



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

DE 19-051

Reliability Enhancement Plan and Vegetation Management Plan Report

Staff Data Requests - Set 1

Date Request Received: 4/4/19
Request No. Staff 1-1

Date of Response: 4/10/19
Respondent: Heather Green

REQUEST:

In reference to Bates page 4 and beginning on line 22, the Company states that the CY2018 final VMP budget was reduced at Staff's request. Liberty's VMP budget was \$1,677,086 after anticipated payment from Consolidated Communications. Is it Liberty's understanding that Staff agreed that a CY 2018 budget of \$1,677,086 was appropriate? Please explain.

RESPONSE:

The Company submitted its original budget of \$1,851,000 (see spreadsheet below) based on its assessment of the trimming and reliability needs of the distribution system given the four-year trim cycle and the requirements of Puc 307.10. PUC Staff was not in favor of the original submitted budget and requested that the Company reduce it. Subsequently, Liberty reduced the budget by approximately 9% to \$1,677,086 and provided that reduced budget to Staff. Staff did not agree that the \$1,677,086 budget was appropriate, and requested that it be further lowered. There was never any agreement on a budget amount.

In accordance with the terms of the REP/VMP:

Granite State will provide its REP and VMP Plans to Staff for the following fiscal year for Staff's review. Granite State will meet with Staff in technical sessions to discuss the Plans, obtain comments, and answer any questions regarding the plan to be implemented for the subsequent fiscal year. After review by Staff, Granite State will take all reasonable steps it deems appropriate to carry out and implement the Plans, taking into account the comments of Staff. Review by Staff of the Plans does not relieve Granite State of its obligation to operate its business and maintain safe, reliable service through expenditures and other capital investments in the ordinary course of business that are not set forth in the Plans, nor does it bind Staff to a particular position regarding the adequacy and/or effectiveness of the Plans.

In accordance with the above terms, while it is certainly preferable to come to agreement on the budget, such agreement is not necessary. Nevertheless, the Company has the "obligation to operate its business and maintain safe, reliable service through expenditures and other capital investments in the ordinary course of business that are not

set forth in the Plans.” Given the conditions experienced on the distribution system during 2018, the Company spent the funds it deemed necessary, appropriate, and prudent to maintain safe and reliable service.

Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities
CY2018 REP VMP Proposal
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Appendix 1
O&M Expenses

Line	(a) CY 2017 Budgeted Expenses	(b) CY 2018 Budgeted Expenses	(c) CY 2018 Anticipated Fairpoint Credits	Reference
1 VMP O&M				
2 Work Planners for Veg Plan	\$ 224,000	\$255,000		Appendix 6
3 Spot Tree Trimming	\$ 30,000	\$35,000		Appendix 6
4 Trouble and Restoration Maintenance	\$ 30,000	\$35,000		Appendix 6
5 Planned Cycle Trimming	\$ 1,147,803	\$1,230,000		Appendix 6
6 Police Detail Expenses - Cycle Trimming	\$ 292,500	\$280,000		Appendix 6
7 Hazard Tree Removal	\$ 350,000	\$450,000		Appendix 6
8 Interim Trimming	\$ 30,000	\$40,000		Appendix 6
9 Tree Planting	\$ 5,000	\$5,000		Appendix 6
10 Other Police Detail Expenses	\$ 32,500	\$40,000		Appendix 6
11 Sub-Transmission Right of Way Clearing	\$ 140,000	\$20,000		Appendix 6
12 Anticipated Fairpoint Credits			\$539,000	
13 Total VMP O&M Expenses	\$ 2,281,803	\$2,390,000		
14 Less: Reimbursements from Fairpoint	\$ (420,000)	\$ (539,000)		
15 VMP O&M Expenses Net of Fairpoint Credits	\$ 1,861,803	\$ 1,851,000		
16 Total REP and VMP O&M Expenses	\$ 1,861,803	\$ 1,851,000		