

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

DE 19-064
Distribution Service Rate Case
2019 Step Adjustment

Staff Data Requests - Set 1

Date Request Received: 5/14/20
Request No. Staff 1-6

Date of Response: 5/29/20
Respondent: Douglas Dorn

REQUEST:

Re: 2019 Step Adjustment Attachment 5; Project #8830-1929 Walk-in Center Relocation. Based on the spreadsheet detail at 1, the project was over budget by an additional \$267,737. Please provide the following information for this project:

- a. Explain the necessity of having a walk-in center in Salem. Why is the Londonderry location not sufficient for serving this portion of Liberty's service area given that Londonderry is approximately 20 minutes away from Salem?
- b. Does Liberty have a walk-in center in its Lebanon office or the Lebanon area? If yes, is the Lebanon office experiencing the same conditions in terms of available space, customer traffic, and customer safety issues as Salem? Does Liberty rent or own the location in Lebanon? If renting, what is the annual rental expense?
- c. Does the Company have a walk-in center located in the Charlestown/Walpole area? If no, why does Liberty believe that there needs to be a walk-in center in Salem if there are no walk-in centers serving the Upper Valley or Walpole area? If yes, does Liberty rent or own this location? If renting, what is the annual rental expense?
- d. Does Liberty own or rent the new walk-in center in Salem? If renting, what is the annual rental expense? If Liberty owns the new walk-in center, what was the purchase price? Please explain the Company's decision whether to rent or purchase the new location.
- e. What factors were considered by Liberty that resulted in Liberty choosing the new location for the walk-in center? How many other locations did Liberty consider and why were they taken out of consideration? If no other locations were considered, why not?
- f. Explain and account for the increase in Contractor's costs referenced at 9 of the Change Order Form in the amount of \$267,737.
- g. Provide the contractor's original estimate.
- h. Explain the necessity for the conference room build out associated with the design change.
- i. Provide a list of the assets that were removed from the Salem office and relocated to the new location as referenced at 6.

- j. Provide copies of all work orders associated with this project including #301929-04001 and #301929-04002.

RESPONSE:

- a. The Salem office always had a walk-in center located at 9 Lowell Road. We relocated it for several reasons, including employee and customer safety. Specifically, the setup of the driveway and parking area at 9 Lowell Road provided that too many customers were driving in and around the operations center where large vehicles are often moving about. Second, we needed more office space at 9 Lowell Road for growth of the business. Electric Engineering was relocated to Salem from Londonderry in 2017 to accommodate more employees hired in the Londonderry office. Since that move, five new engineering positions were created and there was insufficient space for employees. In addition to the Engineering Department, a new group, Operation Resource Planning was created and this department was also located at 9 Lowell Road. Moving the walk-in center to a new location increased safety for both customers and employees, and also provided additional office space to the Salem operations center.

The Londonderry office and walk-in center is 20 minutes away, and it does not have the resources or parking to handle the increased customer volume if the Salem walk-in center was closed.

It should be noted that the Company's plan to establish walk-in centers was approved by the Commission as part of the Settlement Agreement in Docket No. DG 11-040, and the community locations were discussed with Staff and other parties in that proceeding. *See* DG 11-040 Settlement Agreement at 25 ("The Companies will also have local call centers as well as walk-in customer service centers"); Order No. 25,370 at 32-33 (May 30, 2012) ("The Joint Petition asserted a number of commitments by Liberty to provide high levels of customer service and regulatory responsiveness. Through the terms of the Settlement Agreement, Liberty Energy has reaffirmed those commitments by agreeing to establish and maintain a strong local presence in New Hampshire, with a local president headquartered in New Hampshire and local call centers and walk-in centers for customer convenience").

- b. Yes, Liberty has a Customer walk in center at the Lebanon operations office, a Company-owned facility. The Company is encountering the same issues as at the Salem operations office. The Company will be looking to relocate this center in the future to a similar type of location as was done in Salem.
- c. No, there has never been a walk-in center in the Charlestown/Walpole area. The Salem area is densely populated versus the Charlestown and Walpole areas which are very rural and customers are spread out, making it a poor location for a walk-in center.
- d. Liberty leases space at the 130 Main Street office in Salem. The 2020 annual rent is \$4,139.20 per month and includes additional rent for common areas, maintenance, etc. and taxes. The company chose to lease because the alternative would have been to purchase a large space that was unneeded and too expensive. There are two customer service representatives and one lead customer service representative, one IT employee, one Business Risk and Analysis employee and one Compliance, Quality and Emergency

Management employee located at 130 Main Street. Those same employees were formerly located at 9 Lowell Road.

- e. The Company looked at three locations in Salem: 221 North Broadway, 115 Main Street, and 130 Main Street. Only 130 Main Street suited our needs because either the setting or layout of the other locations did not fit with the needs of the office space.
- f. The changes were to add the office space and a conference room, as provided in the change order form filed in the testimony. ADA requirements also had to be met. In addition, a few construction issues were encountered in the space that were unknown until demolition occurred.
- g. Please see the following list of attachments for the construction:
 - Attachment Staff 1-6.g.1: Contractor original estimate
 - Attachment Staff 1-6.g.2: Contractor Change Order
 - Attachment Staff 1-6.g.3: Invoice
 - Attachment Staff 1-6.g.4: Invoice
 - Attachment Staff 1-6.g.5: Invoice
 - Attachment Staff 1-6.g.6: Invoice for conference room and minor additional items
- h. The office had some additional open space so the Company added a conference room for the employees working at the new location, along with the fact that the Salem office at 9 Lowell Road now has only one conference room; the other conference room at 9 Lowell Road was turned in to a Storm Room only used during restoration efforts. A second conference room in Salem provides all employees access for meetings.
- i. We relocated all pieces of walk in center equipment and mill work to the new location including desks, chairs, millwork, safety glass, printers, and related equipment.
- j. This information has been provided to the PUC Audit Staff for review.