

EXHIBIT C

Forck, Marcella

Subject: FW: Case No. GR-2018-0013 Data Requests
Attachments: Utilitech Response to Liberty Objections to First Rounds of Discovery.docx

From: Forck, Marcella
Sent: Wednesday, December 20, 2017 1:56 PM
To: 'Larry Dority'
Subject: FW: Case No. GR-2018-0013 Data Requests

Hi Larry,

I've been in touch with our consultant Jim Dittmer, as well as Staff auditor John Cassidy, regarding the company's objections to the 2 batches of DRs referenced below. John and Jim are going to try to get in touch with Jill and Ashley to discuss what information has been requested and to determine whether it is material enough to need a full response or whether it is a small enough dollar value that it isn't worth anyone's time. I have attached Jim's responses to the objections, which explain why he believes the information sought to be relevant and necessary. Hopefully he and John will be able to resolve this with Jill and Ashley, but in case that doesn't satisfy Staff's concerns, I wanted to give you a heads up that we will likely try to compel this discovery.

Also, John expressed concern with the January 15 date for responding to the non-objected to DRs in those batches. I know you mentioned that the company would do its best to respond prior to Jan 15 if possible, and I understand that the holidays make it difficult to complete responses a whole lot earlier, but I guess that I would just request that as early as the company can get responses, please send them for Staff's review. Staff would prefer to review those responses prior to the January 9 discovery conference, if at all possible.

Thanks,
Marcie

Very Respectfully,
Marcie Forck
Associate Staff Counsel
Missouri Public Service Commission
Marcella.forck@psc.mo.gov
573-751-4140

136: For each officer and employee of Algonquin Power & Utilities Corp, please provide the following:

- a. Name and job title *If a portion of each officer/employee's cost is being direct assigned or allocated to Missouri utility operations – it would seem reasonable that the auditor should be able to observe each position's name, job title, job description and qualifications – to see if that data supports a conclusion that this position supports a utility function. Conversely, if the job description suggests that a position primarily exists to serve unregulated Liberty Power, or perhaps to facilitate mergers and acquisitions – one should be able to observe in time sheet assignment (requested in c below) that this position's time is charged to unregulated operations and/or to M&A activities*
- b. Job description and qualification for each position *See above explanation to (a) immediately above*
- c. Time sheets for the period beginning July 2016 to date. Please continue to supplement this response throughout the discovery stage of this proceeding. *Per Company testimony and the CAM, Algonquin direct assigns time to benefiting entities to the maximum extent possible. Response to this request should assist in verifying this Company assertion. A complete response should also assist in ensuring that activities that are related to Algonquin's unregulated Liberty Power are being properly direct assigned.*
- d. Wages, payroll taxes, benefits and any other labor-related costs for the twelve months ending June 30, 2015, June 30, 2016, June 30, 2017, and by month for the period beginning July 2016 to date, with a further breakdown of such cost into the following categories:
 - i. Total direct- assigned cost to all entities (in total – not direct-assigned to each benefiting entity) by Type of Cost (i.e., CAM Table 1), and with a further breakout by FERC account for all direct-assigned costs ultimately charged to each regulated Missouri operation. *Requesting all direct- assigned labor-related costs to all entities from APUC will allow confirmation of the Company claim that the Company direct-assigns time to the maximum extent possible. Requesting amounts direct-assigned to Missouri utility operations for a three-year period will permit a review for "normalcy" of cost amounts direct assigned to Missouri operations in the test year. If we don't obtain multiple years of historic data how could we determine charges to Missouri operations were "normal and ongoing?"*
 - ii. Total indirect costs allocated to all entities (in total – not allocated to each benefiting entity) by Type of Cost (i.e., CAM Table 1), with a further breakout by FERC account for any costs ultimately charged to each regulated Missouri operation. *See explanation to part i. immediately above – also applicable to this subpart ii.*

Please continue to update subpart (d) of this request throughout the discovery phase of this proceeding.

Liberty Utilities objects to this data request because it is overly broad and unduly burdensome. The reasons why each subpart is believed to be reasonable to obtain is stated in *bold red italics* above.

137: Please provide Algonquin Power & Utilities Corp corporate/shared service costs *other than* labor and labor-related costs (i.e., payroll taxes, benefits and any other labor-related items) for the twelve months ending June 30, 2015, June 30, 2016, June 30, 2017, and by month for the period beginning July 2016 to date, with a further breakdown of such cost into the following categories:

- a. Total direct-assigned costs to all entities (in total – not direct-assigned to each benefiting entity) by Type of Cost (i.e., CAM Table 1), with a further breakout by FERC account for all costs ultimately charged to each regulated Missouri operation. ***Requesting all direct- assigned non-labor costs to all entities from APUC will allow confirmation of the claim that the Company direct-assigns costs to benefiting entities to the maximum extent possible. Requesting amounts direct-assigned to Missouri utility operations for a three-year period will permit a review for “normalcy” of costs direct assigned in the test year. If we don’t obtain multiple years of historic data how could we determine charges to Missouri operations were “normal and ongoing?”***
- b. Total indirect costs allocated to all entities (in total – not allocated to each benefiting entity) by Type of Cost (i.e., CAM Table 1), with a further breakout by FERC account for any costs ultimately charged to each regulated Missouri operation. ***See explanation to part a immediately above – also applicable to this subpart b.***

Please continue to update subpart (d) of this request throughout the discovery phase of this proceeding.

Liberty Utilities objects to this data request because it is overly broad and unduly burdensome. The reasons why each subpart is believed to be reasonable to obtain is stated in ***bold red italics*** above.

138: Please provide any annual budget variance reports that may have been prepared for calendar years 2015 and 2016 for Algonquin Power & Utilities Corp corporate/shared services costs, as well as any monthly or quarterly budget variance reports that may have been prepared for Algonquin Power & Utilities Corp corporate/shared services costs for the period July 2016 to date. Please continue to update this response as additional months of data becomes available throughout the discovery stage of this proceeding.

Liberty Utilities objects to this data request because the responsive information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Unless Algonquin/Liberty Utilities can state unequivocally that no Algonquin Power & Utilities Corp corporate/shared services costs have been included in the development of the Missouri retail jurisdictional test year cost of service, this data is both relevant and could produce admissible evidence. APUC budget variance reports constitute “books and records of [Liberty Utilities’] parent and any other affiliated entities” which pursuant to the Commission’s affiliate transactions rules should be available to audit. Budget variance reports that address costs that are included within the development of a utility’s retail cost of service are routinely requested, reviewed and audited – as one tool to determine the

“normalcy” of test year costs recorded – and the possible need for a “normalizing” adjustment.

139: Please provide budgeted 2016 and 2017 Algonquin Power & Utilities Corp corporate/shared services costs by Type of Cost, and budgeted 2018 Algonquin Power & Utilities Corp corporate/shared services costs by Type of Cost as soon as available.

If one refers to the Company’s workpapers for its CAM Adjustment 14, one can observe in the “Description” column of Lines 1 and 2 of certain workpapers what appears to be APUC “shared services” costs (i.e., “A&G Salaries – APUC Headoffice” and “Outside Services APUC HO Allocations”). Accordingly, part of the Company’s CAM adjustment appears to be based upon considering 2018 budgeted APUC shared services costs. This portion of the Company’s adjustment is also briefly discussed at page 4, of Ashley Hiatt’s direct testimony beginning at line 21. Thus, on its face, requesting 2018 budgeted APUC corporate/shared costs appears to be particularly relevant. Requesting identical data in preceding years will assist in assessing the “normalcy” and “trends” in APUC corporate/shared services costs. If the Company would elect to remove all APUC corporate/shared services cost from its retail jurisdictional COS perhaps Staff could withdraw this request.

144: To the extent that not all Algonquin Power & Utilities Corp corporate/shared service costs were charged down to subsidiaries or affiliates (through direct assignment or indirect cost allocations) during the test year ending June 30, 2017, please:

- a. Discuss each event/transaction for which costs were retained at the Algonquin Power & Utilities Corp level
- b. State/discuss the reasons why the cost of such event/transaction was retained
- c. Provide the total cost retained by event/transaction

Liberty Utilities objects to this data request because it is overly broad and unduly burdensome; the responsive information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

In the one and only teleconference I was able to undertake with Liberty accountants and rate personnel it was verbally represented that not all APUC costs are direct-assigned or allocated down to Liberty Utilities. This request seeks a delineation of those costs retained at APUC, as the reasons why such costs were voluntarily retained. Once we know the reason that SOME costs were voluntarily removed at the APUC level we can begin to explore if ALL costs that fall under this self-imposed disallowance guideline have been eliminated from Missouri retail COS development. Additionally, it is noted that the Affiliate Transactions rules at (5)(A)(3.) appear to require the utility to provide a description of all affiliate costs that are not subject to allocation to Missouri utilities.

146: Please provide the following for each utility and utility asset acquired by Algonquin Power & Utilities Corp or any subsidiary of Algonquin Power & Utilities Corp for the period January 2015 to date. This request seeks information surrounding acquisitions of regulated and unregulated utilities and utility assets. This request only seeks information regarding utility assets *not* acquired to replace existing utility assets serving existing customers and/or acquired to serve an expanding but existing customer base.

- a. List and describe each acquisition noting its physical location, and as applicable, the regulatory jurisdiction wherein such utility/utility asset provides service
- b. Total cost of each acquisition
- c. Closing date of each acquisition
- d. Total costs incurred in researching, negotiating and closing the purchase – delineating total internal loaded labor cost versus external costs incurred.
- e. A breakout of total internal loaded labor costs by officer/employee, noting the name, title and Algonquin Power & Utilities Corp subsidiary or business unit where each officer/employee is employed
- f. The ultimate accounting for all costs incurred in researching, negotiating and closing the purchase, noting balance sheet and income statement accounts charged by company/subsidiary/affiliate/business unit as may be applicable

Liberty Utilities objects to this data request because it is overly broad and unduly burdensome; the responsive information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Within its annual shareholders report APUC clearly states its intent to grow the business through acquisitions. In the one and only teleconference held with Liberty rate and accounting personnel it was revealed that work orders were set up at some point to capture time and efforts related to M&A activities. The respondents did NOT know if such costs were retained by the Company and/or charged to the business/asset being acquired. When Aquila/UtiliCorp United was in a growth-through-acquisitions mode significant portions of its senior management's time were devoted to such M&A activities. The MPSC Staff successfully argued (as I recall) that M&A efforts were a shareholder responsibility – not to be charged to Missouri retail operations. This request is designed to assist in understanding if APUC is following the Missouri precedent of NOT charging M&A activities to Missouri retail operations.

154: Please provide any annual budget variance reports that may have been prepared for calendar years 2015 and 2016 for LUC Business Services and/or Corporate Services costs, as well as any monthly or quarterly budget variance reports that may have been prepared for LUC Business Services and/or Corporate Services costs for the period July 2016 to date. Please continue to update this response as additional months of data becomes available throughout the discovery stage of this proceeding.

Liberty Utilities objects to this data request because the responsive information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Unless LUC can state unequivocally that no LUC Business Services and/or Corporate Services costs have been included in the development of the Missouri retail jurisdictional test year cost of service, this data is both relevant and could produce admissible evidence. LUC budget variance reports constitute "books and records of [Liberty Utilities'] parent and any other affiliated entities" which pursuant to the Commission's affiliate transactions rules should be available to audit. Budget variance reports that address costs that are included within the development of a utility's retail cost of service are routinely requested, reviewed and audited – as one tool to determine the "normalcy" of test year costs recorded – and the possible need for a "normalizing" adjustment.

155: Please provide budgeted 2016, 2017 and 2018 (when available) LUC costs by Type of Cost categories delineated within CAM Table 4a: Summary of Corporate Allocation Method of LUC Business Services Indirect Costs and Table 4b: Summary of Corporate Allocation Method of LUC Corporate Services Indirect Costs

Liberty Utilities objects to this data request because the responsive information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

If one refers to the Company's workpapers for its CAM Adjustment 14, one can observe in the "Description" column of Lines 15 and 16 of certain workpapers what appears to be LUC "shared services" costs (i.e., "A&G Salaries – LU Headoffice" and "Outside Services LU HO Allocations"). Accordingly, part of the Company's CAM adjustment appears to be based upon considering 2018 budgeted LUC shared services costs. This portion of the Company's adjustment is also briefly discussed at page 4 of Ashley Hiatt's testimony, beginning at line 21. Thus, on its face, requesting LUC 2018 budgeted corporate/shared costs appears to be particularly relevant. Requesting identical data for the preceding two years will assist in assessing the "normalcy" and "trends" in LUC corporate/shared services costs. If the Company would elect to remove all LUC corporate/shared services cost from its retail jurisdictional COS perhaps Staff could withdraw this request.

159: To the extent that not all LUC Business Services or Corporate Services costs were charged down to subsidiaries or affiliates (through direct assignment or indirect cost allocations) during the test year ending June 30, 2017, please:

- a. Discuss each event/transaction for which costs were retained at the LUC level
- b. State/discuss the reasons why the cost of such event/transaction was retained
- c. Provide the total cost retained by event/transaction

Liberty Utilities objects to this data request because it is overly broad and unduly burdensome; the responsive information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

In the one and only teleconference I was able to undertake with Liberty accountants and rate personnel it was verbally represented that not all APUC costs are direct-assigned or allocated down to Liberty Utilities. I do not recall asking about LUC costs being retained. Nonetheless, this request seeks a delineation of those costs that may be retained at LUC, and the reasons why such costs were voluntarily retained. If LUC did not retain any costs – a quick answer to that effect should obviate the need to provide any information with this response. However, should we learn that SOME LUC costs were voluntarily removed at the LUC level we can begin to explore if ALL costs that fall under this self-imposed disallowance guideline have been eliminated from Missouri retail COS development. Additionally, it is noted that the Affiliate Transactions rules at (5)(A)(3.) appear to require the utility to provide a description of all affiliate costs that are not subject to allocation to Missouri utilities.

172: Please provide any annual budget variance reports that may have been prepared for calendar years 2015 and 2016 for LUSC Shared Services costs, as well as any monthly or quarterly budget variance reports that may have been prepared for LUSC Shared Services costs for the period July 2016 to date. Please continue to update this response as additional months of data becomes available throughout the discovery stage of this proceeding.

Liberty Utilities objects to this data request because the responsive information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Unless LUSC can state unequivocally that no LUSC Shared Services costs have been included in the development of the Missouri retail jurisdictional test year cost of service, this data is both relevant and could produce admissible evidence. LUSC budget variance reports constitute “books and records of [Liberty Utilities’] parent and any other affiliated entities” which pursuant to the Commission’s affiliate transactions rules should be available to audit. Budget variance reports that address costs that are included within the development of a utility’s retail cost of service are routinely requested, reviewed and audited – as one tool to determine the “normalcy” of test year costs recorded – and the possible need for a “normalizing” adjustment.

173: Please provide budgeted 2016, 2017 and 2018 (when available) LUSC costs by categories delineated within CAM Table 5 – List of Shared Services provided by Liberty Utilities Service Corp.

Liberty Utilities objects to this data request because the responsive information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

If one refers to the Company's workpapers for its CAM Adjustment 14, one can observe in the "Description" column of Lines 5 through 12 of certain workpapers what appears to be LUSC "shared services" costs. Accordingly, part of the Company's CAM adjustment appears to be based upon considering 2018 budgeted LUSC shared services costs. This portion of the Company's adjustment is also briefly discussed at page 4 of Ashley Hiatt's testimony, beginning at line 21. Thus, on its face, requesting LUSC 2018 budgeted corporate/shared costs appears to be particularly relevant. Requesting identical data for the two preceding years will assist in assessing the "normalcy" and "trends" in LUSC shared services costs. If the Company would elect to remove all LUSC shared services cost from its retail jurisdictional COS perhaps Staff could withdraw this request.

177: To the extent that not all LUSC Shared Services costs were charged down to subsidiaries or affiliates (through direct assignment or indirect cost allocations) during the test year ending June 30, 2017, please:

- a. Discuss each event/transaction for which costs were retained at the LUSC level
- b. State/discuss the reasons why the cost of such event/transaction was retained
- c. Provide the total cost retained by event/transaction

Liberty Utilities objects to this data request because it is overly broad and unduly burdensome; the responsive information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

In the one and only teleconference I was able to undertake with Liberty accountants and rate personnel it was verbally represented that not all APUC costs are direct-assigned or allocated down to Liberty Utilities. I do not recall asking about LUSC costs being retained. Nonetheless, this request seeks a delineation of those costs which may have been retained at the LUSC level, and the reasons why such costs were voluntarily retained. If LUSC did not retain any costs – a quick answer to that effect should obviate the need to provide any information with this response. However, should we learn that SOME LUSC costs were voluntarily removed at the LUSC level we can begin to explore if ALL costs that fall under this self-imposed disallowance guideline have been eliminated from Missouri retail COS development. Additionally, it is noted that the Affiliate Transactions rules at (5)(A)(3.) appear to require the utility to provide a description of all affiliate costs that are not subject to allocation to Missouri utilities.