



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

Docket No. DE 20-_____

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Reliability Enhancement Program and Vegetation Management Program

Calendar Year 2019 Annual Report and Reconciliation and Rate Adjustment Filing

DIRECT TESTIMONY

OF

JOEL RIVERA

AND

HEATHER GREEN

March 13, 2020

THIS PAGE INTENTIONALLY LEFT BLANK

1 **I. INTRODUCTION**

2 **Joel Rivera**

3 **Q. Mr. Rivera, please state your full name and business address.**

4 A. My name is Joel Rivera and my business address is 9 Lowell Road, Salem, New
5 Hampshire.

6 **Q. By whom are you employed and in what position?**

7 A. I am employed as the Manager of GIS and Electric System Planning by Liberty Utilities
8 Service Corp., which provides services to Liberty Utilities (Granite State Electric) Corp.
9 (“Granite State” or “the Company”). In my capacity as Manager of GIS and Electric
10 System Planning, I am responsible for managing the electric system capacity, reliability,
11 integrity, interconnections, protection systems, equipment and system upgrades,
12 prioritization, and associated budget estimates.

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

14 A. I graduated from Universidad Interamericana de Puerto Rico in 2003, earning a
15 bachelor’s degree in electrical engineering. I also graduated from the University at
16 Buffalo in 2017, earning a master’s degree in electrical engineering. I am licensed in the
17 State of New Hampshire as a professional engineer.

18 **Q. Please describe your professional experience.**

19 A. In 2006, I began my engineering career as an associate engineer with National Grid USA
20 (“National Grid”) in Buffalo, New York. In 2009, I progressed to senior engineer in the
21 distribution planning department for National Grid’s electric distribution system in

1 Buffalo, New York. Between 2009 and 2013, I was promoted to lead engineer and was
2 responsible for distribution planning, asset management, protection, and reliability
3 functions for National Grid's electric distribution system in both New England and New
4 York. In 2013, I assumed the role of Planning Engineer - Electric for Liberty Utilities
5 Service Corp. In 2018, I was promoted to my current position as Manager of GIS and
6 Electric System Planning and am responsible for electric and gas map records and
7 developing and implementing the Company's electric planning initiatives in the electric
8 delivery business.

9 **Q. Have you previously testified before the New Hampshire Public Utilities**
10 **Commission (the "Commission")?**

11 A. Yes, I have previously testified before the Commission on the Company's Reliability
12 Enhancement Program in 2018 and 2019. I have also submitted written testimony in
13 support of the Company's rate case in Docket No. DE 19-064.

14 **Heather Green**

15 **Q. Mrs. Green, would you please state your full name and business address?**

16 A. My name is Heather Green and my business address is 407 Miracle Mile, Lebanon, New
17 Hampshire.

18 **Q. By whom are you employed and in what position?**

19 A. I am employed by Liberty Utilities Service Corp. as the Program Manager of Inspections
20 and Vegetation. In that capacity I support Electric Operations and plan, budget, and
21 manage Granite State's inspection and vegetation management programs; vendor

1 performance; and storm and regulatory support on the distribution and sub transmission
2 assets.

3 **Q. Please describe your educational background.**

4 A. I graduated from Purdue University in 1994 with a Bachelor's Degree of Science in
5 Forestry with an Urban Option.

6 **Q. Please describe your professional experience.**

7 A. I joined Liberty Utilities Service Corp. in March of 2018. Prior to that I worked for the
8 State of New Hampshire Division of Forests and Lands as a Community Forester. I
9 worked in the role of Municipal Arborist from 1998 to 2013 in the Chicago suburbs in
10 both a north shore community of Park Ridge and a south shore community of Oak Lawn.
11 I have also worked for a variety of commercial tree care companies and gardens.

12 I have been very active in professional organizations. I currently sit on the Board of
13 Directors as the President Elect for the New England Chapter of the International Society
14 of Arboriculture (NEC-ISA). I also held a variety of positions on the Illinois Arborist
15 Association (IAA) Board of Directors, including President. I am a current member of the
16 New Hampshire Community Forestry Advisor Committee.

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

18 A. Yes, I have previously testified before the Commission on the Company's Vegetation
19 Management Program in 2019. I have also submitted written testimony in support of the
20 Company's rate case in Docket No. DE 19-064 with respect to the Company's vegetation
21 management practices.

1 **II. PURPOSE OF TESTIMONY**

2 **Q. What is the purpose of your testimony?**

3 A. Our testimony provides the Commission with background information regarding the
4 Reliability Enhancement Program (“REP”) and Vegetation Management Program
5 (“VMP”) that Granite State implemented during Calendar Year 2019 and as described in
6 the Company’s Calendar Year 2019 Reliability Enhancement Program and Vegetation
7 Management Program Report dated March 13, 2020 (the “CY2019 REP/VMP Report”),
8 submitted with this filing. This testimony provides support for the Company’s request to
9 recover \$1,601,147 for 2019, which represents \$101,147 of 2019 O&M expense above
10 the Base Plan operating and maintenance (“O&M”) amount of \$1,500,000. This
11 testimony also supports the Company’s request to recover the revenue requirement of
12 \$210,503, which is the amount associated with a total of \$1,837,934 in capital investment
13 during two program years, CY2018 and CY2019. Information regarding the calculation
14 of the REP/VMP Adjustment Provision and the REP Capital Investment Allowance, and
15 the associated rate impacts, is set forth in the joint testimony of David Simek and Adam
16 Hall, which is a part of this filing.

17 **III. OVERVIEW OF REP AND VMP**

18 **Q. Please explain the purpose of the REP and VMP.**

19 A. The Company has continued its Vegetation Management and Reliability Enhancement
20 Programs at agreed upon spending levels subject to annual Commission approval. *See*
21 Order No. 25,638 (March 17, 2014) (approving the Settlement Agreement in Docket No.
22 DE 13-063, the “Settlement Agreement”), as amended by Order No. 26,005 (April 12,

1 2017) (approving the Settlement Agreement in Docket No. DE 16-383). In general, the
2 REP and VMP include categories of both capital (REP) and O&M (VMP) spending
3 targeted to improve reliability performance. The REP and VMP are premised on the
4 understanding that a certain amount of annual spending on both capital and O&M
5 activities is necessary to maintain the safety and reliability of the Company's electric
6 distribution system. The Settlement Agreement in Docket No. DE 16-383 assumed that a
7 base amount of \$1,500,000 would be spent on O&M activities associated with the VMP
8 during a fiscal year. In addition, the REP program includes a targeted budget of
9 \$1,500,000 for REP capital investments for each calendar year.

10 **Q. Please describe what types of activities were included in the 2019 REP and VMP.**

11 A. The REP capital budget included installation of six new Fuse Savers. A significant
12 portion of this budget was also targeted towards the re-conductoring of approximately 3.8
13 miles of bare mainline primary conductor with spacer cable. These projects are identified
14 in Appendices 2 and 3 of the CY2019 REP/VMP Report. The vegetation management
15 activities consisted of Planned Cycle Trimming, Tree Removal, Tree Planting, Right of
16 Way work, and Interim, Spot, and Trouble Tree Trimming, identified in Appendices 4
17 and 5 of the CY2019 REP/VMP Report.

1 **Q. Please explain how the Company decides to allocate funds towards vegetation**
2 **management and reliability activities within a given year's budget and the process**
3 **the Company uses to determine which REP/VMP projects to undertake in any given**
4 **year.**

5 A. Each year, the Company develops an Annual Work Plan that is designed to achieve the
6 overriding performance objectives of the business (safety, reliability, efficiency, customer
7 satisfaction, and environmental responsibility). At the outset, the Company compiles a
8 draft work plan that consists of proposed spending for asset replacement, system
9 capacity, and performance initiatives, and individual capital projects and work activities
10 required to comply with franchise or tariff requirements such as pole relocations,
11 response to damage/failure, and new business construction. Each potential project
12 specified within the plan includes a business category/justification for the project and
13 estimated costs. The Company then prioritizes the projects based on the relative risk or
14 opportunity associated with each project proposal to facilitate the selection of appropriate
15 projects to be included in the Annual Work Plan. All of the proposed projects then
16 undergo review and are prioritized to achieve an optimized portfolio of projects
17 considering the reliability performance data compared to the reliability improvements
18 targeted by the various programs and the deliverability of the various programs within the
19 calendar year. The process is designed to ensure the Company arrives at a budget that
20 provides the optimal balance in terms of selecting the investments necessary to maintain
21 and improve the performance of the system, while also ensuring a cost-effective use of
22 the Company's available resources.

1 **Q. Please explain how REP capital investments relate to the other capital investments**
2 **made by the Company on its system.**

3 A. The REP capital improvements are developed within the Company's overall capital
4 investment plans. The REP/VMP Plan is a subset of that plan and seeks to develop and
5 implement initiatives to improve the Company's delivery system performance while still
6 meeting investment obligations in the areas of franchise/tariff requirements, capacity, and
7 asset replacement.

8 **Q. Please summarize the Company's actual results from the CY2019 REP/VMP**
9 **activities and the level of recovery the Company is requesting.**

10 A. For CY2019, Granite State proposed to spend \$1,600,000 for capital investments. The
11 final spending level was \$1,837,934 and further details of the projects and actual
12 spending amounts are detailed in the Report.

13 With respect to vegetation management activities, the Company initially proposed to
14 spend \$2,307,000 for VMP, which included \$480,000 that Granite State would bill to
15 Consolidated Communications for its share of planned vegetation maintenance work.
16 Those reimbursements were excluded from the total amount of VMP O&M expenses to
17 be recovered, resulting in an adjusted total of VMP O&M expense budget of \$1,827,000.
18 The actual spending for CY2019 was \$2,096,528. After applying credits of \$495,381
19 from Consolidated Communications, the resulting total actual spending amount was
20 \$1,601,147.

1 **Q. Please explain why the Company's actual O&M spending for CY2019 varied from**
2 **the Company's original budget.**

3 A. The major spending variances are as follows below:

- 4 • Work planning: \$7,494 more spent than anticipated
- 5 • Spot Tree Trimming: \$1,434 less than anticipated
- 6 • Trouble and Restoration Maintenance: \$1,903 more than anticipated
- 7 • Planned Cycle Trimming: \$18,363 less than anticipated
- 8 • Police Detail (Traffic Control): \$76,861 less than anticipated
- 9 • Hazard Tree Removal: \$18,703 more than anticipated
- 10 • Interim Trimming: \$22,211 less than anticipated
- 11 • Tree Planting: \$500 less than anticipated
- 12 • ROW: \$119,203 less than anticipated

13 Additional details of the variances are available in the Report.

14 **Q. Please explain why the Company's actual capital spending for CY2019 varied from**
15 **the Company's original budget.**

16 A. The major spending variances are as follows below:

- 17 • Bare conductor replacement:
 - 18 ○ 2018: \$582,709 in carryover from 2018 for projects in service in 2019
 - 19 ○ 2019: \$237,796 lower than anticipated
- 20 • Single phase Reclosing installations:

- 1 ○ 2018: \$43,020 in carryover from 2018 for projects in service in 2019
- 2 ○ 2019: \$50,000 lower than anticipated due to deferred projects

3 Additional details of the variances, including discussion of carryover costs from 2019 to
4 2020, are available in the Report.

5 **Q. Please summarize the reliability results shown in the CY2019 REP/VMP Report.**

6 A. The Company met and exceeded its SAIFI and SAIDI targets of 1.01 and 118.17
7 minutes, respectively, which are based on a five-year rolling average and are shown in
8 Appendix 7. The actual results for CY2019 were 0.61 and 70.66, respectively. For the
9 past five years, the Company has met all of its SAIFI and SAIDI targets. Granite State
10 expects this overall positive performance in SAIFI and SAIDI to continue as further
11 positive impacts from our reliability initiatives are experienced. Additional details of the
12 reliability results are provided in the Report.

13 **Q. Are the REP/VMP expenditures for which the Company is now seeking recovery**
14 **reasonable?**

15 A. Yes. As described in this filing, the expenditures were reasonable because these
16 expenditures were made for programs that are specifically referenced in the Settlement
17 Agreement and were necessary to achieve continued improvement in the Company's
18 system reliability. The work undertaken for vegetation management, single phase
19 recloser installations, and bare conductor replacement was incurred for the explicit
20 purpose of improving system reliability and is consistent with the intent of the Secretarial
21 Letter. These expenditures are expected to generate real customer benefits in the form of

1 improved reliability performance. As such, the Commission should approve recovery of
2 these expenditures and permit the requested rate adjustments to become effective for
3 usage on and after May 1, 2020.

4 **IV. CONCLUSION**

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

6 A. Yes, it does.