Purchase Price 12/13/2022 (¢/kWh)		43.319	22.398	16.905	12.566	12.314	17.494	20.833										
										Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23			
										16.657	14.512	13.597	17.336	28.109	33.257	20.578		
		Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22											
Final Small Customer Group Purchase Price 12/14/2021 (¢/kWh)		19.243	12.432	8.005	6.594	7.039	8.010	10.220										
																		1.2%

Notes:  
 1) Hourly weighted average = 42% On Peak + 58% Off-Peak prices  
 2) Final Price does not include RPS Adder, Default Service Reconciliation Adjustment Factor or Default Service Cost Reclassification Adjustment Factor.

**EXECUTION COPY****MASTER POWER AGREEMENT  
CONFIRMATION**

This Confirmation shall confirm the Transaction agreed to on, and effective as of **DECEMBER 14, 2022**, between **LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.** (“Liberty Utilities” or “Buyer”), a New Hampshire corporation and **CALPINE ENERGY SERVICES, L.P.** a Delaware Limited Partnership (“Seller”), regarding the sale/purchase of Default Service specified herein under the terms and conditions under the Master Power Agreement, dated May 26, 2016 (the “Master Power Agreement”) between Buyer and Seller, as specified and modified herein. Terms used but not defined herein shall have the meanings ascribed to them in the Master Power Agreement.

**1. Confirmation Effective Date; Condition Precedent; Filing Obligation; Term**

This Confirmation shall be binding on the Parties upon execution by both Parties (such date the “Confirmation Effective Date”). Promptly after execution by both Parties, Buyer shall submit the Default Service retail rates to the NHPUC for its approval. The Parties performance of Sections 3.2 through 6.4 of the Master Power Agreement are subject to the occurrence, on or before the fifth Business Day after (but not including) the Buyer’s submission of the Default Service retail rates to the NHPUC (the “Fifth Day”), for the approval by the NHPUC. If the NHPUC does not issue a decision approving Buyer’s request to approve the Default Service retail rates as filed on or before the Fifth Day (a “NHPUC Denial”), then this Confirmation shall be null and void and of no further force and effect, and neither Party shall have any obligation whatsoever to the other Party, and such a voiding of the Confirmation and the NHPUC Denial shall not be a default or constitute an Event of Default by either Party; provided, however, that neither Party shall undertake any action with the NHPUC or otherwise in opposition of approval by the NHPUC of the Master Power Agreement or the Confirmation as executed.

**2. Default Service Requirements Matrix**

Award Block	Customer Group	Load Zone	Load Responsibility	Commencement Date	Conclusion Date
B	Large	NH	100%	05/01/23	07/31/23

**3. Contract Rate - \$/MWh**

Award Block	Customer Group	Load Zone	May 2023	June 2023	July 2023
B	Large	NH			

**4. Load Asset Designation within the ISO Settlement Market System**

Award Block	Customer Group	Load Zone	Load Asset Number	Load Asset Name
B	Large	NH	11437	GSECO-DEF SVC LARGE CG LOAD

## 5. Renewable Portfolio Requirement

For each calendar month during the term of this Transaction the Renewable Portfolio Requirement shall mean ZERO.

## 6. Amount Payable

The amount payable by the Buyer to Seller in a month shall be:

- (i) The product of (a) the Delivered Energy for Default Service to the Large Customer Group and (b) Large Customer Group Contract Rate in the month.

## 7. Modifications to the Master Power Agreement

None.

## 8. Security

### 8.1 Calculation of Exposure

Exposure shall be calculated in accordance with Paragraph 3 of the CSA, subject to the conditions and definitions below.

**Seller Independent Amount** means the amount set forth below, and is required through the dates listed in the table:

Award Block	Customer Group	Load Zone	Amount of Security (USD)	Posting Required Through
A&B	Large	NH		10/31/2023

**Expected Daily Load** means the average daily load based upon 2 years of available actual loads for a given month, as specified in the following table:

Award Block	Customer Group	Load Zone	May 2023	June 2023	July 2023
B	Large	NH	260	280	300

**Adjustment Factor** is 0.85.

Liberty Utilities (Granite State Electric) Corp.

Calpine Energy Services, L.P..

Master Power Agreement Confirmation

December 14, 2022

Page 3 of 4

**Reference New England Internal Hub Price** means the prices as specified in the following table:

<b>ISO New England Internal Hub Price</b>	<b>May 2023</b>	<b>June 2023</b>	<b>July 2023</b>
Off-Peak	48.40	48.65	63.42
Peak	58.50	62.00	83.49
Reference New England Internal Hub Price**	52.96	55.18	72.48

\*\*The Reference New England Internal Hub price shall be calculated as ((Peak Price x number of Peak Hours in the Month) + (Off-Peak Price x number of Off-Peak Hours in the Month))/(Total Hours in the Month)), as applicable.

## 8.2 Delivery of Collateral

Within five (5) Business Days after the execution of this Confirmation, Seller shall provide a letter of credit, in the amount of [REDACTED]

## 9. Confidentiality

Articles 3 and 8.2, and the Seller Independent Amount of this Confirmation is Confidential Terms within the meaning of Article 23 of the Master Power Agreement and shall be subject to confidential treatment until such time such information is published by the Federal Energy Regulatory Commission.

## 10. Ratification of the Terms and Conditions of the Agreement

(a) Except as expressly amended or waived by this Confirmation, the terms, conditions, covenants, agreements, warranties and representations contained in the Master Power Agreement are in all respects ratified, confirmed and remade as of the date hereof and, except as amended or waived hereby, shall continue in full force and effect.

(b) Nothing in this Confirmation shall, or shall be construed to, alter or amend any other Confirmation.

## 11. Counterparts

This Confirmation may be executed in counterparts, all of which together shall constitute one and the same instrument.

This Confirmation constitutes part of and is subject to the terms and provisions of such Master Power Agreement.

Liberty Utilities (Granite State Electric) Corp.  
Calpine Energy Services, L.P..  
Master Power Agreement Confirmation  
December 14, 2022  
Page 4 of 4

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

**LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.**

\_\_\_\_\_  
Name: Gerald Tremblay  
Title: Senior Vice President, Operations

**CALPINE ENERGY SERVICES, L.P.**

*with RD*  
\_\_\_\_\_  
Name (print): Seth Berend  
Title: VP

*[Handwritten signature]*



IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

**LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.**



Name: Gerald Tremblay  
Title: Senior Vice President, Operations

**CALPINE ENERGY SERVICES, L.P.**

\_\_\_\_\_  
Name (print): \_\_\_\_\_  
Title: \_\_\_\_\_

## EXECUTION COPY

## MASTER POWER AGREEMENT TRANSACTION CONFIRMATION

This Confirmation shall confirm the Transaction agreed to on, and effective as of **DECEMBER 14, 2022**, between **LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.** (“Liberty Utilities” or “Buyer”)<sup>1</sup>, a New Hampshire corporation and **NEXTERA ENERGY MARKETING, LLC** (formerly known as NEXTERA ENERGY POWER MARKETING, LLC AND FPL ENERGY POWER MARKETING, INC.) (“Seller”), a Delaware limited liability company, regarding the sale/purchase of Default Service specified herein under the terms and conditions under the Master Power Agreement, dated October 18, 2006 (the “Master Power Agreement”) between Buyer and Seller, as specified and modified herein. Terms used but not defined herein shall have the meanings ascribed to them in the Master Power Agreement.

### 1. Confirmation Effective Date; Condition Precedent; Filing Obligation; Term

This Confirmation shall be binding on the Parties upon execution by both Parties (such date, the “Confirmation Effective Date”). Promptly after execution by both Parties, Buyer shall submit the Default Service retail rates to the NHPUC for its approval. The Parties performance of Sections 3.2 through 6.4 of the Master Power Agreement are subject to the occurrence, on or before the fifth Business Day after (but not including) the Buyer’s submission of the Default Service retail rates to the NHPUC (the “Fifth Day”), for the approval by the NHPUC. If the NHPUC does not issue a decision approving Buyer’s request to approve the Default Service retail rates as filed on or before the Fifth Day (a “NHPUC Denial”), then this Confirmation shall be null and void and of no further force and effect, and neither Party shall have any obligation whatsoever to the other Party, and such a voiding of the Confirmation and the NHPUC Denial shall not be a default or constitute an Event of Default by either Party; provided, however, that neither Party shall undertake any action with the NHPUC or otherwise in opposition of approval by the NHPUC of the Master Power Agreement or the Confirmation as executed.

### 2. Default Service Requirements Matrix

Award Block	Customer Group	Load Zone	Load Responsibility	Commencement Date	Conclusion Date
C	Small	NH	100%	02/01/23	07/31/23

### 3. Contract Rate - \$/MWh

Award Block	Customer Group	Load Zone	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023
C	Small	NH						

### 4. Load Asset Designation within the ISO Settlement Market System

<sup>1</sup> Effective January 14, 2014, Granite State Electric Company changed its name to Liberty Utilities (Granite State Electric) Corp.

Award Block	Customer Group	Load Zone	Load Asset Number	Load Asset Name
C	Small	NH	11436	GSECO-DEF SVC SMALL CG LOAD

**5. Renewable Portfolio Requirement**

Renewable Portfolio Requirement shall mean, for each calendar month during the term of this Transaction, zero.

**6. Amount Payable**

The amount payable by the Buyer to Seller in a month shall be the sum of;

- (i) The product of (a) the Delivered Energy for Default Service to the Small Customer Group and (b) Small Customer Group Contract Rate in the month.

**7. Modifications to the Master Power Agreement**

Replace all references to Granite State Electric Company with Liberty Utilities (Granite State Electric) Corp.

Replace all references to FPL Energy Power Marketing, Inc. with NextEra Energy Marketing, LLC.

**8. Security**

**8.1 Calculation of Exposure**

Exposure shall be calculated in accordance with Paragraph 3 of the CSA, subject to the conditions and definitions below.

**Seller Collateral Requirement** means [REDACTED]

**Expected Daily Load** means the average daily load based upon one year of available actual loads for a given month, as specified in the following table:

Award Block	Customer Group	Load Zone	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023
C	Small	NH	1110	1000	890	870	1000	1130

**Adjustment Factor** is 0.85.

**Reference New England Internal Hub Price** means the prices as specified in the following table:

<b>ISO New England Internal Hub Price</b>	<b>February 2023</b>	<b>March 2023</b>	<b>April 2023</b>	<b>May 2023</b>	<b>June 2023</b>	<b>July 2023</b>
Off-Peak	235.30	130.59	73.50	48.40	48.65	63.42
Peak	255.00	142.50	80.25	58.50	62.00	83.49
Reference New England Internal Hub Price**	245.62	135.96	76.65	52.96	55.18	72.48

\*\*The Reference New England Internal Hub price shall be calculated as ((Peak Price x number of Peak Hours in the Month) + (Off-Peak Price x number of Off-Peak Hours in the Month))/(Total Hours in the Month)), as applicable.

### **8.2 Delivery of Collateral**

Within five (5) Business Days after the execution of this Confirmation, Seller shall provide Collateral in accordance with Paragraph 3(a) of the Credit Support Annex of the Master Power Agreement, and in any of the forms specified in Paragraph 6 of the Credit Support Annex of the Master Power Agreement.

### **9. Confidentiality**

Article 3 of this Confirmation is Confidential Terms within the meaning of Article 23 of the Master Power Agreement and shall be subject to confidential treatment until such time such information is published by the Federal Energy Regulatory Commission.

### **10. Ratification of the Terms and Conditions of the Agreement**

(a) Except as expressly amended or waived by this Confirmation, the terms, conditions, covenants, agreements, warranties and representations contained in the Master Power Agreement are in all respects ratified, confirmed and remade as of the date hereof and, except as amended or waived hereby, shall continue in full force and effect.

(b) Nothing in this Confirmation shall, or shall be construed to, alter or amend any other Confirmation.

### **11. Counterparts**

This Confirmation may be executed in counterparts, all of which together shall constitute one and the same instrument.

This Confirmation constitutes part of and is subject to the terms and provisions of such Master Power Agreement.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

**LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.**

\_\_\_\_\_  
Name: Gerald Tremblay  
Title: Senior Vice President, Operations

**NEXTERA ENERGY MARKETING, LLC**

*Nicole Lawrence*  
\_\_\_\_\_  
Name (print): Nicole Lawrence  
Title: Trading Risk Analyst


12/14/2022



This Confirmation constitutes part of and is subject to the terms and provisions of such Master Power Agreement.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

**LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.**



Name: Gerald Tremblay  
Title: Senior Vice President, Operations

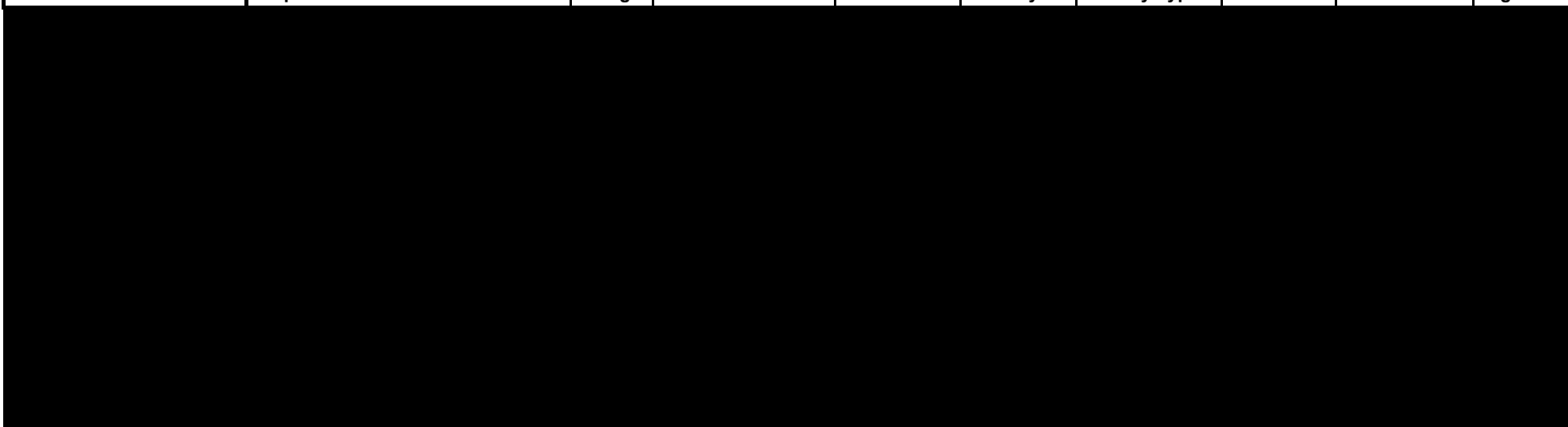
**NEXTERA ENERGY MARKETING, LLC**

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Name (print): Nicole Lawrence  
Title: Trading Risk Analyst

## Liberty Utilities (Granite State Electric) Corp. Analysis of Bids Received - May 21, 2022

	Vintage	Class I	Class I Thermal	Class II	Class III	Class IV			
RECS Required:	2021	13,600	-	-	3,187	-			
ACP	2021	\$ 57.99	\$ 26.35	\$ 57.99	\$ 34.99	\$ 29.44			
Market	2021								
RECS Required:	2022	21,800	4,200	1,100	26,800	3,700			
ACP	2022	\$ 58.37	\$ 26.52	\$ 58.37	\$ 35.45	\$ 29.82			
Market	2022								
Bid Recommendation	Respondent	Vintage	Class	Price	Quantity	Delivery Type	Class Total	Total Cost	Avg Cost



**Schedule JDW-7  
Summary of RPS Positions**

Retail Sales:	2022 Liberty NH RPS Obligation Summary					2023 Liberty NH RPS Obligation Summary				
	462,937 MWhs Estimated					452,827 MWhs Estimated				
	Class I	Class 1 Thermal	Class II	Class III (2)	Class IV	Class I	Class 1 Thermal	Class II	Class III (2)	Class IV
Banked From Previous Year		204	381	25,712	403		45	-	-	
RPS Obligation %	10.30%	2.00%	0.70%	8.00%	1.50%	11.00%	2.20%	0.70%	8.00%	1.50%
REC Obligation	47,683	9,259	3,241	37,035	6,944	49,811	9,962	3,170	36,226	6,792
Net Meter Credit % (1)	0.0058%		0.4752%			0.0058%		0.4752%		
Net Meter Credit	27		2,200			26		2,152		
RECs Under Contract	31,000	9,100	-	-	5,252					
RECs Delivered	-	8,249	-	-	2,011	-	-	-	-	-
Class II RECs used to meet Class I										
Class III Banked RECs to be Used				11,111						
REC Shortage or Excess	(16,656)	45	(660)	(25,924)	(1,289)	(49,785)	(9,917)	(1,018)	(36,226)	(6,792)
To Be Banked	0	45	0	14,601	0				-	

(1) 2022 Net Meter Credit % available February 2023, 2022 estimated using 2021 values  
(2) Up to 30% of Class III obligation may be met by Banked Class III RECs

**Remaining Class III RECs Stranded 14,601**

**Costs**

	2022 Liberty NH RPS Obligation Summary					2023 Liberty NH RPS Obligation Summary				
	Class I	Class 1 Thermal	Class II (3)	Class III (4)	Class IV	Class I	Class 1 Thermal	Class II	Class III (4)	Class IV
2021 Banked Value	\$ -	\$ 5,253	\$ 17,907	\$ 888,092	\$ 9,281		\$ 1,170		\$ -	
2021 Banked to be Used	\$ -	\$ 5,253	\$ 17,907	\$ 383,774	\$ 9,281		\$ 1,170		\$ -	
Contracted	\$ 1,171,000	\$ 236,600	\$ -	\$ -	\$ 139,856					
Average Cost \$/REC	\$ 37.77	\$ 26.00			\$ 26.63					
ACP	\$ 59.12	\$ 26.86	\$ 59.12	\$ 36.36	\$ 30.59	\$ 60.27	\$ 27.38	\$ 60.27	\$ 37.78	\$ 31.78
ACP Payment to NH (estimated)	\$ 984,703		\$ 39,019	\$ 942,597	\$ 39,431	\$ 3,000,713	\$ 271,568	\$ 61,358	\$ 1,368,574	\$ 215,874
Total Estimated Payment	\$ 3,969,420					\$ 4,919,258				

(3) Class II costs recovered in previous reconciliation  
(4) Based on ACP value and not purchase cost

**Remaining Class III REC Value Stranded \$ 504,319**



**Schedule JDW-8**  
**Liberty Utilities (Granite State Electric) Corp. RPS Certificate Purchase Agreements**

Contract Date	Counterparty	Class	Vintage	Quarter	Type	RECs	Price	Broker	Fee	Total Cost
1/12/2022		Class IV	2022	Q1-2022	Non Firm					
1/12/2022		Class I	2022	Q1-2022	Non Firm					
1/18/2022		Class IV	2022	Q1-2022	Non Firm					
1/18/2022		Class I	2022	Q1-2022	Firm					
1/18/2022		Class I	2022	Q1-2022	Non Firm					
1/19/2022		Class I Thermal	2022	Q1-2022	Firm					
6/30/2022		Class I Thermal	2022	Q2-2022	Firm					
6/30/2022		Class IV	2022	Q2-2022	Non Firm					
6/30/2022		Class IV	2022	Q2-2022	Non Firm					
6/30/2022		Class I	2022	Q2-2022	Non Firm					

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

Docket No. DE 22-024

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty  
Energy Service for the Period February 1, 2023 – July 31, 2023

**DIRECT TESTIMONY**

**OF**

**ERICA L. MENARD**

**AND**

**JAMES M. KING**

December 16, 2022



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1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Ms. Menard, please state your full name and business address.**

3 A. My name is Erica L. Menard. My business address is 15 Buttrick Road, Londonderry,  
4 New Hampshire.

5 **Q. Please state by whom you are employed.**

6 A. I am employed by Liberty Utilities Service Corp. (“LUSC”) as the Senior Director of  
7 Rates and Regulatory Affairs. LUSC provides local utility management, shared services,  
8 and support to Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (“Liberty” or  
9 “the Company”) and the other regulated water, wastewater, natural gas, and electric  
10 utilities commonly owned and operated by Liberty Utilities as affiliates of the Company.  
11 In my position, I am responsible for providing rate-related services to the Company.

12 **Q. Please describe your professional and educational background.**

13 A. I joined LUSC in March 2022. Prior to joining LUSC, I held various positions at  
14 Eversource Energy from 2003 to 2022 with my last position being the Manager of  
15 Revenue Requirements for New Hampshire responsible for the rate and regulatory filings  
16 presented to the New Hampshire Commission. I also held various positions at  
17 Eversource responsible for financial planning and analysis of operational and capital  
18 expenditures, business planning functions, sales forecasting, and performance  
19 management. Prior to my employment at Eversource, I was employed by ICF Consulting  
20 in Fairfax, Virginia, from 1997 to 2003 with responsibilities for implementing load  
21 profiling and load settlement software for various utilities worldwide. I hold a Bachelor

1 of Arts in Economics and Business Administration from the University of Maine and a  
2 Master of Business Administration from the University of New Hampshire.

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

5 A. Yes, I have testified on numerous occasions before the Commission.

6 **Q. Mr. King, please state your full name and business address.**

7 A. My name is James M. King. My business address is 15 Buttrick Road, Londonderry,  
8 New Hampshire.

9 **Q. Please state by whom you are employed.**

10 A. I am employed by Liberty Utilities Service Corp. (“LUSC”) as an Analyst II, Rates and  
11 Regulatory Affairs. LUSC provides local utility management, shared services, and  
12 support to Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (“Liberty” or “the  
13 Company”) and the other regulated water, wastewater, natural gas, and electric utilities  
14 commonly owned and operated by Liberty Utilities as affiliates of the Company. In my  
15 position, I am responsible for providing rate-related services to the Company.

16 **Q. Please describe your professional and educational background.**

17 A. I joined Liberty in September 2022. Prior to joining Liberty, I was employed by the  
18 Massachusetts Department of Public Utilities from 2014 through 2022. I held positions  
19 as an Economist III and Economist II in the Rates and Revenue Requirements Division  
20 responsible for review and analysis of base distribution rate cases, as well as other rate  
21 reconciliation mechanisms presented to the Department from Massachusetts’ gas,

1 electric, and water companies. I graduated from Franklin and Marshall College with a  
2 Bachelor of Social Science in Government and Economics.

3 **Q. Have you previously testified in regulatory proceedings before the Commission?**

4 A. No, I have not testified before this Commission.

5 **II. OVERVIEW**

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

7 A. The purpose of our testimony is: (1) to provide a background of the energy service rate  
8 and an overview of this filing; (2) to describe the proposed rates and seek the necessary  
9 approvals to set an average fixed default Energy Service (“ES”) rate for the Small  
10 Customer Group six-month period February 1, 2023, through July 31, 2023, and a  
11 monthly ES rate for the Large Customer Group applicable for the period May 1, 2023,  
12 through July 31, 2023, for Liberty’s customers who take service under the ES rate; and  
13 (3) to provide the resulting bill impacts for a typical residential customer.

14 **Q. Why is the Company not proposing a monthly rate for the Large Customer Group  
15 for the period February 1, 2023, to April 30, 2023, for approval at this time?**

16 A. As discussed in Mssr. Warshaw’s testimony, the Company did not receive an acceptable  
17 bid for the first solicitation and therefore does not have a complete rate to be proposed at  
18 this time. The February 1, 2023, to April 30, 2023, monthly rates will be proposed after  
19 the second RFP process is complete.

1 **Q. Please define the rate classes applicable under the Small Customer Group.**

2 A. The Small Customer Group consists of rate classes D (Domestic Service), D-10  
3 (Domestic Service with Optional Peak Load Pricing), M (Outdoor Lighting), T (Limited  
4 Total Electrical Living Rate), V (Limited Commercial Space Heating), G-3 (General  
5 Service), D-11 (Battery Storage Pilot Time-of-Use), and D-12 (Residential EV Charging  
6 Time-of-Use).

7 **Q. Please define the rate classes applicable under the Large Customer Group.**

8 A. The Large Customer Group consists of rate classes G-1 (General Service Time-Of-Use),  
9 G-2 (General Long-Hour Service), EV-L (Large Commercial EV Charging), and EV-M  
10 (Medium Commercial EV Charging).

11 **Q. Does your testimony also provide bill impacts for a typical residential customer?**

12 A. Yes, Attachment ELM/JMK-3 provides bill impacts for residential Rate D customers  
13 using 650 kWh per month taking energy service.

14 **III. BACKGROUND**

15 **Q. When did it become necessary for electric utilities in New Hampshire to purchase  
16 energy on behalf of their customers in the manner they do now?**

17 A. In 1996, the New Hampshire legislature passed RSA 374-F, which started the process of  
18 deregulation and required utilities in the state to divest their ownership of generation  
19 assets. Prior thereto, the distribution utilities were allowed to generate the power their  
20 customers consumed and passed the costs of doing so on to their customers through  
21 regulated rates.



1 **Q. Who provides energy to New Hampshire customers now?**

2 A. Deregulation created competition in all of the state, meaning that customers may choose a  
3 third-party supplier to provide the commodity portion of their service rather than  
4 automatically receive the commodity portion of their service from their electric utility, as  
5 was the practice prior to deregulation. For customers who do not choose a third-party  
6 supplier, those customers are served by the electric utility under energy service or  
7 “default” service.

8 **Q. When were the procedures by which the Company purchases energy on behalf of its**  
9 **default customers established by the Commission?**

10 A. These procedures have evolved over time in a number of ways, particularly with regard  
11 to the timing of procurements and the periods for which rates would be effective.

12 **Q. Please explain.**

13 A. From the time deregulation became effective in New Hampshire through 2014, the six-  
14 month periods for Liberty’s default service rates began November 1 and May 1, but there  
15 were questions as to whether those time frames, and the energy solicitation process itself,  
16 were the most appropriate to achieve the goals of restructuring. Liberty raised those  
17 issues in Docket No. DE 14-211 (Petition for Alternate Plan for Procurement of Energy  
18 Services Requirements for all Customer Groups), and Liberty, Unitil, and the Office of  
19 the Consumer Advocate (“OCA”) continued the discussion in Liberty’s and Unitil’s  
20 energy service filings in the fall of 2014. The OCA suggested that energy service  
21 customers may benefit from changing the term of energy service procurement from a 6-  
22 month block to a 12-month block to mitigate the price spikes that occur in the winter

1 months. The OCA also proposed that procuring power through a laddered portfolio could  
2 provide some rate stability.

3 **Q. What are 6-month and 12-month blocks and how do they mitigate price spikes?**

4 A. The blocks refer to the periods for which the Company procures power. The Company  
5 procures energy for six months at a time to allow for receiving bids with the latest pricing  
6 possible for that future six-month period in which those prices will serve our energy  
7 service customers. Utilizing a 12-month block would not allow for as timely pricing to  
8 be used in calculating rates for the energy to be delivered to our customers, especially in  
9 times when the procurement happens during severe price volatility periods.

10 **Q. Is it necessary to mitigate price spikes in the summer as well?**

11 A. Yes, summer pricing spikes just as winter pricing spikes, so moving the procurement  
12 periods alleviates summer pricing spikes as well.

13 **Q. What was the result of DE 14-211?**

14 A. The Commission opened Docket No. IR 14-338 (Review of Default Service Procurement  
15 Processes for Electric Distribution Utilities) to review the various approaches to energy  
16 service solicitations and directed Staff to conduct stakeholder discussions with electric  
17 distribution utilities, competitive energy suppliers, market participants, and customer  
18 representatives on different approaches to energy service solicitations. *See* Order No.  
19 25,732 (Nov. 4, 2014).

1 **Q. What are the most important ways the New Hampshire utilities' procurement**  
2 **practices changed as a result of that proceeding?**

3 A. One result of the IR 14-338 investigation was that Liberty proposed to move its energy  
4 service periods to the six-month periods beginning February 1 and August 1, to divide the  
5 highest use winter months (January/February) and summer months (July/August) months,  
6 and to include an equal number of shoulder months in each procurement period. Futures  
7 prices for January/February and July/August periods tend to be closer together,  
8 particularly before the change. The Commission addressed this proposal in Docket No.  
9 DE 15-010 and approved the change in Order 25,806 (Sept. 2, 2015). The result of this  
10 change has been to lessen the volatility of rates between each period as compared to the  
11 previous practice.

12 **Q. How else have the procurement practices of utilities in New Hampshire changed**  
13 **since deregulation was implemented?**

14 A. Several earlier dockets and their resulting settlement agreements and orders refined how  
15 to make energy service solicitations, how to evaluate bids, and how best to conduct the  
16 entire procurement process. Those proceedings include the Settlement Agreement in  
17 Docket No. DE 05-126, dated November 18, 2005, which was approved by the  
18 Commission in Order No. 24,577 (Jan. 13, 2006), amended by Order No. 24,922 (Dec.  
19 19, 2008) in Docket No. DE 08-011, amended by Order No. 25,601 (Nov. 27, 2013) in  
20 Docket No. DE 13-018, and further amended by Order No. 25,806 (Sept. 2, 2015) in  
21 Docket No. DE 15-010, as discussed above. Liberty followed those approved processes

1 in conducting the energy service solicitation that gives rise to the rates being proposed in  
2 this docket.

3 **IV. PROPOSED ENERGY SERVICES RATES**

4 **Q. Please describe the Company's most recent solicitation.**

5 A. As further described in Mssr. Warshaw's testimony, the Company goes out to bid for  
6 pricing for the periods of February through July, and August through January. Those  
7 final awarded bids are translated into rates using the monthly bid price (MWh) multiplied  
8 by the load loss factor, calculated by Liberty's Energy Procurement group. The base  
9 energy service rate calculation is provided in Attachments ELM/JMK-1 and Attachment  
10 ELM/JMK-2, line 13.

11 **Q. What adjustments are made?**

12 A. Two adjustments are made, one for a Renewable Portfolio Standard ("RPS") factor and  
13 one for a reconciling factor.

14 **Q. What is the RPS factor?**

15 A. New Hampshire's RPS statute, RSA 362-F, requires each electricity provider to meet  
16 their customer load by purchasing Renewable Energy Certificates ("RECs") representing  
17 generation from renewable energy based on total MWh supplied to their customers. New  
18 Hampshire's RPS statute divides renewable energy sources into four separate classes. As  
19 the Company is a provider through its energy service, we must procure RECs to meet  
20 annual RPS obligations. These obligations may be found on the Commission's website<sup>1</sup>.

---

1 [https://www.puc.nh.gov/sustainable%20energy/renewable\\_portfolio\\_standard\\_program.htm](https://www.puc.nh.gov/sustainable%20energy/renewable_portfolio_standard_program.htm)

1 The factor is the charge to customers to pay for those requirements added to the base  
2 energy service rate.

3 **Q. What is the reconciling factor?**

4 A. As the Company procures RECs to meet the RPS obligation each year, the cost to procure  
5 those RECs changes. The reconciling factor is the vehicle for the Company to collect or  
6 refund the under or over-collection from the previous period.

7 **Q. Have you calculated the RPS factor and the reconciling factor?**

8 A. No. The RPS factors are the same as those that were approved by the Commission in  
9 Docket No. DE 22-024 on June 17, 2022. RPS factors are updated once a year at the  
10 time of the August rate change.

11 **Q. Is this approach typical?**

12 A. Yes, each year since 2008 Liberty has calculated the RPS factor and the reconciling  
13 factor when proposing energy service rates for a twelve-month period and then applied  
14 the same factors when proposing its next set of energy service rates for the subsequent  
15 twelve-month period. Accordingly, we expect to propose new factors when the Company  
16 next proposes rates for August 2023, which it will do around May 2023. The factor will  
17 stay in place through July 2024.

18 **Q. Do the results of these calculations establish the energy service rates for Liberty's**  
19 **default customers?**

20 A. The Large Customer Group pays the monthly rate calculated. The Small Customer  
21 Group is billed on a weighted-average six-month rate.

1 **Q. Please explain.**

2 A. The pricing received from the winning bidder provides a monthly price for the six-month  
3 period. For rate stability, the Small Customer Group's rate is calculated to be a  
4 weighted-average six-month rate. The Large Customer Group pays the monthly rate  
5 instead of paying a weighted-average six-month rate.

6 **Q. What do you propose for the Small Customer Group?**

7 A. The proposed rate for the Small Customer Group is \$0.22007 per kWh.

8 **Q. What rates do you propose for the Large Customer Group?**

9 A. The proposed rates are shown in Tables 1 through 3 below:

Table 1

G-1 and G-2 Rates Effective February 1, 2023

<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>
\$--	\$ --	\$--	\$ 0.11830	\$ 0.11421	\$ 0.13380

10

11 As discussed in Mssr. Warshaw's testimony, February, March, and April 2023 G-1 and  
12 G-2 rates will be updated after the results of Liberty's secondary RFP, completed in  
13 January 2023. EV-L and EV-M TOU rates are set using the approved cost allocation  
14 method as approved in Docket No. DE 20-170 Order No. 26,604 (April 7, 2022), for the  
15 six-month procurement period. The approved model requires a full six months of data to  
16 calculate the TOU rates, upon completion of the secondary RFP, the Company will  
17 complete the calculation for the EV-L and EV-M charge rates.

Table 2

<u>EV-L Commercial EV TOU Charging Rate</u>		
<u>Critical Peak</u>	<u>Mid Peak</u>	<u>Off Peak</u>
\$ 0.xxxxx	\$ 0.xxxxx	\$ 0.xxxxx

1

Table 3

<u>EV-M Commercial EV TOU Charging Rate</u>		
<u>Critical Peak</u>	<u>Mid Peak</u>	<u>Off Peak</u>
\$ 0.xxxxx	\$ 0.xxxxx	\$ 0.xxxxx

2

3 **Q. What rates do you propose for the time-of-use rates D-11 and D-12?**

4 A. Our proposed time-of-use rates are shown in Table 4 below:

Table 4

<u>D-11 Battery Storage/ D-12 Residential EV TOU Charging Rate</u>			
<u>Period</u>	<u>Critical Peak</u>	<u>Mid-Peak</u>	<u>Off-Peak</u>
Winter (Feb 2023–Apr 2023)	\$ 0.31035	\$ 0.29889	\$ 0.26271
Summer (May 2023–Jul 2023)	\$0.29083	\$0.13872	\$0.08274

5

6 D-11 and D-12 energy service rates are calculated in the same manner as the fixed non-  
 7 TOU rates using the total kWh and revenues for the time of use period to calculate a  
 8 single rate applicable for the six-month period.

9 **Q. Have you provided workpapers that show your calculations?**

10 A. Yes, please see Attachments ELM/JMK-1 and ELM/JMK-2 for the workpapers  
 11 supporting the non-time-of-use rate calculations. The workpapers for the time-of-use  
 12 rates contain thousands of lines of data and, as such, filing the model as an attachment is  
 13 not feasible, but can be provided in a live excel version for review purposes.

1 Attachment ELM/JMK-1 (page 1) provides the calculation of the total monthly ES rates  
2 for the Large Customer class including (i) the forecasted cost of Energy Service; (ii) the  
3 forecasted cost of RPS compliance; and (iii) prior period reconciliations for ES and RPS,  
4 including the cost of administrative and general expense, bad debt expense, and cash  
5 working capital expense associated with the ES offering. The monthly rates for the six-  
6 month period are calculated on Line 17.

7 Attachment ELM/JMK-1 (page 2) provides the calculation of the total monthly ES rates  
8 for the Small Customer class including (i) the forecasted cost of Energy Service; (ii) the  
9 forecasted cost of RPS compliance; and (iii) prior period reconciliations for ES and RPS,  
10 including the cost of administrative and general expense, net metering, bad debt expense,  
11 and cash working capital expense associated with the ES offering. The weighted average  
12 fixed rate for the six-month period is calculated on Line 21.

13 **Q. Please explain how the Time of Use rates are calculated.**

14 A. The TOU rates are calculated using approved methodologies in Docket Nos DE 17-189  
15 and DE 20-170. These calculations take the usage during each hour of the year to  
16 determine the allocation of the resulting costs to serve customers during the procurement  
17 period. The allocation of those costs is broken down into three periods, critical peak,  
18 mid-peak, and off-peak.



1 **V. BILL IMPACTS**

2 **Q. Has the Company determined the impact of the energy service rate change on a**  
3 **typical residential customer bill?**

4 A. Yes. As shown in Attachment ELM/JMK-3, Page 1, for a residential customer taking  
5 Energy Service and using 650 kWh per month, the total bill impact of the proposed rate  
6 in this filing, as compared to current rates, is a bill decrease of \$0.21 per month, or -0.09  
7 percent, from \$225.74 to \$225.53. The proposed February 1, 2023, rates include the  
8 proposed distribution rate change effective January 1, 2023, due to the revenue  
9 decoupling adjustment as proposed in Docket No. DE 22-052 and the approved change in  
10 the system benefits charge rate for effect on January 1, 2023, per Order No. 26,745 (Dec.  
11 14, 2022). The Energy Service rate component alone as compared to current rates, is a  
12 bill decrease of \$1.44, or -1.0 percent.

13 Attachment ELM/JMK-3, Page 2, compares actual historical rates in effect on February  
14 1, 2022, to proposed rates effective February 1, 2023. For a residential customer taking  
15 Energy Service and using 650 kWh per month, the total bill impact of the proposed rate  
16 in this filing, as compared to rates effective on February 1, 2022, is a bill increase of  
17 \$71.67, or 46.58 percent, from \$153.86 to \$225.53. The proposed February 1, 2023, rates  
18 include the proposed distribution rate change effective January 1, 2023, due to the  
19 revenue decoupling adjustment as proposed in Docket No. DE 22-052 and the approved  
20 change in the system benefits charge rate for effect on January 1, 2023, per Order No.  
21 26,745 (Dec. 14, 2022). The Energy Service rate component alone as compared to rates  
22 effective on February 1, 2022, is a bill increase of \$70.77, or 97.93 percent.

1 **Q. Has the Company provided updated tariff pages as part of this filing?**

2 A. Yes, updated tariff pages have been provided as Attachment ELM/JMK-4.

3 **Q. Does Liberty require Commission approval of this rate by a specific date?**

4 A. Yes, in order to lock in the RFP results and make effective the contracts executed with  
5 the winning bidders, Liberty is seeking approval of the proposed ES rates by December  
6 23, 2022.

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

8 A. Yes, it does.

REDACTED  
Docket No. DE-22-024  
Attachment EML/JMK-1  
Page 1 of 1

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty  
Large Customer Group Rates G-1 and G-2  
Energy Service Rates Summary  
February 1, 2023 - July 31, 2023

1	<u>Section 1: Percentage of Medium and Large C&amp;I kWhs Attributable to Energy Service</u>							
2	September 2022 Medium and Large C&I Energy Service kWhs	8,077,000						
3	September 2022 Total Retail Medium and Large C&I kWhs	<u>44,419,397</u>						
4	Percentage of Medium and Large C&I Energy Service kWhs to Total Medium and Large C&I kWhs	18.18%						
5	<u>Section 2: Projected Medium and Large C&amp;I Default Service kWhs, February 1, 2023 - July 31, 2023</u>							
		<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Total</u>
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
6	Projected Total Company Medium and Large kWhs	37,702,734	40,856,727	39,640,403	43,428,042	45,736,469	50,695,992	258,060,366
7	Percentage of Medium and Large C&I Energy Service kWhs to Total Medium and Large C&I kWhs	<u>18.18%</u>	<u>18.18%</u>	<u>18.18%</u>	<u>18.18%</u>	<u>18.18%</u>	<u>18.18%</u>	
8	Projected Medium and Large C&I Energy Service kWhs	6,855,676	7,429,182	7,208,012	7,896,737	8,316,490	9,218,304	46,924,400
9	<u>Section 3: Medium and Large C&amp;I Default Service Load Weighting for February 1, 2023 - July 31, 2023</u>							
10	Projected Medium and Large C&I Energy Service kWhs	6,855,676	7,429,182	7,208,012	7,896,737	8,316,490	9,218,304	46,924,400
11	Loss Factor							
12	Wholesale Contract Price (\$/MWh)							
13	Base Energy Service Rate (\$/kWh)	\$0.00000	\$0.00000	\$0.00000	\$0.10703	\$0.10294	\$0.12253	
14	Energy Service Reconciliation Adjustment Factor (\$/kWh)	\$0.00096	\$0.00096	\$0.00096	\$0.00096	\$0.00096	\$0.00096	
15	Energy Service Cost Reclassification Adjustment Factor (\$/kWh)	\$0.00250	\$0.00250	\$0.00250	\$0.00250	\$0.00250	\$0.00250	
16	<u>Renewable Portfolio Standard Adder (\$/kWh)</u>	<u>\$0.00781</u>	<u>\$0.00781</u>	<u>\$0.00781</u>	<u>\$0.00781</u>	<u>\$0.00781</u>	<u>\$0.00781</u>	
17	Total Estimated Medium and Large C&I Energy Service Price per kWh	\$0.01127	\$0.01127	\$0.01127	\$0.11830	\$0.11421	\$0.13380	
2	Per Monthly Energy Service Revenue Reports (Rates G-1 and G-2)							
3	Per Monthly Total Revenue Reports (Rates G-1 and G-2)							
4	Line (2) + Line (3)							
6	Per Company forecast for medium and large C&I rates (Rates G-1 and G-2)							
7	Line (4)							
8	Line (6) x Line (7)							
10	Line (8)							
11	Projected Wholesale Load divided by Projected Retail Load, rounded to five decimal places							
12	Schedule JDW-2 Exhibit 5							
13	Line (11) x Line (12) / 1000, truncated to five decimal places							
14	DE 22-024 (6/13/22) Attachment HMT/AMH-5 Page 1, Line 6 (Bates 125)							
15	DE 22-024 (6/13/22) Attachment HMT/AMH-6 Page 1, Line 5 (Bates 127)							
16	Schedule JDW-2 Exhibit 11							
17	Line (13) + Line (14) + Line (15) + Line (16)							

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty  
Small Customer Group (Rates D, D-10, G-3, M, T and V)  
Energy Service Rates Summary  
February 1, 2023 - July 31, 2023

1	<u>Section 1: Percentage of Residential and Small C&amp;I kWhs Attributable to Energy Service</u>							
2	September 2022 Residential and Small C&I Energy Service kWhs							26,362,144
3	September 2022 Total Retail Residential and Small C&I kWhs							<u>29,566,847</u>
4	Percentage of Residential and Small C&I Energy Service kWhs to Total Residential & Small C&I kWhs							89.16%
5	<u>Section 2: Projected Residential and Small C&amp;I Default Service kWhs, February 1, 2023 - July 31, 2023</u>	February	March	April	May	June	July	Total
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
6	Projected Total Company Residential and Small C&I kWhs	33,708,682	33,617,949	28,930,918	29,401,207	32,806,780	38,302,421	196,767,957
7	Percentage of Residential and Small C&I Energy Service kWhs to Total Residential & Small C&I kWhs	<u>89.16%</u>	<u>89.16%</u>	<u>89.16%</u>	<u>89.16%</u>	<u>89.16%</u>	<u>89.16%</u>	
8	Projected Residential and Small C&I Energy Service kWhs	30,055,052	29,974,154	25,795,143	26,214,457	29,250,906	34,150,884	175,440,595
9	<u>Section 3: Residential and Small C&amp;I Default Service Load Weighting for February 1, 2023 - July 31, 2023</u>							
10	Projected Residential and Small C&I Energy Service kWhs	30,055,052	29,974,154	25,795,143	26,214,457	29,250,906	34,150,884	175,440,595
11	Loss Factor							
12	Wholesale Contract Price (\$/MWh)							
13	Base Residential and Small C&I Energy Service Rate (\$/kWh)	\$0.43319	\$0.22398	\$0.16905	\$0.12566	\$0.12314	\$0.17494	
14	Energy Service Reconciliation Adjustment Factor (\$/kWh)	\$0.00096	\$0.00096	\$0.00096	\$0.00096	\$0.00096	\$0.00096	
15	Energy Service Cost Reclassification Adjustment Factor (\$/kWh)	\$0.00061	\$0.00061	\$0.00061	\$0.00061	\$0.00061	\$0.00061	
16	Proposed Renewable Portfolio Standard Adder (\$/kWh)	<u>\$0.00781</u>	<u>\$0.00781</u>	<u>\$0.00781</u>	<u>\$0.00781</u>	<u>\$0.00781</u>	<u>\$0.00781</u>	
17	Total Estimated Residential and Small C&I Energy Service Price per kWh	\$0.44257	\$0.23336	\$0.17843	\$0.13504	\$0.13252	\$0.18432	
18	Projected Residential and Small C&I Energy Service Base Cost, February 1, 2023 - July 31, 2023	<u>\$13,019,548</u>	<u>\$6,713,611</u>	<u>\$4,360,669</u>	<u>\$3,294,109</u>	<u>\$3,601,957</u>	<u>\$5,974,356</u>	<u>\$36,964,249</u>
19	Weighted Average Base Residential and Small C&I Energy Service Charge for February 1, 2023 - July 31, 2023							\$0.21069
20	Projected Residential and Small C&I Energy Service Cost, February 1, 2023 - July 31, 2023	<u>\$13,301,464</u>	<u>\$6,994,769</u>	<u>\$4,602,627</u>	<u>\$3,540,000</u>	<u>\$3,876,330</u>	<u>\$6,294,691</u>	<u>\$38,609,882</u>
21	Weighted Average Residential and Small C&I Energy Service Charge for February 2023 - July 2023							\$0.22007

- 2 Per Monthly Energy Service Revenue Reports (Rates D, D-10, G-3, M,T,V)
- 3 Per Monthly Total Revenue Reports (Rates D, D-10, G-3, M, T, V)
- 4 Line (2) ÷ Line (3)
- 6 Per Company forecast for residential and small C&I rates (Rates D, D-10, G-3, M, T, V)
- 7 Line (4)
- 8 Line (6) x Line (7)
- 10 Line (8)
- 11 Projected Wholesale Load divided by Projected Retail Load, rounded to five decimal places
- 12 Schedule JDW-2 Exhibit 5
- 13 Line (11) x Line (12) / 1000, truncated to five decimal places
- 14 DE 22-024 (6/13/22) Attachment HMT/AMH-5 Page 1, Line 6 (Bates 125)
- 15 DE 22-024 (6/13/22) Attachment HMT/AMH-6 Page 1, Line 5 (Bates 127)
- 16 Schedule JDW-2 Exhibit 11
- 17 Line (13) + Line (14) + Line (15) + Line (16)
- 18 Line (10) x Line (13)
- 19 Line (18) total ÷ Line (10) total, truncated after 5 decimal places
- 20 Line (10) x Line (17)
- 21 Line (20) total ÷ Line (10) total, truncated after 5 decimal places

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty  
 Typical Residential Bill Calculation

Usage 650 kWh

	December 1, 2022	February 1, 2023	December 1, 2022	February 1, 2023
	<u>Rates</u>	<u>Rates</u>	<u>Bill</u>	<u>Bill</u>
1 Customer Charge	\$14.74	\$14.74	\$14.74	\$14.74
2 Distribution Charge	\$0.05857	\$0.06138	\$38.07	\$39.90
3 Storm Recovery Adjustment	\$0.00000	\$0.00000	\$0.00	\$0.00
4 Transmission Charge	\$0.03635	\$0.03635	\$23.63	\$23.63
5 Stranded Cost Charge	(\$0.00051)	(\$0.00051)	(\$0.33)	(\$0.33)
6 System Benefits Charge	\$0.00792	\$0.00700	\$5.15	\$4.55
7 Electricity Consumption Tax	\$0.00000	\$0.00000	<u>\$0.00</u>	<u>\$0.00</u>
8 Subtotal Retail Delivery Services			\$81.25	\$82.48
9				
10 Energy Service Charge	\$0.22228	\$0.22007	<u>\$144.48</u>	<u>\$143.05</u>
11				
12		Total Bill	\$225.74	\$225.53
13				
14		<b>Monthly \$ increase in 650 kWh Total Residential Bill</b>		<b>-\$0.21</b>
15		<b>Monthly % increase in 650 kWh Total Residential Bill</b>		<b>-0.09%</b>

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty  
 Typical Residential Bill Calculation

Usage 650 kWh

	February 1, 2022 Rates	February 1, 2023 Rates	February 1, 2022 Bill	February 1, 2023 Bill
1 Customer Charge	\$14.74	\$14.74	\$14.74	\$14.74
2 Distribution Charge	\$0.06102	\$0.06138	\$39.90	\$39.90
3 Storm Recovery Adjustment	\$0.00000	\$0.00000	\$0.00	\$0.00
4 Transmission Charge	\$0.03703	\$0.03635	\$24.07	\$23.63
5 Stranded Cost Charge	(\$0.00080)	(\$0.00051)	(\$0.52)	(\$0.33)
6 System Benefits Charge	\$0.00523	\$0.00700	\$3.40	\$4.55
7 Electricity Consumption Tax	\$0.00000	\$0.00000	\$0.00	\$0.00
8 Subtotal Retail Delivery Services			\$81.59	\$82.48
9				
10 Energy Service Charge	\$0.11119	\$0.22007	\$72.27	\$143.05
11				
12		Total Bill	\$153.86	\$225.53
13				
14		<b>Monthly \$ increase in 650 kWh Total Residential Bill</b>		<b>\$71.67</b>
15		<b>Monthly % increase in 650 kWh Total Residential Bill</b>		<b>46.58%</b>

NHPUC NO. 21 - ELECTRICITY DELIVERY  
LIBERTY UTILITIES

First Revised ~~Original~~ Page 26  
Superseding ~~Original~~ Page 26  
Terms and Conditions

46. Storm Recovery Adjustment Provision

The Company's rates for Retail Delivery Service are subject to adjustment to reflect increased or decreased funding to the Company's Storm Fund ("Storm Fund") through a Storm Recovery Adjustment Factor. The Company shall implement a factor designed to provide the increased or decreased funding to the Storm Fund at an amount approved by the Commission through the funding period.

The Storm Recovery Adjustment shall be a uniform cents per kilowatt-hour factor applicable to all kilowatt-hours delivered by the Company to customers taking retail delivery service under each of the Company's rates. The factor shall be based on the estimated kilowatt-hours defined as the forecasted amount of electricity, as measured in kilowatt-hours, to be delivered by the Company to its retail delivery service customers over the funding period approved by the Commission over which the factor is to be applied to customers' bills.

The Company shall file with the Commission the results of its funding as part of its annual storm fund report.

Any adjustment of the Storm Recovery Adjustment Factor shall be in accordance with a notice filed with the Commission setting forth the amount of the increase or decrease, and the new Storm Recovery Adjustment amount. The notice shall further specify the effective date of such adjustment, which shall not be earlier than thirty days after the filing of the notice, or such other date as the Commission may authorize.

47. Energy Service

Energy Service shall be available under this Tariff to all Customers, including Customers that return to Company-provided energy supply service after receiving energy service from a Competitive Supplier or self-supply.

i. Character of Service

Electricity will be supplied with the same characteristics as specified in the applicable Delivery Service Tariffs.

ii. Energy Service Charge

For the purposes of this Tariff, the customer groups are defined as:

<u>Customer Group</u>	<u>Rate Class</u>
Small Customer Group	D, D-10, <del>D-11</del> , <del>D-12</del> , G-3, M, LED-1, LED-2, T and V

Issued: ~~July 1, 2020~~ December 16, 2022

Issued by: \_\_\_\_\_ /s/ ~~Susan L. Fleek-Neil Proudman~~  
~~Susan L. Fleek-Neil Proudman~~

Effective: ~~July 1, 2020~~ February 1, 2023

Title: President

Authorized by NHPUC Order No. ~~26,376 xx,xxx~~ in Docket No. ~~DE-19-064-DE-22-024~~, dated ~~June 30, 2020-xxx xx~~,  
20xx

NHPUC NO. 21 - ELECTRICITY DELIVERY  
 LIBERTY UTILITIES

~~Fifth~~ ~~Sixth~~ Revised Page 27  
 Superseding ~~Fourth~~ ~~Fifth~~ Revised Page 27  
 Terms and Conditions

Large Customer Group G-1, and G-2,  
 EV-1, and  
 EV-M

iii. Small Customer Group Energy Service Charges

Rate Effective ~~August 1, 2022 – January 31, 2023 per kWh~~ ~~22.228¢~~  
 February 1, 2023 – July 31, 2023 per kWh 22.007¢

iv. Large Customer Group Energy Service Charges

	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023
Rate ¢/kWh	18.587¢	16.081¢	15.134¢	19.864¢	34.354¢	41.240¢
	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023
	-----¢	-----¢	-----¢	11.830¢	11.421¢	13.380¢

v. Switching to a Competitive Supplier or Self-Supply

1. On Next Meter Read Date

The Company will normally switch a Customer to a Competitive Supplier or self-supply upon request of a Customer as of the next Tariffed meter read, provided that notice of the change to a Competitive Supplier or self-supply was received by the Company not less than two business days before that next Tariffed meter read date. There shall be no charge for switching from Energy Service to a Competitive Supplier or self-supply if such a notice is given.

2. Prior to the Next Tariffed Meter Read Date

If switching to a Competitive Supplier or self-supply before the next Tariffed meter read is requested, the Company at its sole discretion and upon agreement by the Customer to pay the applicable fee pursuant to the Off Cycle Meter Read Provision of this Tariff will terminate Energy Service with an un-tariffed meter read.

48. Optional Enhanced Metering Service Provision

Optional Enhanced Metering Service under this provision is available to a Customer receiving metered retail delivery service from the Company. Customers who currently receive unmetered retail delivery service must request metered retail delivery service from the company in accordance

Issued: ~~June 29, 2022-December 16, 2022~~ Issued by: /s/ Neil Proudman  
 Neil Proudman  
 Effective: ~~August 1, 2022-February 1, 2023~~ Title: President

Authorized by NHPUC Order No. ~~26,643 xx,xxx~~ in Docket No. DE 22-024, dated ~~xxx xx, 20xx~~ ~~June 20, 2022~~











NHPUC No 21 - ELECTRICITY  
 LIBERTY UTILITIES

Sixteenth Revised Page 126  
 Superseding Fifteenth Revised Page 126  
 Summary of Rates

**RATES EFFECTIVE JANUARY 1, 2023  
 FOR USAGE ON AND AFTER JANUARY 1, 2023**

Rate	Blocks	Distribution Charge	Revenue Decoupling Adjustment Mechanism	REP/VMP	Net Distribution Charge	Transmission Charge	Stranded Cost Charge	Storm Recovery Adjustment Factor	System Benefits Charge	Total Delivery Service	Energy Service	Total Rate	
D	Customer Charge	\$ 14.74			14.74					14.74		\$ 14.74	
	All kWh	\$ 0.05856	0.00281	0.00001	0.06138	0.03635	(0.00051)	-	0.00700	0.10422	<del>0.22228</del>	<del>\$ -0.32650</del>	
Off Peak Water Heating Use 16 Hour Control <sup>1</sup>	All kWh	\$ 0.05056	0.00281	0.00001	0.05338	0.03635	(0.00051)	-	0.00700	0.09622	<del>0.22228</del>	<del>\$ -0.31850</del>	
Off Peak Water Heating Use 6 Hour Control <sup>1</sup>	All kWh	\$ 0.05150	0.00281	0.00001	0.05432	0.03635	(0.00051)	-	0.00700	0.09716	<del>0.22228</del>	<del>\$ -0.31944</del>	
Farm <sup>1</sup>	All kWh	\$ 0.05527	0.00281	0.00001	0.05809	0.03635	(0.00051)	-	0.00700	0.10093	<del>0.22228</del>	<del>\$ -0.32321</del>	
D-10	Customer Charge	\$ 14.74			14.74					14.74		\$ 14.74	
	On Peak kWh	\$ 0.12447	0.00180	0.00001	0.12628	0.02338	(0.00051)	-	0.00700	0.15615	<del>0.22228</del>	<del>\$ -0.37843</del>	
	Off Peak kWh	\$ 0.00167	0.00180	0.00001	0.00348	0.02338	(0.00051)	-	0.00700	0.03335	<del>0.22228</del>	<del>\$ -0.25563</del>	
	Customer Charge	\$ 435.18			435.18					435.18		\$ 435.18	
	Demand Charge	\$ 9.22			9.22					9.22		\$ 9.22	
	On Peak kWh	\$ 0.00590	0.00104	0.00001	0.00695	0.02492	(0.00051)	-	0.00700	0.03836			
											<del>0.18587</del>	<del>\$ -0.2223</del>	
											<del>0.16081</del>	<del>\$ -0.19917</del>	
											<del>0.15134</del>	<del>\$ -0.18970</del>	
											<del>0.19864</del>	<del>\$ -0.23700</del>	
											<del>0.34354</del>	<del>\$ -0.38190</del>	
											<del>0.41240</del>	<del>\$ -0.45076</del>	
G-1	Off Peak kWh	\$ 0.00174	0.00104	0.00001	0.00279	0.02492	(0.00051)	-	0.00700	0.03420			
											<del>0.18587</del>	<del>\$ -0.22007</del>	
											<del>0.16081</del>	<del>\$ -0.19501</del>	
											<del>0.15134</del>	<del>\$ -0.18555</del>	
											<del>0.19864</del>	<del>\$ -0.23284</del>	
											<del>0.34354</del>	<del>\$ -0.37774</del>	
											<del>0.41240</del>	<del>\$ -0.44660</del>	
	Customer Charge	\$ 72.52			72.52					72.52		\$ 72.52	
	Demand Charge	\$ 9.27			9.27					9.27		\$ 9.27	
	All kWh	\$ 0.00233	0.00151	0.00001	0.00385	0.02529	(0.00051)	-	0.00700	0.03563			
											<del>0.18587</del>	<del>\$ -0.22150</del>	
											<del>0.16081</del>	<del>\$ -0.19644</del>	
											<del>0.15134</del>	<del>\$ -0.18697</del>	
											<del>0.19864</del>	<del>\$ -0.23427</del>	
											<del>0.34354</del>	<del>\$ -0.37917</del>	
											<del>0.41240</del>	<del>\$ -0.44803</del>	
G-3	Customer Charge	\$ 16.66			16.66					16.66		\$ 16.66	
	All kWh	\$ 0.05282	0.00253	0.00001	0.05536	0.03014	(0.00051)	-	0.00700	0.09199	<del>0.22228</del>	<del>\$ -0.31427</del>	
T	Customer Charge	\$ 14.74			14.74					14.74		\$ 14.74	
	All kWh	\$ 0.04743	0.00285	0.00001	0.05029	0.02615	(0.00051)	-	0.00700	0.08293	<del>0.22228</del>	<del>\$ -0.30521</del>	
V	Minimum Charge	\$ 16.66			16.66					16.66		\$ 16.66	
	All kWh	\$ 0.05433	0.00291	0.00001	0.05725	0.03003	(0.00051)	-	0.00700	0.09377	<del>0.22228</del>	<del>\$ -0.31605</del>	
	Customer Charge	\$14.74			\$14.74					14.74		\$ 14.74	
	<b>Monday through Friday</b>												
D-11	Off Peak	\$0.03948	\$0.00000	\$0.00001	\$0.03949	(\$0.00291)	(\$0.00051)	-	\$0.00700	\$0.04307	<del>\$0.19962</del>	<del>\$0.24269</del>	
	Mid Peak	\$0.05918	\$0.00000	\$0.00001	\$0.05919	\$0.00115	(\$0.00051)	-	\$0.00700	\$0.06683	<del>\$0.22710</del>	<del>\$0.29393</del>	
	Critical Peak	\$0.08426	\$0.00000	\$0.00001	\$0.08427	\$0.24841	(\$0.00051)	-	\$0.00700	\$0.33917	<del>\$0.23582</del>	<del>\$0.57499</del>	
	<b>Saturday through Sunday and Holidays: Mid Peak 8a - 8p, Off Peak 8p - 8a</b>												

<sup>1</sup> Rate is a subset of Domestic Rate D

Dated: January xx, 2023  
 Effective: January 1, 2023

Issued by: /s/Neil Proudman  
 Neil Proudman  
 Title: President

Authorized by NHPUC Order No. 26,xxx in Docket No. DE-xx-xxx, dated xxx-xx, 2022

NHPUC No. 21 - ELECTRICITY  
 LIBERTY UTILITIES

Seventeenth Revised Page 127  
 Superseding Sixteenth Revised Page 127  
 Summary of Rates

**RATES EFFECTIVE JANUARY 1, 2023  
 FOR USAGE ON AND AFTER JANUARY 1, 2023**

Rate	Blocks	Distribution Charge	Revenue Decoupling Adjustment Factor	REP/VMP	Net Distribution Charge	Transmission Charge	Stranded Cost Charge	Storm Recovery Adjustment Factor	System Benefits Charge	Total Delivery Service	Energy Service	Total Rate
	Customer Charge	\$11.35			\$11.35							\$11.35
	<b>Monday through Friday</b>											
Rate EV	Off Peak	\$0.03948	\$0.00000	\$0.00001	\$0.03949	(\$0.00291)	(\$0.00051)	-	\$0.00700	\$0.04307	<del>\$0.19962</del>	<del>\$0.24269</del>
	Mid Peak	\$0.05918	\$0.00000	\$0.00001	\$0.05919	\$0.00115	(\$0.00051)	-	\$0.00700	\$0.06683	<del>\$0.22710</del>	<del>\$0.29393</del>
	Critical Peak	\$0.08426	\$0.00000	\$0.00001	\$0.08427	\$0.24841	(\$0.00051)	-	\$0.00700	\$0.33917	<del>\$0.23582</del>	<del>\$0.57499</del>
	<b>Saturday through Sunday and Holidays: Mid Peak 8a - 8p, Off Peak 8p - 8a</b>											
	Customer Charge	\$435.18			\$435.18							\$435.18
	Demand Charge	\$4.61			\$4.61							\$4.61
	<b>Monday through Friday</b>											
Rate EV-L	Off Peak	\$0.02732	\$0.00000	\$0.00001	\$0.02733	\$0.00274	(\$0.00051)	-	\$0.00700	\$0.03656	<del>\$0.13843</del>	<del>\$0.17499</del>
	Mid Peak	\$0.02936	\$0.00000	\$0.00001	\$0.02937	\$0.00337	(\$0.00051)	-	\$0.00700	\$0.03923	<del>\$0.14360</del>	<del>\$0.18283</del>
	Critical Peak	\$0.03419	\$0.00000	\$0.00001	\$0.03420	\$0.15540	(\$0.00051)	-	\$0.00700	\$0.19609	<del>\$0.17805</del>	<del>\$0.37414</del>
	<b>Saturday through Sunday and Holidays: Mid Peak 8a - 8p, Off Peak 8p - 8a</b>											
	Customer Charge	\$72.52			\$72.52							\$72.52
	Demand Charge	\$4.64			\$4.64							\$4.64
	<b>Monday through Friday</b>											
Rate EV-M	Off Peak	\$0.03879	\$0.00000	\$0.00001	\$0.03880	\$0.00313	(\$0.00051)	-	\$0.00700	\$0.04842	<del>\$0.13857</del>	<del>\$0.18699</del>
	Mid Peak	\$0.04010	\$0.00000	\$0.00001	\$0.04011	\$0.00371	(\$0.00051)	-	\$0.00700	\$0.05031	<del>\$0.14335</del>	<del>\$0.19366</del>
	Critical Peak	\$0.04590	\$0.00000	\$0.00001	\$0.04591	\$0.16783	(\$0.00051)	-	\$0.00700	\$0.22023	<del>\$0.17796</del>	<del>\$0.39819</del>
	<b>Saturday through Sunday and Holidays: Mid Peak 8a - 8p, Off Peak 8p - 8a</b>											
	<u>Luminaire Charge</u>											
	HPS 4,000	\$8.53			\$8.53							\$8.53
	HPS 9,600	\$9.86			\$9.86							\$9.86
	HPS 27,500	\$16.37			\$16.37							\$16.37
	HPS 50,000	\$20.36			\$20.36							\$20.36
	HPS 9,600 (Post Top)	\$11.57			\$11.57							\$11.57
	HPS 27,500 Flood	\$16.54			\$16.54							\$16.54
M	HPS 50,000 Flood	\$22.09			\$22.09							\$22.09
	Incandescent 1,000	\$10.95			\$10.95							\$10.95
	Mercury Vapor 4,000	\$7.57			\$7.57							\$7.57
	Mercury Vapor 8,000	\$8.50			\$8.50							\$8.50
	Mercury Vapor 22,000	\$15.20			\$15.20							\$15.20
	Mercury Vapor 63,000	\$25.69			\$25.69							\$25.69
	Mercury Vapor 22,000 Flood	\$17.39			\$17.39							\$17.39
	Mercury Vapor 63,000 Flood	\$33.70			\$33.70							\$33.70
	<u>Luminaire Charge</u>											
	30 Watt Pole Top	\$5.53			\$5.53							\$5.53
	50 Watt Pole Top	\$5.77			\$5.77							\$5.77
	130 Watt Pole Top	\$8.90			\$8.90							\$8.90
LED-1	190 Watt Pole Top	\$17.06			\$17.06							\$17.06
	30 Watt URD	\$12.89			\$12.89							\$12.89
	90 Watt Flood	\$8.76			\$8.76							\$8.76
	130 Watt Flood	\$10.08			\$10.08							\$10.08
	30 Watt Caretaker	\$4.96			\$4.96							\$4.96
	Pole -Wood	\$9.66			\$9.66							\$9.66
	Fiberglass - Direct Embedded	\$10.06			\$10.06							\$10.06
	Fiberglass w/Foundation <25 ft	\$16.98			\$16.98							\$16.98
	Fiberglass w/Foundation >=25 ft	\$28.39			\$28.39							\$28.39
	Metal Poles - Direct Embedded	\$20.24			\$20.24							\$20.24
	Metal Poles with Foundation	\$24.42			\$24.42							\$24.42
M/LED-1/LED-2	All kWh	\$0.04063	\$0.00000	\$0.00001	\$0.04064	\$0.01928	(\$0.00052)	\$0.00000	\$0.00700	\$0.06640	<del>\$0.22228</del>	<del>\$0.28868</del>

Dated: **January xx, 2023**  
 Effective: **January 1, 2023**

Issued by: /s/Neil Proudman  
 Neil Proudman  
 Title: President

Authorized by NHPUC Order No. 26,xxx in Docket No. DE xx xxx, dated xxx xx, 2022









NHPUC NO. 21 – ELECTRICITY DELIVERY  
 LIBERTY UTILITIES

Fourteenth Revised Page 125  
 Superseding Thirteenth Revised Page 125  
 Rate D-11

Control Credits

The Company or Tesla will take control of and dispatch the Powerwall 2 battery equipment during predicted peak events. Customers who lease the Powerwall 2 battery equipment from the Company will be compensated in accordance with the Alternative Net Metering Tariff adopted by the Commission in Order No. 26,029 dated June 23, 2017, as described in Section 51 of this tariff, when the Company dispatches the Powerwall 2 battery equipment for predicted peak events.

Rates per Month

The rate per month will be the sum of the applicable Customer and Energy Charges subject to the adjustments in this tariff:

Rates for Retail Delivery Service Effective November 1, 2022, through April 30, 2023

Customer Charge \$14.74 per month

Energy Charges Per Kilowatt-Hour (cents per kilowatt-hour)

Distribution Charge Off Peak	3.948
Distribution Charge Mid Peak	5.918
Distribution Charge Critical Peak	8.426
Reliability Enhancement/Vegetation Management	0.001
<hr/>	
Total Distribution Charge Off Peak	3.949
Total Distribution Charge Mid Peak	5.919
Total Distribution Charge Critical Peak	8.427
Transmission Charge Off Peak	(0.291)
Transmission Charge Mid Peak	0.115
Transmission Charge Critical Peak	24.841
Energy Service Charge Off Peak	26.271
Energy Service Charge Mid Peak	29.889
Energy Service Charge Critical Peak	31.035
Stranded Cost Adjustment Factor	(0.051)
Storm Recovery Adjustment Factor	0.000

Off peak hours will be from 12AM to 8AM and 8PM to 12AM daily.

Mid peak hours will be from 8AM to 3PM daily Monday through Friday, except holidays.

Mid peak hours will be from 8AM to 8PM Saturday, Sunday and holidays.

Critical peak hours will be from 3PM to 8PM daily Monday through Friday, except holidays.

Issued: December 16, 2022

Issued by: /s/ Neil Proudman  
 Neil Proudman

Effective: February 1, 2023

Title: President

Authorized by NHPUC Order No. xx,xxx in Docket No. DE 22-024, dated xxx xx, 20xx

NHPUC No 21 - ELECTRICITY  
 LIBERTY UTILITIES

Seventeenth Revised Page 126  
 Superseding Sixteenth Revised Page 126  
 Summary of Rates

RATES EFFECTIVE FEBRUARY 1, 2023  
 FOR USAGE ON AND AFTER FEBRUARY 1, 2023

Rate	Blocks	Distribution Charge	Revenue Decoupling Adjustment Mechanism	REP/VMP	Net Distribution Charge	Transmission Charge	Stranded Cost Charge	Storm Recovery Adjustment Factor	System Benefits Charge	Total Delivery Service	Energy Service	Total Rate	
D	Customer Charge	\$ 14.74			14.74					14.74		\$ 14.74	
	All kWh	\$ 0.05856	0.00281	0.00001	0.06138	0.03635	(0.00051)	-	0.00700	0.10422	0.22007	\$ 0.32429	
Off Peak Water Heating Use 16 Hour Control <sup>1</sup>	All kWh	\$ 0.05056	0.00281	0.00001	0.05338	0.03635	(0.00051)	-	0.00700	0.09622	0.22007	\$ 0.31629	
Off Peak Water Heating Use 6 Hour Control <sup>1</sup>	All kWh	\$ 0.05150	0.00281	0.00001	0.05432	0.03635	(0.00051)	-	0.00700	0.09716	0.22007	\$ 0.31723	
Farm <sup>1</sup>	All kWh	\$ 0.05527	0.00281	0.00001	0.05809	0.03635	(0.00051)	-	0.00700	0.10093	0.22007	\$ 0.32100	
D-10	Customer Charge	\$ 14.74			14.74					14.74		\$ 14.74	
	On Peak kWh	\$ 0.12447	0.00180	0.00001	0.12628	0.02338	(0.00051)	-	0.00700	0.15615	0.22007	\$ 0.37622	
	Off Peak kWh	\$ 0.00167	0.00180	0.00001	0.00348	0.02338	(0.00051)	-	0.00700	0.03335	0.22007	\$ 0.25342	
	Customer Charge	\$ 435.18			435.18					435.18		\$ 435.18	
	Demand Charge	\$ 9.22			9.22					9.22		\$ 9.22	
	On Peak kWh	\$ 0.00590	0.00104	0.00001	0.00695	0.02492	(0.00051)	-	0.00700	0.03836			
												\$ 0.03836	
												\$ 0.03836	
											0.11830	\$ 0.15666	
											0.11421	\$ 0.15257	
											0.13380	\$ 0.17216	
G-1	Off Peak kWh	\$ 0.00174	0.00104	0.00001	0.00279	0.02492	(0.00051)	-	0.00700	0.03420			
												\$ 0.03420	
												\$ 0.03420	
												\$ 0.03420	
											0.11830	\$ 0.15250	
											0.11421	\$ 0.14841	
											0.13380	\$ 0.16800	
	Customer Charge	\$ 72.52			72.52					72.52		\$ 72.52	
	Demand Charge	\$ 9.27			9.27					9.27		\$ 9.27	
G-2	All kWh	\$ 0.00233	0.00151	0.00001	0.00385	0.02529	(0.00051)	-	0.00700	0.03563			
												\$ 0.03563	
												\$ 0.03563	
												\$ 0.03563	
											0.11830	\$ 0.15393	
											0.11421	\$ 0.14984	
											0.13380	\$ 0.16943	
G-3	Customer Charge	\$ 16.66			16.66					16.66		\$ 16.66	
	All kWh	\$ 0.05282	0.00253	0.00001	0.05536	0.03014	(0.00051)	-	0.00700	0.09199	0.22007	\$ 0.31206	
T	Customer Charge	\$ 14.74			14.74					14.74		\$ 14.74	
	All kWh	\$ 0.04743	0.00285	0.00001	0.05029	0.02615	(0.00051)	-	0.00700	0.08293	0.22007	\$ 0.30300	
V	Minimum Charge	\$ 16.66			16.66					16.66		\$ 16.66	
	All kWh	\$ 0.05433	0.00291	0.00001	0.05725	0.03003	(0.00051)	-	0.00700	0.09377	0.22007	\$ 0.31384	
	Customer Charge	\$14.74			\$14.74					14.74		\$ 14.74	
	<b>Monday through Friday</b>												
D-11	Off Peak	\$0.03948	\$0.00000	\$0.00001	\$0.03949	(\$0.00291)	(\$0.00051)	-	\$0.00700	\$0.04307	\$0.26271	\$0.30578	
	Mid Peak	\$0.05918	\$0.00000	\$0.00001	\$0.05919	\$0.00115	(\$0.00051)	-	\$0.00700	\$0.06683	\$0.29889	\$0.36572	
	Critical Peak	\$0.08426	\$0.00000	\$0.00001	\$0.08427	\$0.24841	(\$0.00051)	-	\$0.00700	\$0.33917	\$0.31035	\$0.64952	
	<b>Saturday through Sunday and Holidays: Mid Peak 8a - 8p, Off Peak 8p - 8a</b>												

<sup>1</sup> Rate is a subset of Domestic Rate D

Issued by: /s/Neil Proudman  
 Neil Proudman  
 Title: President

Dated: December 16, 2022  
 Effective: February 1, 2023

Authorized by NHPUC Order No xx,xxx in Docket No DE 22-024, dated xxx xx, 20xx

NHPUC No. 21 - ELECTRICITY  
 LIBERTY UTILITIES

Eighteenth Revised Page 127  
 Superseding Seventeenth Revised Page 127  
 Summary of Rates

RATES EFFECTIVE FEBRUARY 1, 2023  
 FOR USAGE ON AND AFTER FEBRUARY 1, 2023

Rate	Blocks	Distribution Charge	Revenue Decoupling Adjustment Factor	REP/VMP	Net Distribution Charge	Transmission Charge	Stranded Cost Charge	Storm Recovery Adjustment Factor	System Benefits Charge	Total Delivery Service	Energy Service	Total Rate
	Customer Charge	\$11.35			\$11.35							\$11.35
	<b>Monday through Friday</b>											
Rate EV	Off Peak	\$0.03948	\$0.00000	\$0.00001	\$0.03949	(\$0.00291)	(\$0.00051)	-	\$0.00700	\$0.04307	\$0.26271	\$0.30578
	Mid Peak	\$0.05918	\$0.00000	\$0.00001	\$0.05919	\$0.00115	(\$0.00051)	-	\$0.00700	\$0.06683	\$0.29889	\$0.36572
	Critical Peak	\$0.08426	\$0.00000	\$0.00001	\$0.08427	\$0.24841	(\$0.00051)	-	\$0.00700	\$0.33917	\$0.31035	\$0.64952
	<b>Saturday through Sunday and Holidays: Mid Peak 8a - 8p, Off Peak 8p - 8a</b>											
	Customer Charge	\$435.18			\$435.18							\$435.18
	Demand Charge	\$4.61			\$4.61							\$4.61
	<b>Monday through Friday</b>											
Rate EV-L	Off Peak	\$0.02732	\$0.00000	\$0.00001	\$0.02733	\$0.00274	(\$0.00051)	-	\$0.00700	\$0.03656		\$0.03656
	Mid Peak	\$0.02936	\$0.00000	\$0.00001	\$0.02937	\$0.00337	(\$0.00051)	-	\$0.00700	\$0.03923		\$0.03923
	Critical Peak	\$0.03419	\$0.00000	\$0.00001	\$0.03420	\$0.15540	(\$0.00051)	-	\$0.00700	\$0.19609		\$0.19609
	<b>Saturday through Sunday and Holidays: Mid Peak 8a - 8p, Off Peak 8p - 8a</b>											
	Customer Charge	\$72.52			\$72.52							\$72.52
	Demand Charge	\$4.64			\$4.64							\$4.64
	<b>Monday through Friday</b>											
Rate EV-M	Off Peak	\$0.03879	\$0.00000	\$0.00001	\$0.03880	\$0.00313	(\$0.00051)	-	\$0.00700	\$0.04842		\$0.04842
	Mid Peak	\$0.04010	\$0.00000	\$0.00001	\$0.04011	\$0.00371	(\$0.00051)	-	\$0.00700	\$0.05031		\$0.05031
	Critical Peak	\$0.04590	\$0.00000	\$0.00001	\$0.04591	\$0.16783	(\$0.00051)	-	\$0.00700	\$0.22023		\$0.22023
	<b>Saturday through Sunday and Holidays: Mid Peak 8a - 8p, Off Peak 8p - 8a</b>											
	<u>Luminaire Charge</u>											
	HPS 4,000	\$8.53			\$8.53							\$8.53
	HPS 9,600	\$9.86			\$9.86							\$9.86
	HPS 27,500	\$16.37			\$16.37							\$16.37
	HPS 50,000	\$20.36			\$20.36							\$20.36
	HPS 9,600 (Post Top)	\$11.57			\$11.57							\$11.57
	HPS 27,500 Flood	\$16.54			\$16.54							\$16.54
M	HPS 50,000 Flood	\$22.09			\$22.09							\$22.09
	Incandescent 1,000	\$10.95			\$10.95							\$10.95
	Mercury Vapor 4,000	\$7.57			\$7.57							\$7.57
	Mercury Vapor 8,000	\$8.50			\$8.50							\$8.50
	Mercury Vapor 22,000	\$15.20			\$15.20							\$15.20
	Mercury Vapor 63,000	\$25.69			\$25.69							\$25.69
	Mercury Vapor 22,000 Flood	\$17.39			\$17.39							\$17.39
	Mercury Vapor 63,000 Flood	\$33.70			\$33.70							\$33.70
	<u>Luminaire Charge</u>											
	30 Watt Pole Top	\$5.53			\$5.53							\$5.53
	50 Watt Pole Top	\$5.77			\$5.77							\$5.77
	130 Watt Pole Top	\$8.90			\$8.90							\$8.90
LED-1	190 Watt Pole Top	\$17.06			\$17.06							\$17.06
	30 Watt URD	\$12.89			\$12.89							\$12.89
	90 Watt Flood	\$8.76			\$8.76							\$8.76
	130 Watt Flood	\$10.08			\$10.08							\$10.08
	30 Watt Caretaker	\$4.96			\$4.96							\$4.96
	Pole -Wood	\$9.66			\$9.66							\$9.66
	Fiberglass - Direct Embedded	\$10.06			\$10.06							\$10.06
	Fiberglass w/Foundation <25 ft	\$16.98			\$16.98							\$16.98
	Fiberglass w/Foundation >=25 ft	\$28.39			\$28.39							\$28.39
	Metal Poles - Direct Embedded	\$20.24			\$20.24							\$20.24
	Metal Poles with Foundation	\$24.42			\$24.42							\$24.42
M/LED-1/LED-2	All kWh	\$0.04063	\$0.00000	\$0.00001	\$0.04064	\$0.01928	(\$0.00052)	\$0.00000	\$0.00700	\$0.06640	\$0.22007	\$0.28647

Dated: December 16, 2022  
 Effective: February 1, 2023

Issued by: /s/Neil Proudman  
 Neil Proudman  
 Title: President

Authorized by NHPUC Order No. xx,xxx in Docket No. DE 22-024, dated xxx xx, 20xx