

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

Docket No. DE 23-XXX

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

Calendar Year 2022 Reconciliation and Rate Adjustment Filing

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

March 15, 2023



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1   **I.       INTRODUCTION**

2       **Heather Green**

3   **Q.       Ms. Green, would you please state your full name, business address, and position?**

4   A.       My name is Heather Green, and my business address is 407 Miracle Mile, Lebanon, New  
5           Hampshire.

6   **Q.       By whom are you employed and in what position?**

7   A.       I am employed by Liberty Utilities Service Corp. (“LUSC”) as the Manager of  
8           Vegetation Management. In that capacity, I support Electric Operations and plan, budget,  
9           and manage Liberty Utilities (Granite State Electric) Corp.’s (“Liberty” or “the  
10          Company”) inspection and vegetation management programs, vendor performance, and  
11          storm and regulatory support on the distribution and sub transmission assets.

12   **Q.       Please describe your educational background.**

13   A.       I graduated from Purdue University in 1994 with a Bachelor of Science degree in  
14          Forestry with an Urban Option.

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

16   A.       I joined LUSC in March 2018. Prior to that, I worked for the State of New Hampshire  
17          Division of Forests and Lands as a Community Forester. I worked in the role of  
18          Municipal Arborist from 1998 to 2013 in the Chicago suburbs in both a north shore  
19          community of Park Ridge and a south shore community of Oak Lawn. I have also  
20          worked for a variety of commercial tree care companies and gardens.

1 I have been active in professional organizations. I held a variety of Board positions for  
2 the New England Chapter of the International Society of Arboriculture (NEC-ISA) and  
3 the Illinois Arborist Association (IAA), including President. I am a current member of  
4 the New Hampshire Community Forestry Advisor Committee.

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

6 A. Yes, I have testified on numerous occasions.

7 **Anthony Strabone**

8 **Q. Mr. Strabone, please introduce yourself.**

9 A. My name is Anthony Strabone, my business address is 15 Buttrick Road, Londonderry,  
10 New Hampshire, and I am employed by LUSC. I am the Senior Director of Electric  
11 Operations for LUSC. In that capacity, I am responsible for the safe and reliable  
12 operation, design, and maintenance of the electric system for Liberty in New Hampshire.

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

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

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

20 A. I joined LUSC in November 2014. Prior to my employment at LUSC, I was employed  
21 by Public Service Company of New Hampshire ("PSNH") as a Substation Supervisor in

1 Substation Maintenance from 2010 to 2014. Prior to my position in Substation  
2 Maintenance, I was a Substation Engineer in Substation Engineering for PSNH from  
3 2008 to 2010 and an Engineer in PSNH's System and Planning Strategy department from  
4 2004 to 2008.

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

6 A. Yes, on numerous occasions.

7 **Heather M. Tebbetts**

8 **Q. Ms. Tebbetts, please state your full name, business address, position, and**  
9 **responsibilities.**

10 A. My name is Heather M. Tebbetts, and my business address is 15 Buttrick Road  
11 Londonderry, New Hampshire. I am the Director of Business Development for LUSC  
12 and in this role I am responsible for strategic growth and technology opportunities for  
13 Liberty in New Hampshire. In my previous role as the Manager of Rates and Regulatory  
14 Affairs, I was responsible for filing the REP/VMP filing for many years and as such will  
15 be assisting the Rates and Regulatory Affairs department with this filing.

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

17 A. I graduated from Franklin Pierce University in 2004 with a Bachelor of Science degree in  
18 Finance. I received a Master of Business Administration from Southern New Hampshire  
19 University in 2007.

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

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

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

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

**Q. What is the purpose of your testimony?**

A. The purpose of our testimony is to describe Liberty's Vegetation Management Program ("VMP"), to support the expenditures related to calendar year 2022 ("CY 2022") VMP activities, and to calculate proposed new rates for the Company's recovery of costs associated with its VMP.

**Q. Are you presenting any attachments in addition to your testimony?**

A. Yes, we are presenting the following attachments in support of this testimony:

Attachment	Description
Appendix 1	Planned vs Actual Spending by Activity
Appendix 2	Planned vs Actual Miles by Circuit
Appendix 3	CY 2023 Plan
Attachment HMT-1	VMP Reconciliation and Rate Calculation

1 Appendix 1 provides a summary of the actual spending by category as compared to the  
2 base level funding of \$2,200,000 for 2022, plus the 10 percent cap for prudently incurred  
3 costs and the approved \$329,187 of carryover that was unspent for 2021 for a total budget  
4 of \$2,749,187. The Company anticipates total spending of \$3,229,291, which is  
5 \$480,104 more than the combination of what is in base rates, the additional 10% cap, and  
6 the authorized carryover from 2021. At this time the Company is still receiving invoices  
7 for program year 2022 so the actual total expenditures may be higher.

8 Appendix 2 provides the list of circuits with actual trim miles completed as compared to  
9 the estimated 2022 miles to be trimmed. A total of 162 miles were trimmed in 2022  
10 versus the planned 153 miles.

11 Appendix 3 contains the Report on CY2023 Vegetation Management Program (VMP)  
12 Plan submitted to the New Hampshire Department of Energy on November 15, 2022.

13 Attachment HMT-1 provides the reconciliation of collections from May 1, 2022, through  
14 April 30, 2023.

15 **Q. How is your testimony organized?**

16 A. In addition to this introductory section, our testimony is organized into the following  
17 sections:

- 18 • Section II provides an overview of Liberty's Vegetation Management Program  
19 ("VMP").

- Section III discusses Liberty's vegetation management activities and performance in 2022.
- Section IV provides support for the proposed rate changes and bill impacts.
- Section V provides the conclusion to our testimony.

## **II. VEGETATION MANAGEMENT PROGRAM**

### **Q. Please provide an overview of Liberty's Vegetation Management Program.**

A. Since 2007, the Company has followed the Vegetation Management and Reliability Enhancement Programs provided to the Company from Order No. 24,777 (July 12, 2007), as amended by Order No. 25,638 (March 17, 2014), as further amended by Order No. 26,005 (April 12, 2017), and the latest amendment which was part of a settlement agreement in Docket No. DE 19-064. In general, the VMP includes categories of O&M spending targeted to maintain and improve reliability performance. The program is premised on the understanding that a certain amount of annual spending on O&M activities is necessary to maintain the safety and reliability of the Company's electric distribution system. The VMP activities consist of Planned Cycle Trimming, Interim, Spot, and Trouble Tree Trimming, Work Planning, Traffic Detail, Tree Removal, Tree Planting, and Right of Way work for floor and side.

In rural areas, the Company seeks to obtain the clearance of all capable tree seedlings and lower branches of established trees to minimize future work. In urban areas, where work can be more customer-sensitive, Liberty seeks the same clearance as the rural areas but allows a reduced scope of work for concerns and sensitivities of the adjacent landowner where needed or requested. In urban areas, Liberty leaves lower branches under the



1 communication wires, often referred to as a “shelf,” when requested or if previously  
2 established. The Company still seeks to remove young capable trees in this zone;  
3 however, in urban areas, if requested Liberty may trim the top of that capable brush to  
4 leave a requested screening.

5 **Q. Why does the Company need a comprehensive Vegetation Management Program?**

6 A. A comprehensive VMP is a key element in meeting the Company’s obligation to  
7 maintain a safe, reliable, and resilient electric distribution system. Trees falling into the  
8 Company’s lines is a leading cause of outages, may give rise to unsafe conditions, and  
9 requires a costly response. A comprehensive VMP lessens those risks by trimming or  
10 removing those trees most likely to damage utility equipment and by managing the  
11 vegetation to minimize the number of problem trees over the long term. The components  
12 of Liberty’s VMP include planned cycle trimming (the regular trimming of a certain  
13 percentage of the Company’s system each year), proactive identification and removal of  
14 high-risk trees, and outreach and public education to foster community support for trees  
15 and other vegetation compatible with a reliable distribution system. Liberty’s VMP is  
16 largely supported by a contracted workforce comprised of a team of trained arborists and  
17 tree crews with oversight and direction from Liberty management.

18 **Q. What level of funding supports Liberty’s comprehensive VMP?**

19 A. The Company’s last distribution rate case, Docket No. DE 19-064, set the total spending  
20 level for vegetation management. Specifically, the Settlement Agreement in that  
21 proceeding provided the following:

1 Under the VMP, the Company shall maintain a four-year cycle for  
2 tree trimming and vegetation management and shall continue with  
3 the filings and reporting requirements currently in place. The base  
4 rate increase agreed to in this Agreement includes an increase in the  
5 VMP spending to \$2,200,000 for 2020, which shall continue until  
6 changed in a future base rate case. The Company shall not recover  
7 any VMP expenses that exceed 10% of that amount, or in excess of  
8 \$2,420,000, through the annual reconciliation filing, or otherwise.  
9 The VMP spending shall be reconciled each year, with any under  
10 spending carried into the next program year or returned to  
11 customers, as determined by the Commission.

12 Settlement Agreement in Docket No. DE 19-064, Hearing Exhibit 37, at 11.

13 **Q. Have there been any changes to that level of funding since the last rate case?**

14 A. While the base level of funding in distribution rates has not changed since the Company's  
15 rate case, Commission Order No. 26,620 (April 28, 2022) authorized Liberty to carry  
16 over \$329,187 for use in its 2022 VMP.

17 **Q. Please explain how the Company allocates funds and prioritizes work within a given**  
18 **year's plan.**

19 A. The Company develops an Annual Work Plan each year that is designed to achieve the  
20 overriding performance objectives of the business (safety, reliability, efficiency, customer  
21 satisfaction, and environmental responsibility).

22 The Company then prioritizes the work to achieve an optimized portfolio of projects  
23 considering the reliability performance data compared to the reliability improvements  
24 targeted by the various programs and the deliverability of vegetation management within  
25 the calendar year. The process is designed to ensure the Company arrives at a plan that  
26 provides the optimal balance to maintain and improve the performance of the system,

1 while also ensuring cost-effective use of the Company's available resources as supported  
2 by the authorized funding levels.

3 **III. REVIEW OF PROGRAM YEAR 2022 VMP EXPENDITURES**

4 **Q. Please provide an overview of the Company's vegetation management activities and**  
5 **expenditures for 2022.**

6 A. As shown in Appendices 1 and 2, the Company trimmed 162 miles in 2022, exceeding  
7 the original planned 153 miles by 9 miles. The cost of the 162 miles, including traffic  
8 control, was \$2.6 million, which was \$0.6 million higher than the \$2.0 million in the  
9 original plan.

10 In addition to planned cycle trimming, the Company executed several other VMP  
11 activities including Interim, Spot, and Trouble Tree Trimming and Work Planning.  
12 Three planned activities were not executed fully in 2022 to allow resources to focus on  
13 executing the 2022 plan. These activities included Tree Removal, Tree Planting, and  
14 Right of Way work.

15 The Company is including two appendices to aid in the review of the 2022 VMP and  
16 further detail in the testimony below.

17 **Q. Please provide an overview of the Company's planned and actual O&M spending**  
18 **for CY 2022.**

19 A. As filed in Docket No. DE 21-138, and as shown in Appendices 1 and 2, the Company's  
20 VMP activities consisted of Planned Cycle Trimming; Interim, Spot, and Trouble Tree  
21 Trimming; Work Planning; Traffic Detail; Tree Removal; Tree Planting; and Right of

Way work for the floor and sides of the corridors. Appendix 1, summarized in Table 1 below, provides a summary of planned and actual spending by activity. For reasons described in the testimony below, the Company was unable to achieve several components of its plan due to increased costs to meet required trimming and a focus on executing the plan.

**Table 1: O&M CY 2022 Actual vs. Budget Spending**

Line		CY 2022 Budgeted Expenses	CY 2022 Actual Expenses	Variance
		(a)	(b)	(c)
1	Deferred Miles	203	203	0
2	Planned Miles	153	162	9
3	<b>VMP O&amp;M</b>			
4	Work Planners for Veg Plan	\$350,750	\$299,761	(\$50,989)
5	Spot Tree Trimming	\$40,000	\$47,471	\$7,471
6	Trouble and Restoration Maintenance	\$60,000	\$53,242	(\$6,758)
7	Planned Cycle Trimming	\$1,665,839	\$2,027,508	\$361,669
8	Police Detail Expenses - Cycle Trimming & Other	\$299,000	\$552,952	\$253,952
9	Hazard Tree Removal	\$452,000	\$242,531	(\$209,469)
10	Interim Trimming	\$62,000	\$3,095	(\$58,905)
11	Tree Planting	\$11,000	\$2,731	(\$8,269)
12	Sub-Transmission Right of Way Clearing	\$109,050	\$0	(\$109,050)
13	Sub-Transmission Right of Way Sideline	\$0	\$0	\$0
14	Make Safe Removals	\$20,000	\$0	(\$20,000)
15	Total VMP O&M Expenses (Over)/Under	\$3,069,639	\$3,229,291	\$159,652
16	Base Distribution Rates per Order No. 26,376	\$2,200,000		
17	Authorized Increase per Order No. 26,624	\$329,187		
18	10% overage cap per Order No. 26,376	\$220,000		
19	Total VMP Cap	\$2,749,187		

The Company anticipates total spending of \$3,229,291, which is \$480,104 more than the combination of the amount included in base rates (\$2,200,000), the additional 10% cap

1 (\$220,000), and the authorized carryover from 2021 (\$329,187), for a total budget of  
2 \$2,749,187. At this time, the Company is still receiving invoices for program year 2022  
3 so the actual total expenditures may be higher. The Company is requesting approval of  
4 the \$2,749,187 capped expenditures.

5 **Q. Please describe the VMP activities the Company executed in 2022 and the reasons**  
6 **for the variance as compared to the plan.**

7 A. As shown in Appendices 1 and 2, the Company trimmed 162 miles in 2022, exceeding  
8 the plan by 9 miles. The Company completed more planned cycle trimming miles than  
9 planned in the Salem area to maintain an on-site presence in the Salem area to respond to  
10 emergent issues. The Salem tree crews were able to complete a portion of 2023 miles in  
11 the 2022 calendar year leading to the additional miles completed in 2022.

12 Liberty employs trained contracted arborists, or work planners, to work in the field to  
13 determine and mark trimming and tree removal needs, and record assets and parcel  
14 information. While much of their time was specifically on work planning, the work  
15 planners are assigned to additional program need tasks and activities. Their time was  
16 allocated to other VMP activities such as trouble, customer calls (spot tree), construction,  
17 or emergent work, leading to the under-budget performance shown in the work planner  
18 activity line item.

19 The Company plans for interim trimming, which is generally unplanned work, and  
20 targeted hot spot work along deferred/reconfigured circuit and restricted/refused areas. In  
21 2022, the Company performed limited interim trimming and hot spot work as resources

1 were focused on supporting the additional contractors on property this year resulting in  
2 the under-budget performance in this activity in 2022. The additional contractors needed  
3 support nearly daily on scope of work clarifications, customer expectations, crew and  
4 operation logistics, and more as they were new to the system and geographic footprint.

5 Spot tree trimming was slightly over budget due to higher demands for requested work of  
6 electric service orders and customer calls.

7 The trouble and restoration activities are unplanned work based on actual occurrences for  
8 non-storm related trouble call volume and support of the overhead line department. The  
9 Company responds to actively failing or urgent off-cycle work requested by customers  
10 and interested parties. The Company's trouble and restoration work were only slightly  
11 under plan.

12 The Company spent \$209,469 less than budget on hazard tree removals due to the need to  
13 suspend the removal program to reallocate funds to other contracted work on the system  
14 that came in higher than anticipated.

15 **Q. Were there any planned activities that the Company did not complete this year?**

16 A. Yes, there were three major activities that the Company did not achieve this year: Tree  
17 Planting, Sub-Transmission Right of Way ("ROW") Clearing, and Make Safe Removals.  
18 Each program is discussed further below.

19 Liberty's tree planting program utilizes the Arbor Day Foundation's Community Canopy  
20 and Energy-Saving Trees Program for education of "The Right Tree in the Right Place"  
21 program and the power of effectively choosing a species and location and the potential

1 energy-saving benefits, and more. The program also provides an opportunity to connect  
2 with customers and educate customers to help achieve future sustainable tree canopy.

3 The program was suspended in 2022 to focus resources on executing the plan.

4 The Company trims its sub-transmission ROW areas to ensure safe and reliable service in  
5 those areas. The 2022 plan was for Integrated Vegetation Management Practices to  
6 promote native, compatible species, to incorporate educational programs, and a selective  
7 herbicide program. However, the ROW clearing activities were suspended to focus  
8 resources to execute the plan within the funding constraints.

9 **Q. Did the Company experience workforce issues in 2022?**

10 A. The Company was able to secure contractors to perform vegetation management work in  
11 2022, employing contractors from Asplundh Tree Experts, Wright Tree Service, Enviro  
12 Arbo Solutions, and Environmental Consultants, Inc. to execute the VMP. However, the  
13 Company spent \$361,669 more on planned cycle pruning due to workforce issues,  
14 constraints, change in contractors, and changes in price that did not allow for the on-  
15 property resources to complete the work. The work that was completed was performed at  
16 a higher cost per mile.

17 **Q. How did the Company address the workforce issues in 2022?**

18 A. The Company addressed the workforce issues in three ways:

- 19 1) The Company worked with the contractor on property to encourage mechanized  
20 equipment including mowers and pruners. Liberty was able to secure a Jaraffe  
21 and two mechanical mowers on property.

1           2) In June 2022, additional contractors were secured to work in the Salem area.

2           Both Wright Tree and Enviro Arbor Solutions worked on projects in Salem to  
3           continue to complete planned miles while a local contractor and the Company  
4           worked on a longer-term solution to replace the local Salem crew.

5           3) In August, Liberty secured a dedicated on-property crew in Salem for reliable  
6           year-round work in the Salem area, trouble response both during work hours and  
7           after hours, and the ability to respond to weather issues as needed on property  
8           moving forward.

9           The Salem miles already had been awarded at the time the dedicated Salem crew was  
10          available, so additional miles were pulled forward from 2023 to keep the Salem crew  
11          working.

12   **Q.   How much more did the Company spend on traffic control?**

13   A.   The Company overall spent \$253,952 greater than anticipated for traffic control. In  
14          particular, Walpole Police significantly increased their hourly rates and location  
15          requirements for traffic control as compared to previous years. In 2022, Liberty was  
16          billed approximately \$150,000 for traffic control by the Walpole Police Department,  
17          about \$2,700 per mile. In comparison, 2017 was the last time the 12L2 was trimmed and  
18          the total traffic control costs in Walpole were about \$32,000, or about \$582 per mile.



1 **Q. Are the VMP expenditures for which the Company is now seeking recovery**  
2 **reasonable?**

3 A. Yes. These expenditures were made for programs that are specifically described in the  
4 Settlement Agreement and are necessary to maintain a safe, reliable, and resilient electric  
5 system. As such, the Commission should approve the recovery of these expenditures up  
6 to the allowed cap, including the additional funding from the prior calendar year, and  
7 permit the requested rate adjustments to become effective on May 1, 2023.

8 **Q. Has the Company provided a VMP for 2023?**

9 A. Yes, consistent with the requirements in Attachment F to the Settlement Agreement in  
10 Docket No. DE 13-063 which was approved by the Commission in Order No. 25,638  
11 (March 17, 2014), as further amended by the Settlement Agreement in Docket No. DE  
12 19-064 approved by Commission Order No. 26,376 (June 30, 2020), Liberty submitted its  
13 2023 Plan to the New Hampshire Department of Energy (“DOE”) on November 15,  
14 2023. While not required to be filed, the Company is providing a copy of the 2023 VMP  
15 as Appendix 3.

16 **IV. RATES AND BILL IMPACT**

17 **Q. Please provide an overview of the Company’s rate request.**

18 A. The reconciliation provides the costs associated with the VMP activities along with a  
19 calculation of the over-collection from the previous reconciliation.

20 **Q. Please describe Schedule HMT-1 attached to this testimony.**

21 A. Schedule HMT-1 provides the calculation of the O&M reconciliation for CY 2022.

1 **Q. How is the VMP adjustment factor calculated?**

2 A. The Company calculated an overcollection for the prior period of May 1, 2022, through  
3 April 30, 2023. The ending balance of (\$18,723) was divided by the forecasted kilowatt-  
4 hours (kWh) of 924,515,841 for a rate of (\$0.00002) per kWh added to the base  
5 distribution rate for each rate class, as shown on HMT-1, page 4.

6 **Q. Please summarize the Company's actual results from the CY 2022 VMP activities**  
7 **and the level of recovery the Company is requesting.**

8 A. The Company is requesting to refund \$18,723 to customers through the VMP factor for  
9 the period of May 1, 2023, through April 30, 2024.

10 **Q. What is the rate change associated with the 2022 spending?**

11 A. The Company is proposing a VMP Adjustment Factor of (\$0.00002) per kilowatt-hour  
12 (kWh), a decrease of \$0.00003 per kWh from the \$0.00001 per kWh Adjustment Factor  
13 calculated in Docket No. DE 22-014.

14 **Q. How and when is the Company proposing that this rate change be implemented?**

15 A. The Company is proposing that these distribution rate changes be made effective for  
16 service rendered on and after May 1, 2023.

17 **Q. When does the Company request an Order from the Commission to implement rate**  
18 **changes by May 1, 2023?**

19 A. The Company requests a Commission Order by April 24, 2023, to allow time to  
20 implement and test the rate changes before the effective date.

1   **Q.    Has the Company determined the impact of these VMP rate changes on customers’**  
2       **bills?**

3   **A.**    Yes. For an Energy Service residential customer using 650 kWh per month the total bill  
4       impact of the VMP rates proposed in this filing, as compared to rates in effect today, is a  
5       monthly bill decrease of (\$0.02), or -0.01%.

6   **V.    CONCLUSION**

7   **Q.    Does that conclude your testimony?**

8   **A.**    Yes, it does.

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