



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

Docket No. DE 13-XXX

Granite State Electric Company d/b/a Liberty Utilities
Regarding an Increase in the Storm Recovery Adjustment Factor

DIRECT TESTIMONY

OF

KURT F. DEMMER

July 16, 2013

TABLE OF CONTENTS

1 I. INTRODUCTION 1

2 II. PURPOSE AND OVERVIEW OF TESTIMONY 2

3 III. DESCRIPTION OF TROPICAL STORM IRENE, OCTOBER 2011, AND HURRICANE

4 SANDY 3

5 IV. DETERMINATION OF A MAJOR STORM UNDER THE STORM FUND 8

6 V. CONCLUSION 9

1 **I. INTRODUCTION**

2 **Q. Please state your full name and business address.**

3 A. My name is Kurt F. Demmer and my business address is 9 Lowell Road, Salem, New
4 Hampshire.

5

6 **Q. Please state your job position and primary responsibilities.**

7 A. I am the Director, Electric Operations for Liberty Energy Utilities (New Hampshire)
8 Corp. (“Liberty Energy NH”) which owns the stock of Granite State Electric Company
9 (“Granite State” or the “Company”) and am responsible for oversight of operations,
10 maintenance and construction activities for the Company’s electric distribution business,
11 and have acted as the Regional Incident Command of Storm restoration.

12

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

14 A. I graduated from Merrimack College in North Andover, Massachusetts with a Bachelor
15 of Science degree in electrical engineering in 1987. In 2002, I received a Masters in
16 Electrical Engineering from Worcester Polytechnic Institute in Worcester, Massachusetts.
17 I am a registered professional engineer in the state of New Hampshire.

18

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

20 A. In June 1988, I joined Massachusetts Electric Company as an Operational Field Engineer.
21 In 1996, I became a Senior Engineer for Massachusetts Electric Company. In 2000, I

1 accepted a position as Area Supervisor for the Salem area of National Grid USA and was
2 responsible for all distribution engineering and construction in the Salem/Pelham area. In
3 2008, I was promoted to Manager of Electric Operations in New Hampshire for National
4 Grid USA, responsible for the operations construction and maintenance functions for the
5 electric distribution organization. In 2010, I was promoted to Acting Director of
6 Electrical Operations in New Hampshire for National Grid USA. In 2012, I became
7 Director of Electrical Operations in New Hampshire for Granite State. My continued
8 areas of responsibility were to oversee the construction, maintenance and operation of the
9 electric distribution system.

11 II. PURPOSE AND OVERVIEW OF TESTIMONY

12 Q. What is the purpose of your testimony?

13 A. The Company is seeking permission from the Commission for an adjustment to its Storm
14 Recovery Adjustment (“SRA”) Factor to fund its Storm Contingency Fund (“Storm
15 Fund”), which has a significant deficit balance as a result of three storms over the past
16 two years. The testimony of Ms. Mason addresses the Company’s proposal to adjust the
17 SRA Factor. My testimony discusses the events relating to three major storms – Tropical
18 Storm Irene, the October 2011 Snow Storm, and Hurricane Sandy – that resulted in the
19 costs that, when charged to the Storm Fund, contributed to a significant deficit balance as
20 described in her testimony. Specifically, my testimony addresses: (1) the impact of and
21 the associated restoration efforts with respect to the above referenced storms, and (2) how

1 these two weather events qualify as Major Storms as defined by the Company's Storm
2 Fund.

3
4 **Q. How is your testimony organized?**

5 A. My testimony expands upon the details provided by the Company in its 2012 Annual
6 Storm Fund Report, in DG 06-107, filed with the Commission on May 31, 2012.
7 Essentially, and consists of two sections. First, I will describe the impact of and the
8 Company's response to Tropical Storm Irene, October 2011 Snow Storm, and Hurricane
9 Sandy. Following that, I will provide the basis for the Company's conclusion that these
10 three weather events qualified as Major Storms pursuant to the definition in the
11 Company's Storm Fund.

12

13 **III. DESCRIPTION OF TROPICAL STORM IRENE, OCTOBER 2011 SNOW**
14 **STORM, AND HURRICANE SANDY**

15 **Q. Please describe Tropical Storm Irene.**

16 A. The Company's initial assessment of the potential impact of Tropical Storm Irene on
17 New England began on August 23, 2011. The Company began planning for Irene's
18 impact by pre-staging contractors, Company crews, and other support personnel prior to
19 the storm's landfall. Hurricane Irene moved up the eastern seaboard of the United States
20 during the week of August 22. Irene impacted New England on August 28 as a strong
21 tropical storm, bringing winds and significant rainfall. Due to the severe wind and

1 downed trees, a number of the Company's customers were without power from Sunday,
2 August 28, 2011 until Tuesday, August 30, 2011. At the peak, on August 28, 2011,
3 approximately 11,400 customers were interrupted.

4
5 In all, the Company experienced 128 events, with approximately 15,300 total customers
6 interrupted during the August 28, 2011 storm. In response to these outages, the Company
7 provided 8 internal distribution line crews, 19 contractor tree service crews, 24 contractor
8 line crews, and 5 wires down personnel to restore power.

9
10 Ninety-one percent (91%) of the Company's customers affected were restored by
11 approximately 11 a.m. on August 29, 2011 all remaining customers were restored by
12 August 30, 2011.

13
14 **Q. Please describe the October 2011 Snow Storm.**

15 A. The October 2011 Snow Storm also resulted in a major outage event for the Company,
16 resulting in more than 221 trouble events and interrupting a total of approximately 16,900
17 customers.

18
19 Beginning on October 26, 2011, when it became apparent that there was a risk of a storm
20 coming to New England, calls were held among operations management personnel to
21 discuss the weather forecast and planning efforts for the possibility of an as-yet

1 unclassified storm event.

2

3 As part of this planning, Company leadership analyzed storm plans and reviewed
4 preparedness with suppliers and employees in anticipation of the storm. Reviews of
5 storm preparation checklists were undertaken to ensure the Company was positioned to
6 protect public safety, properly assess damage, and restore power as safely and efficiently
7 as possible. As a result of this planning, and as the forecast for the event worsened as
8 described below, at noon on October 28, 2011 in accordance with the Company's Electric
9 Emergency Procedures ("EEP"), the Incident Command Structure ("ICS") was activated
10 at the Regional and Branch levels.

11

12 The Company's meteorology service anticipated a storm system that would lead from a
13 rain/snow mix to some light snowfall accumulation across New England. Early on
14 Thursday, October 27, 2011 forecasters began including projections of light
15 accumulations of 2 to 4 inches of snow.

16

17 Late in the afternoon of Thursday, October 27, 2011 forecasters increased snowfall
18 estimates to the 6 to 10 inch range. By late morning on Friday, October 28, 2011, the
19 Company's forecasts, from Telvent DTN, were indicating 7 to 12 inches of wet snowfall
20 across a large portion of New England. Early Saturday morning, October 29, 2011 the
21 amount of snowfall forecasted was relatively unchanged.

1 Snow accumulations across New Hampshire were generally up to a foot of snow, with
2 many higher elevation locations across southern New Hampshire picking up over 20
3 inches of snowfall. The highest total reported snowfall in New Hampshire was 31 inches
4 in Jaffrey. By Sunday morning, October 30, 2011 snowfall had tapered off across much
5 of southern New England.

6
7 Due to the severe snow, wind and downed trees, customers were without power from
8 Sunday, October 30, 2011 until Thursday, November 3, 2011. During the peak of the
9 Company's response, the Company provided internal distribution line crews and a peak
10 of 17 contractor crews. Eight of the 17 contractor crews were mobilized by the morning
11 of October 31st, five additional contractor crews arrived by the morning of November 1,
12 with the remaining four contractor crews in New Hampshire by the afternoon of
13 November 1, 2011.

14
15 By the morning of October 31, the total number of tree crews had increased to 29, and by
16 the morning of November 1, 2011, the total number of tree crews had increased to 31. In
17 addition to utilizing Company employees, a total of 13 damage assessment personnel and
18 12 wires down personnel were mobilized.

19
20 Ninety percent (90%) of those peak customers were restored by November 1, 2011 at
21 approximately 8 p.m. All remaining customers were restored by late in the day on

1 November 3, 2011. Approximately 16,900 of the Company's customers were impacted
2 at different times over the course of the October 2011 Snow Storm.
3

4 **Q. Please describe Hurricane Sandy.**

5 Hurricane Sandy originated in the Caribbean as a tropical storm on October 22, 2012.
6 Travelling north, Tropical Storm Sandy transformed into a Level 1 hurricane when it
7 made landfall on October 29, 2012, at 8 am in New Jersey. Wind gusts of 60+ mph were
8 experienced in the Salem area of the Company's service territory from approximately 2
9 pm until midnight on October 29^l, 2012. The majority of the 10,251 interrupted
10 customers at storm peak were in the Salem / Pelham / Windham service territory. The
11 wind impact was significantly less in the Company's other two service territories;
12 however, the storm impacted 10 of the Company's 17 communities within the
13 Charlestown and Lebanon Service territories.
14

15 Throughout the event, Granite State utilized 27 contractor Tree Service personnel, 27
16 contractor Line Workers and 8.5 Company Line Workers during the restoration process.
17 For support personnel, Granite State utilized 10 Damage Assessment personnel,
18 comprised of both Company personnel and retirees from the Company's Electric
19 Operations group. In addition, 44 Company personnel, from both Electric Operations
20 and Gas Operations, conducted wires down and wires down appraisal functions. The
21 Company mobilized 46 Company and contractor personnel to provide storm room

1 support, Field Contractor crew supervision, and general storm support.

2
3 Ninety percent (90%) of the Company's New Hampshire customers affected were
4 restored by 9 am on Wednesday, October 31, 2012 while the remaining ten percent (10%)
5 were restored approximately 14 hours later.

6
7 **IV. DETERMINATION OF A MAJOR STORM UNDER THE STORM FUND**

8 **Q. How does the Company's Storm Fund define a "Major Storm"?**

9 A. The Company's Storm Fund defines a "Major Storm" as a severe weather event or events
10 causing 30 concurrent troubles and 15% of customers interrupted, or 45 concurrent
11 troubles. Troubles are defined as interruption events that occur on either primary or
12 secondary lines. In essence, a major event is where widespread outages or Service
13 Interruptions have occurred in the service area of the Company due to storms or other
14 causes beyond the control of the Company.

15
16 **Q. Based upon the outages experienced as a result of Tropical Storm Irene, the October**
17 **2011 Snow Storm, and Hurricane Sandy, do these storms qualify, based on the**
18 **outage criteria, for Storm Fund reimbursement?**

19 A. Yes, they do. Based on the outages and "troubles" as defined by the Storm Fund, each of
20 the Major Storms I have described above meet the qualifications for Storm Fund
21 reimbursement. Tropical Storm Irene, the October 2011 Snow Storm, and Hurricane

1 Sandy resulted in more than 45 instances of concurrent troubles.

2

3 **V. CONCLUSION**

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

5 A. Yes, it does.