

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

Docket No. DE 22-XXX

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Calendar Year 2021 Storm Fund Report

**DIRECT TESTIMONY
OF
ANTHONY STRABONE
AND
HEATHER M. TEBBETTS**

April 1, 2022



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1 **I. INTRODUCTION AND BACKGROUND**

2 **Q. Mr. Strabone, please state your full name, business address, and position.**

3 A. My name is Anthony Strabone, my business address is 9 Lowell Road, Salem, New
4 Hampshire, and I am employed by Liberty Utilities Service Corp. (“LUSC”). I am the
5 Senior Manager of Electrical Engineering for LUSC and I am responsible for the electric
6 capital work plan for Liberty Utilities (Granite State Electric) Corp. (“Liberty” or the
7 “Company”) whereby I manage engineering and construction resources for capital
8 projects.

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

10 A. I graduated from Merrimack College in 2004 with a Bachelor of Science degree in
11 Electrical Engineering. I received a Master’s of Business Administration from Southern
12 New Hampshire University in 2006. I received a Project Management Professional
13 (PMP) Certification in 2017 from the Project Management Institute. In 2019, I received
14 my license as a Professional Engineer in the State of New Hampshire.

15 **Q. Please describe your professional background.**

16 A. I joined Liberty in November 2014. Prior to my employment at Liberty, I was employed
17 by Public Service Company of New Hampshire (“PSNH”) as a Substation Supervisor in
18 Substation Maintenance from 2010 to 2014. Prior to my position in Substation
19 Maintenance, I was a Substation Engineer in Substation Engineering from 2008 to 2010
20 and an Engineer in the System and Planning Strategy department from 2004 to 2008.

1 **Q. Have you previously testified before the Commission?**

2 A. Yes, on numerous occasions.

3 **Q. Ms. Tebbetts, please state your full name, business address, and position.**

4 A. My name is Heather M. Tebbetts, my business address is 15 Buttrick Road, Londonderry,
5 New Hampshire, and I am employed by LUSC. I am the Manager of Rates and
6 Regulatory Affairs and am responsible for providing rate-related services for Liberty.

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

8 A. I graduated from Franklin Pierce University in 2004 with a Bachelor of Science degree in
9 Finance. I received a Master's of Business Administration from Southern New
10 Hampshire University in 2007.

11 **Q. Please describe your professional background.**

12 A. I joined Liberty in October 2014. Prior to my employment at Liberty, I was employed by
13 PSNH as a Senior Analyst in NH Revenue Requirements from 2010 to 2014. Prior to my
14 position in NH Revenue Requirements, I was a Staff Accountant in PSNH's Property Tax
15 group from 2007 to 2010 and a Customer Service Representative III in PSNH's Customer
16 Service Department from 2004 to 2007.

17 **Q. Have you previously testified before the Commission?**

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

1 **II. PURPOSE OF TESTIMONY**

2 **Q. What is the purpose or your testimony?**

3 A. Liberty is submitting its Calendar Year 2021 Storm Fund Report in compliance with the
4 Settlement Agreement in Docket No. DE 13-063 approved by Order No. 25,638 (Mar.
5 17, 2014). Consistent with the Settlement Agreement, this report: (1) provides a
6 description of three pre-staging weather events experienced in 2021; and (2) details the
7 collections credited to the storm fund.

8 **Q. Please define the requirements for a weather event to be applicable for recovery**
9 **within the Storm Fund.**

10 A. There two ways that a weather event may qualify for recovery from the Storm Fund –
11 either as a pre-staging event or as a major storm. Specific eligibility criteria apply to
12 each category as described below.

13 Every day Liberty receives a weather forecast of an Energy Event Index (“EEI”) for the
14 next ten days from DTN, a weather forecasting company. The EEI provides highly
15 detailed weather forecasts by region and zone for the four Liberty territories in New
16 Hampshire. The forecast from DTN includes all relevant weather metrics needed to
17 determine the severity and location of an imminent storm. The EEI ranks the impact of
18 the storm on a scale from 1 to 5, with 5 being the most severe. DTN uses a probabilistic
19 model to determine the forecasted impact of the storm.

20 Pursuant to the criteria established in Docket No. DE 13-063, pre-staging costs can be
21 recovered through the Storm Fund if the weather event had a “high” (greater than 60%

1 based on the forecast) probability of reaching “Level 3” or stronger, according to the EEI
2 as agreed to in the Settlement Agreement in Docket No. DE 13-063. Hearing Exhibit 9,
3 at 7.

4 The Settlement Agreement in Docket No. DE 13-063 provides:

5 The Company shall be entitled to recover planning and preparation
6 activities in advance of severe weather if the weather forecast for the
7 event shows a Schneider Electric Event Index (“EII”) level of 3 or
8 greater with a high probability of occurrence. The activities for
9 which the Company may seek recovery include prestaging of crews,
10 standby arrangements with external contractors, incremental
11 compensation of employees, and other costs that may be incurred to
12 prepare for a qualifying major storm.

13 Settlement Agreement at 7.

14 For those events that do not meet the criteria for a pre-staging events, they may still be
15 considered a Major Storm eligible for recovery through the Storm Fund if certain other
16 criteria are met. A Major Storm is defined as an event that results in either (a) 15% or
17 more of Liberty’s retail customers being without power in conjunction with more than 30
18 concurrent troubles, or (b) more than 45 concurrent troubles during the event.

19 **Q. Please provide a list of weather events which are the subject of this filing.**

20 A. In this filing, the Company is presenting information supporting the costs for three pre-
21 staged events that occurred from February 1 through July 21, 2021: (1) February 1, 2021,
22 pre-staging Winter Storm Orlena; (2) June 30, 2021, pre-staging Severe Weather Event;
23 and (3) July 21, 2021, pre-staging Severe Weather Event. The Company did not
24 experience any qualifying Major Storms in 2021.

1 **Q. Are there any relevant charges that have been recorded for prior weather events**
2 **that have been previously audited?**

3 A. No.

4 **Q. Please provide a brief history of the Storm Fund.**

5 A. The Company is allowed to defer costs attributable to pre-staging and restoration efforts
6 originating from weather events that meet the criteria mentioned previously. Under the
7 Docket No. DG 06-107 Settlement Agreement, Liberty established the Storm
8 Contingency Fund (“Storm Fund”), with annual funding of \$125,000, for the purpose of
9 covering the incremental costs associated with major weather events. Under the Docket
10 No. DE 13-063 Settlement Agreement, Liberty was authorized to increase the funding
11 level to \$1.5 million annually. The Settlement Agreement also allowed pre-staging
12 events that had a “high” probability of reaching “Level 3” according to the EEI to be
13 eligible for recovery under the Storm Fund.

14 **Q. What weather information does the Company use to make decisions on pre-staging?**

15 A. The Company uses local and national news outlets and DTN, a paid weather forecasting
16 service. Liberty worked with DTN over the last year to upgrade its service to include a
17 Storm Impact Analytics (SIA) model/tool to provide further prediction analysis. Prior to
18 the development of that tool, the Company only received static data provided by the
19 meteorologists each day without any prediction of hazards to our distribution system.
20 The upgrade is associated with weather event modeling through artificial intelligence
21 (AI). The AI provides machine learning applied to outage prediction, meteorologist-
22 enhanced artificial intelligence, and probabilistic outcomes and risk communication.

Modeling hazards have provided greater detail and allowed us to make better, potentially less expensive, decisions on how to respond to the event.

SIA utilizes AI to analyze current weather forecasts and compare it to similar weather events that have impacted the Company's service area and caused system damage and customer outages in the past. It is a predictive analysis tool in addition to our current DTN/ EEI information that determines the most probable system impacts.

III. 2021 STORM FUND ACTIVITY

Q. Please describe the storms the Company is looking to include in the storm fund deferral account for 2021.

A. There were three pre-staged weather events in 2021, described below, the costs for which the Company is requesting to include in its storm deferral account.

Q. Has the Company provided the financial information for each storm in this filing?

A. Yes. Attachments 1 and 2 provide the necessary data related to the costs associated with each storm described below. The total pre-staging and qualifying costs for 2021 are \$704,426.23. Please see the table below for a summary of costs.

Table 1 – Summary of 2021 Costs

Line No.	Description	Total Pre-Staging Costs
1	Payroll charges including payroll overheads for GSE Employees	\$414,059.19
3	Charges from outside companies	\$276,296.32
5	Charges for Materials and Supplies	\$0.00
7	Charges for employee expenses	\$14,070.72
9	<u>Accrual for outside companies</u>	<u>\$0.00</u>
11	Total	\$704,426.23

1 **Q. What is the Company’s primary tool for accounting for storm restoration costs?**

2 A. During the pre-storm planning process for a pending Emergency Response Plan (“ERP”)
3 event, Liberty creates two storm work orders within its financial system to capture costs –
4 one work order to capture costs related to vegetation management and a second work
5 order to capture restoration effort costs. For example, as employees work on restoration
6 efforts, all appropriate work hours are charged to the appropriate work order, which
7 allows for the tracking of storm costs. To capture costs incurred by employees in
8 fulfilling their storm duties, the Company utilizes procurement cards. The purpose of
9 these purchases is to obtain necessary items that are not typically maintained in inventory
10 and are not capital items and they can be used for expenses related to food and lodging
11 where the Company does not have an established purchase order. Receipts for all
12 purchases are required for submission into the Company system.

13 **Q. Are capitalized storm costs excluded from this request for recovery?**

14 A. Yes. During a major weather event, capital costs are incurred in relation to the
15 restoration and/or replacement of equipment damaged by the storm such as poles and
16 transformers. Capital work occurs in two stages of the storm: (1) within the first stage of
17 the storm, in the days immediately following when the Company and its contractors are
18 working to restore power to customers efficiently and safely; and (2) during the non-
19 emergency, post-storm restoration stage, which can last well after the event has passed, as
20 permanent repairs are made to replace temporary repairs made to restore power
21 immediately after the storm. The work is considered capital under utility general
22 accounting rules where a unit of property is either replaced or newly installed. Initially

1 all material and labor are charged to the expense work order to track costs for the event.
2 After the event, all material charges are reviewed and any units of property are moved to
3 a capital work order, along with the associated labor costs. As a result, the costs
4 submitted in this filing for recovery through rates are exclusive of any capitalized costs
5 incurred. All capital costs are reflected within utility plant subject to the ordinary
6 distribution ratemaking process.

7 **Q. Would you please provide an overview of the costs that are included for review in**
8 **this filing, by cost category?**

9 A. Yes. The Company has organized the costs relating to each weather event into the
10 following categories: (1) payroll charges including payroll overheads for employees; (2)
11 charges from outside companies such as line contractors; (3) material and supply costs;
12 (4) procurement card charges and charges for employee expenses; and (5) accruals for
13 outside companies.

14 **Q. Please explain the types of costs incurred for the first category of payroll charges**
15 **including payroll overheads for employees.**

16 A. This category includes any costs of overhead line crews and vegetation management
17 crews working on the overhead system to restore power to customers, and internal
18 employees needed to provide assistance to Operations during the event.

1 **Q. Please explain what charges from outside companies would be charged to these**
2 **events.**

3 A. Professional line contractors and service crews are included in this category and are
4 procured to work on the Liberty system during these events. They may include electrical
5 contractors and/or mutual aid from other utilities.

6 **Q. What types of materials and supplies are charged to the storm?**

7 A. As stated previously, any equipment that is installed/replaced due to storm damage is
8 included in this category.

9 **Q. What items are included in procurement card charges and employee expense?**

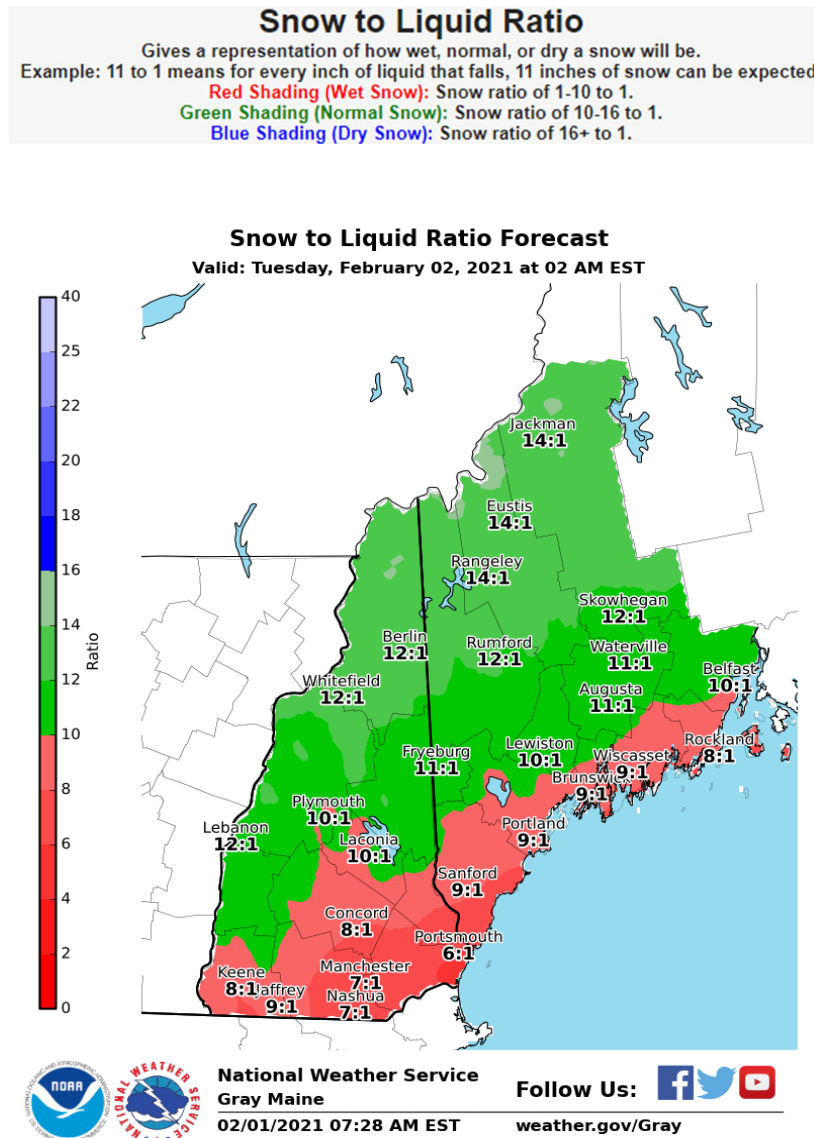
10 A. Most of the charges on the procurement cards are for meals as not all restaurants have
11 purchase orders with Liberty. Employee expenses may be mileage for employees that do
12 not report to the work center as part of their daily employment.

13 **A. February 1, 2021, Winter Storm Orlena – Pre-staged Event**

14 **Q. Please describe the storm forecast for this event.**

15 A. On Friday, January 29, 2021, DTN and other weather services began forecasting the
16 potential for a significant snowstorm around February 1 in the Company's territory. As
17 such, the Company received an Energy Event Index (EEI) level 3 with high confidence
18 on the morning of February 1, 2021, as shown in Attachment 3. The storm was expected
19 to start to affect the region between 11:00 a.m. Monday through 12:00 a.m. on
20 Wednesday, February 3, with the highest snowfall expected Monday night through

Tuesday morning in the Salem/Pelham area. The forecast predicted that the snow would have some wet properties and thus the Company prepared for the possibility of outages.



Q. What preparations did the Company make in anticipation of a major restoration event?

A. The Company implemented its Incident Command Structure and mobilized its internal crews and contractor crews, along with contractor tree crews. Customer Service staffed

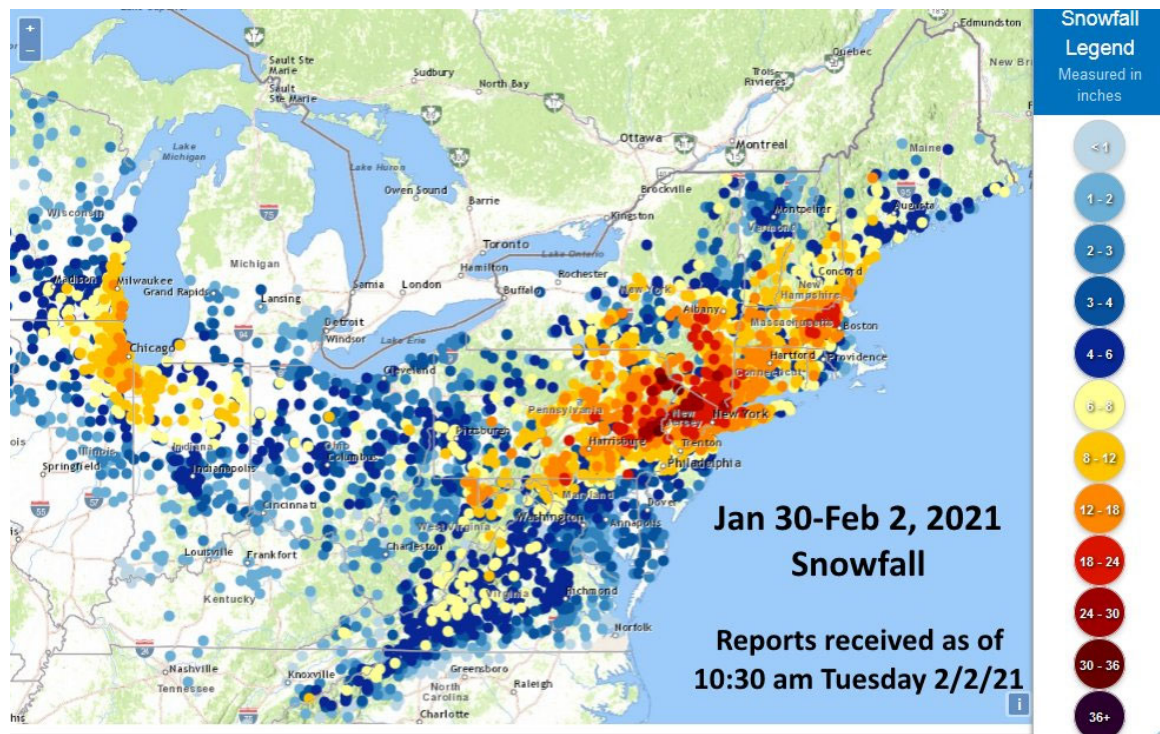
its contact center with customer service representatives in staggered shifts into the evening until the end of the event. Damage assessors and wires down guards were contacted for availability and the Company remotely opened the municipal room to provide assistance to towns inquiring about preparations.

Q. Did the Company experience outages during this event?

A. No. The snowfall consistency was mostly normal to dry and the system did not take on any outages.

Q. What was the final snowfall totals?

A. The final totals in southern New Hampshire topped 18 inches. The figure below from the National Weather Service provides a snapshot of snow totals.



Q. Does this storm qualify for recovery for pre-staging costs?

A. Yes, because the predicted storm had an EEI level 3 with high confidence.

Q. What qualifying costs are included in this request for recovery?

A. Please see Attachments 1 and 2 for the breakdown of costs. The summary of costs is provided in the table below.

Table 2 – Winter Storm Orlena Summary of Costs

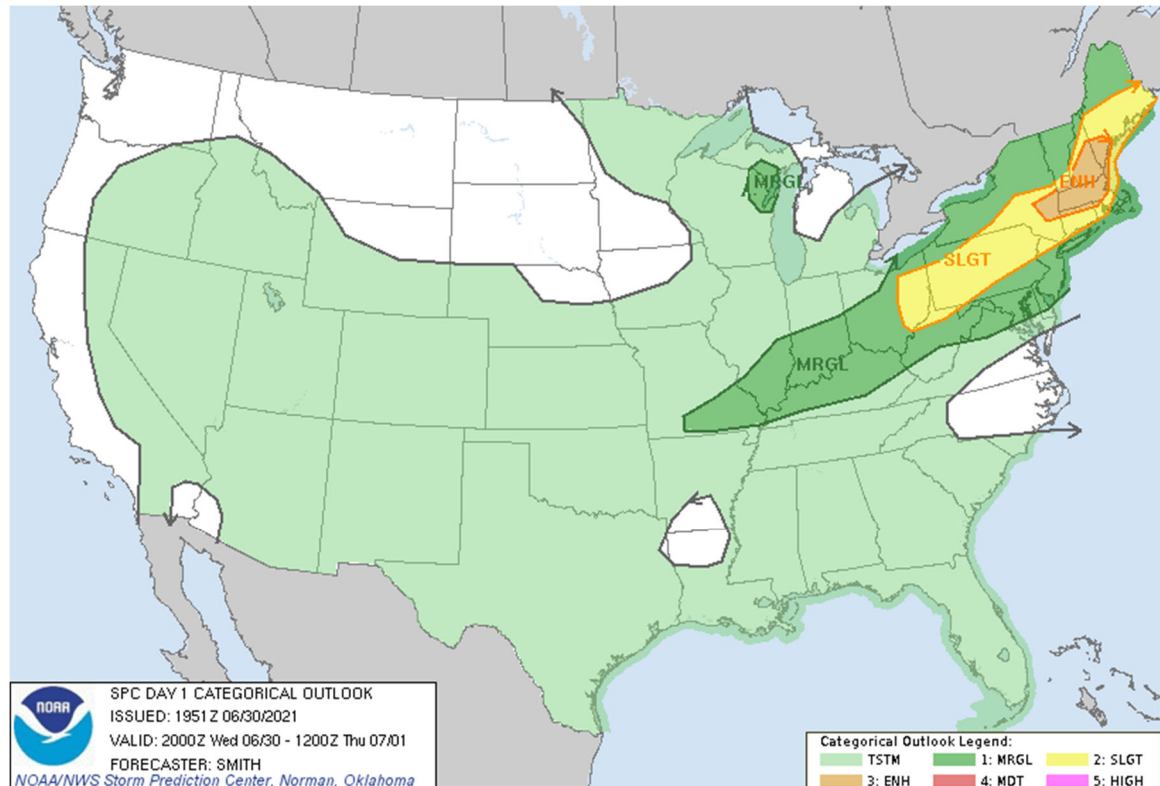
Line No.	Description	Total Pre-Staging Costs
1	Payroll charges including payroll overheads for GSE Employees	\$95,857.56
2		
3	Charges from outside companies	\$56,806.20
4		
5	Charges for Materials and Supplies	\$0.00
6		
7	Charges for employee expenses	\$5,799.46
8		
9	Accrual for outside companies	\$0.00
10		
11	Total	\$158,463.22

B. June 30, 2021, Severe Weather – Pre-staged Event

Q. Please describe the storm forecast for this second event.

A. On the morning of June 29, 2021, the Company's Storm Impact Analytics (SIA) forecasting tool from DTN, provided the potential of a significant thunderstorm event moving through the Company's territory in the late afternoon of June 30, 2021. During that time the Storm Prediction Center (SPC) issued a forecast showing the potential for severe weather in the area that included a threat of strong winds and the possibility of

1 tornadoes. The figure below of the threat from the SPC provides Marginal, Slight,
2 Enhanced, Moderate, and High risks which represent progressively larger threats for
3 organized severe storm episodes. These risks, along with their numerical, abbreviated
4 labels, and colors (1-MRGL-dark green, 2-SLGT-yellow, 3-ENH-orange, 4-MDT-red, 5-
5 HIGH-magenta), are based directly on the numerical probabilities of severe weather that
6 we provide with every outlook¹. The Company received an EEI level 3 with high
7 confidence at the 1 p.m. DTN forecast update, as provided in Attachment 4.



¹ <https://www.spc.noaa.gov/faq/#3.3>

Q. What preparations did the Company make in anticipation of a major restoration event?

A. The Company implemented its Incident Command Structure and mobilized its internal crews and contractor crews, along with contractor tree crews. Customer Service staffed its contact center with customer service representatives in staggered shifts into the evening until the end of the event. Damage assessors and wires down guards were contacted for availability, and the Company remotely opened the municipal room to provide assistance to towns inquiring about preparations.

Q. Did the Company experience outages during this event?

A. Yes. The severe weather impacted the Company's entire service territory. The Lebanon area experienced outages in the mid-afternoon. The Salem/Pelham area experienced outages in the evening. The table below provides the summary of reliability indices for this event.

Table 3 – Reliability Indices

June 30 th – July 1 st	Events	Customers Interrupted	Customer Minutes Interrupted	Customers Served	SAIDI	SAIFI	CAIDI
System Total	50	6,564	1,513,556	45,312	33.40	0.14	230.58
Charlestown Area	2	298	13,730	5,536	2.48	0.05	46.07
Lebanon Area	23	3,502	128,995	17,360	7.43	0.20	36.83
Salem Area	25	2,764	1,370,831	22,416	61.15	0.12	495.96

Q. Does this storm qualify for recovery for pre-staging storm costs?

A. Yes. As noted previously, the Settlement Agreement provides for cost recovery for pre-staging events that meet the DTN criteria of a level 3 impact with high confidence. This storm met that criteria on the June 30, 2021, DTN forecast.

Q. What pre-staging costs are included in this request for recovery?

A. Please see Attachments 1 and 2 for the breakdown of costs. The summary of costs is provided in the table below.

Table 4 – June 30, 2021, Severe Weather Event

Line No.	Description	Total Pre- Staging Costs
1	Payroll charges including payroll overheads for GSE Employees	\$221,585.84
2		
3	Charges from outside companies	\$175,305.44
4		
5	Charges for Materials and Supplies	\$0.00
6		
7	Charges for employee expenses	\$6,053.35
8		
9	Accrual for outside companies	\$0.00
10		
11	Total	\$402,944.63

C. July 21, 2021, Severe Weather – Pre-staged Event

Q. Please describe the storm forecast for this third event.

A. In the late afternoon of July 19, 2021, the Company's SIA forecasting tool from DTN predicted the potential of a significant thunderstorm event moving through the Company's territory in the late afternoon of July 21, 2021, with the potential for wind

gusts of 40–50 mph. As such, the Company received an EEI level 3 event with high confidence at the 1 p.m. DTN forecast update on July 20, 2021, for severe weather potential, as provided in Attachment 5.

Q. What preparations did the Company make in anticipation of a major restoration event?

A. The Company implemented its Incident Command Structure and mobilized its internal crews and contractor crews, along with contractor tree crews. Customer Service staffed its contact center with customer service representatives in staggered shifts into the evening until the end of the event. Damage assessors and wires down guards were contacted for availability, and the Company remotely opened the municipal room to provide assistance to towns inquiring about preparations.

Q. Did the Company experience outages during this event?

A. No. The severe weather stayed south of the Salem/Pelham area and the Company did not experience outages.

Q. Does this storm qualify for recovery for pre-staging costs?

A. Yes. As previously described, this storm met the qualifications for pre-staging under the Settlement Agreement in Docket No. DE 13-063.

Q. What pre-staging costs are included in this request for recovery?

A. Please see Attachments 1 and 2 for the breakdown of costs. The summary of costs is provided in the table below.

1

Table 5 – July 21, 2021, Severe Weather Event

Line No.	Description	Total Pre- Staging Costs
1	Payroll charges including payroll overheads for GSE Employees	\$96,615.79
2		
3	Charges from outside companies	\$44,184.68
4		
5	Charges for Materials and Supplies	\$0.00
6		
7	Charges for employee expenses	\$2,217.91
8		
9	Accrual for outside companies	\$0.00
10		
11	Total	\$143,018.38

2

3 **IV. CONCLUSION**

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

5 **A. Yes.**