

Granite State Electric Company d/b/a National Grid

Docket No. DT 07-011

Direct Testimony

of

Cheryl A. Warren

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1 **I. INTRODUCTION**

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

3 A. Cheryl A. Warren, 1125 Broadway, Albany, NY 12204.

4 **Q. Please state your position with the Company.**

5 A. I am the Vice President of Asset Strategy and Investment Planning in the Network
6 Strategy organization within National Grid USA Service Company, Inc.

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

8 A. No, I have not.

9 **Q. Please provide your educational background and experience.**

10 A. I received a Bachelor of Science degree in Electrical Engineering in 1987 and a Master of
11 Science degree in Engineering in 1990 from Union College in Schenectady, NY. I was
12 employed by Central Hudson Gas and Electric from 1987 to 1989 in the System
13 Protection Department where I was responsible for relay coordination on the distribution
14 system. In 1990, I accepted a position in the Distribution Engineering Group, part of the
15 Consulting Group, with Power Technologies Inc. ("PTI"). My responsibilities included
16 the study and analysis of distribution issues for numerous companies. My primary areas
17 of responsibility were in power quality and reliability studies for clients. During this
18 timeframe, I also assisted on the Rocket Triggered Lightning project that was sponsored
19 by the Electric Power Research Institute ("EPRI"), and taught numerous courses on
20 distribution systems, protection and coordination, and reliability analysis. In 1995, I
21 transferred into the Software Group at PTI and assumed leadership of its distribution
22 power flow software package (PSS/U). In that role I was responsible for all aspects of

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1 the program, including design, implementation, testing, training, support, manual
2 creation, sales, marketing and user groups. In 1998, I transferred back to the Consulting
3 Group where I was largely responsible for leading distribution reliability and information
4 technology (“IT”) integration engagements for clients. In 1999, I accepted a position as a
5 Senior Engagement Manager with Navigant Consulting in Albany, NY. There I led
6 reliability and IT system integration client engagements. In August 2002, I accepted a
7 position with National Grid USA.

8 **Q. What are your current responsibilities with National Grid?**

9 A. My responsibilities as Vice President of Asset Strategy and Investment Planning include
10 the provision of reliability assessment support, development of the reliability
11 enhancement program (REP), development of the asset strategies including vegetation
12 strategy used at National Grid, the responsibility for the Capital budget, the research and
13 development group, and preparation of reliability results for regulatory filings in New
14 England and New York.

15 **II. PURPOSE OF TESTIMONY**

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

17 A. The purpose of my testimony is to request that the Commission place reasonable
18 conditions on the Verizon/FairPoint transfer of assets currently under consideration in
19 Docket No. DT 07-011. Granite State Electric Company d/b/a National Grid (“National
20 Grid”) does not oppose the transfer of assets by Verizon to FairPoint that is the subject of
21 this proceeding. However, National Grid requests that FairPoint be required to comply
22 with certain obligations regarding pole performance as a condition of the Commission’s

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1 approval of the transaction to ensure that FairPoint performs its obligations under the
2 existing Joint Ownership Agreement between National Grid and Verizon (“JOA”) and
3 the Intercompany Operating Procedures (“IOP”) which are incorporated into the JOA by
4 reference. The remainder of my testimony will outline the conditions that National Grid
5 requests be placed on the Verizon/FairPoint transfer of assets.

6 **III. EMERGENCY RESPONSE**

7 **Q. Please describe the problems that you have encountered with Verizon’s standby**
8 **procedure.**

9 A. Companies operating with licensed fixed assets (i.e., utility poles, wires, etc.) located
10 within the public rights-of-way must have personnel available to respond in a timely
11 fashion to make emergency repairs, 24 hours per day, 365 days per year. Verizon does
12 not have provisions in its contract for employees to be on standby. See DM 05-172,
13 Verizon response to Staff Data Request 1-2 (please refer to attachment RTH-2 to the
14 testimony of Robert T. Hybsch submitted by PSNH in this proceeding). Furthermore,
15 “Verizon NH has no field crews or emergency personnel on paid standby during nights or
16 emergencies.” See DM 05-172, Verizon response to Staff Data Request 2-13 (please
17 refer to attachment RTH-3 to the testimony of Robert T. Hybsch submitted by PSNH in
18 this proceeding). Because of this lack of available personnel, emergency repairs
19 frequently take longer than they should and the responsibility and cost for the emergency
20 repairs is being borne disproportionately by National Grid. I recommend that a condition
21 be placed on the Verizon/FairPoint transfer of assets that requires FairPoint to implement
22 a standby system in multiple work locations throughout the state in order to address

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1 emergencies in the telephone company's maintenance area. I also recommend that a
2 condition be placed on FairPoint to require a response to the site of emergency with
3 qualified repair crews (excluding major storm events) within one hour on average. A one
4 hour average response time to pole-related emergencies is consistent with the
5 performance of the electric utilities. See DM 05-172, Responses of the Electric Utilities
6 to Staff Data Request 1-3 (please refer to attachment RTH-4 to the testimony of Robert T.
7 Hybsch submitted by PSNH in this proceeding).

8 **IV. POLE REMOVAL AND INSTALLATION**

9 **Q. What has been your experience with double poles within the public rights-of-way in**
10 **your franchise area?**

11 A. In the normal course of business, National Grid has approximately 75 poles in the process
12 of having transfer activity resulting in a temporary double pole situation. This is a
13 dynamic number that changes based on construction activities. In Verizon's response to
14 data request Staff 3-23 in DM 05-172, Verizon reported having 5,479 poles that have
15 pending transfer activity of which 2,418 were reported to have been pending for over 2
16 years (please refer to attachment RTH-11 to the testimony of Robert T. Hybsch submitted
17 by PSNH in this proceeding). I recommend that a condition be placed on the
18 Verizon/FairPoint transfer of assets that requires FairPoint to transfer facilities and
19 remove double poles on their existing backlog, which is currently estimated to be in
20 excess of 7,000 poles, within the next 36 months, and require FairPoint to maintain a
21 backlog of double poles of less than 500 poles going forward.

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1 **Q. What has been your experience with the timely placement of new service poles for**
2 **customers within your maintenance area and Verizon's maintenance area?**

3 A. Since the deregulation of the telephone industry, Verizon will not commit to joint pole
4 ownership of a new service pole unless the new customer commits to take telephone
5 service from Verizon. Customers constructing new homes typically do not decide on a
6 telephone provider until the latter stages of the construction process. These same
7 customers often require temporary electrical service long before they consider telephone
8 service. To avoid unnecessary delays, I recommend that a condition be placed on the
9 Verizon/FairPoint transfer of assets that requires FairPoint to respond to requests from
10 National Grid for joint pole ownership within 15 days.

11 **Q. What are you asking the Commission to require regarding the JOA?**

12 A. National Grid is requesting that as a condition of the asset transfer, that FairPoint be
13 required to accept Commission jurisdiction of the issues discussed above when there is a
14 disagreement under the terms of the JOA. In view of Verizon's poor performance in
15 these areas, the added expense National Grid has incurred as a result of that poor
16 performance, and the frustration that customers of both utilities have experienced,
17 National Grid maintains that Commission oversight is warranted. FairPoint has indicated
18 that it plans to retain a one-half ownership in jointly owned poles. As long as FairPoint
19 owns a one-half interest in the utility poles, the Commission has an interest in the
20 supervision of utility plant and whether adequate service regarding utility poles is being
21 provided to all customers. While National Grid has no reason to believe that FairPoint
22 will not uphold its commitments, our experience with Verizon tells us that Commission

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1 oversight is needed to avoid a repetition of the problems. If FairPoint abides by the terms
2 of the agreement, then little or no future action by the Commission will be necessary.
3 But if there is a disagreement regarding performance that affects electric service, it is in
4 the public interest for the Commission to have the authority to resolve the matter in an
5 expeditious manner.

6 **V. INVESTMENTS IN INFRASTRUCTURE**

7 **Q. Are there any other issues of concern regarding the FairPoint acquisition?**

8 A. Yes. As stated earlier in my testimony, FairPoint will have 50% ownership in
9 infrastructure that is critical to the provision of reliable electric service. With the joint
10 ownership, FairPoint will have responsibility for maintaining and replacing poles located
11 in its designated maintenance areas. It is absolutely critical for electric reliability that
12 FairPoint make appropriate investments in the pole infrastructure. As such, National
13 Grid believes it would be important for the Commission to include a condition on the
14 transfer that requires FairPoint to maintain and replace poles in accordance with good
15 utility practice. In addition, the condition should include a mechanism through which an
16 electric utility may seek relief from the Commission to order FairPoint to take
17 appropriate actions to replace or repair poles if electric reliability is being threatened by a
18 lack of action or investment on the part of FairPoint.

19 **VI. RESERVATION OF RIGHT TO SUPPLEMENT TESTIMONY**

20 **Q. Have there been ongoing discussions among FairPoint and the electric utilities**
21 **regarding the issues addressed in your testimony?**

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1 A. Yes. Accordingly, National Grid reserves the right to supplement its testimony in the
2 event that a settlement is reached with FairPoint regarding the joint ownership of pole
3 issues that I have outlined in my testimony.

4 **VII. CONCLUSION**

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

6 A. Yes, it does.

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