

**THE STATE OF NEW HAMPSHIRE**  
**BEFORE THE**  
**NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**  
**PREPARED TESTIMONY OF ERICA L. MENARD**  
**PETITION FOR RECOVERY OF STORM EXPENSES**  
**Docket No. DE 20-XXX**

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1 **I. INTRODUCTION**

2 **Q. Please state your name, position and business address.**

3 A. My name is Erica L. Menard. My business address is 780 North Commercial Street, Manchester,  
4 NH. I am employed by Eversource Energy Service Company as the Manager of New Hampshire  
5 Revenue Requirements and in that position, I provide service to Public Service Company of New  
6 Hampshire d/b/a Eversource Energy (“Eversource” or the “Company”).

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

8 A. Yes.

9 **Q. What are your current responsibilities?**

10 A. I am currently responsible for the coordination and implementation of revenue requirements  
11 calculations for Eversource, as well as the filings associated with Eversource’s default Energy  
12 Service (“ES”) rate, Stranded Cost Recovery Charge (“SCRC”), Transmission Cost Adjustment  
13 Mechanism (“TCAM”), and Distribution Rates.

14 **Q. What is the purpose of this filing?**

15 A. The purpose of this filing is to: present information on nine pre-staging and storm response events  
16 that occurred between October 2018 and August 2019 for review. There were storms in October  
17 through December 2019, but as the costs are not yet finalized, the Company notes these for the  
18 Commission here and below. Further information on these events will be included in the  
19 Company’s next annual report, consistent with the directive in the Commission’s March 26, 2019  
20 letter in Docket No. DE 18-058. The Storm Events are all eligible for storm-fund deferral treatment

1 pursuant to the Major Storm Cost Reserve (“MSCR”) mechanism established in Docket No. DE  
2 99-099 and the pre-staging criteria approved in Docket No. DE 12-320.

3 **Q. Is the Company proposing a rate to take effect as a result of this filing?**

4 A. No. The Company is not proposing a rate for effect as part of this filing. The Company is  
5 requesting that the storm costs be reviewed for accuracy and recovered through the MSCR.

6 **Q. Please define the requirements for a weather event to be applicable for recovery within the  
7 MSCR.**

8 A. For all impending storms, Eversource receives an Energy Event Index (“EEI”) from its outside  
9 vendor, DTN (formerly Telvent). The EEI provides highly detailed weather forecasts by region  
10 and zone for the Eversource service area. DTN’s EEI forecast includes all relevant weather metrics  
11 needed to determine the likely severity and location of an impending severe storm. The EEI ranks  
12 the strength of the storm on a scale from 1 to 5, where 5 will be the most severe and cause the most  
13 damage, and then applies a likelihood against the forecasted strength of the storm. Pursuant to the  
14 criteria established in Docket No. DE 12-320, pre-staging costs can be recovered through the  
15 MSCR if the weather event has a “high” (greater than 60% based on the forecast) probability of  
16 reaching “Level 3” or stronger, according to the EEI. *See* Order No. 25,465 (February 26, 2013)  
17 in Docket No. DE 12-320 at 4. For non-pre-staging events, once a storm has hit, for a weather  
18 event to be considered a Major Storm eligible for recovery through the MSCR certain criteria must  
19 be met. A Major Storm is defined as an event that results in either: a) 10% or more of Eversource’s  
20 retail customers being without power in conjunction with more than 200 reported troubles; or b)  
21 more than 300 reported troubles during the event. *See* Order No. 25,465 at 1.

22 **Q. Can you please list the Storm Events which are the subject of this filing?**

23 A. In this filing, the Company is presenting information supporting the costs for nine storm and pre-  
24 staging events that occurred from October 2018 through August 2019: (1) October 15, 2018 Major

1 Storm; (2) November 2, 2018 Major Storm; (3) November 26, 2018 Major Storm; (4) January 20,  
2 2019 Pre-Staging event; (5) January 30, 2019 Pre-Staging event; (6) February 24, 2019 Major  
3 Storm; (7) February 13, 2019 Pre-Staging event; (8) April 3, 2019 Major Storm; (9) August 21,  
4 2019 Pre-Staging event (collectively, the “Storm Events”).

5 **Q. Are there any 2019 Major Storm or pre-staging events that occurred but are not included in**  
6 **this filing because their costs are not yet “finalized”?**

7 A. In the Commission’s March 26, 2019 secretarial letter issued in Docket No. DE 18-058, the  
8 Company was instructed to:

9 include only those storms from the prior calendar for which the final costs have  
10 been calculated. Eversource should make note of any storms where costs are not  
11 finalized by the May 1 report date, and include these storms with final expenses in  
12 the Company’s filed report for the subsequent calendar year.  
13

14 March 26, 2019 Secretarial Letter in Docket No. DE 18-058 at 3. Excluded from this filing are the  
15 October 16, 2019 Major Storm, October 31, 2019 Major Storm, December 2, 2019 Pre-Staging  
16 event, and the December 30, 2019 Pre-Staging event as their costs are not yet “finalized”.

17 **Q. How does the Company determine whether a Storm Event’s costs are “finalized” or not?**

18 A. A Storm Event’s costs are considered “finalized” when there are no longer any unvouchered  
19 liabilities (“UVLs”) charged to the work order. UVLs are used to record or estimate the liability  
20 that exists for work performed for the Company, but for which an actual invoice has not yet been  
21 received.

22 **Q. Does the Company’s filing of finalized storm costs guarantee that a relevant charge will not**  
23 **be received after costs have been filed for recovery?**

24 A. No. Even though the process in place for tracking, revising, and finalizing storm costs is relatively  
25 reliable, there is still the possibility for a relevant charge be received after the storm costs have been  
26 filed. This situation could occur if invoices were received and a liability was not recorded or

1 applied. The Company will include these late charges in subsequent annual storm cost recovery  
2 filings.

3 **Q. Are there any relevant charges that have been recorded for prior Storm Events that have**  
4 **been previously audited?**

5 A. No.

6 **Q. Please provide a brief history of the Major Storm Cost Reserve and describe its evolution.**

7 A. The Company is allowed to defer costs attributable to pre-staging and restoration efforts deriving  
8 from severe weather events that meet the criteria mentioned previously. Under the Docket No.  
9 DE 99-099 Settlement, Eversource established its MSCR, with annual funding of \$3.0 million,  
10 for the purpose of covering the incremental costs associated with severe weather events. Under  
11 the Docket No. DE 09-035 Settlement, Eversource was authorized to increase the funding level to  
12 \$3.5 million annually. Under Order No. 25,382 (June 27, 2012) in Docket No. DE 12-110,  
13 Eversource was authorized to increase the funding level to \$7.0 million annually. Order No.  
14 25,465 in Docket No. DE 12-320 allowed pre-staging events that had a “high” probability of  
15 reaching “Level 3” according to the EEI to be eligible for recovery under the MSCR. Under  
16 Order No. 25,534 (June 27, 2013) in Docket No. DE 13-127, Eversource was authorized to  
17 increase the funding level to \$12.0 million annually, where it has remained since that time.

18 **Q. How is this filing organized?**

19 A. This filing is organized to facilitate the efficient review of costs by the Commission and its Staff.  
20 To achieve this objective, the Company has developed exhibits that organize the costs incurred for  
21 each storm into the following format: (1) summary of costs; (2) charges from external contractors  
22 and other outside vendors; (3) procurement card charges; (4) incremental storm related payroll  
23 costs, payroll related overheads and taxes, incremental vehicle and employee expenses; and (5)  
24 material costs. Documentation and supporting backup analysis is being made available to the  
25 Commission’s Audit Staff.

1 Following this introduction is a review of each cost category in Section II. Section II also describes  
2 the review process that is undertaken to analyze charges from outside vendors to ensure that costs  
3 are accurate and reasonable. Section III provides concluding remarks.

4 **II. COST ANALYSIS AND DOCUMENTATION**

5 **Q. For the Storm Events which have yet to be audited, please provide the total amount of storm**  
6 **costs included in this filing related to the restoration of power.**

7 A. As illustrated in the table below, the Company incurred storm-related preparation and response  
8 costs totaling approximately \$14.0 million in relation to the nine Storm Events listed. These  
9 amounts do not include any costs capitalized within utility plant on the Company's books nor the  
10 carrying charge associated with the costs incurred. Including the carrying charge associated with  
11 the timing of each of these expenditures, the total cost including carrying charges as of April 30,  
12 2020 is approximately \$14.7 million.

Storm	Total Cost	Carrying Costs 04/30/2020	Total Cost 04/30/2020
10/15/18 Storm	\$ 706,066	\$ 44,340	\$ 750,406
11/02/18 Storm	\$ 951,495	\$ 56,592	\$ 1,008,088
11/26/18 Storm	\$ 7,354,307	\$ 417,183	\$ 7,771,490
01/20/19 Pre-Staging	\$ 978,860	\$ 62,614	\$ 1,041,474
01/30/19 Pre-Staging	\$ 60,378	\$ 4,661	\$ 65,039
02/24/19 Storm	\$ 2,350,439	\$ 145,267	\$ 2,495,706
02/13/19 Pre-Staging	\$ 67,824	\$ 4,221	\$ 72,045
04/03/19 Storm	\$ 1,352,269	\$ 78,350	\$ 1,430,619
08/21/19 Pre-Staging	\$ 97,577	\$ 3,327	\$ 100,904
Total	\$ 13,919,216	\$ 816,555	\$ 14,735,771

13  
14 **Q. Did the Company review the incremental storm expenses to ensure the amounts identified**  
15 **are accurate and correctly attributable to each event?**

16 A. Yes. The Company undertook a thorough review of invoices and costs recorded to the Company's  
17 system in relation to these events. In conducting that review, the Company carefully examined the  
18 charges to confirm that the costs are incremental costs directly attributable to the emergency

1 response and not otherwise represented or recoverable in any other distribution rate, charge or tariff.

2 Moreover, all the costs presented for recovery in this filing were reasonably and necessarily  
3 incurred to prepare for and respond to the Storm Events. The costs in this filing were incurred to  
4 make the repairs necessary to address the damage caused by those severe weather events and  
5 support the restoration effort or to prepare for the potential sever weather event.

6 **Q. What is the Company's primary tool for accounting for storm restoration costs?**

7 A. During the pre-storm planning process for a pending Emergency Response Plan ("ERP") event, the  
8 Company establishes storm work orders within its financial system to capture costs as those costs  
9 are incurred. All applicable costs are captured in the work order. For example, as employees work  
10 on restoration efforts, all their appropriate work hours are charged to the appropriate work order,  
11 which allows for the tracking of storm costs. To capture costs incurred by employees in fulfilling  
12 their storm duties, the Company utilizes procurement cards. The purpose of these purchases is to  
13 acquire needed items that are not typically maintained in inventory and are not capital items or for  
14 expenses related to food and lodging where the Company does not have an established purchase  
15 order. Examples of these types of items include tape and slings needed to make an area safe.  
16 Procurement cards allow employees to make immediate purchases from vendors, while  
17 simultaneously providing management line-of-sight supervisory ability to monitor charges and  
18 assess whether the charges are appropriate and includable for storm-cost recovery. For an ERP  
19 event, corporate procurement cards are used to ensure that costs are segregated and recorded  
20 directly to specific storm-related accounts on the Company's accounting books and records.  
21 Receipts for all purchases are required for submission into the Company system. The Company's  
22 systems also allow for supervision of the card use for all corporate procurement cards.

23 **Q. Are capitalized storm costs excluded from this request for recovery?**

24 A. Yes. In a Major Storm event, capital costs are incurred in relation to the restoration and/or  
25 replacement of distribution equipment damaged by the storm. Capital work occurs in two phases

1 of the storm: (1) during the initial phase of the storm, in the days immediately following the storm  
2 when the Company is working to restore power to customers efficiently and safely; and (2) during  
3 the non-emergency, post-storm restoration phase, which can last well after the event date, as  
4 permanent repairs are made to replace temporary repairs made to restore power immediately  
5 following the storm.

6 In general terms, work is considered capital under utility general accounting rules where a unit of  
7 property is either replaced or newly installed. During the initial phase of the storm, there is a  
8 significant level of activity occurring, all with a paramount focus on a safe and expeditious  
9 restoration. Therefore, initially all material and labor are charged to the expense work order  
10 established for the event to track costs for the storm event. After the storm, all material charges are  
11 reviewed and any units of property are moved to a capital work order, along with the associated  
12 labor costs. As a result, the costs submitted in this filing for recovery through rates are exclusive  
13 of any capitalized costs incurred to make storm-related repairs. All capital costs are simply  
14 reflected within utility plant subject to the ordinary distribution ratemaking process.

15 Here is the process for capitalizing materials used during a storm:

16 All restoration costs are initially accumulated in an expense work order specific to that event. Once  
17 the costs have been collected in the work order, the material issued or charged to the storm expense  
18 work order is reviewed to identify capital units of property (retirement units). Based upon the units  
19 of property identified, an estimate is developed of the work performed during a storm that should  
20 be capitalized. This estimating process utilizes information from the company's work management  
21 system, such as man-hour estimates, to develop the installed cost associated with the replacement  
22 of capital units of property during the storm restoration. The installed cost of the capital units of  
23 property is estimated at a high level (labor, vehicles, material, overheads), but not at a transaction  
24 level. Once the capitalized costs are determined, they are transferred from the storm expense work  
25 order to a separate capital work order and ultimately closed to the appropriate plant accounts. This

1 process has been used by Eversource for many years to capitalize material costs during a Major  
2 Storm event as it would be burdensome to charge each capital item to a unique work order as is the  
3 case when work is performed in a non-storm restoration situation.

4 **Q. In Docket No. DE 18-058, Audit Staff and Staff recommended removing certain charges**  
5 **deemed to be “Media Communications”. Are these costs included in the schedules for these**  
6 **nine weather events?**

7 A. While no costs exist for Ergonomics Group or Twenty First Century, for the events included in  
8 this submission the Company has utilized the services of West Interactive Services Corp. and  
9 Kubra Arizona Inc. to fulfill a similar role as Twenty First Century had in prior events. These  
10 costs are included in the schedules for these weather events within the Contractor sections. These  
11 costs have been included because, as noted in its February 6, 2019 response to the Staff’s  
12 recommendation in Docket No. DE 18-058 and March 19, 2019 testimony filed in DE 19-050,  
13 the Company continues to believe that these costs are prudently incurred incremental storm-  
14 related expenses not otherwise recovered through its rates; and these costs have previously been  
15 audited, specifically reviewed, found to be prudently incurred, and recoverable through the  
16 MSCR.

17 **Q. Would you please provide an overview of the costs that are included for review in this filing,**  
18 **by cost category?**

19 A. Yes. The Company has organized the costs relating to each storm event into four categories.  
20 These categories are: (1) charges from external contractors and other outside vendors; (2)  
21 procurement card and other logistical charges; (3) incremental storm related payroll costs, payroll  
22 related overheads and taxes, incremental vehicle and employee expenses; and (4) materials costs.  
23 Documentation and/or analyses are provided for each of these categories. Below, each one of  
24 these four categories is discussed to provide an explanation of each category.

1 **Q. The first cost category is external contractors and outside vendors. Would you please explain**  
2 **what types of costs are included in the category?**

3 A. Yes. This first category encompasses any external product or service required by the Company to  
4 prepare for and execute the restoration effort. The total costs incurred in this category for the  
5 Storm Events are approximately \$8.3 million, as shown below.

<b>Storm</b>	<b>External Contractors &amp; Outside Vendors</b>
10/15/18 Storm	\$ 352,666
11/02/18 Storm	\$ 511,367
11/26/18 Storm	\$ 4,775,267
01/20/19 Pre-Staging	\$ 571,732
01/30/19 Pre-Staging	\$ 5,671
02/24/19 Storm	\$ 1,364,071
02/13/19 Pre-Staging	\$ 7,144
04/03/19 Storm	\$ 698,692
08/21/19 Pre-Staging	\$ 19,962
Total	<u>\$ 8,306,573</u>

6  
7 **Q. What are the types of costs that are incurred relating to external contractors and outside**  
8 **vendors?**

9 A. The costs billed to Eversource in this category are costs incurred in relation to external contractors  
10 and outside vendors providing services in three primary classifications: (1) overhead line and  
11 service crews; (2) vegetation-management services; and (3) other invoiced costs, such as  
12 environmental, communications, police detail, transportation, professional logistics, and food and  
13 lodging expenses.

14 **Q. Would you explain what types of costs are incurred in relation to overhead line and service**  
15 **crews, and vegetation management services?**

16 A. Yes. Costs incurred in the classification of overhead line crews are for repair crews called in to  
17 work on the overhead system to restore power to customers. Within this category, there are two  
18 types of resources: (1) professional line contractors and service crews engaged to work on the

1 Eversource system during severe weather emergency periods; and (2) mutual aid line crews  
2 obtained from other electric utilities.

3 Costs incurred in the classification of vegetation management are for the crews that are responsible  
4 for the safe removal of trees, branches, and other like debris that has created outages along  
5 Eversource's system. These resources are professional contractors engaged to work on the  
6 Eversource system during severe weather emergency periods.

7 **Q. How are the rates for these three types of crews established?**

8 A. The rates paid to contractors who work on the Eversource system during non-emergency periods  
9 are established through a negotiated purchase order process, which defines the rate structure. The  
10 rates for external contract crews hired for the exclusive purpose of the storm are also established  
11 through the negotiated purchase order process. The rates for mutual aid crews are established  
12 through the Edison Electric Institute's Governing Principles Covering Emergency Assistance  
13 Arrangements Between Edison Electric Institute Member Companies. The principle of mutual aid  
14 is that a utility is compensated based on its cost to provide services to another utility.

15 **Q. What is the internal review process that is followed to verify that invoiced costs from external  
16 contractors and outside vendors are correct?**

17 A. The Resource Acquisition Section of Eversource's ERP is comprised of individuals who are  
18 responsible for the procurement of contractor resources. The Resource Acquisition Section works  
19 in partnership with the Logistics Section and the Company's Procurement Department to secure  
20 contractors at the direction of the Incident Commander and Electric Operations Section Chief, with  
21 input from the other ERP section chiefs, as appropriate. As part of the procurement process, rates  
22 and mobilization/demobilization procedures are negotiated and agreed to with the vendor. In  
23 addition, throughout the event, Eversource supervisors are specifically assigned to the external  
24 crews to oversee the work of external resources. Each day, the contractors prepare timesheets,

1 which are verified and signed off by the designated Eversource supervisor to ensure that the  
2 indicated work hours are accurate.

3 After the event, each contractor hired by Eversource to perform storm-related services renders  
4 invoice(s) related to those services. The invoice detail is initially reviewed by Eversource clerical  
5 personnel, who are responsible for verifying that accurate (contract) rates are charged for each job  
6 classification based on the rates negotiated. The clerical employee also verifies the mathematical  
7 accuracy of the calculations on the bill, as well as whether the hours on the invoice align with the  
8 hours reported to the Company (or recorded by the Company) during the event. After this initial  
9 review, the invoices are further reviewed by an Eversource supervisor prior to approval of the  
10 invoice in accordance with the Company's Delegation of Authority.

11 During the review of these invoices, if discrepancies are identified or additional information is  
12 needed, Eversource personnel contact the vendor and, if adequate supporting documentation is not  
13 available, invoice charges are rejected in part or in total, as appropriate. In addition, if discrepancies  
14 are identified that resulted in over or under charging, Eversource works with the vendors to  
15 reconcile and pay the appropriate amount due.

16 **Q. The second category is procurement card and other logistical charges. How are these costs**  
17 **compiled?**

18 A. The costs incurred in this category are approximately \$0.4 million, as shown below.

Storm	Procurement Card & Other Logistical Charges
10/15/18 Storm	\$ 6,080
11/02/18 Storm	\$ 23,049
11/26/18 Storm	\$ 259,255
01/20/19 Pre-Staging	\$ 21,396
01/30/19 Pre-Staging	\$ 6,904
02/24/19 Storm	\$ 77,013
02/13/19 Pre-Staging	\$ 6,031
04/03/19 Storm	\$ 13,345
08/21/19 Pre-Staging	\$ 5,617
Total	\$ 418,690

1 A large portion of these costs relate to lodging and meals for external contractors working on the  
2 system. The Company also provides meals and lodging for internal crews and support staff who  
3 may have to travel some distance from home or work extended hours to perform restoration work  
4 within the Eversource service territory.

5 **Q. How are lodging and meals procured and tracked?**

6 A. The Logistics Section of the ERP team is responsible for arranging lodging for internal and external  
7 personnel. In advance of a storm event, the Logistics team coordinates with hotels across the  
8 system to validate the availability of rooms depending on the size of the event. As rooms are  
9 needed, the hotels with sufficient availability in the areas where contractor resources will be  
10 assigned are called to book lodging. All invoices associated with meals and lodging are reviewed  
11 by the Logistics Section and signed off by the manager in charge of the group to assure that the  
12 Company only pays for lodging and not for un-related room charges.

13 In most cases, lodging arrangements are paid for via a procurement card. All cardholders are  
14 responsible for the charges on their procurement card and are required to provide receipts along  
15 with the associated statements to their managers for final review and approval. Procurement cards  
16 are also utilized to pay for meals or food brought into the area work centers for those employees  
17 working there. The Logistics Section coordinates the meal arrangements at the various area work  
18 centers. Meals and water as needed are also purchased by individuals who have their own  
19 designated procurement cards.

20 **Q. The third category is incremental storm related payroll costs, payroll related overheads and**  
21 **taxes, incremental vehicle and employee expenses. How have costs been compiled for this**  
22 **category?**

23 A. The costs incurred for direct, internal payroll are approximately \$3.7 million, as shown below:

<b>Storm</b>	<b>Storm-related Payroll</b>
10/15/18 Storm	\$ 230,749
11/02/18 Storm	\$ 314,629
11/26/18 Storm	\$ 1,599,333
01/20/19 Pre-Staging	\$ 290,703
01/30/19 Pre-Staging	\$ 33,275
02/24/19 Storm	\$ 653,281
02/13/19 Pre-Staging	\$ 36,891
04/03/19 Storm	\$ 442,335
08/21/19 Pre-Staging	\$ 52,288
Total	\$ 3,653,484

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The payroll category includes the labor costs for union and non-union personnel. Employees are required to account for each hour worked every day. Employees in the field with a designated timekeeper fill out a paper timesheet with their hours worked. The timesheet is reviewed and approved by the employee's supervisor and entered into Eversource's time and attendance system by a clerical employee in the office. Employees with access to Eversource's time and attendance system enter their own time directly and supervisors review and approve payroll in that system.

For the union personnel discussed above, the actual costs related to their worked hours is based on the applicable collective-bargaining agreement(s).

Exempt employee time is captured and tracked in the same storm account. Since exempt employees are not routinely paid for overtime, this time entry is for tracking purposes only. During the most severe weather events, exempt employees are required to work an extensive number of hours over their typical work week. Depending on the severity of the event, exempt operations supervisory employees are paid for overtime worked during a storm event, consistent with the Eversource storm pay policy. For exempt employees who do not fall into the operations supervision category or if the ERP level of the event is not met, employees at the level of manager and below may be awarded fixed compensation. None of the nine Storm Events contain compensation awards for exempt employees who worked extended hours in support of the restoration process.

1 The Company includes payroll-related overheads for affiliates in the total storm costs. The costs  
2 incurred for payroll-related overheads and taxes are approximately \$0.4 million, as shown below.

<b>Storm</b>	<b>Payroll-related Overheads and Taxes</b>
10/15/18 Storm	\$ 10,033
11/02/18 Storm	\$ 10,596
11/26/18 Storm	\$ 258,884
01/20/19 Pre-Staging	\$ 14,027
01/30/19 Pre-Staging	\$ 697
02/24/19 Storm	\$ 34,198
02/13/19 Pre-Staging	\$ 903
04/03/19 Storm	\$ 28,952
08/21/19 Pre-Staging	\$ 2,524
Total	<u>\$ 360,814</u>

3  
4 The payroll-related overheads and taxes for affiliates would not have been incurred by Eversource  
5 except for the need to conduct the storm-response effort.

6 **Q. Has the Company removed overtime costs associated with storm-related capital work?**

7 A. Yes. As mentioned above, the Company uses a capitalization process that estimates the labor costs  
8 associated with the capital units of property installed and removed during a restoration event.  
9 Factored into that estimation is an assumption that all work is performed under adverse weather  
10 conditions and on overtime. Therefore, overtime is removed from the storm costs when labor costs  
11 are transferred from the expense work order to the capital work order. Overheads and loaders,  
12 including vehicle cost allocations, are applied to the labor and material costs capitalized.

13 **Q. Please quantify and explain the costs incurred due to vehicles.**

14 A. Vehicle costs are incurred when a Company vehicle is needed to perform restoration work or, in  
15 the case of pre-staging, be deployed in advance of the anticipated weather to be ready to respond  
16 to the most affected areas as they emerge. The costs allocated for use of vehicles during the  
17 restoration work are approximately \$1.0 million, as shown below:

Storm	Vehicle Expenses
10/15/18 Storm	\$ 77,877
11/02/18 Storm	\$ 83,320
11/26/18 Storm	\$ 408,222
01/20/19 Pre-Staging	\$ 77,773
01/30/19 Pre-Staging	\$ 13,051
02/24/19 Storm	\$ 187,920
02/13/19 Pre-Staging	\$ 16,496
04/03/19 Storm	\$ 156,583
08/21/19 Pre-Staging	\$ 16,221
Total	\$ 1,037,463

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2 **Q. What other support costs are incurred during an event?**

3 A. Other costs may be incurred during an event and are eligible for reimbursement, such as meals and  
4 mileage for those employees that are working the storm event that may not have a procurement  
5 card or as contractually obligated. The costs incurred for other support costs are approximately \$0.1  
6 million, as shown below:

Storm	Other Employee Expenses
10/15/18 Storm	\$ 5,681
11/02/18 Storm	\$ 4,451
11/26/18 Storm	\$ 24,980
01/20/19 Pre-Staging	\$ 3,229
01/30/19 Pre-Staging	\$ 781
02/24/19 Storm	\$ 9,357
02/13/19 Pre-Staging	\$ 359
04/03/19 Storm	\$ 4,408
08/21/19 Pre-Staging	\$ 964
Total	\$ 54,208

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8 **Q. The fourth category is materials. How are costs compiled for this category?**

9 A. The costs incurred for materials are approximately \$0.1 million, per the table below.

<b>Storm</b>	<b>Itemization of Materials</b>
10/15/18 Storm	\$ 22,980
11/02/18 Storm	\$ 4,085
11/26/18 Storm	\$ 28,366
01/20/19 Pre-Staging	\$ -
01/30/19 Pre-Staging	\$ -
02/24/19 Storm	\$ 24,599
02/13/19 Pre-Staging	\$ -
04/03/19 Storm	\$ 7,954
08/21/19 Pre-Staging	\$ -
<b>Total</b>	<b>\$ 87,983</b>

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The Materials category represents the incremental costs associated with the materials used to restore power and repair storm damage. Typically, these are small items like tape, nuts and bolts, and short sections of wire, safety and protective equipment. Also included in these amounts are store and lobby stock items purchased during a storm event.

6

### **III. CONCLUDING REMARKS**

7

**Q. Were the costs presented in this filing for recovery reasonably and prudently incurred to restore power to customers following the Storm Events?**

8

9

A. Yes. All of the costs that the Company has presented in this filing were incurred as part of the

10

Company's efforts to prepare for and respond to the storm conditions caused by the Storm Events.

11

As previously mentioned, each of these events met or exceeded the threshold required to be

12

recoverable via Eversource's MSCR. Significant resources were needed to prepare for the Storm

13

Events and to restore power in a reasonable timeframe. The actions taken by Eversource to prepare

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for and respond to the weather events were appropriate and effective, and resulted in the restoration

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of power in a reasonably prompt manner. Therefore, the costs that were incurred to achieve these

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results are eligible for recovery through the Company's MSCR.

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**Q. Does this complete your testimony?**

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A. Yes, it does.