



STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DOCKET DE 16-097

IN THE MATTER OF: LIBERTY UTILITIES (GRANITE STATE ELECTRIC)
 CORP. D/B/A LIBERTY UTILITIES

LEAST COST INTEGRATED RESOURCE PLAN

DIRECT TESTIMONY

OF

Richard Chagnon
Utility Analyst

NOVEMBER 10, 2016

1 **Introduction**

2

3 **Q. Please state your full name?**

4 A. My name is Richard Chagnon.

5

6 **Q. By whom are you employed and what is your business address?**

7 A. I am employed as a Utility Analyst in the Electric Division of the New Hampshire Public
8 Utilities Commission (Commission). My business address is 21 South Fruit Street, Suite
9 10, Concord, NH 03301.

10

11 **Q. Please summarize your education and professional work experience.**

12 A. I started at the Commission in May of 2015 as a Utility Analyst in the Electric Division.
13 Before joining the Commission, I was employed at Public Service of New Hampshire
14 (PSNH) for 36 years. My most recent position at PSNH was Division Manager of the
15 Seacoast Northern Division for 4 years. In this position I was responsible for account
16 executives assigned to the largest commercial and industrial customers, community relations
17 manager assigned to towns and community outreach programs, operations manager assigned
18 to six area work centers throughout the division, and associated staff and crews. My
19 responsibilities also included budgets, goals, employee safety, environmental, employee
20 relations, customers, and company policies and procedures. Prior to my position as Division
21 Manager, I held the position of Manager of Human Resources for 4 years. In this position, I
22 was responsible for implementing company policies, employee training, employee
23 discipline/promotion, employee compensation, staffing, and internal investigations for over
24 1,400 employees in New Hampshire. I also oversaw labor relations and labor contracts.

1 Prior to my position as Manager of Human Relations, I held the position of Manager of
2 Customer Systems & Training in the Customer Services Division for 3 years. In this
3 position, I was responsible for directing the requirements of the customer information system
4 (CIS) for billing customer accounts, CIS analysts, large power billing system, and the
5 customer call center and credit department training team. The other positions I held prior to
6 this were Account Executive, Conservation & Load Program Administrator, Credit &
7 Collections Analyst, Credit & Collections Supervisor, Meter Reading Supervisor, Meter
8 Reading Foreman, Line Worker and Meter Reader.

9 I received a Bachelor of Science Degree from Franklin Pierce College in Marketing.
10

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

12 A. Yes. I presented testimony in the DE 14-238 Public Service Company of New Hampshire -
13 Determination Regarding PSNH's Generation Assets proceeding.
14

15 **Q. What is the purpose of your testimony in this proceeding?**

16 A. I intend to describe Staff's recommendations for improvement in relation to the Least Cost
17 Integrated Resource Plan (LCIRP) filed with the Commission by Liberty Utilities (Granite
18 State Electric) Corp. d/b/a Liberty Utilities (Liberty or Company) on January 15, 2016. I am
19 doing this in connection with my responsibilities for reviewing this 2016 LCIRP filing.
20

21 **Q. What review did you undertake for Liberty's LCIRP?**

22 A. I carefully reviewed Liberty's 2016 LCIRP in light of the statutory standards for LCIRPs
23 presented within the relevant statutes, and Staff also propounded one round of discovery on
24 the Company regarding its LCIRP on September 22, 2016, for which Staff received

1 responses from the Company on October 6, 2016. I also reviewed the data requests of the
2 Office of the Consumer Advocate (OCA), and the Company's responses to that OCA
3 discovery.

4
5 **Q. What is your general conclusion regarding the Liberty LCIRP?**

6 A. I have concluded that the LCIRP generally meets the standards for acceptance by the
7 Commission delineated in RSA 378:37, 378:38, and 378:39. However, in light of an issue
8 raised in the previous Commission Order approving the last (2012) LCIRP for this utility,
9 Order No. 25,625 (January 27, 2014), I believe that the Commission should accept the
10 current LCIRP on the condition that this issue be addressed in advance of the next LCIRP
11 filing being made (in all likelihood, in the year 2018).

12
13 **Q. What issue are you referring to?**

14 A. In Order No. 25,625, issued in Docket No. DE 12-347, the review proceeding for the
15 Company's 2012 LCIRP, the Commission ordered the Company to "better integrate its actual
16 enterprise planning with its LCIRP process..." Order No. 25,625 at 7. In its September 22,
17 2016 Data Requests, Staff queried (Staff Data Request 1-1): "Other than as explained
18 throughout this LCIRP filing, does Liberty currently have written Company policies and/or
19 employee procedures in place for employees and managers to follow to ensure effective
20 distribution and enterprise planning consistent with this Least Cost Integrated Resource Plan?
21 If so, please supply a copy of all applicable policies and procedures." In response, on
22 October 6, 2016, the Company responded: "Liberty does not have any written Company
23 LCIRP planning policies or employee procedures beyond what is contained in the LCIRP

1 document.” In Staff’s opinion, Liberty should be ordered by the Commission to develop
2 such policies and procedures in advance of the Company making its next LCIRP filing, and
3 should submit such policies and procedures for Staff review.

4
5 **Q. On what basis are you making this recommendation?**

6 A. In my extensive experience of working within an electric distribution utility as both a
7 corporate manager and as a line personnel employee, I found that written policies and
8 procedures were of critical importance in clearly communicating corporate practices to
9 personnel throughout the utility. In this instance, there is a need for such policies and
10 procedures to be codified and communicated throughout the Company to meet the terms of
11 Order No. 25,625 for better integration of the Company’s actual enterprise planning with its
12 LCIRP process. The Commission should order the Company to develop such policies and
13 procedures as a condition for the Commission’s acceptance of the current LCIRP, and have
14 the Company submit these policies and procedures to a Staff review before the submission of
15 the next LCIRP by Liberty.

16
17 **Q. Do you have any further critiques of the Company’s LCIRP?**

18 A. Yes. In its LCIRP, reference page 35, lines 12-14, the Company stated that it has engaged in
19 “...planning criteria refinements, such as lowering the equipment rating ‘take action’ limit
20 from 100% to 75% on transformers and feeders...” I am concerned that this reduction of the
21 “take action” limit may implicate higher costs, without real reliability benefits for the Liberty
22 system, but I have not definitively concluded this. I intend to ask some clarifying questions
23 regarding this issue of Liberty personnel at the hearing for this proceeding.

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

3 **A. Yes.**

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