

1 **STATE OF NEW HAMPSHIRE**
2 **PUBLIC UTILITIES COMMISSION**

3 **April 19, 2023** - 9:03 a.m.
4 21 South Fruit Street
5 Suite 10
6 Concord, NH

7 *[Hearing also conducted via Webex]*

8 RE: **DE 23-031**
9 **LIBERTY UTILITIES (GRANITE STATE**
10 **ELECTRIC) CORP. d/b/a LIBERTY**
11 **UTILITIES: 2022 Vegetation**
12 Management Program Plan.

13 **PRESENT:** Chairman Daniel C. Goldner, *Presiding*
14 Commissioner Pradip K. Chattopadhyay
15 Alexander Speidel, Esq./*PUC Legal Advisor*
16 Doreen Borden, Clerk & PUC Hybrid
17 Hearing Host

18 **APPEARANCES:** **Reptg. Liberty Utilities (Granite**
19 **State Electric) Corp. d/b/a**
20 **Liberty Utilities:**
21 Michael J. Sheehan, Esq.

22 **Reptg. Residential Ratepayers:**
23 Michael Crouse, Esq.
24 Office of Consumer Advocate

Reptg. New Hampshire Dept. of Energy:
 Matthew C. Young, Esq.
 Paul B. Dexter, Esq.
 Jay Dudley, Electric Group
 (Regulatory Support Division)

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

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HEATHER GREEN
HEATHER M. TEBBETTS

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E X H I B I T S

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
1	Direct Testimony of Heather Green, Anthony Strabone, and Heather M. Tebbetts, with attachments	<i>premarked</i>

P R O C E E D I N G

CHAIRMAN GOLDNER: Okay. Good morning, everyone. I'm Chairman Goldner. I'm Presiding Officer for today's proceeding. I'm joined today by Commissioner Chattopadhyay.

We're here in Docket DE 23-031 for a hearing regarding the Petition by Liberty Utilities (Granite State Electric) for approval of its Calendar Year 2022 Vegetation Management Program Reconciliation and Rate Adjustment.

On March 15, 2023, Liberty submitted its Calendar Year 2022 Vegetation Management Program, or VMP, Reconciliation and Rate Adjustment filing, in which Liberty requested that the Commission approve a proposed rate adjustment, effective for service rendered on or after May 1st, 2023, to reconcile its Calendar Year 2022 VMP costs.

Following a procedural order on March 24th, 2023, the Commission commenced this adjudicative proceeding and scheduled the hearing in this docket.

We note that the Department of Energy filed a response letter regarding the Company's

1 Petition on April 12th, 2023, and we see that the
2 DOE indicated its assent to the Liberty proposal
3 in the docket within this filing.

4 Let's start with appearances, beginning
5 with the Company.

6 MR. SHEEHAN: Good morning,
7 Commissioners. Mike Sheehan, for Liberty
8 Utilities (Granite State Electric) Corp.

9 CHAIRMAN GOLDNER: Thank you. And the
10 New Hampshire Department of Energy?

11 MR. YOUNG: Good morning,
12 Commissioners. My name is Matthew Young, on
13 behalf of the Department of Energy. With me
14 today is Jay Dudley, who is a Utility Analyst on
15 this matter; as well as Paul Dexter, who is the
16 Senior Hearings Examiner and co-counsel on this
17 matter.

18 CHAIRMAN GOLDNER: Very good. And the
19 Office of the Consumer Advocate?

20 MR. CROUSE: Good morning,
21 Commissioners. My name is Michael Crouse. I am
22 the Staff Attorney with the Office of the
23 Consumer Advocate.

24 CHAIRMAN GOLDNER: Very good. Are

1 there any other attendees here today?

2 *[No indication given.]*

3 CHAIRMAN GOLDNER: Okay. Seeing none.

4 Let's address the exhibits. We have
5 prefiled and premarked the Joint Exhibit List
6 filed on April 12th, 2023, with a single exhibit,
7 Exhibit 1. Does the Company or any other parties
8 expect to file any additional exhibits or do they
9 have any updates to the exhibit today?

10 MR. SHEEHAN: No, sir.

11 CHAIRMAN GOLDNER: Okay. Are there any
12 objections to Exhibit 1?

13 MR. YOUNG: No objections.

14 CHAIRMAN GOLDNER: Seeing none. Are
15 there any other preliminary matters to be
16 addressed today?

17 MR. SHEEHAN: Not from the Company.

18 MR. YOUNG: Not from the Department of
19 Energy.

20 CHAIRMAN GOLDNER: Okay. Thank you.
21 And, Mr. Crouse, you're okay as well?

22 MR. CROUSE: No objections.

23 CHAIRMAN GOLDNER: Thank you. Okay.

24 Let's have the Company witnesses, the witness

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 panel, sworn in.

2 (Whereupon **ANTHONY STRABONE, HEATHER**
3 **GREEN, and HEATHER M. TEBBETTS** were
4 *duly sworn by the Court Reporter.*)

5 CHAIRMAN GOLDNER: Okay. Thank you.
6 We'll begin with Liberty direct.

7 MR. SHEEHAN: Thank you.

8 **ANTHONY STRABONE, SWORN**

9 **HEATHER GREEN, SWORN**

10 **HEATHER M. TEBBETTS, SWORN**

11 **DIRECT EXAMINATION**

12 BY MR. SHEEHAN:

13 Q I'll start with you, Mr. Strabone. Could you
14 please introduce yourself, name and position with
15 the Company?

16 A (Strabone) Good morning. My name is Anthony
17 Strabone. I'm the Senior Director of Electric
18 Operations. In that capacity, I'm responsible
19 for the safe, reliable operation, design, and
20 maintenance of the electric system for Liberty in
21 New Hampshire.

22 Q And, specific to Vegetation Management Programs,
23 what role do you play?

24 A (Strabone) That ultimately falls under my

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 jurisdiction and responsibility.

2 Q And the woman to your right is the one that's
3 more hands-on in actually carrying out the plan,
4 is that correct?

5 A (Strabone) Absolutely.

6 Q Your name appears on the joint testimony that's
7 been marked as "Exhibit 1". Do you have any
8 changes to any parts of that testimony for which
9 you were responsible?

10 A (Strabone) No, I do not.

11 Q And do you adopt that testimony as your testimony
12 here today?

13 A (Strabone) Yes, I do.

14 Q Thank you. Ms. Green, please give us your name
15 and position with Liberty?

16 A (Green) My name is Heather Green. And I am the
17 Manager of Vegetation Management for Liberty
18 Utilities (electric) in New Hampshire. And I am
19 in charge or responsible for the budget and all
20 activities for safe reliability, in relation to
21 the vegetation and our energized conductors.

22 Q And, as Mr. Strabone mentioned, VMP is, like one
23 of many things he's responsible for, this is your
24 job mostly, is that correct?

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 A (Green) That is correct.

2 Q You also participated in the drafting of the
3 testimony and exhibits that appears "Exhibit 1".
4 Do you have any changes you'd like to bring to
5 the Commission's attention this morning?

6 A (Green) I do not.

7 Q And do you adopt Exhibit 1 as your sworn
8 testimony today?

9 A (Green) Yes, I do.

10 Q Thank you. Ms. Tebbetts, on the other side of
11 the country, please introduce yourself and your
12 position with Liberty?

13 A (Tebbetts) Good morning. My name is Heather
14 Tebbetts. And I am the Director of Business
15 Development. And I'm responsible in this docket
16 for the rate-related portion of the Vegetation
17 Management rate calculation.

18 Q Ms. Tebbetts, you also participated in the
19 testimony and exhibits attached that are
20 "Exhibit 1". Do you have any changes to those
21 portions for which you were responsible?

22 A (Tebbetts) I do not.

23 Q And do you adopt that testimony as your sworn
24 testimony this morning?

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 A (Tebbetts) Yes.

2 Q And, Ms. Tebbetts, is it fair to say that the
3 bottom line of this hearing is to ask the
4 Commission to approve a small rate adjustment?

5 A (Tebbetts) Yes.

6 Q And could you tell us what that rate adjustment
7 is, and what the bill impacts would be for a
8 typical customer?

9 A (Tebbetts) Yes. The bill impact is a reduction
10 of 2 cents per month, which equates to a
11 reduction of 0.01 percent.

12 Q And the way the rate change is implemented is
13 through a factor in our bill, is that correct?

14 A (Tebbetts) Yes.

15 Q And do you have the change or what that VMP
16 factor will be as of May 1, if approved?

17 A (Tebbetts) That factor will be a refund of
18 0.00002 cents -- I'm sorry, dollars per
19 kilowatt-hour.

20 Q And where in your schedules is that number found?

21 A (Tebbetts) That can be found in Attachment HMT-1,
22 Page 3 of 7.

23 MR. SHEEHAN: Thank you. Those are all
24 the questions I have. Thank you.

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 CHAIRMAN GOLDNER: Okay. Thank you.
2 We'll move to Attorney Crouse. And any OCA
3 examination of the witnesses?

4 MR. CROUSE: I have no questions.
5 Thank you.

6 CHAIRMAN GOLDNER: Okay. Thank you.
7 Then, we'll move to the Department of Energy, and
8 Attorney Young.

9 MR. YOUNG: Thank you, Mr. Chairman.
10 I just have a few questions for the
11 panel. I'll try to direct the questions to the
12 appropriate witness, but anyone may feel free to
13 answer if that direction is misplaced.

14 So, I think the first few questions are
15 for Ms. Tebbetts.

16 **CROSS-EXAMINATION**

17 BY MR. YOUNG:

18 Q Referring to Exhibit 1, Bates Page 007, Lines 1
19 to 7, and also Appendix 1, Line 16, I think we'll
20 just turn to, I believe, Appendix 1, Line 16
21 to 18, maybe that might just be easier.

22 A (Tebbetts) I'm sorry, what Bates page were you
23 referring to?

24 Q So, that's Bates Page 021.

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 A (Tebbetts) Thank you. Okay, I'm there.

2 Q Great. So, first, referring to the base level of
3 funding, the "\$2.2 million", on Line 16, the
4 Company is entitled to collect this 2.2 million
5 for vegetation management as a result of the
6 previous rate case, is that correct?

7 A (Tebbetts) Yes.

8 Q And then, on Line 17 -- I apologize, I'm on 18,
9 the Company may collect a 10 overage for
10 prudently incurred costs, is that correct?

11 A (Tebbetts) Yes.

12 Q And then, on the line above, on Line 17, that
13 indicates that roughly \$329,000 carryover, it
14 stems from Order Number 26,624, is that correct?

15 A (Tebbetts) Yes.

16 Q And that order discusses Liberty's authorization
17 to carry over that \$329,000 into the 2022 VMP
18 budget, correct?

19 A (Tebbetts) Yes.

20 Q And, in that order, it was discussed that that
21 amount was to be utilized first, before any of
22 the 2022 base budget funding, and that, if
23 necessary, up to an additional 10 percent of the
24 2022 base budget funding, is that correct?

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 A (Tebbetts) Yes.

2 Q So, then, rounding out this Appendix 1, on
3 Line 19, the Company could recover from
4 ratepayers, at most, roughly \$2.75 million, which
5 is that figure indicated in Appendix 1, Line 19,
6 with the label "Total VMP Cap", is that correct?

7 A (Tebbetts) Yes.

8 Q Great. So, turning back to Bates Page 007,
9 Lines 4 to 6, and I'll give you a moment to turn
10 back.

11 A (Tebbetts) I'm there.

12 Q So, the Company states that the total spending of
13 roughly \$3.2 million for 2022. Can you explain
14 why that figure is an estimate?

15 A (Tebbetts) Actually, I think Ms. Green, given
16 that she is in charge of the Vegetation
17 Management Program, could be better suited to
18 answer the question.

19 Q Okay. Thank you. Ms. Green.

20 A (Green) And just to clarify, the question is Line
21 4, the estimate of 3.2 is the question?

22 Q Uh-huh.

23 A (Green) We were still collecting and processing
24 invoices at the time of this report, and

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 processing those -- for various reasons, we were
2 processing invoices later in the year.

3 Q Perfect. Thank you for clarifying. So, using
4 that estimate, that \$3.2 million is approximately
5 \$480,000 more than the 2.75 million we just
6 discussed, correct?

7 A (Green) If that's what the math adds up to, then
8 that's what the math adds up to.

9 Q Well, I guess the final question would be that,
10 can you confirm that the Company is not seeking
11 to collect this overspending of roughly \$480,000
12 in the rate proposed in this docket?

13 A (Green) That is correct.

14 Q Thank you. And will that amount be deferred to
15 the upcoming rate case?

16 A (Green) As I understand, no. Heather can correct
17 me if I'm wrong, but, no.

18 Q Okay. Perfect. Thank you. So, moving on, I
19 think staying with Ms. Green, looking at Appendix
20 2, Lines 14 and 19.

21 A (Green) Page 22?

22 Q Yes.

23 A (Green) Okay. Bates Page 022?

24 Q That's correct, Bates Page 022. So, Lines 14

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 and 19, could you just explain where the two
2 feeder locations are referenced there, I believe
3 that's 12L2 and 12L1, where those correlate to on
4 a map?

5 A (Green) Do I have a map?

6 Q You don't.

7 A (Strabone) I can chime in on that please.

8 Q Roughly.

9 A (Strabone) So, the 12L1 and 12L2, as known here
10 on Lines 14 and 19, referred to as --

11 *[Court reporter interruption.]*

12 **CONTINUED BY THE WITNESS:**

13 A (Strabone) -- they're referred to as "Villas
14 Bridge", that is down in our Walpole/Charlestown
15 territory, which is located in the western part
16 of the state, along the Vermont border.

17 BY MR. YOUNG:

18 Q Great. Thank you. And those are, I guess you
19 would say, maybe "troublesome areas", correct?

20 A (Strabone) Correct.

21 Q So, then, turning to, I guess, Line 19
22 specifically, it looks like zero miles were
23 planned in those areas, 5 miles were trimmed. I
24 guess, could you just explain maybe that

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 discrepancy, between --

2 A (Green) It had to do with the pivoting we were
3 doing last year. And, so, we got this mechanized
4 equipment on the property last year. So, in
5 order to adjust things and make things work, we
6 pulled in 5 miles of 2023 to accommodate the
7 workforce we had at the time.

8 Q Okay.

9 A (Green) And that was -- the decision was made
10 earlier in the year, before we had some other
11 budgetary concerns.

12 Q So, I guess, similarly, could the panel briefly
13 maybe just describe if or how the report that is
14 provided as Appendix 3 addresses any reliability
15 problems that may have been raised in the
16 Company's IRP regarding this Charlestown
17 area/Walpole area?

18 A (Green) Can I try to rephrase that question?

19 Q Sure. Of course.

20 A (Green) You're asking, in the next Appendix 3, --

21 Q Uh-huh.

22 A (Green) -- the reports for the Calendar Year 2023
23 plan? And can you restate, now that I understand
24 that's what the context of the question is, can

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 you repeat the question?

2 Q Sure. So, in the Company's IRP, in Docket DE
3 21-004, specifically Docket Tab 27, the Company
4 indicated that there were certain reliability
5 problems within the Charlestown/Walpole area.
6 So, the question is, how does the Appendix 3
7 provide any context on how those reliability
8 issues will be addressed?

9 A (Green) I can say that, as we move -- I can't
10 point to pages or comments in this report, but,
11 as an overall strategy, I can say, with the
12 deferred miles that we have, the decision to make
13 sure we didn't defer 12L1 or 12L2 any further,
14 they were held "top priority", as far as
15 scheduling the deferred circuits.

16 So, for 2022 and 2023, both of those
17 were priority circuits to be worked.

18 Q Okay. Thank you.

19 A (Green) Thank you.

20 Q Staying with Appendix 3, on Bates Page 029, under
21 the heading of "Deferred work", the Company
22 states that "Based on certain information
23 regarding the makeup of crews and revenue
24 shortfall, the Company has 214 miles that are

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 deferred."

2 So, I guess, just to clarify, does that
3 mean that, over the past four years, the Company
4 has under trimmed by 214 miles?

5 A (Green) It has accumulated to 214.

6 Q Of deferred miles?

7 A (Green) Correct.

8 Q That weren't trimmed, is that correct?

9 A (Green) Correct.

10 Q Okay. Thank you. And then, my last question, in
11 last year's filing, Docket Number DE 22-014,
12 there was a discussion of litigation between the
13 Company and a contractor for outstanding invoice
14 amounts for work not performed as contracted for.

15 So, I guess could the panel, or maybe
16 counsel, in closing, maybe just provide a brief
17 update on where things stand? I just believe
18 that may be helpful for the record.

19 MR. SHEEHAN: I'd be glad to do that in
20 closing, as I'm the one most familiar with where
21 that stands.

22 CHAIRMAN GOLDNER: Okay. Very good.
23 Thank you.

24 MR. YOUNG: And that's all the

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 questions for the Department.

2 CHAIRMAN GOLDNER: Okay. Thank you,
3 Attorney Young. That was very helpful.

4 We'll turn now to Commissioner
5 questions, and Commissioner Chattopadhyay.

6 MR. CHATTOPADHYAY: Good morning.

7 BY CMSR. CHATTOPADHYAY:

8 Q Let's go to Exhibit 1, Bates Page 007. And give
9 me some time to go there as well.

10 So, on the point about the "anticipated
11 total spending", at this point have you found out
12 what the number is?

13 A (Green) They are still working on that number.

14 Q Is it going to be -- do you have a sense whether
15 it's going to be more than what's been estimated?

16 A (Green) Yes.

17 Q Okay.

18 A (Green) Yes, anticipate it will be more than
19 what's estimated.

20 Q Okay. I mean, you don't have to go there. I'm
21 just going to read this from Bates Page 014,
22 Lines 12 through 14. "The Company spent 209,000,
23 roughly, less than budget on hazard tree removals
24 due to the need to suspend the removal program to

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 reallocate funds to other contracted work on the
2 system that came in higher than anticipated."

3 So, can you just give me a sense of
4 what the other contracted works were?

5 A (Green) The work in Salem, the 60 miles that we
6 had in the plan, did not have -- the local
7 contractor did not have a dedicated crew. So, we
8 went out for a bid to get that work done. So --
9 I'm just trying to make sure I'm answering your
10 question. So, when we went out for a bid for
11 that, we were able to secure two contractors, one
12 for each of the 30-mile circuits.

13 Did that answer the question? No.
14 Could you restate the question?

15 Q So, you moved some dollars from hazard tree
16 removals --

17 A (Green) Okay.

18 Q -- to other contracted jobs. I'm trying to get a
19 sense of, you know, what those contracted jobs
20 were, and why was it sort of necessary to do
21 that?

22 A (Green) When we lost with the -- the mention of
23 the contractor who walked off the property, we --
24 and we went back to our incumbent contractor,

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 they had lost their crews. So, the crew that we
2 had dedicated in Salem, they could not secure
3 back a dedicated crew. So, they weren't able to
4 perform the Salem work as planned in 2020. So,
5 in order to get that work done, we needed to go
6 out for a bid. When we went out for a bid,
7 those -- the ultimate availability was
8 significantly higher cost per mile. In order to
9 get the miles done, we moved forward with that,
10 and then made cuts in other parts of the budget.

11 Q Okay.

12 A (Strabone) And, if I also may add, one of the
13 other significant drivers is also the cost of
14 traffic control. Those costs came in
15 significantly higher than what was originally
16 planned, just due to increased costs with local
17 police departments. And that also required us to
18 pivot internally with the plan to back off on
19 other parts of the trim to accommodate for the
20 overspend.

21 Q Do you have any control over the police, telling
22 them you can't spend this much money, or, no,
23 right?

24 A (Strabone) We cannot control the rates from the

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 police departments.

2 Q Okay.

3 A (Strabone) Those are -- those are ultimately the
4 rates that are provided. Some towns will allow
5 us to use flaggers, which we can use for cost
6 savings. Other towns require only local police
7 officers, or, ultimately, if they can't fill it,
8 say, in the Town of Walpole, they will reach out
9 to other local police departments to pull in a
10 police detail, police officers as well.

11 Q So, are you indicating that the rates went up?

12 A (Strabone) Yes.

13 Q That's the --

14 A (Strabone) Significantly.

15 Q Okay.

16 A (Green) Additionally, the locations -- location
17 requirement of traffic detail went up as well.

18 CMSR. CHATTOPADHYAY: Okay. I'm really
19 going back to the docket from last year, 22-014,
20 and I'm sort of curious where the situation with
21 Consolidated is. You know, can the attorney
22 provide me a little bit of context what's going
23 on with them?

24 MR. SHEEHAN: Yes.

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 CMSR. CHATTOPADHYAY: I know that you
2 also indicated that you will talk about the -- I
3 think the ClearWay situation. So, I'll let you
4 do that later.

5 But, and just to make sure that, you
6 know, what I also am curious about is, is the
7 litigation still going on? And I remember that
8 you had said something like "It would be
9 happening a year later or so." So, I'm just
10 giving you a heads up as to what issues you might
11 want to cover.

12 MR. SHEEHAN: I can do it now, if you'd
13 like?

14 CMSR. CHATTOPADHYAY: Oh, sure.
15 Please.

16 MR. SHEEHAN: On ClearWay, we did file
17 suit, it is in litigation. We've been doing
18 discovery. The trial was scheduled for this
19 summer, it just got bumped to January of 2024.
20 Obviously, we hope we don't have to go to trial,
21 we hope we can resolve it out of trial. We're
22 trying to schedule a mediation with the other
23 parties end of May or early June, which will be
24 the first real attempt to sit down and see if

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 there can be a resolution. Frankly, it's been a
2 very slow process of getting discovery, getting
3 answers out of the other side.

4 But it is in litigation. And my guess
5 is one of two things is going to happen. Is they
6 have some money that they can come up and we can
7 reach an agreed settlement, or they don't, and we
8 may be chasing a company without assets. We're
9 not sure yet. But that's where we are.

10 On Consolidated, the short answer is
11 "We have no remedy." They used to contribute X
12 dollars every year for -- let me back up. Of
13 course, Consolidated and its predecessors own
14 half -- we jointly own many poles with them. And
15 the agreements between our predecessors and
16 Consolidated's predecessors provided for the
17 contribution of X dollars. Those old contracts,
18 the governing language was from 1980, allowed
19 Consolidated simply to say "We're no longer going
20 to do that with" I think it was "a one year's
21 notice." And they gave that notice, and they
22 have walked away from making those payments.

23 And you can always scratch your head
24 and say "Why could that happen?" And the only

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1 explanation I can give you, and this I think was
2 in a conversation with Mr. Frantz as a matter of
3 fact, that, back then, they were both regulated
4 utilities. And the concept of -- I mean, they
5 were able to recover their costs through rates.
6 So, it never occurred to anyone that 30 years
7 later they would be largely unregulated, and they
8 could walk away. So, the language simply didn't
9 cover that scenario of being able to just leave
10 the obligation.

11 So, that's where we are. They said
12 "We're not paying anymore", and we're stuck with
13 that.

14 I do know, from my research, that the
15 agreements between other utilities and
16 Consolidated all are slightly different. And I
17 know there's been litigation in there trying to
18 fight this issue. But it is different language
19 from contracts that are of different vintage.

20 CMSR. CHATTOPADHYAY: So,
21 overarchingly, can you give me a sense of, like,
22 because of that, are they -- how much dollars are
23 being shifted to ratepayers?

24 MR. SHEEHAN: Ms. Green can confirm,

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 but it's roughly half a million dollars a year,
2 is that correct? It was.

3 WITNESS GREEN: It's 300 to 800,000,
4 depending on the work that we did.

5 MR. SHEEHAN: And some poles, some
6 areas we worked, they had to contribute more.

7 WITNESS GREEN: Twenty (20) percent
8 versus 50 percent, depending on the activity.

9 MR. SHEEHAN: So, to answer your
10 question, it sounds like it ranged between 3 and
11 \$800,000 a year is what that contribution was.

12 CMSR. CHATTOPADHYAY: Okay. Thank you.
13 That's all I have.

14 CHAIRMAN GOLDNER: Okay. Maybe just a
15 couple of follow-up questions, and we'll wrap it
16 up from a Commissioner point of view.

17 BY CHAIRMAN GOLDNER:

18 Q I want to come back to this "police department"
19 piece that was referred to earlier. So, kind of
20 what's a typical rate from a police department,
21 and what would it look like at Walpole, in the
22 example that was in the testimony? What was the
23 difference?

24 A (Green) Walpole runs about \$75 an hour, 15 of

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 that is administrative costs. Salem runs about
2 \$63, \$62 an hour, that includes -- that's just
3 flat, no over -- there is no difference in
4 overtime or crews or anything like that. So,
5 the -- and my -- oh, that's your question.

6 Q And what would kind of an average be or what
7 would you -- who is your low-cost producer in
8 this area, like, what's the lowest that you pay
9 for a particular --

10 A (Green) Non-police?

11 Q For police.

12 A (Green) For police? Sixty-two (62), 63 is low.
13 And, normally, Walpole has not been as volumous.

14 Q I see. So, it's really, you were doing a lot of
15 work in the Walpole region, their rate was a --
16 not that much higher, \$63 to \$75. So, it was \$12
17 more. And I'm just trying to connect the dots on
18 I think it was 250K, something like that, so --
19 or, maybe it was 150K, you'll have to correct me.
20 But that was really an issue of it was unexpected
21 volume, more than unexpected rates?

22 A (Green) Correct.

23 Q So, it only would have been \$12 an hour
24 different?

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 A (Green) They did -- they completely redefined the
2 areas that required traffic control.

3 Q Oh, I see. I see. Okay. That's helpful. And
4 then, can you just, for the Commission, can you
5 just help us understand what was that change in
6 definition, in terms of where you needed police
7 or where you didn't before?

8 A (Green) Yes. Previously, we didn't need to
9 provide traffic control on a dead-end road or a
10 low-volume road, and that changed.

11 Q Seems like a sensible rule, yes.

12 A (Green) That definition changed.

13 Q Really? So, on a dead-end road, you're required
14 to provide -- you're required to have police
15 flaggers, in Walpole?

16 A (Green) Police, yes. Correct.

17 Q Wow. Okay. Thank you. Mr. Strabone, I think
18 you were going to say something?

19 A (Strabone) I was just going to add one comment,
20 and Ms. Green can correct me. But, I believe,
21 also through the planned year, they removed
22 the -- they removed us from allow -- they no
23 longer allowed us to use flaggers, and we had to
24 use local police, which also was a driver of the

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 cost. Was that this year or previous?

2 A (Green) They did require the use of police
3 period. They did allow us to add flaggers, but
4 it wasn't -- wasn't economical, in that it wasn't
5 appropriate. We would have had more bodies, put
6 it that way. We would have had just as many
7 police and more bodies of flaggers.

8 Q And how did these new rules come to you? Is that
9 from -- what's the sort of statutory authority
10 that they're using?

11 A (Green) When we approach them, as we do every
12 town, to say "Hey, we're about to work in your
13 town", and confirm the roads that we're using
14 traffic control on, they gave us a new
15 definition. There are new people in the role
16 than previously. And I can say, four years ago
17 is the last time we did it, we had about \$38,000
18 of traffic control, before the ordinance was in
19 effect. And it was the ordinance that they cite.

20 Q Okay. So, it was the same ordinance, but
21 different people enforcing the ordinance?

22 A (Green) Correct.

23 Q And did Liberty, or any other of the parties
24 here, was anyone involved in sort of challenging

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 or asking questions about how the ordinance could
2 be the same, but the application was now
3 different?

4 A (Green) There was a meeting that was had. They
5 did back off a little bit, but not back to where
6 they were previously.

7 CHAIRMAN GOLDNER: Hmm. I'd like to
8 ask the Department a question. When this kind of
9 thing comes up, where there's sort of much larger
10 costs because of an ordinance that's interpreted
11 differently in a town, is there anything that the
12 Department would recommend to Liberty, if those
13 kinds of circumstances are encountered in coming
14 years?

15 MR. DEXTER: Well, nothing specific
16 comes to mind. But it's sort of the situation
17 that we encounter when we ask about property tax
18 abatements. We understand that the utilities
19 have ongoing relationships with the towns in
20 which they serve, and that, to a certain extent,
21 it's important that they maintain good
22 relationships with the town.

23 So, other than what Ms. Green
24 described, which is actually to sit down and say

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 "What's going on, you know, same ordinance?"

2 And, apparently, there was some give-and-take.

3 But, no, the Department doesn't have
4 anything specific, other than to try to maintain
5 contact and good relations with the town, provide
6 them as much notice as possible, and indicate to
7 them that these costs ultimately get borne by
8 customers, including customers of the town where
9 they are.

10 CHAIRMAN GOLDNER: And does the
11 Department look at these ordinances and, in any
12 way, interpret the ordinances? Because one could
13 assume, in this case, that one of two things
14 happened: Either the prior folks in the town
15 were misinterpreting the ordinance, or the new
16 people in the town are misinterpreting the
17 ordinance, because it changed.

18 Does the Department support Liberty, or
19 perhaps the OCA, in terms of sort of working
20 through some of these interpretation issues, or
21 is Liberty sort of on their own to sort it out?

22 MR. DEXTER: Well, we wouldn't be there
23 at the time. I could see, in an after-the-fact
24 situation, where the Department might review the

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 ordinances and say "What's going on here, there
2 was no change?" We did not do that in this
3 instance.

4 But I don't envision a situation where
5 the Department would somehow be involved in the
6 negotiations or meetings between the town and the
7 Company. I don't think that would fall into our
8 role.

9 CHAIRMAN GOLDNER: Okay. Mr. Crouse,
10 any comments?

11 MR. CROUSE: I think, similarly, to the
12 comments Paul Dexter made, that isn't something
13 that I had considered. I can certainly circle
14 back and give you a more appropriate response.
15 But I do not foresee that necessarily being
16 something the OCA would be involved in on the
17 floor. But I can see after-the-fact that we
18 might review those ordinances and wondering what
19 might be taking place.

20 CHAIRMAN GOLDNER: I see. Maybe in
21 closing, Mr. Young, if you could perhaps touch
22 on -- touch on the topic. And, if it would be
23 helpful for the Commission to ask about review of
24 this particular ordinance, which appeared to have

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 an extraordinary cost, if that would be something
2 that the Department would want to consider
3 reviewing as a part of this docket? If you could
4 please just address that in closing.

5 Okay. I think that's all I have. We
6 can move to Attorney Sheehan, and redirect.

7 MR. SHEEHAN: Thank you. Just to close
8 a few circles.

9 **REDIRECT EXAMINATION**

10 BY MR. SHEEHAN:

11 Q On the work done on the two Charlestown circuits,
12 12L1/12L2, you mentioned that you prioritized
13 them for the reasons of their reliability issues
14 being out in the middle of the woods, for lack of
15 a better phrase. What work has been completed or
16 will be completed in '22/'23 on those circuits?
17 Will they both be addressed?

18 A (Green) The pruning and flat-cutting will be --

19 *[Court reporter interruption.]*

20 **CONTINUED BY THE WITNESS:**

21 A (Green) -- pruning and brush cutting on both
22 circuits are anticipated to be completed.

23 BY MR. SHEEHAN:

24 Q Okay. The 480,000 so-called "overspend" that the

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 Company is not seeking recovery of, that is costs
2 that, is it fair to say, costs that the Company
3 simply decided we had to spend to do important
4 work, knowing that we wouldn't get recovery for
5 that, is that fair?

6 A (Green) That is correct.

7 Q And what's in rates now is the 2.2 million, plus
8 the 10 percent. So, it comes to about 2.4
9 million per year. Is it fair to say that's
10 simply not enough to do the work that should be
11 done, in your view?

12 A (Green) That is correct.

13 Q And it's something that the Company will be
14 addressing in the upcoming rate case filing?

15 A (Green) Yes. That is correct.

16 Q And of the costs that you supervise, the Veg.
17 Management costs, as we were talking about police
18 costs, the Company has very little control over
19 that, is that correct?

20 A (Green) That is correct.

21 Q The crews we hire are all done through the RFP
22 process, is that right?

23 A (Green) That is correct.

24 Q And those costs have gone up in recent years?

[WITNESS PANEL: Strabone|Green|Tebbetts]

1 A (Green) Significantly, yes.

2 Q Okay. The internal costs, for Veg. Management,
3 is mostly you, and whatever support you have to
4 manage all these outside folks?

5 A (Green) Yes. That is correct.

6 MR. SHEEHAN: That's all I have. Thank
7 you?

8 CHAIRMAN GOLDNER: Just a follow-up
9 question, Mr. Sheehan, for you.

10 Am I remembering correctly, in that the
11 recent -- that Liberty (electric) will have a --
12 you have a coming rate case filing, right?

13 MR. SHEEHAN: Yes. We filed a notice
14 two weeks ago, and we're -- a week from Friday
15 you should receive it. And that's what is
16 keeping us all busy these days.

17 CHAIRMAN GOLDNER: Very good. And I
18 assume, and this is just for, you know,
19 clarification, that your test year will probably
20 be 2022. So, these costs, this 480K or so, will
21 show up as sort of your baseline in the test
22 year, is that true?

23 MR. SHEEHAN: No, I think that the --
24 that \$480,000 is gone. We spent it in a year,

1 and it would be -- either we're not going to
2 include it or it would be proformed out of it.

3 What I think you will see is simply a
4 bigger number that we are going to ask to be
5 included in rates for Veg. Management. The 480
6 will be not addressed.

7 So, yes, it will be a test year number
8 for Veg. Management, which will show something in
9 the 2.whatever million dollar range. But the
10 request going forward will be for a larger
11 number.

12 CHAIRMAN GOLDNER: Higher. Okay, I
13 see. Okay, preview of coming attractions. Thank
14 you.

15 Okay. Very good. So, we'll address
16 the striking of IDs here shortly. And we can
17 begin with any closing statements, beginning with
18 the Office of the Consumer Advocate.

19 MR. CROUSE: Thank you.

20 The Office of the Consumer Advocate is
21 supportive of the rate decrease proposed by
22 Liberty in their filing.

23 CHAIRMAN GOLDNER: Okay. Thank you,
24 Attorney Crouse. And the Department of Energy.

1 MR. YOUNG: Thank you, Mr. Chairman.

2 The Department has reviewed the filing,
3 and conducted the necessary due diligence. On
4 Thursday, April 6, 2023, the parties held a
5 technical session to discuss Liberty's filing and
6 clarify certain issues raised by the Department.
7 Based on the technical session and the record to
8 date, the Department supports the rate decrease
9 proposed in the filing.

10 The Department will be reviewing the
11 Company's proposed Vegetation Management Plan in
12 the upcoming rate case.

13 And, regarding the local ordinance
14 issues that were discussed here today, I think,
15 at this point, I would say that the Department is
16 aware of the issues. And, other than addressing
17 them after-the-fact, as previously discussed, I
18 think the Department would need to discuss
19 internally best way to, I guess, address them,
20 these issues, moving forward.

21 CHAIRMAN GOLDNER: Okay. Thank you,
22 Mr. Young. And the Company, Attorney Sheehan.

23 MR. SHEEHAN: Thank you.

24 We appreciate the support of the OCA

1 and the DOE for the rate change. And we ask that
2 the Commission approve it.

3 Just a couple brief thoughts on the
4 "police cost" issue. My understanding is the
5 ordinance didn't change, but it had something --
6 vague language about the safety of -- that the
7 chief has the authority to decide what's "safe".
8 And you have a different person, and thinks
9 "safe" means "a police car at a dead-end road",
10 and I think that's the source of it.

11 There is a state statute, and I was
12 looking for it, I can't find it, that they all
13 point to that gives them the authority to tell us
14 what to do on their streets, which makes sense.
15 And, occasionally, a bill gets before the
16 Legislature to try to fix this problem, and it
17 doesn't go very far, because the police officers
18 show up. It's, obviously, a revenue issue for
19 them, again, understandable.

20 So, on that particular issue, we're
21 between a rock and a hard place. And it's
22 politically inexpedient for us to go in and fight
23 that as utilities. Maybe, at some point, the
24 critical mass will happen and we can get that

1 changed. So, that's been an issue on all of the
2 utilities, the police, for a number of years now.

3 And it's also clear from what you're
4 hearing that they're speaking to each other, and
5 more towns are going away from flaggers at \$15 or
6 \$20 an hour, and requiring police officers. So,
7 I think that trend will probably continue,
8 unfortunately.

9 So, thank you. And we appreciate the
10 Commission's attention.

11 CHAIRMAN GOLDNER: Okay. Thank you.

12 So, we'll strike identification on
13 Exhibit 1 and admit it into evidence.

14 Is there anything else that we need to
15 cover today?

16 *[No verbal response.]*

17 CHAIRMAN GOLDNER: All right. Very
18 good.

19 So, if there's no further matters,
20 we'll take the matter under advisement and issue
21 an order by the close of business on April 24th,
22 2023, as requested by the Company in its
23 Petition.

24 And the hearing is adjourned. Thank

1 you.

2 *(Whereupon the hearing was adjourned*
3 *at 9:47 a.m.)*