

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

June 14, 2013 - 10:02 a.m.  
Concord, New Hampshire

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RE: DE 13-150  
GRANITE STATE ELECTRIC COMPANY  
d/b/a LIBERTY UTILITIES:  
*2013 Reliability Enhancement Plan and  
Vegetation Management Plan Report.*

PRESENT: Chairman Amy L. Ignatius, Presiding  
Commissioner Michael D. Harrington

Clare Howard-Pike, Clerk

APPEARANCES: Reptg. Granite State Electric Company  
d/b/a Liberty Utilities:  
Sarah B. Knowlton, Esq.

Reptg. PUC Staff:  
Suzanne G. Amidon, Esq.  
Steven E. Mullen, Asst. Dir./Electric Div.

Court Reporter: Steven E. Patnaude, LCR No. 52

ORIGINAL

**I N D E X****PAGE NO.**

**WITNESS PANEL:**       **CHRISTIANE G. MASON**  
                              **CHRISTIAN P. BROUILLARD**  
                              **JEFFREY CARNEY**

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**E X H I B I T S**

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1	2013 Reliability Enhancement Plan and Vegetation Management Plan Report, including appendices thereto, Direct Testimony of Christian Brouillard and Jeffrey Carney, Direct Testimony of ChristiAne G. Mason, including attachments (05-15-13)	7
2	GSEC Proposed July 1, 2013 Rates, Calculation of Monthly Typical Bill Impact on Rate D Default Service Customers Without Water Heater Control 0% Off-Peak (Schedule CGM-4 Supplemental #2 Page 1 of 16)	8
3	<b>RESERVED</b> (Record Request for a summary of changes to proposed net increase to its annual distribution rates of \$371,284)	39

**P R O C E E D I N G**

CHAIRMAN IGNATIUS: Good morning. I'd like to open the hearing in Docket DE 13-150. This is Granite State Electric Company or Liberty Utilities 2013 Reliability Enhancement and Vegetation Management Plan. The Company, on May 15th, 2013, filed a report of its Reliability Enhancement Plan and its Vegetation Management Plan for its fiscal year, which is April 1, 2012 through March 31, 2013, and supporting testimony and exhibits were attached with that, and tariff pages. The filing contained a report on actual spending for these two programs, and capital investment. It included a request to refund customers of some amounts received from FairPoint Communications. It asked for an incremental revenue requirement associated with the capital investments of the REP, and included a summary of the reliability performance for fiscal year 2013. The requests are for effect July 1st, 2013, and are predicted, in the initial filing at least, to be an impact to an average customer of 0.4 percent, or 33 cents per month.

We issued an order of notice May 30, 2013 calling for a hearing today. And, I understand there's a little bit of a glitch on publication. And, I'll ask Ms. Knowlton afterwards to, after appearances, to

1 describe that and where we stand with that.

2 So, let's begin with appearances please.

3 MS. KNOWLTON: Good morning. My name is  
4 Sarah Knowlton. And, I'm here today on behalf of Granite  
5 State Electric Company, which does business as Liberty  
6 Utilities. And, with me today from the Company are the  
7 Company's three witnesses, ChristiAne Mason, Chris  
8 Brouillard, and Jeff Carney. And, with me at counsel's  
9 table is Kurt Demmer and James Bonner from the Company.

10 CHAIRMAN IGNATIUS: Good morning.

11 MS. AMIDON: Good morning. Suzanne  
12 Amidon, for Commission Staff, and with me today is Steve  
13 Mullen, who is the Assistant Director of the Electric  
14 Division.

15 CHAIRMAN IGNATIUS: So, Ms. Knowlton,  
16 where are we with the publication issue?

17 MS. KNOWLTON: So, the Company was --  
18 had sent the order of notice both to the Valley News and  
19 the Eagle Tribune shortly after receiving it. And, we  
20 were told by the Valley News that they would publish the  
21 order of notice on June the 2nd. And, they notified us, I  
22 believe it was Tuesday of this week, that that had not  
23 occurred. When we hadn't received the affidavit, we  
24 called them, and said, you know, "We need the affidavit."

1       It's due on Wednesday." And, they said "whoops, we  
2       screwed up. It didn't occur." So, they published it on  
3       Wednesday, June the 11th. And, we did file that with the  
4       Commission. So, the Commission should have it. So, it  
5       was published in both newspapers that circulate in the  
6       Company's franchise areas.

7                   CHAIRMAN IGNATIUS: So, the Eagle  
8       Tribune was published on time, and the Valley News was  
9       published, but just a little bit late, --

10                  MS. KNOWLTON: That's right.

11                  CHAIRMAN IGNATIUS: -- but still prior  
12       to the hearing?

13                  MS. KNOWLTON: That's right.

14                  CHAIRMAN IGNATIUS: Okay. Any  
15       opposition to going forward this morning?

16                  MS. AMIDON: No.

17                  CHAIRMAN IGNATIUS: Good. Then, I think  
18       that's acceptable. Thank you for checking back with them  
19       and making sure that they published as quickly as they  
20       could, and give people notice, in addition to the other  
21       paper's publication.

22                  MS. KNOWLTON: Yeah. We'll try to do a  
23       better job in the future, too. We normally do check, you  
24       know, once they give us a publication date, to check that

1       it actually occurred. I mean, so, we'll do a better job  
2       to check the paper and see that the legal notices are in  
3       there when they say they're going to be.

4                   CHAIRMAN IGNATIUS: All right. Thank  
5       you. Is there any other matters to take up before we  
6       begin with the witnesses?

7                   MS. KNOWLTON: The Company would propose  
8       to mark for identification two exhibits. The first one is  
9       the Company's May 15, 2013 filing, which includes the  
10      Reliability Enhancement Plan and Vegetation Management  
11      Plan Report, and then the testimony of our panel witnesses  
12      and all of the attachments and tariff pages. It's a Bates  
13      numbered document, 1 through 115.

14                  CHAIRMAN IGNATIUS: All right. We'll  
15      mark that for identification as "Exhibit 1". Thank you.

16                   (The document, as described, was  
17                   herewith marked as **Exhibit 1** for  
18                   identification.)

19                  MS. KNOWLTON: And, we propose to mark  
20      as "Exhibit 2" a one-page document that is a calculation  
21      of the monthly bill impact on Rate D, Default Service  
22      customers, Rate D is our residential customers. And,  
23      Ms. Mason will be explaining this exhibit. But this  
24      exhibit is intended to show what the rate impact on the

[WITNESS PANEL: Mason~Brouillard~Carney]

1 residential customers will be, assuming the Commission  
2 were to approve the increase that is proposed in this  
3 filing, along with the distribution rate increase that the  
4 Commission heard in DE 13-063, which is the Granite State  
5 rate case. There was a settlement hearing that we had on  
6 June the 4th. And, so, this combines the two rate  
7 increases to show you what together the impact will be on  
8 the residential customer class. So, --

9 CHAIRMAN IGNATIUS: Thank you. And,  
10 tell me again, what was the docket number of the rate case  
11 settlement you just referred to?

12 MS. KNOWLTON: It's DE 13-063.

13 CHAIRMAN IGNATIUS: Anything more than a  
14 week old is out of my head. All right. Thank you.

15 So, we'll mark that as "Exhibit 2" for  
16 identification.

17 (The document, as described, was  
18 herewith marked as **Exhibit 2** for  
19 identification.)

20 CHAIRMAN IGNATIUS: Anything further or  
21 should we begin with witnesses?

22 (No verbal response)

23 CHAIRMAN IGNATIUS: Seeing nothing,  
24 Mr. Patnaude, will you swear the witnesses please.

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 (Whereupon **ChristiAne G. Mason,**  
2 **Christian P. Brouillard,** and  
3 **Jeffrey Carney** were duly sworn by the  
4 Court Reporter.)

5 **CHRISTIANE G. MASON, SWORN**

6 **CHRISTIAN P. BROUILLARD, SWORN**

7 **JEFFREY CARNEY, SWORN**

8 **DIRECT EXAMINATION**

9 BY MS. KNOWLTON:

10 Q. Ms. Mason, I'll start with you. Would you please state  
11 your name for the record.

12 A. (Mason) ChristiAne Mason.

13 Q. And, by whom are you employed?

14 A. (Mason) Liberty Utilities New Hampshire Energy Corp.

15 Q. And, what is your position with the Company?

16 A. (Mason) I'm Director and head of Regulatory, Government  
17 Affairs, and Community Affairs.

18 MS. KNOWLTON: Why don't you pull the  
19 microphone closer and speak right into it.

20 WITNESS MASON: Sorry.

21 BY MS. KNOWLTON:

22 Q. Can you describe whether your job responsibilities  
23 include any responsibilities that relate to this  
24 Reliability Enhancement Plan and Vegetation Management

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 Plan filing that we're here before the Commission on  
2 today?

3 A. (Mason) Yes. My responsibilities include revenue  
4 requirements and rates analysis work for the Company.  
5 So, in addition to compliance filings and revenue  
6 requirements and rates analysis, this falls under my  
7 purview.

8 Q. Do you have before you the Company's May 15th, 2013  
9 filing that we've marked as "Exhibit 1"?

10 A. (Mason) Yes, I do.

11 Q. And, you filed testimony in this docket, correct?

12 A. (Mason) I did.

13 Q. And, that's contained in Exhibit 1?

14 A. (Mason) That's correct.

15 Q. Was that testimony prepared by you or under your  
16 direction?

17 A. (Mason) Yes, it was.

18 Q. Do you have any corrections or clarifications to your  
19 testimony?

20 A. (Mason) Yes, I do. If I can turn your attention please  
21 to Bates Page 59, which is Schedule CGM-1. Under the  
22 "Notes", "Line 1 from Page 2 of 3" should actually read  
23 "from Page 2 of 14". And, then, if I can turn your  
24 attention to Bates Page 53, on Line 15, which reads

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 "adds the incremental O&M expense above Base O&M  
2 expense for Fiscal Year 2012 of negative \$52,081", that  
3 should read "adds the incremental O&M expense below  
4 Base O&M expense for Fiscal Year 2012".

5 Then, on Bates Page 40, on Line 10, the  
6 figure of "\$318,526", should be "\$371,284". This  
7 figure is the combined revenue increase in base rates,  
8 and the REP/VMP Adjustment Factor, compared to the  
9 currently effective base rates and the REP/VMP  
10 Adjustment Factor. Along the same lines, on Bates Page  
11 41, on Lines 13 and 16, the figure is "\$318,526",  
12 should be changed to "\$371,284".

13 Q. Are those all of the corrections that you have?

14 A. (Mason) Yes, it is.

15 Q. And, subject to those corrections, if I were to ask you  
16 the questions in your testimony today, would the  
17 answers be the same?

18 A. (Mason) Yes, they would be.

19 Q. Thank you. Mr. Brouillard, I'll turn to you next.  
20 Would you please state your full name for the record.

21 A. (Brouillard) My name is Christian P. Brouillard.

22 Q. By whom are you employed?

23 A. (Brouillard) I am employed by Liberty Utilities New  
24 Hampshire Corporation.

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 Q. What is your position with the Company?

2 A. (Brouillard) I am the Director of Engineering.

3 Q. And, in that capacity, do you have any responsibilities  
4 that relate to the filing that's before the Commission  
5 today?

6 A. (Brouillard) Yes, I do. I am responsible for the  
7 engineering planning, both gas and electric. I am  
8 responsible for the project engineering and management.  
9 And, I am responsible for the associated administrative  
10 and maps and record support associated with additions  
11 and maintenance of the system.

12 Q. Do you have before you the Company's filing that is  
13 Exhibit 1?

14 A. (Brouillard) Yes, I do.

15 Q. And, you jointly filed testimony with Mr. Carney, is  
16 that correct?

17 A. (Brouillard) That is correct.

18 Q. Was that testimony prepared by you or under your  
19 direction?

20 A. (Brouillard) Yes, it was.

21 Q. Do you have any corrections or clarifications to your  
22 testimony?

23 A. (Brouillard) Yes, I do. On Bates Page 2, of the  
24 Company's Fiscal Year 2013 Reliability Enhancement Plan

[WITNESS PANEL: Mason~Brouillard~Carney]

1 and Vegetation Management Plan Report, in the first  
2 full paragraph, second sentence, where it states "In  
3 addition, the testimony of ChristiAne Mason addresses  
4 the Company's request for a decrease in distribution  
5 rates associated with the REP/VMP Adjustment  
6 Provision", the word "decrease" should be "increase".

7 And, on Bates Page 7, in the paragraph  
8 titled "Feeder Harding", in the last sentence, "In its  
9 FY 2012 Reliability Enhancement Plan report, the  
10 Company had estimated approximately \$248,000 in", that  
11 number should be "\$225,000".

12 And, lastly, relative to Bates Pages 8  
13 through 11, in Order 25,377, that is the Commission's  
14 order on FY 2012 Reliability Enhancement and Vegetation  
15 Management Plan results and reconciliation, the  
16 Commission --

17 CMSR. HARRINGTON: Excuse me, which  
18 Bates page is this, I'm sorry?

19 WITNESS BROUILLARD: Oh, I'm sorry. I'm  
20 referencing a previous order by the Commission to explain  
21 a correction on Bates Pages 8 through 11.

22 CMSR. HARRINGTON: 8 through 11, okay.  
23 Thank you.

24 WITNESS BROUILLARD: So, I'll explain

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1 what the clarification should be.

2 **CONTINUED BY THE WITNESS:**

3 A. (Brouillard) So, in Order 25,377, Commission order on  
4 FY 2012 Reliability Enhancement and Veg. Management  
5 Plan results and reconciliation, the Commission asked  
6 the Company to make it clear that the report excludes  
7 major storms. And, on Bates Pages 8 through 11, I  
8 would like to clarify that these reliability indices do  
9 indeed exclude major storms, and that the Company  
10 should have been more -- more explicit in explaining  
11 the exclusion of major storms from that data presented.

12 And, those are all the corrections that  
13 I have.

14 BY MS. KNOWLTON:

15 Q. Subject to those corrections, if I were to ask you the  
16 questions contained in your testimony today, would the  
17 answers be the same?

18 A. (Brouillard) Yes, they would.

19 Q. Mr. Carney, would you please state your full name for  
20 the record.

21 A. (Carney) My name is Jeffrey Carney.

22 Q. By whom are you employed?

23 A. (Carney) Liberty Energy New Hampshire.

24 Q. And, what is your position with the Company?

[WITNESS PANEL: Mason~Brouillard~Carney]

1 A. (Carney) I am the Vegetation Supervisor for Liberty  
2 Energy New Hampshire.

3 Q. Do you have responsibilities that relate to the  
4 Reliability Enhancement Plan and Vegetation Management  
5 Plan?

6 A. (Carney) Yes, I do.

7 Q. What are those responsibilities?

8 A. (Carney) In my capacity as Vegetation Supervisor, I  
9 support the Electric Operations Divisions and plan,  
10 budget and manage the Liberty Energy New Hampshire  
11 vegetation management programs, vendor performance,  
12 storm and regulatory support on the distribution and  
13 sub-transmission assets.

14 Q. And, did you jointly file testimony with Mr. Brouillard  
15 in this docket?

16 A. (Carney) Yes, I did.

17 Q. Do you have that testimony before you?

18 A. (Carney) Yes, I do.

19 Q. Do you have any corrections or clarifications to it?

20 A. (Carney) No, I do not.

21 Q. Or, to the report?

22 A. (Carney) No, I do not.

23 Q. If I were to ask you the questions contained in your  
24 testimony today, would your answers be the same?

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 A. (Carney) Yes, they would.

2 Q. Thank you. Mr. Brouillard, I have a few questions I'll  
3 ask you.

4 MS. KNOWLTON: I was going to ask each  
5 of the witnesses to summarize their testimony, unless the  
6 Commission would prefer that we not do that?

7 CHAIRMAN IGNATIUS: No, that's fine. I  
8 do have one really minor clarification on the corrections,  
9 though, before you do that, with Ms. Mason. On Page 41,  
10 Bates 41, you changed, in Line 16, the 318,000 to the  
11 371,000 figure. But I think the math doesn't work on the  
12 components of that on the next two lines.

13 WITNESS MASON: Right.

14 CHAIRMAN IGNATIUS: And, I don't know if  
15 we need to go through all of it, but it -- there may be a  
16 number of locations throughout the materials where the one  
17 number throws everything else off, so --

18 WITNESS MASON: When I summarize my  
19 testimony, I will address that.

20 CHAIRMAN IGNATIUS: Okay.

21 WITNESS MASON: Make it clearer.

22 CHAIRMAN IGNATIUS: Okay. And, if need  
23 be, and I don't know if we're going to have that -- need  
24 to get that much detail, but, if need be, we might want to

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 just replace some, if it runs throughout numerous  
2 schedules, we may want to just have some substitutions put  
3 in, but we'll see where it goes.

4 WITNESS MASON: Okay.

5 CHAIRMAN IGNATIUS: Thank you.

6 MS. KNOWLTON: Thank you.

7 BY MS. KNOWLTON:

8 Q. Mr. Brouillard, I'm going to start with you. Would you  
9 please summarize your portion of the joint testimony  
10 that you filed with Mr. Carney.

11 A. (Brouillard) Yes. My testimony provides specifics  
12 regarding the Reliability Enhancement Program for  
13 Liberty Utilities during the period Fiscal Year 2013,  
14 that is April 2012 through March of 2013. I provide  
15 specifics, including the program investments, the plant  
16 installed, the results of those investments, variances,  
17 as well as the Company's reliability performance during  
18 the period.

19 Q. And, would you describe what that reliability  
20 performance was?

21 A. (Brouillard) Yes. The reliability performance is  
22 presented in terms of our SAIDI and our SAIFI numbers,  
23 and it's for both the fiscal year and for the calendar  
24 year.

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 Q. How did the Company perform?

2 A. (Brouillard) The Company performed slightly above  
3 target in the SAIFI arena, and somewhat above target in  
4 the SAIDI arena. The overall trend, since 2006,  
5 continues in a downward, that is a positive indicating  
6 trend towards customer reliability. And, I'll note  
7 that this builds on last year's performance, where we  
8 were -- where we did come in slightly below the targets  
9 that were established, further underpinning the, you  
10 know, the longer term trends for reliability.

11 Q. And, with regard to the Company's spending, did the  
12 Company spend what, you know, the same amount that it  
13 had proposed to spend in its initial budget for the  
14 program year?

15 A. (Brouillard) The Company underspent the amount that was  
16 projected to be included in plant in service for the  
17 fiscal year period in question. And, I can elaborate  
18 on that, you know, more -- more so. But it relates to  
19 the timing of investments and the processing of vendor  
20 payments, based on construction that took place during  
21 the last quarter of the prior fiscal year, and trying  
22 to also take into account the recloser investments that  
23 were made during the last quarter of FY '13, and the  
24 timing of those investments carrying over into this

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 current -- into this current year. So, that relates to  
2 the reasons why there was an underspend relative to the  
3 anticipated plant that was going to be put in service.

4 Q. Mr. Carney, if I could turn to you. Would you please  
5 summarize --

6 (Microphone/speaker issues.)

7 CMSR. HARRINGTON: It wasn't me this  
8 time.

9 MS. KNOWLTON: I'll try to speak up and  
10 go without it.

11 BY MS. KNOWLTON:

12 Q. Mr. Carney, would you please describe or summarize for  
13 the Commission the portion of the testimony that  
14 relates to your areas of responsibility.

15 A. (Carney) The portion of the testimony that relates to  
16 my responsibilities are delivering the work plan that  
17 we filed in the February 15th filing for Fiscal Year  
18 '13, to make sure that we accomplished all of those  
19 objectives and milestones, and directed the spend to  
20 make that happen.

21 Q. Did the Company complete the work plan?

22 A. (Carney) The Company completed the work plan  
23 100 percent.

24 Q. Was it is completed within budget?

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 A. (Carney) It was completed within budget.

2 Q. Okay. Ms. Mason, I'm going to turn to you next. If  
3 you would please provide a general overview of your  
4 testimony.

5 A. (Mason) So, as you've already heard this morning, the  
6 Company submits an REP/VMP plan to the Staff and  
7 intervenors, which then gets discussed, to determine an  
8 appropriate level of spending on both the capital side  
9 and the O&M expense side. As Mr. Brouillard and Mr.  
10 Carney present in their testimonies, for Fiscal Year  
11 2013, the agreed to O&M budget was \$1,721,585, an  
12 increase of \$361,585 over the threshold of 1,360,000.  
13 At the same time, and as indicated in the report, the  
14 Company expended \$545,916 in REP capital investments.  
15 So, essentially, my testimony describes the two rate  
16 adjustments that relate to this.

17 First, the REP Program is a capital  
18 spending program, whose revenue requirement is captured  
19 in base rates. That's reflected in the \$545,000 of  
20 capital investments for Fiscal Year 2013, which you see  
21 on Bates Page 61, Line 1. The second portion deals  
22 with the VMP and certain REP costs or expenses, O&M  
23 expenses. These expenses are above a base level  
24 included in base rates, are recovered from the

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 customers through a cents per kilowatt-hour adjustment  
2 factor. As shown on Bates Page 60, the incremental  
3 expense is actually below the base recovery amount,  
4 which results in a net O&M credit for Fiscal Year 2013  
5 of \$52,081.

6 So, at the highest level, my testimony  
7 relates to the overall revenue requirement and rate  
8 recovery. So, the incremental FY 2013 capital  
9 investment allowance is \$125,829. The sum of the  
10 incremental O&M expense, which is below the base year  
11 Fiscal Year 2013 of negative \$52,081, an overcollection  
12 of 47,000 -- negative \$47,994 for fiscal year 2011, and  
13 the estimated carrying charges or interest due to the  
14 customers of negative \$2,435 to the customers is 100 --  
15 a negative \$102,509. So, in short, we are seeking  
16 approval to recover the net difference of the \$23,319  
17 from customers effective July 1st, 2013.

18 We are, therefore, requesting a net  
19 increase to our annual distribution rates of \$371,824  
20 from base rates, as well as the adjustment factor,  
21 compared to the currently effective base rates. For a  
22 Default Service residential customer using 676  
23 kilowatt-hours, the total bill impact of the rates  
24 proposed in this filing, compared to the rates in

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 effect today, is a bill increase of 33 cents a month,  
2 or 0.4 percent, from \$89.43 to \$89.76.

3 To further describe the \$371,284 and how  
4 we got there, unlike most rate changes, the REP/VMP  
5 recovery mechanism changes, like I said, both the base  
6 rates and the cents per kilowatt-hour adjustment factor  
7 at the same time. So, the customers are experiencing  
8 the effect of both these changes, which is captured in  
9 the typical bills, as shown on my Schedule CGM-4.

10 For this proceeding, the Company is  
11 proposing to raise its base rates by 0.56 percent, in  
12 order to recover the REP capital investment allowance  
13 of \$125,829.

14 The Company is also proposing to raise  
15 its REP/VMP Adjustment Factor, from negative, today,  
16 0.00037 per kilowatt-hour, to .0 -- negative  
17 0.00010/kilowatt-hours. So, that's an increase of  
18 0.00027/kilowatt-hours. In other words, the proposed  
19 REP/VMP Adjustment Factor is a smaller refund factor  
20 than currently in effect today.

21 This proposed change results in an  
22 increase of \$245,555 in REP/VMP Adjustment Factor  
23 revenue as compared to last year. That increase is  
24 calculated subtracting last year's REP/VMP Adjustment

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 Factor revenue requirement thus is \$347,554 -- I'm  
2 sorry, \$347,964, from this year's REP/VMP Adjustment  
3 Factor revenue requirement of negative \$102,509.

4 The combined effect of all this, and I'd  
5 be happy to provide a schedule after the hearing, if  
6 you would like, the combined impact of the base rate  
7 changes and the adjustment factor change is the sum of  
8 \$371,284.

9 Q. We've marked for identification as "Exhibit 2" a  
10 document that shows the combined impact of this REP/VMP  
11 rate increase with the temporary rate proposal that the  
12 Commission has under its consideration in DE 13-063, is  
13 that correct?

14 A. (Mason) Yes.

15 Q. Would you walk us through Exhibit 2?

16 A. (Mason) Certainly. This schedule reflects -- shows  
17 what the average residential, if we focus for a second,  
18 this is for the average residential Rate D customer  
19 using 676 kilowatt-hours per month, the increase, as is  
20 shown in the final column, is \$7.78, or an increase of  
21 8.7 percent. So, this is the combined impact, assuming  
22 that the temporary rates is issued effective July 1st  
23 and the REP/VMP adjustment is in effect on July 1st.

24 Q. This --

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 A. (Mason) The total bill --

2 Q. I'm sorry.

3 A. (Mason) I'm sorry. On a total bill basis, then, for  
4 present rates, it's \$89.43; proposed rates, on a total  
5 bill basis, for that 676 kilowatt-hours, would be  
6 \$97.21.

7 Q. And, you have used this Exhibit 2 for illustrative  
8 purposes, just as to Rate D customers, correct?

9 A. (Mason) That's correct.

10 Q. With the increase in the REP/VMP base rate and the kWh  
11 charge, would that be applicable to all of the customer  
12 classes that the Company serves?

13 A. (Mason) It would be in the range, for all other  
14 classes, would be in the range of 2.2 percent to  
15 10.6 percent.

16 MS. KNOWLTON: At this time, I'd make  
17 the witnesses available for cross-examination.

18 CHAIRMAN IGNATIUS: Thank you.

19 MS. AMIDON: Yes. With your --

20 CHAIRMAN IGNATIUS: Ms. Amidon.

21 MS. AMIDON: Yes. With your permission,  
22 I'm going to ask that Mr. Mullen be allowed to begin the  
23 cross-examination.

24 CHAIRMAN IGNATIUS: That's fine.

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 MS. AMIDON: Thank you.

2 MR. MULLEN: Good morning.

3 WITNESS CARNEY: Good morning.

4 WITNESS BROUILLARD: Good morning.

5 WITNESS MASON: Good morning.

6 **CROSS-EXAMINATION**

7 BY MR. MULLEN:

8 Q. If you turn to Page 5 of Exhibit 1, the full paragraph  
9 at the bottom of the page that starts with "The Company  
10 spent \$31,027". Four lines up from the bottom,  
11 explaining some of the decrease in O&M costs, and one  
12 of the reasons given is "differences between the  
13 National Grid and Liberty accounting systems." Could  
14 you explain what that means? And, I'm not sure how  
15 those differences impact the costs or if there's going  
16 to be more costs that show up eventually due to some  
17 timing issues. I'm just not sure what's meant by that.

18 A. (Brouillard) Yes, I can explain that. This involves  
19 what we would call "OpEx related to CapEx labor". That  
20 is, its expense charges that are associated with the  
21 installation of capital plant. It is manually captured  
22 in the Liberty accounting system, versus automatically  
23 allocated in the National Grid systems. So, therefore,  
24 OpEx labor and the associated OpEx material, which was

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 estimated as OpEx in the National Grid systems, were  
2 charged to capital in the Liberty Utilities system.

3 Q. And, just to be clear, when you say "OpEx", you mean  
4 "operating expenses", and when you say "CapEx", you  
5 mean "capital expenses"?

6 A. (Brouillard) That is correct.

7 Q. Okay. Make sure I'm clear on this. I'm still trying,  
8 if one's manual and one's automatic, I'm still trying  
9 to understand, is there still going to be any net  
10 difference in the costs either reported as "capital" or  
11 "operating"? I'm just trying to make sure I  
12 understand. You know, I understand that, you know, for  
13 one company it's manual, for one it's automatic, but  
14 I'm still not sure I'm grasping how that makes a  
15 difference in the costs that are reported.

16 A. (Brouillard) In the overall costs of the plant and  
17 equipment that was installed, there is no change in the  
18 overall cost. It's strictly a method of how it was  
19 captured in one company's system versus estimated in  
20 Grid's system. But the required plant was still  
21 installed and the costs were indeed captured. Just  
22 they, you know, as I mentioned in the Liberty system,  
23 they're captured as a capital charge, and, in National  
24 Grid's, they were estimated back in -- when the program

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 was envisioned in February 2012 as an OpEx cost.

2 Q. If you turn to Page 8, and at the top of the page  
3 there's a section on "Reclosers". And, the first  
4 sentence reads: "The variance in the recloser program  
5 in FY 2013 was driven primarily by the timing of vendor  
6 invoices for work completed through March of FY 2013  
7 but not yet received or processed for payment." Can  
8 you quantify how much you expect, since it didn't show  
9 up in this reconciliation filing, that is, the costs  
10 didn't show up, how much, when we see next year's  
11 reconciliation filing, could we expect to see as a  
12 carryover from this year?

13 A. (Brouillard) Yes. The Company estimates currently that  
14 we will see approximately \$300,000 appear in this -- in  
15 this current year's, keeping in mind that we are moving  
16 to a calendar year. So, in this calendar year's  
17 budget, in terms of the plant placed in service. And,  
18 that's a combination of the material costs of the  
19 reclosers, plus any associated labor and other charges  
20 that would accompany those recloser material costs,  
21 including vendor charges.

22 Q. And, if you turn to Page 10, in the middle of the page  
23 there's some discussion about the "SAIDI goal". And,  
24 the text indicates that the SAIDI minutes for the

[WITNESS PANEL: Mason~Brouillard~Carney]

1 reporting fiscal year, or is this calendar year? I  
2 have to make sure I get this right. I believe this is  
3 calendar year. It says that "the 140.1 minutes for  
4 SAIDI exceeded the SAIDI goal of 126 minutes." Are  
5 there any particular reasons or events that happened  
6 during the year that would -- that caused the increase?

7 A. (Brouillard) Indeed, there are some drivers to the  
8 reliability indices presented. In my testimony, I had  
9 mentioned that we experienced a loss of supply owned by  
10 others to the Charlestown and Vilas Bridge substations,  
11 and that there were some tree-related outages on the  
12 Spicket River feeders and also the Lebanon feeder,  
13 which supplies -- which supplies our Enfield  
14 substation.

15 Further, there are -- I'll also say that  
16 there are a couple of other drivers to those indices  
17 this year. We did experience an outage on the Y151  
18 transmission line, which supplies the Pelham, New  
19 Hampshire substation. In that regard, we're currently  
20 working with National Grid and ISO-New England to  
21 evaluate second supply options into Pelham.

22 There was a pole-top recloser lock-out  
23 on the 12L1 feeder in July of 2012, which involved a  
24 tree down in a heavily treed and remote area. The

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 outage occurred at approximately 1:00 in the morning.  
2 You know, the good news is that the pole-top recloser  
3 operated, you know, as designed and prevented a feeder  
4 lock-out. As a follow-up, we'll -- that particular  
5 area will be on the list for evaluation for our Bare  
6 Conductor Replacement Program going forward.

7 And, lastly, the lightning outages are  
8 up somewhat in 2012, relative to 2011, by approximately  
9 three minutes. We'll be monitoring that, that going  
10 forward, in terms of our reliability analysis, and also  
11 any results from our Distribution Inspection and  
12 Maintenance Program.

13 Q. You mentioned the "Y151 transmission line". That's  
14 owned by National Grid?

15 A. (Brouillard) That is correct.

16 Q. Do you know what caused that? And, what, if anything,  
17 was done to prevent any future occurrences similar to  
18 that?

19 A. (Brouillard) There was -- that was due to a cross-arm  
20 failure. And, there was subsequent -- a subsequent  
21 inspection performed by National Grid on the Y151 line.  
22 And, again, we'll be looking to, you know, to increase  
23 some of the supply options into that substation in  
24 conjunction with National Grid.

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 Q. Related to some of the other reasons that you  
2 mentioned, if you turn to Page 32 of the filing. And,  
3 on Lines 10 to 13, you had previously mentioned some of  
4 these events. Regarding the loss of supply to the  
5 Charlestown and Vilas Bridge substations, can you give  
6 me some background on that, in terms of what caused  
7 that? How long it occurred? How many customers were  
8 effected?

9 A. (Brouillard) Yes. That involved the 4401 supply line  
10 into those substations. There were two phases down  
11 between the -- between the Bellows Falls and the South  
12 Street Substation, which is owned by Central Vermont  
13 Public Service. Excuse me.

14 Q. So, those substations are both fed by Central Vermont?

15 A. (Brouillard) They're fed, actually, by two lines, and  
16 they're -- there are portions of the lines owned by  
17 both New England Power and by Central Vermont Public  
18 Service, 4401 and 4402 are two supply lines into the  
19 Charlestown and the Vilas Bridge Substations.

20 Q. Now, you said there were "two phases down". Were they  
21 tree issues or were there some other reasons for those?

22 A. (Brouillard) If you'll allow me just a moment to check  
23 my notes. There was an insulator failure and a  
24 subsequent burned pole-top which caused the failures to

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[WITNESS PANEL: Mason~Brouillard~Carney]

1       come down. Oh, excuse me. No, I'm sorry. That was --  
2       no, that was not, sorry, I was reading from the wrong  
3       sheet. Please strike that. No, I don't have the -- I  
4       don't have the cause for the two phases down on that  
5       one.

6   Q.   Okay. What I'm just trying to understand is, you know,  
7       what -- if there was some sort of thing that could be a  
8       recurring issue or it was more of a one-time thing?

9   A.   (Brouillard) There was lightning in the area at the  
10       time. So, the cause would, you know, is depicted as  
11       "lightning". And, there was heavy rain at the time  
12       also.

13   Q.   But, again, those are -- that was on facilities not  
14       owned by the Company?

15   A.   (Brouillard) That is correct.

16   Q.   Okay. And, related to, well, I'm still on Page 32, on  
17       Lines 11 to 13, you talk about "tree-related outages on  
18       the Spicket River feeder, and a tree-related outage  
19       impacting the Lebanon and Enfield feeders." Do you  
20       happen to know how recently those feeders had been  
21       trimmed?

22   A.   (Brouillard) No, I do not.

23   Q.   Mr. Carney, do you know?

24   A.   (Carney) Yes. The first Lebanon/Enfield tree-related

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 interruption on the 1L1 line occurred on April 16th of  
2 2012. The sideline work was actually performed  
3 previously in calendar year 2011 by the National Grid  
4 Transmission Forestry Department, who subsequently did  
5 the final QA and QC and signed off on the fact that  
6 that line was secure, at least to the extent that they  
7 could make it secure. However, I subsequently did a  
8 field inspection of the interruption site, and that it  
9 appears as though a tree that was in front of another  
10 tree that was actually removed by the contractor was,  
11 in fact, cracked, therefore, being exposed to the edge  
12 of the right-of-way and, essentially, over the period  
13 of the summer or over the period of time, it leaned out  
14 of the edge of the right-of-way and actually failed  
15 across the phases.

16 Q. You started by saying it was "sideline work". Could  
17 you tell me what that means? Is that different from  
18 the regular cycle trimming?

19 A. (Carney) It's done on a cycle, but it's applied to a  
20 right-of-way. So, the Enfield line is essentially 80  
21 feet wide, and they trim once every five to ten years  
22 the sideline, to maintain the right-of-way full width.  
23 And, they do hazard tree inspections and removal at the  
24 same time. So, it is a cycle-based program, but it's

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 not necessarily the same cycle as the distribution --  
2 roadside distribution trimming.

3 Q. Okay. Now, how about the tree-related outages on the  
4 Spicket River feeder?

5 A. (Carney) The Spicket River feeder was a tree lock-out  
6 on October 6 of 2012. I did not do a field review of  
7 that particular incidence. But the feeder was, in  
8 fact, pruned previously in fiscal year '11, and it had  
9 the Enhanced Hazard Tree Mitigation Program applied to  
10 it in fiscal year 2012, and the final QA/QC for both of  
11 those treatments was also done by the National Grid  
12 Distribution Forestry Department.

13 Q. So, despite those measures, is there -- were these  
14 trees that caused the outages in the fiscal year, were  
15 they from outside the trim zone? Do you have any idea,  
16 you know, what -- considering that there had been  
17 fairly recent cycle and enhanced tree trimming on the  
18 feeder, do you have any knowledge as to why these still  
19 occurred?

20 A. (Carney) In terms of the Spicket River 13L2 tree  
21 interruption, I don't -- again, because I didn't find  
22 the smoking gun on that particular interruption, it's  
23 really unknown at this point. There was some wind that  
24 day. The weather was fair, but it was 13 to 31

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 mile-an-hour winds. I don't know the particulars. I  
2 could imagine that National Grid were certainly as  
3 diligent as they could be on both of those programs.

4 Q. And, as we know, I mean, you could try to identify  
5 every tree and everything, but there's always something  
6 that, on its own, is going to just say --

7 A. (Carney) And, again, --

8 Q. -- "it's time to go"?

9 A. (Carney) Right.

10 Q. Ms. Mason, and this is picking up on Commissioner  
11 Ignatius's questions, if you turn to Page 41. I  
12 thought I had the math locked down, but then, when your  
13 numbers changed, I had a hard time following.

14 A. (Mason) Sure.

15 Q. I believe you corrected a number on Line 13, from  
16 "318,526" to "371,284".

17 A. (Mason) Correct.

18 Q. I think what follows is the amount on Line 16 of  
19 "318,526" should also change?

20 A. (Mason) Correct.

21 Q. Okay. So, if I do that, then the numbers that are  
22 shown following that, on Line 16 through Line 18, don't  
23 add up. And, I know you went through some discussion  
24 when you were summarizing your testimony, but these

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 numbers also tie to schedules in your testimony. So,  
2 I'm trying to make sure I know how this all plays out.  
3 So, I don't know if you can -- if you can help me with  
4 that?

5 A. (Mason) I'll do my best. So, basically, the first  
6 number, "\$368,955", do you want to start there or --

7 Q. Sure.

8 A. (Mason) And, you refer back to Schedule CGM-1, Page 1,  
9 Column (f).

10 CMSR. HARRINGTON: This is Bates Page  
11 59?

12 WITNESS MASON: I'm sorry, Bates  
13 Page 59. Thank you.

14 **CONTINUED BY THE WITNESS:**

15 A. (Mason) Line 9, the "Net Change in Recovery", is  
16 "\$368,955". Which then turns, if you look at Bates  
17 Page 59, Line 3, the Line 3, the "REP Capital Program",  
18 is "\$125,829". So, that's essentially the starting  
19 point.

20 From there, if you go to Bates Page 59  
21 again, on Line 1, for the fiscal year '13 REP/VMP O&M  
22 expense, is a "negative \$52,081". So, that's added  
23 into the 125,829. Plus, if you go to Bates Page 41,  
24 and I apologize for all this jumping around, on Line

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 17, you see the reference there of the refund of  
2 "47,994". So, the next adjustment is the carrying  
3 charges, which is the "negative \$2,435". The sum of  
4 those comes up to the FY '13 O&M adjustment of a  
5 negative \$102,510. At that point, you're basically  
6 doing the same analysis for the prior year to adjust it  
7 out. So, FY '12 REP/VMP O&M expense was two --  
8 negative 200 --

9 (Court reporter interruption.)

10 **CONTINUED BY THE WITNESS:**

11 A. (Mason) I'm sorry. So, again, FY '13 O&M adjustment  
12 was a negative \$102,510. From that subtotal, you take  
13 out the prior year information. So, FY '12 REP/VMP O&M  
14 expense was a negative \$295,207. The reconciliation  
15 from fiscal year 2010 was a negative \$44,492. The  
16 fiscal year '13 --

17 CHAIRMAN IGNATIUS: I'm sorry, 2010?

18 WITNESS MASON: There had to be a prior  
19 adjustment. You're reconciling. And, there was a slight  
20 difference in the prior year that we had to take into  
21 account. So, if you go back to my restatement here, I'm  
22 sorry let me just --

23 MR. MULLEN: But, by "2010", did you  
24 mean to say "2012"?

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1 WITNESS MASON: I did. I apologize.

2 CHAIRMAN IGNATIUS: Thank you.

3 WITNESS MASON: Sorry.

4 **CONTINUED BY THE WITNESS:**

5 A. (Mason) And, again, then the O&M interest adjustment of  
6 a negative \$8,265, the sum of those adjustments is  
7 negative 245,454. Add them together, double negative,  
8 becomes \$347,964. And, again, when you bounce it  
9 against the 125,829, plus the 245,454, the net increase  
10 to annual distribution rates effective July 1st is  
11 equal to \$371,284.

12 Now, if I may, just a little bit, we  
13 followed as closely as we could the prior models that  
14 National Grid had used in their reports. My  
15 recommendation is that, going forward, we supply an  
16 additional schedule which lays this out very clearly.  
17 And, I would be happy, again, to submit that after the  
18 close of the hearing.

19 MR. MULLEN: I was just going to  
20 request, I appreciate you walking through all of that,  
21 it's still hard to follow all of the numbers.

22 WITNESS MASON: Correct.

23 MR. MULLEN: So, I'm going to make a  
24 record request to show the derivation of the 371,284.

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 And, if there's any necessary changes to the explanation  
2 in the testimony, I think it would be helpful, so, we can  
3 all follow the numbers. Right. And, I don't know if  
4 there's any changes to the related exhibits. But I think  
5 it would just be helpful, because we're trying to --  
6 trying to follow all this through.

7 WITNESS MASON: Right.

8 MR. MULLEN: It sounds like there's a  
9 way to get there, but I'm writing down and I'm --

10 WITNESS MASON: To the best of my  
11 knowledge, none of the numbers in the exhibits change due  
12 to this. It's simply that there's not a schedule that  
13 lays it out as cleanly as it should. And, again, we  
14 followed the National Grid model. And, I would highly  
15 recommend, going forward, we have the schedule in our  
16 report.

17 MR. MULLEN: Right. But just, even as a  
18 point of clarification on Page 41, the amounts on Lines 16  
19 through 18, either one of those or a couple of those have  
20 to change or there's some other number that needs to be  
21 put in there.

22 WITNESS MASON: There's an additional  
23 number, correct.

24 MR. MULLEN: So, I think, if we do that,

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[WITNESS PANEL: Mason~Brouillard~Carney]

1       that would probably be helpful.

2                   CHAIRMAN IGNATIUS:  Yes.  We'll reserve  
3       Exhibit Number 3 for that summary showing how you worked  
4       through all of those numbers.  Because there's something  
5       just not right.  When you look at Page 41, the math works  
6       on Page 41, there's no missing component.  It works for  
7       the original 318,000 number.  So, it seems to me, if you  
8       change it to "371,284" as the correct number, is the final  
9       increase, it can't be just those three components, those  
10      components have to -- the dollar figures of those three  
11      components, something has got to change.  It seems you're  
12      saying that there's a missing component, but the first  
13      time through, with the 318, there was no missing  
14      component, it worked.  So, I'm a little lost.  So, a  
15      exhibit summarizing it, working it through, would be  
16      useful.  Thank you.

17                   **(Exhibit 3 reserved)**

18      BY MR. MULLEN:

19      Q.     Ms. Mason, if I could turn to Page 47.  In Footnote 2  
20             there's a reference to a "Settlement Agreement".  Could  
21             you identify the docket that's being referred to there.

22      A.     (Mason) Yes.  I believe that's coming out of DG 11-040.

23      Q.     And, that was the proceeding where Granite State and  
24             EnergyNorth were acquired from National Grid?

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 A. (Mason) That's correct.

2 Q. Okay. Turn to Page 50. And, it's really Pages 48 to  
3 50, there's some discussion here about a "capital  
4 repairs deduction rate". And, if I look on Page 48, in  
5 the footnote, and it says that the "rate was originally  
6 estimated a 24.7 percent", and it "was updated to  
7 31 percent". Is there -- there's nothing in the filing  
8 showing how that was calculated, the 31 percent was  
9 calculated, is there?

10 A. (Mason) No, there is not.

11 Q. I don't know if you can explain how that was calculated  
12 or if there's any information that can be provided?

13 A. (Mason) The 31 percent capital repairs deduction rate  
14 for 2012 number was supplied to us by National Grid's  
15 Corporate Tax Department. As is indicated in the  
16 footnote, in last year's filing, the capital repairs  
17 deduction was estimated at that 24.7 percent. At that  
18 point in time, National Grid had not filed its return,  
19 and, subsequently, it was changed to 31 percent. I do  
20 not have the background calculation at how they derived  
21 that.

22 Q. Is that something that could be provided?

23 A. (Mason) I believe so, yes.

24 Q. I would just --

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 CHAIRMAN IGNATIUS: Mr. Mullen, are you  
2 seeking that just for information, not as part of this  
3 record, just follow up with the Company outside of the  
4 docket or are you asking for an exhibit?

5 MR. MULLEN: No, I think follow up with  
6 the Company is just fine. It will help for this, for  
7 understanding for future reference as well.

8 CHAIRMAN IGNATIUS: All right. Thank  
9 you.

10 BY MR. MULLEN:

11 Q. I think my final question for the panel is the REP/VMP  
12 Program was extended through the end of 2013 in a  
13 docket earlier this year, is that correct?

14 A. (Brouillard) That is correct.

15 Q. And, I believe there was reference before, this is  
16 switching from a fiscal year to a calendar year basis?

17 A. (Brouillard) That is correct.

18 A. (Carney) Correct.

19 A. (Brouillard) It switches to a calendar year.

20 Q. So, with the current base distribution rate proceeding  
21 of DE 13-063, the continuation of the program and  
22 components and details and all that will be further  
23 explored in DE 13-063?

24 A. (Brouillard) That would be my understanding.

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 MR. MULLEN: Thank you. I have nothing  
2 further.

3 CHAIRMAN IGNATIUS: Thank you. Ms.  
4 Amidon, anything else?

5 MS. AMIDON: No. Thank you.

6 CHAIRMAN IGNATIUS: All right.  
7 Commissioner Harrington, questions?

8 CMSR. HARRINGTON: Yes, I have a few  
9 questions.

10 BY CMSR. HARRINGTON:

11 Q. I'm trying to get the numbers straight here. So,  
12 without getting too detailed, Ms. Mason, you said that  
13 there was going to be, I think, a 33 cents or 0.4  
14 percent increase for a typical residential ratepayer  
15 using the 676 megawatt-hours.

16 A. (Mason) Kilowatt-hours.

17 Q. Kilowatt-hours, I'm sorry. I've been dealing with  
18 regional issues a lot. And, then, you gave a whole  
19 mess of other figures and so forth, which totally got  
20 me confused as to what is what. But then you said, the  
21 combined, it came out to "\$371,284." Does that match  
22 the 0.4 percent?

23 A. (Mason) Yes, it does.

24 Q. Okay. So, the 0.4 percent covers all those various

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 numbers you mentioned?

2 A. (Mason) It does. It does.

3 Q. Okay. Just so I get that straight. A couple of other  
4 questions. And, this could be for whoever is  
5 appropriate to answer. On Bates Page 26, in the  
6 testimony, it says the Settlement Agreement, basically,  
7 the goal is "to bring the Company back to the  
8 historical reliability performance levels that existed  
9 prior to 2005, with the goal of meeting those  
10 historical performance levels by 2013." So, in the  
11 various places in here where there's charts and graphs  
12 and figures, when you say "the goal", is the goal  
13 always what existed in 2005?

14 A. (Brouillard) The goal was to reach the 2005 levels of a  
15 SAIFI of 1.8 and a SAIDI of 126 minutes. So, that is  
16 correct. In the charts that are depicted, there is a  
17 goal line, a goal target line that's depicted in those  
18 charts.

19 Q. And, when you say -- when this says "2013", does that  
20 mean "December 31st"? Or, what time in 2013?

21 A. (Brouillard) There were two charts there, the fiscal  
22 year and a calendar year chart.

23 Q. Uh-huh.

24 A. (Brouillard) So, accordingly, you know, the calendar

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 year would apply to the reliability indices January  
2 through December of this year, and then the fiscal  
3 year, of course, runs through March.

4 Q. And, it sounded like you were saying you were on  
5 target, is that correct, that you're on target for  
6 meeting those goals by the end of 2013?

7 A. (Brouillard) We are currently on target for the  
8 calendar year 2013 goals, if you'll permit me to --

9 (Witness Brouillard knocking on the  
10 table.)

11 BY CMSR. HARRINGTON:

12 Q. Okay. And, just a couple of other quick questions. It  
13 was mentioned a couple of times about that the traffic  
14 control expenses exceeded anticipated levels. And, is  
15 this something that you -- is kind of a one-time  
16 quantum increase that you'll be able to cover in the  
17 future? Or, do we expect to see similar things in the  
18 next year or the year after?

19 A. (Carney) Traffic control continues to be probably the  
20 largest unknown in a line clearance trimming budget.  
21 And, the year just ended, which this report covers.  
22 And, typically, the reason has been the extreme use of  
23 police details in the Salem/Pelham area, where you  
24 can't really do any work without a police detail, and,

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1 in some cases, it's two details.

2 This year was a little bit different.

3 We only had seven miles of work that required partial  
4 police details in Salem. And, then, the remainder of  
5 the work was up north, where it's fairly rural. We  
6 just staffed more tree crews on the circuits to  
7 actually meet the work plan. All of those tree crews  
8 required traffic control, therefore, and we have no way  
9 of knowing to any great degree just exactly where the  
10 rules and regulations are going to require them to have  
11 traffic control. They know that best. We don't  
12 dictate that practice to them.

13 Q. Excuse me, who is "they"?

14 A. (Carney) Meaning "Asplundh Tree Expert", our tree  
15 trimming contractors.

16 Q. Okay.

17 A. (Carney) So, there was an increased need for traffic  
18 control to go along with the increased number of crews.

19 Q. So, some places, like Salem and Pelham, the City  
20 requires that you hire police officers?

21 A. (Carney) Yes.

22 Q. I would assume at a much higher rate than a flagger?

23 A. (Carney) Yes. Yes.

24 Q. And, then, other places, the towns require you to use a

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 flagger and some places there's no requirement?

2 A. (Carney) Well, the towns in the Lebanon and Charlestown  
3 district do not require us to use uniformed police  
4 officers, with or without police cruisers. So, the  
5 practice has been to use third party traffic control  
6 vendors. And, their rate per hour can be as much as  
7 50 percent less than a uniformed police officer down  
8 south. So, it's just based on volume.

9 Q. Okay.

10 A. (Carney) The more hourly traffic control personnel you  
11 have, it's going to add up incrementally.

12 Q. And, I'm assuming the reason then that they require the  
13 police details and the cruisers is because they can  
14 require that?

15 A. (Carney) Correct. That's a fair statement.

16 Q. Yes. The "right tree right place" am I understanding  
17 that correct, you remove a tree that's closer to the  
18 power lines, and then planted another one to make up  
19 for it that's farther away? Is that what that --

20 A. (Carney) "right tree right place" tree replacements  
21 basically is the concept of, in many areas, whether it  
22 be suburban, where there's been plant material  
23 introduced into the landscape, which may not be  
24 appropriate to grow in the utility space, meaning in

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1 close proximity or --

2 Q. When you say "introduced", you mean "somebody planted  
3 it"?

4 A. (Carney) Somebody planted it. Okay. Versus a tree  
5 that basically has grown naturally for one hundred plus  
6 years. If we have issues where, based on risk  
7 assessment or a clearance in general, and we would  
8 advocate to a property owner we would like to remove  
9 that tree for reliability, but we will gladly replace  
10 it with a "right tree right place" replacement, --

11 Q. Okay.

12 A. (Carney) -- if it has to be in the utility space. So,  
13 we want to make sure we put something back that only  
14 grows 15 feet tall, and doesn't have a crown spread of  
15 80 feet, and is close to the conductors.

16 Q. Okay. I got a little confused, when you were talking  
17 about correcting the -- I guess it was correcting the  
18 statement about the major storms, and somehow it wasn't  
19 covered, I didn't quite follow that. And, it was on  
20 Pages 8 through 12 -- or 11, and more clarifying that  
21 major storms weren't included or something to that  
22 effect. And, I look at the charts, and it talks about  
23 "Major Storm Criterion". So, could you give us a  
24 little more information on that?

[WITNESS PANEL: Mason~Brouillard~Carney]

1 A. (Brouillard) Yes. There was a request made at the last  
2 year's hearing that the Company be a little clearer in  
3 the report that it prepares regarding whether the data  
4 includes or does not include major storms. So, in  
5 hindsight, the Company would have put a footnote on --  
6 either on Sections -- Section 3, at the bottom of Bates  
7 Page 8, or -- and/or on the subsequent tables and  
8 charts, which would have indicated that the data  
9 presented excludes major storms under either the PUC or  
10 the IEEE criteria. So, it was the Company's feeling  
11 that we could have been clearer in that regard in this  
12 report, hence the correction. Going forward, the  
13 Company will make a clear footnote in that regard in  
14 subsequent reports.

15 Q. Well, may I suggest, like on Table 5, where it says  
16 "Major Storm Criteria", and then you have some data,  
17 but the data doesn't refer to include major storms?

18 A. (Brouillard) That is correct. The data excludes major  
19 storms.

20 Q. Then, maybe, more than a footnote, you ought to get rid  
21 of the term "Major Storm", if that's not what you're  
22 talking about.

23 A. (Brouillard) Okay.

24 Q. I mean, it's kind of -- that's kind of difficult to

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 follow. And, that would apply to Table 6 as well, I  
2 would assume?

3 A. (Brouillard) That is correct.

4 Q. Okay. And, the numbers here, where you talk about, on  
5 Page 10, says "However, the 140.1 minutes for", I guess  
6 you pronounce that "SAIDI exceeded the goal of 126."  
7 The goal of 126, again, is from that previous thing we  
8 discussed of the performance from whatever it was,  
9 2005?

10 A. (Brouillard) Yes, that is correct.

11 Q. Okay. And the "141.1", I'm assuming that's referring  
12 to calendar year 2012. Okay, so, that's just a rounded  
13 off version of what's over there. That's what it's  
14 referring back to, on Table 5?

15 A. (Brouillard) Yes. That is correct.

16 Q. Okay. And, the -- now, you list the "IEEE Major  
17 Events", which is, I assume, a national standard. And,  
18 it would appear that the goal you set is quite a bit  
19 higher than that, is that correct? Or "better" I guess  
20 is a better word, because if you use "higher" or  
21 "lower", it doesn't really work here, does it? But  
22 it's better than that?

23 A. (Brouillard) Correct.

24 Q. Okay. And, that's just part of that original

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1 Settlement Agreement?

2 A. (Brouillard) That was part of the original Settlement  
3 Agreement, yes.

4 Q. Okay. Is there any thought on the Company to revisit  
5 that and to, rather than try to maintain this much  
6 lower standard, to go with the IEEE standards?

7 A. (Brouillard) The Company would, you know, certainly  
8 entertain, you know, revisiting of the targets, and  
9 presumably we could do so as part of another  
10 proceeding. At the moment, this is what was, you know,  
11 of course, what was agreed to and this is what we  
12 presented on.

13 Q. Okay. And, just a couple other ones. There was, and,  
14 again, I was trying -- it was difficult to follow some  
15 of these numbers, but there was a negative REP/VMP  
16 Adjustment Factor. Can you explain what that is?

17 A. (Mason) Certainly. So, as part of the reconciliation  
18 process, we determine a REP/VMP Adjustment Factor every  
19 year, based on kilowatt-hours. And, that's reflected  
20 on our Page 84 of our tariff pages that get filed with  
21 the Commission. And, it's one of the factors that  
22 makes up the distribution charge that is applied to the  
23 customers.

24 Q. No, I wonder if you can just explain in words what it

[WITNESS PANEL: Mason~Brouillard~Carney]

1 means?

2 A. (Mason) Okay. Give me a moment.

3 MR. MULLEN: Commissioner, if it would  
4 help, could I jump in with a couple of questions?

5 CMSR. HARRINGTON: Sure.

6 WITNESS MASON: I apologize.

7 BY MR. MULLEN:

8 Q. If you turn to Page 75, and this shows the calculation  
9 of the negative adjustment factor?

10 A. (Mason) It does.

11 Q. Okay.

12 A. (Mason) Thank you.

13 Q. Line (1), I think, to address Commissioner Harrington's  
14 questions, I think if you just kind of explain what the  
15 components are and how you get there, that might be the  
16 way to address it.

17 A. (Mason) Okay. So, if I can please have you turn to  
18 Bates Page 75. And, this ties back to the testimony  
19 that's in front of you today. So, Line (1) is the O&M  
20 Expense below the Base O&M expense that's allowed.  
21 That's basically for veg. management tree trimming, and  
22 that was a negative \$52,081.

23 Q. Excuse me, that base was an amount set in the  
24 Settlement Agreement in 06-107?

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 A. (Mason) Yes, it was. The base was \$1,360,000.

2 Q. So, if you spent less than that, there's a negative  
3 adjustment?

4 A. (Mason) That's correct.

5 Q. Okay.

6 A. (Mason) Thank you. Then, on the second line, there's a  
7 calculation that takes place, which is the final  
8 balance of the reconciliation of recovery for fiscal  
9 year 2011, which is an incremental O&M expense below  
10 the base. So, that's a negative \$47,994 calculation,  
11 which comes off of Schedule CGM-3, Page 1. On Line  
12 (3), the "Reliability Enhancement Plan Program and VMP  
13 Plan Expense", is the 100,000.

14 BY CMSR. HARRINGTON:

15 Q. Which is the total of the two above?

16 A. (Mason) Which is the total of two. Then, the next line  
17 you calculate what the estimated interest during the  
18 recovery period is going to be, fiscal year 2014,  
19 you're looking forward, how much is the carrying  
20 charges going to be to the customer. And, that is  
21 calculated on Page 4. And, in this case, it's a  
22 negative \$2,435, because it's a credit, it's a  
23 negative. Line (5), again, is simply a calculation,  
24 which is Line (3), the Reliability Enhancement Program

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 expense, plus the interest, is equal to the negative  
2 102,509. Which is then divided by the estimated  
3 kilowatt-hours or deliveries of 936,834,153, and that  
4 equals then the adjustment factor for the current year.

5 Q. So, in a nutshell, it's what you were authorized, the  
6 amount you spent, the difference between what you  
7 actually spent and what was authorized, prorated over  
8 the amount of kilowatt-hours you delivered?

9 A. (Mason) That's a much nicer way of saying it. Thank  
10 you.

11 Q. All right. Thank you. One final question. Since this  
12 was a program that's gone on for a few years, and since  
13 you're on target to meet your goal at the end of 2013,  
14 I would assume maintaining that goal would be less  
15 expensive and less rigorous than simply -- than driving  
16 down to meet it. So, should we expect a leveling off  
17 of expenses after 2013, or costs associated with this  
18 program?

19 A. (Brouillard) The Company, I guess, is -- we are looking  
20 at both, as you said, maintaining our present position,  
21 but also seeking out opportunities, beneficial  
22 opportunities to the customer, where it is economic to  
23 improve reliability. So, we would submit that there  
24 might be some initiatives, such as what we proposed in

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[WITNESS PANEL: Mason~Brouillard~Carney]

1       this stub year for bare conductor replacement, that  
2       have some noteworthy benefits, with regards to not only  
3       the maintenance, but the economic improvement of  
4       reliability. And, we would propose initiatives such as  
5       that be included going forward. The magnitude of those  
6       investments would remain to and be determined, you  
7       know, through Staff and through the Commission support.

8                   CMSR. HARRINGTON: All right. Thank  
9       you. That's all the questions I had.

10                  CHAIRMAN IGNATIUS: I have just a couple  
11       more.

12       BY CHAIRMAN IGNATIUS:

13       Q.     Let's look at the two performance charts on Pages 10  
14             and 12. And, the one on Page 10 is a calendar year  
15             basis and the one on Page 12 is a fiscal year basis,  
16             right?

17       A.     (Brouillard) That is correct.

18       Q.     I have a hard time following the lines and figuring out  
19             which line is which, even though you've got them marked  
20             off there. So, looking at the chart on Page 12, the  
21             fiscal year chart, you are just at the target on which  
22             of your metrics?

23       A.     (Brouillard) For the year 2013, we are just at the  
24             target for the -- for the SAIFI metric, which is 1. --

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 right around 1.8. And, likewise, similar -- well,  
2 that's -- I have to be careful here. That's the fiscal  
3 year target that I was reading from. So, that's  
4 already -- those numbers are already in, which is why  
5 it's 1.81. If --

6 Q. So, hold on. So, it's the SAIFI measurement that  
7 you're just -- the 2013 figure is just meeting the  
8 target, correct?

9 A. (Brouillard) That's correct. And, we just -- if you  
10 recall, we just missed the -- just missed that by 100th  
11 of a measurement point.

12 Q. And, the SAIDI target is just above a bit of the  
13 target, correct?

14 A. (Brouillard) Right. We're at 100 -- presently, we're  
15 at 100 -- the target is 126, and we're, you know, we're  
16 currently, you know, we came in above that, above that  
17 target this year. If we look -- oh, I'm sorry.

18 Q. Well, why -- still sticking with that chart on Page 12,  
19 why is it that 2012 to '13 you see an uptick in both of  
20 the measurements?

21 A. (Brouillard) Because, in 2012, we did meet the SAIFI  
22 and the SAIDI targets, and we did, you know, meeting  
23 the goals. Then, as we mentioned, in 2013, we narrowly  
24 missed the SAIFI target and did miss the SAIDI target.

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 Q. All right. But why? Why did that occur, that you were  
2 right on target, and then it has climbed up, kind of  
3 jumped in both of them for 2013?

4 A. (Brouillard) Oh, I understand. Yes, there is -- there  
5 is variability year to year, in terms of weather  
6 patterns, rain patterns, lightning, you know, and other  
7 outages that are related to a number of other causes,  
8 ranging from, you know, animals, trees, or even  
9 transmission outages that are outside the Company's  
10 control. So, taking into account the variability, we  
11 would expect there to be some year to year, you know,  
12 variability in the indices. We like to look at the  
13 overall trend. And, we also believe that there's value  
14 looking at the five year trend in reliability indices.  
15 That tends to damper out any year-to-year variability  
16 due to other, you know, other factors.

17 Q. Well, let's not get off it quite so quickly. I want to  
18 explore that a little further. You've been on a  
19 tremendously positive drop in the numbers from 2005 and  
20 down. And, it's been not an absolute smooth line, but  
21 pretty close. And, when there have been upticks, they  
22 haven't been that significant year to year, until you  
23 get to 2012, and then the -- again, I have a hard time  
24 reading these, again, the SAIDI, is it, makes a very

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1 sharp increase? Or, do I have it wrong? Or SAIFI? I  
2 have trouble finding which line is which. They all  
3 cross into me. But -- so, what was going on -- I  
4 understand you always have some variation, but those  
5 look like bigger -- bigger deviations than you've had  
6 in other years.

7 A. (Brouillard) Okay. And, I'd point to a couple of  
8 factors here. Being a relatively small company, it  
9 doesn't take much to swing a reliability indice one way  
10 or another. So, one of the examples I gave was the  
11 Y151 outage to the Pelham substation, which resulted in  
12 approximately a six minute movement of our reliability  
13 indice just for that event itself. So, there's an  
14 example of an incident that can easily have a  
15 noticeable effect on the reliability indice of a small  
16 company.

17 I'd also point to the fact that, you  
18 know, the way the -- you know, the way the scales are,  
19 it's there to -- the scales are presented for the very  
20 reason, to be able to depict small variations in  
21 reliability, you know, perhaps to the detriment of the  
22 reader, and it does indeed accentuate any small  
23 deviations. And, then, if you look at the, you know,  
24 at the frequency scale, it's not a zero based scale, it

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 starts at 0.5, and the minutes start at 50. So,  
2 there's a little bit of an accentuation of indice  
3 impact there.

4 Q. Do you always run it on both a calendar and a fiscal  
5 year basis, or is this because of your transition?

6 A. (Brouillard) We have historically, and we preserved  
7 that viewpoint during this transition. The Company  
8 would propose that at this point going forward, as  
9 we're on -- as we're moving towards a calendar year  
10 base company, that we, you know, we abandon the fiscal  
11 year viewpoint going forward. The reliability program  
12 for this year is a stub year program that goes through  
13 December 31st of this calendar year. So, that would  
14 afford us an opportunity to move to reliability  
15 reporting on a calendar year basis.

16 Q. Will it make, by going just to a calendar year report,  
17 will it make it any easier or more difficult to align  
18 the costs, the investments, with the measurements?

19 A. (Brouillard) It will definitely make it more easier to  
20 align costs, benefits, and results. And, we would  
21 welcome the opportunity to do so.

22 Q. Tell me why. If you go to -- I guess I'm not  
23 following. If your fiscal -- is the fiscal year  
24 remaining the April through --

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 A. (Brouillard) Well, the fiscal year is a legacy of  
2 National Grid's April 1 through March 31st fiscal year,  
3 and the presentation of reliability data on a fiscal  
4 year basis is also a legacy element of the National  
5 Grid Settlement Agreement. So, by doing away with, you  
6 know, with the fiscal year view, and just constraining  
7 both the costs, results, and the reliability view on a  
8 calendar year basis, it will just make discussion of  
9 the material much more straightforward.

10 Q. But Liberty's fiscal year will still be an April 1 --

11 A. (Brouillard) No. No, Liberty's fiscal year will --  
12 runs from January 1 through December 31st.

13 Q. Good. That makes sense then. You also have two cycles  
14 for trimming you described, and that they both follow  
15 cycles, but they may not be the same cycles. So, can  
16 you explain why a right-of-way trimming cycle would be  
17 different than the other cycle? I assume everything  
18 you're trimming has something to do with a  
19 right-of-way, but maybe not.

20 A. (Carney) The difference really is, on roadside  
21 distribution, the trees are in so much closer proximity  
22 to overhead conductors, because you're streetside. In  
23 a right-of-way, you're in an environment that's a very  
24 wide corridor that's been cleared and kept free of

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[WITNESS PANEL: Mason~Brouillard~Carney]

1       vegetation on the floor. So, the trees are so much  
2       further back from the conductors. Therefore, they're  
3       not really going to grow in to the conductors on a  
4       right-of-way. So, you can have a longer trim cycle on  
5       some rights-of-way, depending upon where they are in  
6       our distribution system. And, at that point, it  
7       becomes more of a "hazard tree" risk abatement program  
8       than it actually is a "pruning for clearance" type of  
9       operation. So, that's really the difference between  
10      the two.

11   Q.   So, will some areas have one trimming approach versus  
12       the other or will -- or will all areas be scrutinized  
13       for both kinds of trimming and different crews and  
14       different cycles they're working on?

15   A.   (Carney) They're maintained as two programs within the  
16       overall program. They each have their own separate set  
17       of clearance specifications and vendor requirements for  
18       actually executing the work.

19   Q.   So, for each mile of your distribution system, are you  
20       having to run two separate programs?

21   A.   (Carney) Yes.

22   Q.   And, that makes sense because why?

23   A.   (Carney) Well, a lot of it has to do with the legacy  
24       scheduling of National Grid, in terms of their

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 right-of-way sub-transmission transmission lines being  
2 on a calendar year basis. And, the concept was, the  
3 year -- there are two programs: Side trimming and tree  
4 removal and herbicide treatment to the floor.

5 Typically, National Grid worked on a calendar year,  
6 because that's how they got their permits for that  
7 work. So, they did all their work, even though -- they  
8 did all their work within a calendar year. First, they  
9 did the side trimming work, and then the following  
10 calendar year they treated the floor. The 850 some odd  
11 miles of Liberty roadside overhead wires, which is on a  
12 five year cycle, with a different set of clearance  
13 specifications, basically addresses the trimming and  
14 tree removal on roughly 170 some odd miles per year.  
15 With much more regularity, again, simply because of the  
16 proximity of the trees to the conductors. There may  
17 be, in fact, cases on -- in a right-of-way environment,  
18 where you may actually be able to skip a cycle for side  
19 trimming, hazard trees notwithstanding.

20 So, for example, this year we're doing,  
21 in this stub year, 130 some odd roadside miles under  
22 the distribution trimming program, and we're doing  
23 roughly three and a half to four miles of 23 kV  
24 sub-transmission in the Salem district. But there's no

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 floor work scheduled in the current fiscal year. So,  
2 the sub-transmission schedule kind of, you know, goes  
3 back and forth, depending upon when it's up in its  
4 rotation and what actually needs to be done.

5 Q. All right. One other area I wanted to ask about is  
6 something that Mr. Mullen was questioning, I think,  
7 Mr. Brouillard about. Some of the expenses that the  
8 Company has incurred have not yet made it into the  
9 recognized costs for recovery for this adjustment,  
10 correct?

11 A. (Brouillard) That is correct, in that they have not  
12 been progressed yet to plant in service 101 Account.

13 Q. Do we expect then, for next year, there will be a  
14 significant increase to pick up those expenses that we  
15 know have already occurred, they just haven't worked  
16 their way through the process to be in this adjustment?

17 A. (Brouillard) That is possible. Any -- that would also  
18 -- could be possibly offset by any capital  
19 expenditures/investments that are made in the fourth  
20 quarter of this calendar year, which would be --  
21 subsequently be toggled to plant in service during the  
22 next calendar year. So, there's -- year to year,  
23 there's typically some offset of expenses that carry  
24 over from one fiscal year to another. The Company does

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 look to limit that going forward, due to the -- due to  
2 the scheduling of work earlier in the year, so we can,  
3 you know, we can limit this effect going forward.

4 Q. Do you think switching to a calendar year basis will  
5 have any impact, good or bad, on the timing program?

6 A. (Brouillard) It will afford us an opportunity to, you  
7 know, to limit that effect. And, I think it's a good  
8 -- you know, the fact that we're moving from a fiscal  
9 year to a calendar year, it just gives us another  
10 opportunity to improve the process. And, in the  
11 winter, in that regard, we -- there isn't as much  
12 construction activity as in the summer. So, the  
13 construction would be considered to be winding down  
14 somewhat as we're into the winter season. So, again,  
15 another reason that we have an opportunity before us.

16 CHAIRMAN IGNATIUS: All right. That's  
17 helpful. Thank you.

18 CMSR. HARRINGTON: Just one  
19 clarification.

20 CHAIRMAN IGNATIUS: Commissioner  
21 Harrington.

22 BY CMSR. HARRINGTON:

23 Q. On the trimming issue, just to let me get this clear.  
24 What you were referring to is you have two separate

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 programs, but they're not both used on the same types  
2 of lines?

3 A. (Carney) Correct.

4 Q. Okay. You have your right-of-way, pick up your lines,  
5 sub-transmission running through the woods, where you  
6 have a fairly wide clearing. And, you do side cutting  
7 on that, herbicide treatment on the floor periodically.  
8 And, then, you have a separate program that you don't  
9 use there, but you use on roadside distribution  
10 systems, because the trees tend to be a lot closer to  
11 the wires there?

12 A. (Carney) That's correct. That's the one that most of  
13 our customers see on the street every day of the year.

14 CMSR. HARRINGTON: Thank you.

15 CHAIRMAN IGNATIUS: Thank you. I had  
16 misunderstood those. So, thank you. Any redirect?

17 MS. KNOWLTON: I have just a few  
18 questions for Mr. Brouillard.

19 **REDIRECT EXAMINATION**

20 BY MS. KNOWLTON:

21 Q. Mr. Brouillard, we're not here today to put on the rate  
22 case, DE 13-063. But, in that case, did the Company  
23 make any proposals with regard to how performance is  
24 calculated with regard to any transmission losses that

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 might occur? I'm not sure if you recall that or not.

2 A. (Brouillard) With respect to reliability?

3 Q. That's correct. I'm sorry. Reliability.

4 A. (Brouillard) Yes. Okay. I believe that the Company  
5 proposed to report on transmission-related reliability  
6 outages. That is, those outages that are attributed to  
7 facilities owned by others as a -- as a separate  
8 element of the Company's overall reliability reporting.

9 Q. And, that's an issue that will be taken up and  
10 discussing in the rate case?

11 A. (Brouillard) I would presume so, yes.

12 Q. And, with regard to the fiscal year '13 performance,  
13 was part of the uptick related to any events that  
14 occurred on the 1L1?

15 A. (Brouillard) Yes. We had a -- I'm assuming you mean  
16 "to date FY". Do you mean "calendar year to date" or  
17 are you referring to "fiscal year to date"?

18 Q. I'm referring to the fiscal year.

19 A. (Brouillard) Yes. There was an event on the 1L1  
20 feeder, which also had an impact on the supply to the  
21 Enfield substation.

22 Q. And, is there anything that the Company is undertaking  
23 now to improve performance in the Enfield area?

24 A. (Brouillard) That is correct. We are presently moving

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[WITNESS PANEL: Mason~Brouillard~Carney]

1 from engineering and design, through permitting and  
2 construction, a second supply to the Enfield  
3 substation. Which, when completed, will provide us  
4 with that second supply into Enfield, with some  
5 automatic throw-over between the two supply circuits.  
6 Both of the circuits will be on a right-of-way that's,  
7 for the most part, protected from the effects of  
8 vehicular traffic, which is another added -- another  
9 added plus.

10 Q. And, just for purposes of clarification, we've got the  
11 display of the data in the calendar year versus the  
12 fiscal year format. The Settlement Agreement in DG  
13 06-107, which created that five year plan, and referred  
14 to the 2005 performance levels, the end date for  
15 measuring is the end of the fiscal year 2013, correct?

16 A. (Brouillard) That is correct.

17 MS. KNOWLTON: Thank you. I have  
18 nothing further for the witnesses.

19 CHAIRMAN IGNATIUS: Thank you. Then,  
20 you're excused. Thank you very much for your testimony.

21 Is there anything else to take up before  
22 striking identification and moving to closings?

23 (No verbal response)

24 CHAIRMAN IGNATIUS: If not, is there any

[WITNESS PANEL: Mason~Brouillard~Carney]

1 objection to striking the identification of 1 and 2, and  
2 remind ourselves that there is a reserved Exhibit 3, which  
3 would be the summary of the calculations?

4 MS. KNOWLTON: No.

5 CHAIRMAN IGNATIUS: Seeing none, we'll  
6 strike the identification. The target date for receipt of  
7 that summary calculation, how quickly could you get that  
8 in?

9 WITNESS MASON: Today.

10 MS. KNOWLTON: Well, you can do your  
11 part today, your counsel is going to be at another hearing  
12 this afternoon. So, either today or Monday, if that's  
13 acceptable. If you want to submit it without me, that's  
14 fine.

15 CHAIRMAN IGNATIUS: So, I think close of  
16 business Monday will be fine, thank you. I know we're on  
17 a fast track, but, between Friday and Monday, it shouldn't  
18 be a problem. All right.

19 Then, let's -- anything else other than  
20 closings?

21 MS. AMIDON: No.

22 CHAIRMAN IGNATIUS: All right. Then,  
23 why don't we first, Ms. Amidon, any closing comments?

24 MS. AMIDON: Yes. Subject to Staff's

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1 review of the record request, which is marked for  
2 identification as Exhibit 3, Staff supports the filing.  
3 And, Staff will be reviewing the program and related  
4 reliability issues in the context of the permanent rate  
5 case, which has been referenced, DE 13-063. Thank you.

6 CHAIRMAN IGNATIUS: All right. Thank  
7 you. Ms. Knowlton.

8 MS. KNOWLTON: Thank you. First, I just  
9 would like to indicate that, you know, certainly, this is  
10 our filing, it is Liberty Utilities now that owns Granite  
11 State Electric Company. And, I think we will look to make  
12 changes to this filing as we go forward. It is ours, and,  
13 you know, we want to put it together in a way that's  
14 generally consistent with how you've seen it in the past.  
15 But I think there are some opportunities that have been  
16 demonstrated today to provide a filing that is more clear  
17 to the Commission and to its Staff about how, you know,  
18 how the rates are calculated and the performance. And,  
19 so, we will definitely put our eye on that for the next  
20 filing.

21 With regard to the activities that were  
22 conducted in this FY 2013 Program, those activities were  
23 consistent with the dictates of the Reliability  
24 Enhancement Plan and the Veg. Management activities that

1       were set forth in DG 1 -- excuse me -- 06-107. And, thus,  
2       you know, believe those activities that were conducted and  
3       funded were appropriate. The rates that are being  
4       proposed today are just and reasonable. They're  
5       recovering the costs associated with those activities,  
6       which fall within the scope of that Settlement Agreement.

7               So, with that, I would ask that the  
8       Commission approve the rates as effective on July 1st.  
9       And, thank everyone for their time today.

10              CHAIRMAN IGNATIUS: Thank you. We know  
11       you have a July 1 date. We will take all this under  
12       advisement and issue an order that makes that work. And,  
13       I appreciate your time this morning. We're adjourned.

14                      **(Whereupon the hearing ended at 11:37**  
15                      **a.m.)**