

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

Docket No. DE 21-xxx

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

Calendar Year 2020 Annual Report and Reconciliation and Rate Adjustment Filing

DIRECT TESTIMONY

OF

HEATHER GREEN,

JOEL RIVERA,

AND

ANTHONY STRABONE

March 15, 2021



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1 **I. INTRODUCTION**

2 **Heather Green**

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

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

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

7 A. I am employed by Liberty Utilities Service Corp. (“LUSC”) as the Program Manager of
8 Inspections and Vegetation. In that capacity I support Electric Operations and plan,
9 budget, and manage Liberty Utilities (Granite State Electric) Corp.’s (“Liberty” or “the
10 Company”) inspection and vegetation management programs, vendor performance, and
11 storm and regulatory support on the distribution and sub transmission assets.

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

13 A. I graduated from Purdue University in 1994 with a Bachelor’s Degree of Science in
14 Forestry with an Urban Option.

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

16 A. I joined LUSC in March of 2018. Prior to that I worked for the State of New Hampshire
17 Division of Forests and Lands as a Community Forester. I worked in the role of
18 Municipal Arborist from 1998 to 2013 in the Chicago suburbs in both a north shore
19 community of Park Ridge and a south shore community of Oak Lawn. I have also
20 worked for a variety of commercial tree care companies and gardens.

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

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

7 A. Yes, I previously testified before the Commission on the Company's Vegetation
8 Management Program in 2019 and 2020. I have also submitted written testimony in
9 support of the Company's rate case in Docket No. DE 19-064 with respect to the
10 Company's vegetation management practices.

11 **Joel Rivera**

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

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

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

16 A. I am employed as the Director of Electric Control and Dispatch by LUSC, which
17 provides services to Liberty. In my capacity as Director of Electric Control and Dispatch,
18 I am responsible for managing the operations and maintenance ("O&M") and capital
19 budgets, and coordinate the workflow and staffing requirements for these two work areas.
20 I also assist in the development of policies, procedures, and plans for operating,
21 maintaining, and improving the electric infrastructure.

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

2 A. I graduated from Universidad Interamericana de Puerto Rico in 2003, earning a
3 bachelor's degree in electrical engineering. I also graduated from the University at
4 Buffalo in 2017, earning a master's degree in electrical engineering. I am a registered
5 professional engineer in the State of New Hampshire.

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

7 A. In 2006, I began my engineering career as an associate engineer with National Grid USA
8 ("National Grid") in Buffalo, New York. By 2009 I had progressed to senior engineer in
9 the distribution planning department for National Grid's electric distribution system in
10 Buffalo. In 2009, I was promoted to lead engineer and was responsible for distribution
11 planning functions for National Grid's electric distribution system in both New England
12 and New York. In 2013, I assumed the role of Planning Engineer - Electric for LUSC.
13 In 2018, I was promoted to Manager of GIS and Electric System Planning and was
14 responsible for electric and gas map records and developing and implementing the
15 Company's electric planning initiatives in the electric delivery business. In 2021, I was
16 promoted to my current position as Director of Electric Control and Dispatch.

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

19 A. Yes, I previously testified before the Commission on the Company's Reliability
20 Enhancement Program in 2018, 2019, and 2020. I have also submitted written testimony
21 in support of the Company's rate case in Docket No. DE 19-064.

1 **Anthony Strabone**

2 **Q. Mr. Strabone, please introduce yourself.**

3 A. My name is Anthony Strabone, my business address is 9 Lowell Road, Salem, New
4 Hampshire, and I am employed by LUSC. I am the Senior Manager of Electrical
5 Engineering and am responsible for the electric capital work plan whereby I manage
6 engineering and construction resources for capital projects.

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

8 A. I graduated from Merrimack College in 2004 with a Bachelor of Science degree in
9 Electrical Engineering. I received a Master's of Business Administration from Southern
10 New Hampshire University in 2006. I received a Project Management Professional
11 (PMP) Certification in 2017 from the Project Management Institute. In 2019, I received
12 my license as a Professional Engineer in the State of New Hampshire.

13 **Q. Please describe your professional background.**

14 A. I joined LUSC in November 2014. Prior to my employment at LUSC, I was employed
15 by Public Service Company of New Hampshire as a Substation Supervisor in Substation
16 Maintenance from 2010 to 2014. Prior to my position in Substation Maintenance, I was a
17 Substation Engineer in Substation Engineering from 2008 to 2010 and an Engineer in the
18 System and Planning Strategy department from 2004 to 2008.

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

2 A. Yes, I presented direct and rebuttal testimony and further testimony in support of the
3 2020 step adjustment in Docket No. DE 19-064, and I testified in support of the
4 Company's 2019 step adjustment in Docket No. DE 16-383.

5 **II. PURPOSE OF TESTIMONY**

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

7 A. Our testimony provides the Commission with background information regarding the
8 Reliability Enhancement Program ("REP") and Vegetation Management Program
9 ("VMP") that Liberty implemented during Calendar Year 2020 and as described in the
10 Company's Calendar Year 2020 Reliability Enhancement Program and Vegetation
11 Management Program Report dated March 15, 2021 (the "CY2020 REP/VMP Report"),
12 submitted as Attachment A to this testimony. This testimony provides support for the
13 Company's request to recover an additional \$220,000, above the base amount of
14 \$2,200,000 currently in rates in vegetation management costs for 2020, as approved in
15 Docket No. DE 19-064. The Settlement Agreement in that docket allows the Company to
16 recover \$2,200,000 annually in vegetation management costs, plus ten percent, for a
17 maximum annual recovery of \$2,420,000.

18 This testimony also supports the Company's request to recover the revenue requirement
19 of \$213,246 for the capital projects, which is the amount associated with a total of
20 \$1,566,370 in capital investment during CY2020. Information regarding the calculation
21 of the REP/VMP Adjustment Provision and the REP Capital Investment Allowance, and

1 the associated rate impacts, is set forth in the joint testimony of David Simek and Adam
2 Hall, which is a part of this filing.

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

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

5 A. Prior to 2020, the Company continued its Vegetation Management and Reliability
6 Enhancement Programs at spending levels described in several rate case settlement
7 agreements, subject to annual Commission approval. *See* Order No. 25,638 (March 17,
8 2014) (approving the Settlement Agreement in Docket No. DE 13-063), as amended by
9 Order No. 26,005 (April 12, 2017) (approving the Settlement Agreement in Docket No.
10 DE 16-383), and as amended by Order No. 26,376 (June 30, 2020) (approving the
11 Settlement Agreement in Docket No. DE 19-064) (together, the “Settlement
12 Agreement”). In general, the REP and VMP include categories of both capital (REP) and
13 O&M (VMP) spending targeted to improve reliability performance. The REP and VMP
14 are premised on the understanding that a certain amount of annual spending on both
15 capital and O&M activities is necessary to maintain the safety and reliability of the
16 Company’s electric distribution system. The Settlement Agreement in Docket No. DE
17 16-383 assumed that a base amount of \$1,500,000 would be spent on O&M activities
18 associated with the VMP during a fiscal year. In addition, the REP program included a
19 targeted budget of \$1,500,000 for REP capital investments for each calendar year. As

1 noted above, Docket No. DE 19-064 changed the total spending level for vegetation
2 management. Specifically, the Settlement Agreement in that Docket provided:

3 *Under the VMP, the Company shall maintain a four-year*
4 *cycle for tree trimming and vegetation management and*
5 *shall continue with the filings and reporting requirements*
6 *currently in place. The base rate increase agreed to in this*
7 *Agreement includes an increase in the VMP spending to*
8 *\$2,200,000 for 2020, which shall continue until changed in*
9 *a future base rate case. The Company shall not recover any*
10 *VMP expenses that exceed 10% of that amount, or in excess*
11 *of \$2,420,000, through the annual reconciliation filing, or*
12 *otherwise. The VMP spending shall be reconciled each year,*
13 *with any under spending carried into the next program year*
14 *or returned to customers, as determined by the Commission.*
15 *(Settlement Agreement in Docket No. DE 19-064, Hearing*
16 *Exhibit 37, at 11.)*

17 Also included in the Settlement Agreement is the following language ending the annual
18 reconciliation of REP after this CY 2020 reconciliation filing:

19 *The REP shall terminate with the final order in the*
20 *“Calendar Year 2020 Annual Report and Reconciliation*
21 *and Rate Adjustment Filing,” docket, which will seek*
22 *recovery of REP investments made during the 2020*
23 *construction season. Staff and the OCA accept the 2020 REP*
24 *capital budget, Attachment 7, as presented during the*
25 *February 6, 2020, REP/VMP meeting. (Settlement*
26 *Agreement in Docket No. DE 19-064, Hearing Exhibit 37, at*
27 *10.)*

28 As such, this filing will mark the end of the REP portion of the filings and the Company
29 will recover reliability enhancement projects through future rate cases only.

1 **Q. Please describe what types of activities were included in the 2020 REP and VMP.**

2 A. A significant portion of the REP capital budget targeted the re-conductoring of
3 approximately 4 miles of bare mainline primary conductor with spacer cable. These
4 projects are identified in Appendices 2 and 3 of the CY2020 REP/VMP Report. The
5 vegetation management activities consisted of Planned Cycle Trimming, Tree Removal,
6 Right of Way work, and Interim, Spot, and Trouble Tree Trimming, identified in
7 Appendices 4 and 5 of the CY2020 REP/VMP Report.

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

12 A. Each year, the Company develops an Annual Work Plan that is designed to achieve the
13 overriding performance objectives of the business (safety, reliability, efficiency, customer
14 satisfaction, and environmental responsibility). At the outset, the Company compiles a
15 draft work plan that consists of proposed spending for asset replacement, system
16 capacity, and performance initiatives, and individual capital projects and work activities
17 required to comply with franchise or tariff requirements such as pole relocations,
18 response to damage/failure, and new business construction. Each potential project
19 specified within the plan includes a business category/justification for the project and
20 estimated costs. The Company then prioritizes the projects based on the relative risk or
21 opportunity associated with each project proposal to facilitate the selection of appropriate
22 projects to be included in the Annual Work Plan. All of the proposed projects then

1 undergo review and are prioritized to achieve an optimized portfolio of projects
2 considering the reliability performance data compared to the reliability improvements
3 targeted by the various programs and the deliverability of the various programs within the
4 calendar year. The process is designed to ensure the Company arrives at a budget that
5 provides the optimal balance in terms of selecting the investments necessary to maintain
6 and improve the performance of the system, while also ensuring a cost-effective use of
7 the Company's available resources.

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

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

15 **Q. Please summarize the Company's actual results from the CY2020 REP/VMP**
16 **activities and the level of recovery the Company is requesting.**

17 A. For CY2020, Liberty proposed to spend \$1,500,000 for capital investments, plus
18 \$100,000 of carryover costs from 2019 projects. The final spending level was
19 \$1,566,370. Further details of the projects and actual spending amounts are detailed in
20 the Report.

1 With respect to vegetation management activities, the Company initially proposed during
2 Docket No. DE 19-064 the options of continuing a 4-year trimming cycle or returning to
3 a 5-year cycle. Recognizing that annual reimbursements that it had historically received
4 from Consolidated Communications, Inc. (“CCI”) would no longer be available to offset
5 the total amount of VMP O&M expenses incurred, because CCI exercised its contractual
6 option not to participate in the vegetation management aspect of the Joint Ownership
7 Agreement after 2019, all annual vegetation management costs are the responsibility of
8 the Company and its customers.

9 The result of the rate case Settlement Agreement allowed for a total annual spend of
10 \$2,200,000, further limited by a cap of 10%, or a maximum potential allowance of
11 \$2,420,000, with or without billing CCI for their portion of tree trimming costs. As the
12 option to bill CCI was no longer available, LU adjusted the 2020 budget towards this
13 figure. The actual spending for CY2020 was \$2,461,057. Being that the total cost of
14 vegetation management is greater than the allowed \$2,420,000, the Company is only
15 requesting cost recovery for the allowed amount. Information regarding any excess
16 amounts are provided to allow the Commission to see the total costs associated with
17 vegetation management activities in 2020.

18 **Q. Please explain why the Company’s actual O&M spending for CY2020 varied from**
19 **the Company’s original budget.**

20 **A.** The major spending variances are as follows below:

- 21 • Work planning -- \$3,926 more spent than anticipated;

- 1 • Spot Tree Trimming -- \$7,490 less than anticipated;
- 2 • Trouble and Restoration Maintenance -- \$36,491 more than anticipated;
- 3 • Planned Cycle Trimming -- \$55,123 more than anticipated;
- 4 • Police Detail (Traffic Control) -- \$52,040 less than anticipated;
- 5 • Hazard Tree Removal -- \$10,947 more than anticipated;
- 6 • Interim Trimming -- \$9,552 more than anticipated; and
- 7 • ROW -- \$45,008 less than anticipated.

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

9 **Q. Please explain why the Company's actual capital spending for CY2020 varied from**
10 **the Company's original budget.**

11 A. The major spending variances are the \$66,370 higher than anticipated spending on the
12 2020 bare conductor replacement projects, offset by the 2020 carryover from 2019
13 projects not being included in this filing because the carryover is being included in the
14 2021 Step Adjustment filing due April 6, 2021. Additional details of the variances are
15 available in the Report.

16 **Q. Did the Company undertake all of the bare wire replacement provided in the plan**
17 **submitted to Staff on November 15, 2019?**

18 A. No. The Company completed approximately two-thirds of the work described to Staff.
19 The Company deferred replacing bare wires along Burns Road and Mammoth Road until
20 2021 to offset a higher than expected investment in the Bridge Street project.

1 **Q. Please explain why the Company only undertook a portion of the work provided to**
2 **Staff?**

3 A. The Company reduced the amount of bare wire replacement to offset a higher than
4 expected investment in the Bridge Street project. The higher costs for the Bridge Street
5 project were driven by increased per mile costs, increased material charges, and total tree
6 trimming costs for those projects that came in higher than estimated. The estimated cost
7 per mile used was \$380,000, but the actual cost per mile for Bridge Street was \$778,162.
8 This higher cost was primarily due to higher than anticipated contractor bids, along with
9 the tree trimming costs being budgeted at approximately \$40,000, but the total charges
10 came in at approximately \$117,000. The actual cost for Nashua Road was \$486,596 per
11 mile. As provided in discovery in Docket No. DE 20-036, the Company found that the
12 \$380,000 cost per mile should be approximately \$450,000. The findings of this change
13 occurred after review of the 2019 job costs after December 31, 2019. The budget for
14 calendar year 2020 had already been approved by the Company and Staff had already
15 been supplied with the calendar year 2020 project list on November 15, 2019.

16 **Q. Please summarize the reliability results shown in the CY2020 REP/VMP Report.**

17 A. The Company did not meet its SAIFI and SAIDI targets of 0.829 and 97.88 minutes,
18 respectively, for the reasons described below, which are based on a five-year rolling
19 average and are shown in Appendix 7. The actual results for CY2020 were 0.855 and
20 104.747, respectively. This marks the first time in six years that the Company has not
21 met its SAIFI and SAIDI targets. Liberty nonetheless expects overall positive
22 performance in SAIFI and SAIDI to continue as further positive impacts from the

1 reliability initiatives are experienced. Additional details of the reliability results are
2 provided in the Report.

3 **Q. Please explain the major incidents that led to the Company not meeting its SAIFI**
4 **and SAIDI targets for 2020.**

5 A. Some level of variability is to be expected in the year-to-year metrics, primarily rooted in
6 weather pattern changes, and that was certainly the case in 2020. On September 30, the
7 Company experienced a weather event that resulted in a daily SAIDI that exceeded the
8 threshold for IEEE 1366 major event day but did not exceed the threshold for PUC
9 regulatory criteria of 45 concurrent events. This weather event included the lockout of
10 the Vilas Bridge 12L2 circuit breaker in Vermont after a tree fell and caused eight
11 sections of primary and secondary wires to come down. The fact that the Vilas Bridge
12 12L2 feeder is mainly a radial line with minimal backup ties to other sources delayed the
13 restoration of power to customers. From an outage duration standpoint, this feeder
14 lockout is the single worst incident for Liberty since March 2014 and contributed to a
15 SAIDI and SAIFI of 11.3 minutes and 0.029, respectively. For reference, the Company
16 missed its SAIDI and SAIFI targets by 6.87 minutes and 0.026, respectively.

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

19 A. Yes. As described in this filing, the expenditures were reasonable because these
20 expenditures were made for programs that are specifically referenced in the Settlement
21 Agreement and were necessary to achieve continued improvement in the Company's
22 system reliability. The work undertaken for vegetation management, single phase

1 recloser installations, and bare conductor replacement was incurred for the explicit
2 purpose of improving system reliability and is consistent with the intent of the Settlement
3 Agreement. These expenditures are expected to generate real customer benefits in the
4 form of improved reliability performance. As such, the Commission should approve
5 recovery of these expenditures and permit the requested rate adjustments to become
6 effective for usage on and after May 1, 2021.

7 **IV. CONCLUSION**

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

9 A. Yes, it does.