

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DE 24-xxx

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Vegetation Management Program
Calendar Year 2023 Reconciliation and Rate Adjustment Filing

DIRECT TESTIMONY

OF

HEATHER GREEN

AND

JEFFREY FABER

AND

ROBERT GARCIA

March 15, 2024



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I. INTRODUCTION

Heather Green

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

A. My name is Heather Green. I am the Manager, Vegetation Management for Liberty Utilities Service Corp. (“LUSC”), which provides service to Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (“Liberty” or the “Company”). My business address is 407 Miracle Mile, Lebanon, New Hampshire.

Q. On whose behalf are you submitting this testimony?

A. I am submitting testimony in this proceeding before the New Hampshire Public Utilities Commission (“Commission”) on behalf of Liberty.

Q. What is your educational and professional background?

A. I graduated from Purdue University in 1994 with a Bachelor’ Degree of Science in Forestry with an Urban Option. I joined LUSC in March 2018. Prior to that, I worked for the State of New Hampshire Division of Forests and Lands as a Community Forester. I worked in the role of Municipal Arborist from 1998 to 2013 in the Chicago suburbs in both a north shore community of Park Ridge and a south shore community of Oak Lawn. I have also worked for a variety of commercial tree care companies and gardens. I have been active in professional organizations. I held a variety of Board positions for the New England Chapter of the International Society of Arboriculture (NEC-ISA) and the Illinois Arborist Association (IAA), including President. I am a current member of the New Hampshire Community Forestry Advisor Committee.

Q. What are your duties at LUSC?

A. As the Manager of Vegetation Management, I support the Company’s Electric Operations by planning, budgeting, auditing work in progress, completed work and managing the vegetation management programs, vendor performance, and storm and regulatory support on the Company’s distribution and sub-transmission assets.

Q. Have you previously testified in regulatory proceedings before the New Hampshire Public Utilities Commission (“Commission”)?

A. Yes, I previously testified before the Commission in support of the Company’s Vegetation Management Program in Docket Nos. DE 19-051, DE 20-036, DE 21-049, DE 21-138, DE 22-024, and DE 23-031. I also submitted written testimony in support of the Company’s rate cases in Docket No. DE 19-064 and DE-23-039 with respect to the Company’s vegetation management practices.

Jeffery Faber

Q. Mr. Faber, would you please state your full name, business address, and position?

A. My name is Jeffrey Faber, my business address is 15 Buttrick Road, Londonderry, New Hampshire, and I am employed by Liberty Utilities Service Corp. (“LUSC”). I am the Interim Senior Director of Operations for LUSC.

Q. On whose behalf are you submitting this testimony?

A. I am submitting testimony in this proceeding before the New Hampshire Public Utilities Commission (“Commission”) on behalf of Liberty Granite State Electric.

Q. What is your educational and professional background?

A. I graduated from the University of New Hampshire, Durham, in 1988 with a Bachelor of Science degree in Electrical Engineering. In 1995, I received my license as a Professional Engineer in the State of New Hampshire. I joined Liberty in September 2023. Prior to my employment at Liberty, I was employed by National Grid for 35 years where I spent 17 years in Engineering, 7 years in Process Improvement, 5 years in Contract Management, and 6 years in Operations.

Q. What are your duties at LUSC?

A. As the Interim Senior Director of Operations, I am responsible for the safe and reliable operation, design, and maintenance of the electric system for the Company.

Q. Have you testified before the Commission?

A. No, this is my first testimony before the Commission. However, I have testified in Massachusetts before the Department of Public Utilities.

Robert Garcia

Q. Mr. Garcia, would you please state your full name, business address, and position?

A. My name is Robert Garcia. My business address is 15 Buttrick Road, Londonderry, New Hampshire. My title is Manager, Rates and Regulatory Affairs

Q. On whose behalf are you submitting this testimony?

A. I am submitting testimony in this proceeding before the Commission on behalf of the Company.

Q. Would you describe your educational and professional background?

A. I have an Artium Baccalaureus (Bachelor of Arts) degree in Political Science and French from Wabash College (Crawfordsville, Indiana) and a Master of Public Administration degree from the School of Public and Environmental Affairs at Indiana University (Bloomington, Indiana) with concentrations in Policy (Quantitative) Analysis and International Affairs. I also obtained a Certificat De Langue Et Civilisation Française from the Université de Paris – Sorbonne (Paris, France) and, as part of my graduate studies, studied French and European government at the École Nationale D’Administration (Paris, France).

I was employed by ComEd from April 2001 to March 2023. I began my employment with ComEd in the Regulatory Department as a Regulatory Specialist and moved on to the positions of Senior Regulatory Specialist in 2004, Manager of Regulatory Strategies and Solutions in 2008, and Director of Regulatory Strategy and Services in 2013 before assuming my last position as Director of Regulatory Innovation & Initiatives in 2021.

Prior to joining ComEd, I worked for nearly nine years at the Illinois Commerce Commission (the “Illinois Commission”), beginning in 1992 as an intern in what was then the Office of Policy and Planning and ending in 2001 as the senior policy advisor to a commissioner. I initially joined the Illinois Commission Staff through the James H. Dunn Memorial Fellowship program, a one-year program sponsored by the Office of the Governor. Through this Fellowship, I also held short-term positions in the Bureau of the Budget and the Governor’s Legislative Office.

Q. What are your duties at LUSC?

A. As Manager of Rates and Regulatory Affairs, I am primarily responsible for rate administration and regulatory affairs the Company.

Q. Have you previously testified in regulatory proceedings before the New Hampshire Public Utilities Commission?

A. Yes, I have testified before the Commission. Additionally, I have testified on several occasions before the Illinois Commission. What is the purpose of your testimony?

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 2023 VMP activities, and to propose 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
Attachment 1	2023 VMP Planned vs Actual Spending by Activity
Attachment 2	VMP Planned vs Actual Miles by Circuit
Attachment 3	“Report on CY 2023 Vegetation Management Program (VMP) Plan”, Includes: <ul style="list-style-type: none"> • Appendix 1, 2023 O&M Expenses

	<ul style="list-style-type: none"> • Appendix 2, CY 2023 Vegetation Management Activities • Appendix 3, Reliability Enhancement Program and Vegetation Management Program Description in Docket No. DE 13-063 • Appendix 4, Definitions
Attachment 4	2023 VMP Reconciliation and Rate Calculation

Attachment 1 provides a summary of the 2023 VMP actual spending by category as compared to the 2023 VMP budget and base level funding of \$2,200,000 for 2023 plus the 10 percent cap for prudently incurred costs for a total budget of \$2,420,000. The Company’s total VMP expenditures in calendar year 2023 are \$2,149,760, which is \$50,240 less than what is in base rates.

Attachment 2 provides the list of circuits with actual trim miles completed as compared to the estimated 2023 miles to be trimmed. A total of 146 miles were trimmed in 2023 versus the planned 165 miles.

Attachment 3 contains the CY2023 VMP Plan submitted to the New Hampshire Department of Energy on November 15, 2022.

Attachment 4 provides the reconciliation of collections from May 1, 2023, through April 30, 2024.

Q. How is your testimony organized?

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

- Section II provides an overview of Liberty’s Vegetation Management Program (“VMP”).
- Section III discusses Liberty’s vegetation management activities and performance in 2023.
- 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. What is Liberty’s Vegetation Management Program?

A. Since 2007, the Company has followed the Vegetation Management and Reliability Enhancement Programs approved in Order No. 24,777 (July 12, 2007), as subsequently amended.¹ While the Company’s Reliability Enhancement Program was terminated per the Settlement Agreement approved in Order No. 26,376, the Company continues to submit its annual VMP Plans for the coming calendar year by November 15th. The VMP Plan describes the activities to be performed and targeted expenditures, as well as provides the budgets for plan-related operations and maintenance expenses Pursuant to the process established in Order 24,777, each year on March 15, the Company makes a

¹ Order No. 24,777 was amended by Order Nos. 25,638 (March 17, 2014), 26,005 (April 12, 2017), and 26,376 (June 30, 2020).

reconciliation filing with the Commission to either recover or refund to customers the difference between the Company's actual spending and an agreed base amount of spending. The current level of funding for recovery approved by the Commission, as described below, is \$2,200,000 through base rates, with the ability to request an additional ten percent resulting in a cap of \$2,420,000.

Liberty's comprehensive VMP Plan consists of: (1) planned cycle trimming, proactive identification and removal of high-risk trees to proactively prevent trees from interfering with utility lines and reduce the risk of outages on the distribution system; (2) outreach and education to the public; and (3) emergent work. Liberty's VMP is largely supported by a contracted workforce comprised of a team of trained arborists and tree crews with oversight and direction from Liberty management.

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

A. The VMP 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, while balancing costs. The VMP implements industry best management practices for vegetation management and complies with the requirements of Puc 307.10 (Tree-Pruning Standards), including the American National Standard Institute (ANSI) A300 Tree Care Standards

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

A. Pursuant to the terms of the Settlement Agreement entered in Docket 19-064 (the Company’s last distribution rate case), and approved by the Commission, the Company’s total spending level for vegetation management is as follows:

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

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

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

A. No.

Q. What type of O&M expenses are included in the VMP?

A. In general, the VMP includes categories of O&M spending targeted to maintain and improve reliability performance on the Company’s distribution system. The VMP 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 as well as other program support. 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 communication wires, often referred to as a “shelf,” when requested or if previously established. The Company still seeks to remove young capable trees in this zone; however, in urban areas, if requested Liberty may trim the top of that capable brush to leave a requested screening.

Q. Please explain how the Company allocates funds and prioritizes work within a given year’s plan.

A. The Company develops a VMP Plan each year designed to achieve the overriding performance objectives of the business as it relates to safety, reliability, efficiency, customer satisfaction, and environmental responsibility.

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

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

III. REVIEW OF PROGRAM YEAR 2023 VMP EXPENDITURES

Q. Please provide an overview of the Company’s vegetation management activities and expenditures for CY2023.

A. Appendix 1 provides a comparison of the 2023 budget and actuals activities in the categories of Planned and Unplanned Work. Unplanned Work are activities which are mainly a result of the Company responding to and addressing matters that arise in the field or are brought to its attention by customers or internally by the Company’s operations or engineering departments. Planned Work consists of activities required for the execution of the pruning and removal of trees along the planned circuit and described in three buckets: Circuit Work (i.e., activities directly related to work on the circuits), Right-of Way (“ROW”) work, and Other work that support the execution of the work required on the circuit. For example, the 2023 ROW activities are administrative in nature to prepare for the execution of future Planned Work. Appendix 2 provides a summary of planned and completed miles per circuit. As shown in Appendices 1 and 2, the Company trimmed 146 miles in 2023, which falls short of the original planned 165 miles by 18.75 miles. The cost of the 146 miles was approximately \$2.15 million, which was approximately \$50,240 lower than the \$2.2 million in base rates.

Q. Please describe the significant VMP activities the Company executed in 2023 and the reasons for the variance as compared to Plan.

A. As stated above and shown in Appendices 1 and 2, the Company trimmed 146 miles in 2023, falling short of the 165-mile target by 18.75 miles. All the planned cycle trimming miles that were not completed were in the Salem area. The 2023 VMP Plan was designed to keep the Salem crew busy for the full year, such that they would be available for unplanned response work during the day and afterhours and would be available to assist with capital and storm work on the distribution system with minimal mobilization time. As the amount of capital and storm support required was greater than anticipated and could not be achieved with just the one tree crew on site, the Company was only able to complete two of the three Salem planned circuits. The third circuit was deferred to 2024. This was the main reason for the underspend (i.e., \$239,777) in CY 2023 VMP Plan.

The following is a description of the Company's execution of other VMP activities.

Work Planner Activities

Liberty employs trained contracted arborists, or work planners, to work in the field to determine and mark pruning and tree removal needs, record assets and parcel information. Additionally, the Company utilized the Asplundh tree contractor to perform some of this record keeping and work planning and prepare for the 2024 work. These contractors also were assigned to additional program need tasks and activities, such as trouble, spot, and interim work. In 2023, a significant amount of their time was utilized in designing and implementing process needs for the VMP support and SAP integration,

invoicing and reporting, which resulted in the Work Planner activity expenditures to run \$101,803 over budgeted amounts.

Tree Removal

The Company spent \$41,837 less than budget on hazard tree removals due to the need to minimize the removal program to reallocate funds to other contracted work on the system.

Unplanned Work

The Company budgets for interim trimming, which is generally unplanned work, and targeted hot spot work along deferred/reconfigured circuit and restricted/refused areas. The Company experienced field conditions that caused costs to exceed the budget by \$20,251.

Spot tree trimming and Make Safe Removals are the result of demands for requested work of electric service orders and customer calls. The Make Safe Removals represent tree removals that do not meet our current threshold of action. While the Spot Tree Trimming line item was under budget by \$17,549, the Make Safe line item was over by \$24,161. The net of the two expenditures is slightly over budget by \$6,644.43 due to higher demands for requested work of electric service orders and customer calls.

The trouble and restoration activities are unplanned work based on actual occurrences for non-storm related trouble call volume and support of the overhead line department. The Company responds to actively failing or urgent off-cycle work requested by customers

and interested parties. The Company's trouble and restoration work was \$38,718 over budget.

Q. Were there any budgeted activities that the Company did not complete this year?

A. Yes, there are two major activities that the Company did not achieve this year: (1) Tree Planting, and (2) ROW work activities. Each program is discussed further below.

Liberty's tree planting program utilizes the Arbor Day Foundation's Community Canopy and Energy-Saving Trees Program ("Arbor Day Program") for education on "The Right Tree in the Right Place" program, which focuses on the benefits of effectively choosing a species and location and the potential energy saving benefits of such choices, among other things. The Arbor Day Program also provides an opportunity to connect with customers and educate customers to help achieve future sustainable tree canopy. The Arbor Day Program allowed the Company to focus resources on executing other aspects of the VMP and, therefore, no funds (i.e., \$20,000 budget) from the VMP tree planting activities were used.

The Company's 2023 ROW activities were administrative in nature to prepare for the execution of planned work in the future. The Company underspent in this area by approximately \$82,000. The underspend was a result of managing work for the planned activities.

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

A. Yes. These expenditures are necessary to maintain a safe, reliable, and resilient electric system and in accordance with the Settlement Agreement approved in Order No. 25,638 (March 17, 2014) in Docket DE 13-063. As such, the Commission should approve the recovery of these expenditures, and allow the Company to carry forward the 2023 underspend of \$50,240 to complete 2024 work.

IV. RATES AND BILL IMPACT

Q. Would you provide an overview of the Company's request?

A. The Company requests to carry over \$50,240 of unspent CY2023 money for use in 2024 to help catch up on the work missed during 2023 as described above. The Settlement Agreement in Docket No. DE 19-064² allows for the Commission to grant such a request:

The VMP spend shall be reconciled each year, with an under spending carried into the next program year or returned to customers, as determined by the Commission.

The Company requests to set the rate to \$0.00000 per kWh through the VMP Adjustment Factor for the period of May 1, 2024, through April 30, 2025. The Company also requests that the under collection of \$698 be carried over into the next year.

² Hearing Exhibit 37, at 11

Q. Would you describe Attachment 4 attached to this testimony?

A. Attachment 4 provides: (1) a comparison of the actual CY 2023 VMP spend to the annual \$2.2 million program budget, which is the amount approved for recovery in base distribution rates (page 1);(2) a reconciliation of the VMP Adjustment Factor in effect from May 2023 through April 2024 with actual recoveries, including forecasted recoveries for the months of March and April 2024 (page 2); (3) calculation of the VMP Adjustment Factor for application during the period May 1, 2024 through April 30, 2025 (page 3); (4) updated distribution rates, inclusive of the proposed VMP Adjustment Factor for the period May 1, 2024 through April 30, 2025 (pages 4 through 5); and (5) residential customer (Rate D) rate impact analysis (page 6).

Q. How is the VMP adjustment factor calculated?

A. As shown on page 3 of Attachment 4, the VMP Adjustment Factor is calculated by dividing the sum of (a) over/under collections for the prior period and (b) amounts spent over \$2.2 million (up to \$2.42 million) by the forecasted kWh for the subsequent 12-month period beginning May 1.

Q. What is the proposed rate change associated with the 2023 spending?

A. The Company is proposing a VMP Adjustment Factor of \$0.00000 per kilowatt-hour (kWh), which is an increase of \$0.00002 per kWh from the (\$0.00002) per kWh Adjustment Factor calculated in Docket No. DE 23-031. As shown on Attachment 4, page 3, dividing the ending balance of \$698 by the forecasted kilowatt-hours (kWh) of 940,503,873 would produce a rate of \$0.00000 due to rounding.

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

A. The Company proposes that these distribution rate changes be made effective for service rendered on and after May 1, 2024.

Q. When does the Company request an Order from the Commission to implement rate changes by May 1, 2024?

A. The Company requests a Commission Order by April 24, 2024, to allow time to implement and test the rate changes before the effective date.

Q. Has the Company determined the impact of these VMP rate changes on customers' bills?

A. Yes. For an Energy Service residential customer using 650 kWh per month, the total bill impact of the VMP rates proposed in this filing, as compared to rates in effect today, is a monthly bill increase of \$0.01, or 0.01%.

V. CONCLUSION

Q. Does that conclude your testimony?

A. Yes, it does.