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STATE OF NEW HAMPSHIRE

COMMISSIONER
Jared S. Chicoine

DEPUTY COMMISSIONER
Christopher J. Ellms, Jr.



DEPARTMENT OF ENERGY
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

TDD Access: Relay NH
1-800-735-2964
Tel. (603) 271-3670
FAX No. 271-1526
Website:
www.energy.nh.gov

February 8, 2023

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Pursuant to RSA 365:37, II, authorize the New Hampshire Department of Energy (Department) to enter into a contract with H. Gil Peach & Associates, LLC (Gil Peach), of Beaverton, Oregon, Vendor # (pending), for an amount not to exceed \$168,400, to provide consulting assistance to analyze decoupling proposals in two open dockets before the New Hampshire Public Utilities Commission involving Liberty Utilities (EnergyNorth Natural Gas) Inc., d/b/a Liberty. The contract is to be effective upon the date of Governor and Council approval through December 31, 2024. **Funding is 100% Other (Utility Special Assessment).**

Funding will be available pursuant to RSA 365:37, II in the account, General Consultants, as follows, with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified:

02-52-52-520010-13820000-046-500464:

<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>Total</u>
\$117,400	\$25,000	\$26,000	\$168,400

EXPLANATION

The Department respectfully requests authority to enter into a contract in an amount not to exceed \$168,400 with Gil Peach, a consulting firm that has significant decoupling revenue mechanism analysis experience.

A decoupling adjustment is a rate adjustment mechanism that breaks the link between the amount of energy a utility sells and the revenue it collects to recover the costs of providing service to customers. Gil Peach will aid Department staff in analyzing whether the proposed rate adjustments originally totaling \$8,387,074 as requested by Liberty is appropriate and collectable by Liberty from its customers in two dockets, DG 22-041 and DG 22-045.

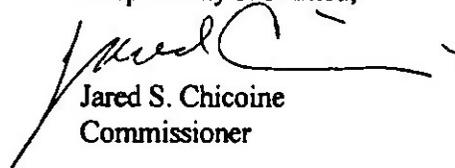
His Excellency, Governor Christopher T. Sununu
and the Honorable Council
February 8, 2023
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The Department issued a Request for Proposals (RFP) on November 7, 2022. The notice of the RFP was published in the Union Leader for three days and was posted on the Department's website. The Department received two responses to its RFP. An evaluation team made up of the Regulatory Division Director, the Gas Division Director, and two Hearings Examiners reviewed the two RFP responses. Gil Peach was determined to be the highest scoring qualified proposal.

No General Funds are requested for this contract. Funds will be assessed pursuant to RSA 365:37, II, which permits the Department to obtain experts and assess the costs to the regulated electric utilities who are mandatory parties to the proceeding.

Your consideration of this request is appreciated.

Respectfully submitted,



Jared S. Chicoine
Commissioner

RFP #2022-005
Revenue Decoupling Adjustment Factor Consultant

SCORING SUMMARY MATRIX

Two proposals were reviewed, proposers interviewed, and scoring completed by the Department of Energy (Department) staff evaluation team consisting of Tom Frantz, Regulatory Division Director; Paul Dexter, Senior Legal Hearings Examiner; Faisal Deen Arif, Gas Division Administrator; and Mary Schwarzer, Hearings Examiner. The highest-scoring proposal, submitted by H. Gil Peach & Associates, LLC which was selected for contract award. The bid responses were scored using the selection criteria identified in the RFP, weighted as follows: qualifications, technical, and practical experience (maximum of 25 points); clarity and appropriateness of proposed criteria evaluation, approaches and knowledge of relevant subject matter (maximum 20 points); general experience and qualifications in providing similar services (maximum 25 points); costs (maximum 20 points); and overall responsiveness to the RFP, including completeness, clarity, and quality (maximum 10 points). References for work of a similar nature were also contacted for the scoring proposals.

Scoring Criteria & Maximum Points	H. Gil Peach & Associates, LLC	Transform Consulting
Qualifications, technical expertise, certifications, knowledge and practical experience that the organization or individual possesses, including that of the staff and any subcontractors proposed to be assigned to the engagement, providing services directly relevant to the specified scope of services. (Max. 25)	20	15
Clarity and appropriateness of proposed general approaches, and demonstrated knowledge of relevant subject matter. (Max. 20)	16	13
General experience and qualifications in providing similar services in New Hampshire as well as other state regulatory agencies, including similar current or prior engagements. (Max. 25)	19	16
Cost of consulting services and expenses, including the competitiveness of the proposed fees and/or hourly rates and any proposed discounts or other benefits. Cost savings that may result from a firm having responded to multiple concurrent requests for proposals may be considered. (The Department reserves the right to negotiate lower fees or a different hourly rate structure than proposed, with any selected firm(s) or individuals.) (Max. 20)	15	18
Overall responsiveness to the requirements of the RFP, including completeness, clarity, and quality of Proposal, including proposed, scope of work, allocation of resources, and project schedule. (Max. 10)	8	7
TOTAL SCORE	78	69
Hourly Rates	\$200 Analyst \$250 Analyst	\$200 Analyst \$150 Attorney Support

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Energy		1.2 State Agency Address 21 South Fruit Street, Suite 10, Concord, NH 03301	
1.3 Contractor Name H. Gil Peach & Associates, LLC		1.4 Contractor Address 16232 NW Oak Hills Drive, Beaverton, OR 97006-5242	
1.5 Contractor Phone Number 503-645-0716	1.6 Account Number 046-500464	1.7 Completion Date December 31, 2024	1.8 Price Limitation \$168,400
1.9 Contracting Officer for State Agency Faisal Deen Arif		1.10 State Agency Telephone Number 603-271-2441	
1.11 Contractor Signature <i>H. Gil Peach</i> Date: 01/19/23		1.12 Name and Title of Contractor Signatory Hugh Gilbert Peach President	
1.13 State Agency Signature <i>[Signature]</i> Date: 1/11/23		1.14 Name and Title of State Agency Signatory Jared S. Chicoine, Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <i>[Signature]</i> On: 1/24/2023			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and

submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. **CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. **INDEMNIFICATION.** Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. **CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. **HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. **SPECIAL PROVISIONS.** Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. **SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

EXHIBIT A
SPECIAL PROVISIONS

1. In lieu of the amounts and types of insurance requirements set forth in Paragraph 14.1 of the General Provisions, Contractor shall provide commercial general liability and other insurance in the following amounts. All other requirements regarding insurance contained in the General Provisions shall remain unchanged.

\$1,000,000 for each occurrence
\$1,000,000 for damage to rented premises for each occurrence
\$10,000 for medical expenses
\$1,000,000 for personal and advertising injury
\$2,000,000 for general aggregate
\$2,000,000 for products and completed operations aggregate
\$1,000,000 for non-owned and hired automobiles
\$1,000,000 for umbrella coverage for each accident
\$1,000,000 for umbrella coverage aggregate
\$1,000,000 for Workers Compensation coverage for e.l. each accident
\$1,000,000 for Workers Compensation coverage for e.l. disease - each employee
\$1,000,000 for Workers Compensation coverage for e.l disease - policy limit
\$2,000,000 for professional liability for each occurrence

2. In conformity with Paragraph 12 of the General Provisions, the State hereby authorizes Contractor to utilize the subcontractor(s) listed in Exhibit C at the rates listed in its Proposal, at the Contractor's expense, and the State will reimburse the Contractor for the cost of its subcontractor's services. The State will not pay any subcontractor directly for its services to the Contractor. The amount to be paid to the Contractor, including the amounts paid for services provided to Contractor by any permitted subcontractor, shall not exceed the Price Limitation listed in paragraph 1.8 of the General Provisions.
3. The Contractor may not substitute or change personnel identified in its Proposal, including but not limited to changing subcontractors, i.e., Forefront Economics, Inc. including the services of Forefront Economics, Inc.'s President, Mark Thompson, without written notice to and the consent of the Department of Energy (Department), such consent not to be unreasonably withheld.
4. The Contractor agrees to maintain as confidential all information to which it has access for the work at issue until such time as it is instructed otherwise by the Department.

EXHIBIT B

SCOPE OF SERVICES

The Contractor is engaged to provide utility technical consulting services with regard to Liberty Utilities (EnergyNorth Natural Gas) (Liberty or Company)'s revenue decoupling adjustment factor (RDAF). The Consultant will work on two decoupling dockets: NH Public Utilities Commission (NHPUC) Dockets No. DG 22-041 and DG 22-045. The Contractor will review whether Liberty's requested RDAF collections were appropriate (i.e., just and reasonable and in the public interest). The Contractor will work at the direction of, and in consultation with, staff of the Department of Energy (Department). If requested by the Department, the Contractor will provide expert testimony in these dockets. All work shall be completed in accordance with procedural schedules set by the NHPUC and associated deadlines requested by the Department.

Among other things, the Contractor's tasks will include:

- Analysis of Liberty's calculations of actual revenue (including revenue "true ups" the Company accomplishes over a four-month period, target revenue, number of customers, and equivalent bills)
- Analysis and review of the Company's RDAF as originally designed in NH PUC Docket No. DG 17-048, see Order 26,122 at 37-43 (April 27, 2018) including the tariff formula that "compares base revenue per customer with benchmarked base revenue per customer. See e.g., Department RFP 2022-005, Company Tariff No. 10, including but not limited to Fourth Revised Page 34 and Second Revised Page 35; Concentric Consultant Gregg Therrien's August 8, 2019 Review of [the Company's] Revenue Decoupling Mechanism, filed in Docket No. DG 22-042 as Attachment AMI-1, Bates pages 30-62 to the March 18, 2021 Testimony of Al-Azad Iqbal, Economics/Finance Director, Office of the Consumer Advocate.
- Analysis and review of the Company's RDAF as modified by the Company in NHPUC Docket No. 20-105, see Order No. 26,505 (July 30, 2021) (order approving settlement agreement and permanent rates) including the tariff formula that establishes an allowed revenue per customer (RPC) and a "calculation of revenue per customer" process wherein the Company is allowed to collect the RPC for the number of actual customers it has in a given month. See e.g., Department RFP 2022-005. Company Tariff No. 11, including but not limited to Original pages 35-39, found in Docket No. DG 20-105, Exhibit 49 (July 13, 2021) Settlement Agreement on Permanent Rates with Appendices 1-11.
- General discussions with Department Staff;
- Preparation of interrogatories (a/k/a data requests) and participation in other discovery activities, including but not limited to review of Company and Intervenor pre-filed testimony and rebuttal testimony, development of Contractor testimony;
- Participation in and support of technical sessions and settlement discussions;
- Preparation and submission of Contractor's direct, rebuttal and surrebuttal testimony in conjunction with Contractor (as stated, initial pre-filed testimony is currently scheduled for April 2023);

- Preparation of answers to interrogatories (i.e., responses to data requests), preparation of cross-examination of other party witnesses and preparation for hearing testimony;
- Attendance at hearings for direct and cross-examination regarding testimony.

This exhibit is intended as a summary and is not intended to limit the scope of work as described in the Department's Revenue Decoupling Adjustment Factor Consultant Request for Proposals (RFP) RFP # 2022-005, which is attached hereto and incorporated by reference.

EXHIBIT C

CONTRACT AMOUNT, TERMS AND METHODS OF PAYMENT

1. This contract agreement becomes effective on date of approval by the Governor and Executive Council and concludes on December 31, 2024.
2. **Estimated Budget:** H. Gil Peach & Associates, LLC (Contractor) will charge for professional consulting services for time involved and expenses incurred for an amount not to exceed \$168,400. Services will be provided and billed at the following hourly rates:

Labor Category	Name	Labor Rate (fully loaded) (\$/hour)
President, H. Gil Peach & Associates, LLC	Hugh Gil Peach	\$250.00
President, Forefront Economics, Inc. (Subcontractor)	Mark Thompson	\$200.00

All reasonable related out-of-pocket costs and expenses, including travel, approved by the Department of Energy (Department), will be invoiced at cost without mark-up and are subject to the Price Limitation below.

3. **Price Limitation:** The contract shall not exceed \$168,400.
4. **Method of Payment:** Payment to be made on satisfactory completion of the assigned work on the basis of monthly invoices reviewed and approved by the Department. All invoices shall be supported by a summary of activities that have taken place in accordance with the terms of the contract, along with a detailed listing of out-of-pocket expenses incurred and copies of receipts. Invoices shall provide adequate back up including the dates and hours worked per individual during the month and the detailed description of the service provided during those hours. Invoices shall be submitted by email to the ENGY.BusinessOfficeGroup@energy.nh.gov or mailed to: Business Office, New Hampshire Department of Energy, 21 South Fruit Street, Suite 10, Concord, New Hampshire 03301-2429.

Payments hereunder are contingent upon the availability of funds assessed pursuant to RSA 365:37. The Department will assess the costs of the contract to the appropriate party(ies) and upon payment of the assessment, will process payment to the Contractor.

H. Gil Peach & Associates, LLC

Contractor Initials HGP
Date 01-10-2023
Page 1 of 1

The Department of Energy seeks consulting assistance to analyze decoupling proposals in two open dockets before the New Hampshire Public Utilities Commission involving Liberty Utilities (EnergyNorth Natural Gas) Inc., d/b/a Liberty. In Docket No. DG 21-042 Liberty seeks to collect \$4 million which would recoup revenues passed back through an approved decoupling mechanism from the 2018-2020 timeframe. In Docket No. DG 22-045, Liberty seeks to collect \$4.2 million in decoupling revenues from the 2020-2022 time period under an approved decoupling mechanism. These sums are significant; by way of reference Liberty has approximately 90,000 gas customers in NH and in its most recent distribution rate case (DG 20-105) its total distribution revenue requirement was approximately \$90 million.

A decoupling adjustment is a rate adjustment mechanism that breaks the link between the amount of energy a utility sells and the revenue it collects to recover the costs of providing service to customers. Liberty's revenue decoupling adjustment mechanism/factor or "RDAF" is designed to account for fluctuations in revenue attributable to abnormal weather, energy efficiency, and other impacts each year. When the RDAF is reconciled, the Company adjusts its RDAF to collect the difference between targeted revenue and actual revenue, such that Liberty should collect the total revenue requirement established in its most recent distribution rate case.

Liberty's RDAF was initially adopted in 2018 in Docket No. DG 17-048. In each of the first two years of the RDAF's operation, (2018-2019 and 2019-2020) Liberty passed back approximately \$2 million dollars (each year) that the Company now seeks to recoup, based on allegations of error in the application of the RDAF formula and/or formula calculations. See Docket No. DG 22-041.

Liberty's RDAF formula was modified in 2020. In Docket No. DG 22-045, Liberty proposes to collect a decoupling shortfall of approximately \$4.1 million from the 2020-2022 timeframe.

The DOE has a limited budget for expert assistance. As a result, hourly rates and affordable all-in cost estimates will be a significant factors in the selections process. The DOE will consider bids in response to this RFP with a contract period of one year from the initial contract execution date, with payment disbursed based on assigned projects and negotiated hourly rates. Respondents should incorporate any foreseeable impacts relating to COVID 19 and state, local, or national health and safety protocols into their bid pricing.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available at: <https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-041.html> and <https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-045.html>.

II. SCOPE OF SERVICES AND DELIVERABLES

The consultant will be hired and supervised by the Department of Energy (DOE) to perform the consulting work, and will work at the direction of, and in consultation with, DOE Staff. The consultant(s) chosen will be expected to work on the two decoupling dockets identified above, Dockets No. DG 22-41 and DG 22-045 to review whether Liberty's requested collections were appropriate (i.e., just and reasonable and in the public interest). Under the proposed procedural

schedules in the relevant gas dockets, investigation of both of Liberty's request to collect will occur essentially between February 1, 2023 and July 1, 2023. If warranted by the results of the inquiry, DOE will request the consultant to provide expert testimony in these dockets (pre-filed written in April 2023, and live in June and July 2023, with the possibility of live remote testimony, subject to permission from the NH Public Utilities Commission).

Among other things, tasks will include:

- Analysis of the Company's calculation of actual revenue (including revenue "true ups" the Company accomplishes over a four-month period, target revenue, number of customers, and equivalent bills (see tariff language below)
- Analysis and review of the Company's RDAF as originally designed in Docket No. DG 17-048, *see* Order No. 26, 122 at 37-43 (April 27, 2018), including the tariff formula that "compares actual base revenue per customer with benchmarked base revenue per customer" wherein
 - "Actual Base Revenue" is "the actual revenue derived from the Company's distribution rates for a given Decoupling Year for a Customer Class," and
 - "Actual Number of Customers" is the actual number of Equivalent Bills for the applicable Customer Class for the applicable month of the Decoupling Year
 - "Customer Class is the group of all customers taking service pursuant to the same Rate Schedule and
 - "Benchmark Base Revenue Per Customer" is "the monthly allowed distribution revenue per Equivalent Bill for a given Decoupling year for a given Customer Class reflecting the distribution revenue level and approved equivalent bills from the Company's most recent rate case or other proceeding that results in an adjustment to base rates.

See Company Tariff No. 10, Fourth Revised Page 34 and Second Revised Page 35 available at the following link [Liberty Utilities gas tariff.pdf \(nh.gov\)](#); Concentric Consultant Gregg Therrien's August 8, 2019 Review of [the Company's] Revenue Decoupling Mechanism, filed in Docket No. DG 22-042 as Attachment AMI-1, Bates pages 30-62 to the March 18, 2021 Testimony of Al-Azad Iqbal, Economics/Finance Director, Office of the Consumer Advocate, available at the following link [20-105_2021-07-13_EXH_39.PDF \(nh.gov\)](#).

- Analysis and review of the Company's RDAF as modified by the Company in Docket No. 20-105, *see* Order No. 26,505 (July 30, 2021) (order approving settlement agreement and permanent rates) including the tariff formula that establishes an allowed revenue per customer ("RPC"), and a "calculation of revenue per customer" process, wherein the Company is allowed to collect that RPC for the number of actual customers it has in a given month, and
 - Actual number of customers is the actual number of Equivalent Bills for the applicable Rate Class for each applicable month of the Decoupling year

- o There are two “Customer Class Group(s)” Residential CG1), and Commercial and Industrial (CG2).

See Company Tariff No. 11, Original pages 35-39, found in Docket No. DG 20-105, Exhibit 49 (July 13, 2021) Settlement Agreement on Permanent Rates with Appendices 1-11 and available at the following link [20-105_2021-07-13_EXH_39.PDF \(nh.gov\)](#).

Tasks will also include:

- General discussion with DOE Staff;
- Preparation of interrogatories and participation in other discovery activities;
- Participation in technical sessions and settlement discussions;
- Preparation and submission of direct, rebuttal and surrebuttal testimony (as stated, initial prefiled testimony is due April 2023);
- Preparation of responses to interrogatories;
- Attendance at hearings for cross-examination of testimony (as stated, live testimony is scheduled for June and July of 2023; attendance may be remote if permission is granted by the NH Public Utilities Commission).

Consultants are asked to highlight prior experience with decoupling formulas, alternatively known in some states as “bill stabilization adjustment” mechanisms.

III. CONFIDENTIALITY

Each proposer agrees to maintain as confidential all information received from the DOE in the course of this RFP and contracting process until such time as it is instructed otherwise by the DOE. A Proposal must remain confidential until the effective date of any contract resulting from this RFP. A proposer’s disclosure or distribution of proposals other than as permitted by the DOE will be grounds for disqualification.

IV. COMPONENTS OF THE PROPOSAL

The following is a list of the information to be provided in the Proposal. Proposers should respond to all areas listed below, in the order listed, and conclude with a separate section regarding proposed fees and cost estimates.

1. Letter of Transmittal: Include name of proposer, contact information for, and signature of, proposed consultant. (1 page)
2. Corporate/Company Information: Information concerning its corporate/company history; i.e., how many years in business, corporate officers or company principals, location of branch offices, professional and business association memberships, current or prior engagements involving substantive areas similar to those described in this RFP, the parties it represented in such engagements, the scope of work it performed in such engagements, and the conclusion and



H. GIL PEACH & ASSOCIATES, LLC

MANAGEMENT/PLANNING/EVALUATION/POLICY/ADAPTATION

16232 NW OAK HILLS DRIVE
BEAVERTON, OREGON 97006-5242 USA

Telephone: (503) 645-0716
Fax: (503) 946-3064
hgp@adapt.global

LLC Certification of Authority

I, **Hugh Gilbert Peach**, hereby certify the following: H. Gil Peach & Associates LLC is registered with the Oregon Secretary of State since July 25, 2001 (Registry Number 3209996). For legal purposes H. Gil Peach & Associates LLC is a single member LLC. I am the sole member and President of H. Gil Peach & Associates, LLC.

I certify that I am authorized to bind the LLC. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person listed above currently occupies the position indicated and that they have full authority to bind the LLC.

DATED: 01/10/2023

Hugh Gilbert Peach, President

ATTEST

Sharon Marie Peach, Vice-President

State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that H. GIL PEACH & ASSOCIATES, LLC is a Oregon Limited Liability Company registered to transact business in New Hampshire on January 06, 2023. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 920321

Certificate Number : 0006071140



IN TESTIMONY WHEREOF.

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 6th day of January A.D. 2023.

A handwritten signature in black ink, appearing to read "D. Scanlan", is written over a faint circular stamp.

David M. Scanlan
Secretary of State

