



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

Docket No. DE 16-383

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

**DIRECT TESTIMONY  
OF  
HEATHER M. TEBBETTS**

April 29, 2016

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1 **I. INTRODUCTION AND QUALIFICATIONS**

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

3 A. My name is Heather M. Tebbetts and my business address is 15 Buttrick Road,  
4 Londonderry, NH 03053. I am a Utility Analyst for Liberty Utilities Service Corp.  
5 (“Liberty”) which provides services to Liberty Utilities (Granite State Electric) Corp.  
6 (“Granite State” or “the Company”) and, in this capacity, I am responsible for providing  
7 rate-related services for the Company.

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

9 A. I graduated from Franklin Pierce University in 2004 with a Bachelor of Science degree in  
10 Finance. I received a Master’s of Business Administration degree from Southern New  
11 Hampshire University in 2007.

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

13 A. In October of 2014, I joined Liberty as a Utility Analyst. Prior to my employment at  
14 Liberty, I was employed by Public Service Company of New Hampshire (“PSNH”) as a  
15 Senior Analyst in NH Revenue Requirements department from 2010 to 2014. Prior to  
16 my position in NH Revenue Requirements, I was a Staff Accountant in PSNH’s Property  
17 Tax group from 2007 to 2010, and a Customer Service Representative III in PSNH’s  
18 Customer Service Department from 2004 to 2007.

19 **Q. Have you previously testified before the New Hampshire Public Utilities  
20 Commission (“the Commission”)?**

21 A. Yes, I have testified on numerous occasions before the Commission.

1 **II. PURPOSE OF TESTIMONY**

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

3 A. The purpose of my testimony is to sponsor Granite State's proposed Tariff NHPUC No.  
4 20. I will also explain Granite State's proposed changes to its tariff that relate to  
5 customer charges and fees, removal of duplicative language, the Business Profits Tax and  
6 the Energy Service Reclassification charges, Granite State's proposal to offer Light  
7 Emitting Diode (LED) outdoor lighting and streetlights, as well as the addition of Terms  
8 and Conditions for Competitive Suppliers.

9 The Company is also proposing changes to holdover provisions from legacy tariffs and,  
10 as such, the Company believes they are no longer applicable and would like to limit their  
11 availability.

12 In the final section of my testimony, I will review other items that the Company is  
13 requesting to streamline billing processes. A copy of a clean version of the tariff is  
14 included at Attachment HMT-1. The redlined version is included in Attachment HMT-2.  
15 Attachments HMT-1 and HMT-2 are in a separate volume of the filing. Additionally,  
16 Attachment HMT-3 provides a summary of all of the changes being proposed and the  
17 reasons for the changes.

1 **III. PROPOSED TARIFF CHANGES**

2 **A. Customer Charges and Fees**

3 **Q. In Docket No. DE 13-063, Granite State's most recent distribution rate case, the**  
4 **Settlement Agreement included a requirement that the Company review its fees and**  
5 **charges. Has the Company analyzed its fees and charges?**

6 A. Yes. The following fees and charges were analyzed:

- 7 • Service Connection/Activation Fee
- 8 • Service Reconnection Fee
- 9 • Service Reconnection Fee After Hours
- 10 • Variance of Bill Adjustment Due to Meter Tests (+/-)
- 11 • Collection Field Visit Fee

12 After careful review, we have concluded that the fees and charges in Granite State's tariff  
13 are in line with its cost of providing the services and with what other utilities in the  
14 region are charging. Granite State thus does not propose any changes to the fees above,  
15 except the Service Connection/Activation Fee.

16 **Q. What change does the Company propose to the Service Connection/Activation fee?**

17 A. The Company is proposing to add a \$35 charge to the Service Connection/Activation fee  
18 when a Company employee is required to go to the location to read the meter.

1 **Q. Why is the Company proposing a change to the Service Connection/Activation fee?**

2 A. The Company currently has a fee of \$20 for a service connection/activation fee for those  
3 customers whose meters can be read remotely. Granite State is proposing to include in its  
4 tariff a \$35 fee for the times when an individual is required to go to the location to read  
5 the meter. This \$35 fee is in line with Granite State's cost to perform a meter reading and  
6 with what other utilities in the region charge for service connection fees when a Company  
7 employee must travel the location to read the meter.

8 **Q. Under what circumstances would the Company need to send an employee to the**  
9 **location to read the meter?**

10 A. The Company would need to send an employee to the location if a meter had been  
11 disconnected at the request of the customer. For example, if a previous homeowner  
12 requested the meter be turned off as to not incur any usage between moving out and the  
13 closing of the home to the next homeowner, an employee would be required to reconnect  
14 that meter at the request of the new customer taking ownership.

15 **B. Line Extension Policy**

16 **Q. The Settlement Agreement in Docket No. DE 13-063 also included a requirement**  
17 **that the Company review its per foot line extension cost. Has the Company**  
18 **analyzed this charge?**

19 A. Yes. However, due to the size of its territory and geography, the Company installed very  
20 few residential line extensions in 2015 under its Policy 1: Individual Residential  
21 Customers. Due to the limited number of such extensions, the Company is not proposing  
22 to update the per foot cost from \$11.40 at this time, because reliance on a small set of

1 data could produce atypical results and therefore result in per foot costs that are  
2 significantly higher or lower than the typical costs on a going forward basis.

3 **C. Streetlight Service**

4 **Q. What changes to streetlight service is the Company proposing at this time?**

5 A. In its last rate case (DE 13-063) the Company agreed to evaluate offering LED  
6 streetlights for its next rate case because a number of customers had requested LED  
7 streetlights. Granite State is now proposing to add LED streetlights to its Outdoor  
8 Lighting Rate M. The proposed rates are included in the tariff (Attachments HMT-1 and  
9 HMT-2) and the calculations of the rates are shown in RATES-9 in the Simpson/Tebbetts  
10 Rate Design Testimony and Attachments.

11 **Q. How did Granite State decide which lights to offer?**

12 A. The Company reviewed many outdoor lighting options and has chosen GE LED light  
13 fixtures to offer to customers. In choosing the GE options, the Company considered both  
14 cost and life expectancy.

15 **Q. Please describe which lights the LED offering will replace?**

16 A. Customers may still use high pressure sodium (HPS) streetlights, but the Company will  
17 offer LED replacements to those customers requesting the new technology. Table 1  
18 below shows the current HPS and their LED equivalent:

19

1

**Table 1**

HPS	LED Replacement
HPS 50W	LED 30W
HPS 100W	LED 50W
HPS 250W	LED 130W
HPS 400W	LED 190W
HPS Post* 100W	LED Post* 50W
HPS Flood 250W	LED Flood 90W
HPS Flood 400W	LED Flood 130W
HPS Barn 100W	LED Barn 50W

2

3

\*These lights are used for underground residential developments

4

**Q. Will customers be allowed to replace lights other than HPS with LED?**

5

A. Yes. Customers who would like to replace their incandescent and mercury vapor lights may request the new LED technology to replace their old lights.

6

7

**Q. How will Granite State proceed with installing LED lights for cities and towns looking to replace all of their current lights with LED fixtures?**

8

9

A. For those municipalities looking to convert immediately, Granite State will install LED lights on a first-come, first-serve basis. Considering that some municipalities have thousands of street lights, the Company will work with the city or town to determine the period of time it may take to convert all of the lights in the municipality. Non-municipal customers interested in replacing their current outdoor lighting with LED lighting may also request this change on a first-come, first-serve basis.

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1        **D.     Terms and Conditions for Competitive Suppliers**

2        **Q.     Please explain the section of the tariff called Terms and Conditions for Competitive**  
3        **Suppliers.**

4        A.     Granite State has not incorporated terms and conditions for competitive suppliers in its  
5        previously effective tariffs, but is proposing to add these terms and conditions in this rate  
6        case tariff update. The terms and conditions for suppliers section deals with items such  
7        as obligations of parties, provisions of service, and determination of hourly loads, along  
8        with other details such as definitions and standard units of service.

9        **Q.     Do other utilities in the region provide a Terms and Conditions section for**  
10       **Competitive Suppliers in their tariff?**

11       A.     Yes, they do. Granite State reviewed the tariffs of other utilities in the region when  
12       writing this section of the tariff.

13       **Q.     Please explain the Business Initiation Fee and the Payment Service Customization**  
14       **charges.**

15       A.     Suppliers requesting to serve customers of Granite State need initial set up in our billing  
16       system and for EDI transactions. The \$500 fee includes the costs of EDI connectivity  
17       and system arrangements to allow the supplier to provide energy service to customers.  
18       Suppliers often request additional services that may require use of the Company's  
19       external Electronic Data Interchange (EDI) vendor, such as retesting if a supplier changes  
20       its EDI provider. Granite State's EDI vendor charges \$175.00 per hour for these service  
21       requests. The NH Competitive Supplier Agreement, which each supplier must sign

1 before doing business with Granite State, includes the Supplier's agreement to pay such  
2 charges, once they are approved by the Commission:

3 Supplier agrees to pay any fees if and as approved by the PUC. Company  
4 shall notify Supplier of the approval of any such fees, and will amend this  
5 Exhibit A as may be necessary to describe them. Exhibit A, Page 1, Section  
6 3.

7 The supplier is not currently charged for these additional services because the Company  
8 has not previously obtained Commission approval. The Company is requesting that the  
9 Commission approve this fee in its Terms and Conditions for Competitive Suppliers.

10 **E. Rate D: Off-Peak Use: 6 Hour Control and Off-Peak Use: 16 Hour Control**

11 **Q. Please explain the Rate D Off-Peak Provision.**

12 A. There are two rate provisions under Rate D for customers who have electric water heaters  
13 that the Company was able to control. Under those provisions, electricity to the bottom  
14 elements of such water heaters was limited through the use of a time clock in the meter  
15 and was not available for either six hours or sixteen hours each day. These provisions  
16 were closed to new customers in 1991.

17 **Q. Is the operation of the controlled water heaters still limited?**

18 A. Yes, but only for a small number of water heaters. There are meters still in operation that  
19 have a time clock that is able to control the period for which the customer may receive  
20 electricity. However, for many of the customers taking service under this rate, the meters  
21 do not have a time clock to control the charging of the water heaters. This water heating

1 rate no longer applies as intended without meters that have time clocks to control the  
2 flow of electricity.

3 **Q. Please explain the Company's proposal with respect to such installations.**

4 A. The Company is proposing to phase out the availability of these provisions over the next  
5 two rate cases by reducing the discount these applications are receiving by one-half in  
6 this rate case, and by eliminating the discount in the next rate case. At that time, any  
7 remaining meters with time clocks will be removed and replaced with standard meters.

8 **F. Rates D & T: Interruptible Credits**

9 **Q. Please explain the interruptible credit offered to customers under rates D and T.**

10 A. Rate D and T provide for monthly interruptible credits for certain customers who have  
11 water heaters or other appliances whose operation could be controlled by the Company  
12 through the use of a switch installed at the customer's premises. The amount of credit is  
13 dependent on the number of hours the load could be controlled. Customers receiving the  
14 credit allowed the Company to control the operation of the water heater for a specified  
15 numbers of hours per day, and during emergency situations.

16 **Q. Is Granite State able to control the operation of these water heaters?**

17 A. No. The interruptible credit provision became effective in 1991 when the off-peak use  
18 provisions of Rate D were closed. National Grid had the ability to control the switches  
19 for a period of time, but our understanding is that such ability was no longer present at  
20 the time Granite State was sold to Liberty. Liberty Utilities has never had the ability to  
21 control these appliances. Since Granite State does not have the capability to control the

1 operation of the appliances, these customers are receiving credits yet there is no  
2 operational or cost benefit associated with the interruptible feature of the rate provision.  
3 Therefore, the credits these customers are receiving are essentially being paid for by all  
4 other customers.

5 **Q. How does the Company propose to address this situation?**

6 A. The Company proposes to phase out the credit that customers are receiving over a period  
7 of time.

8 **Q. Please describe how the Company intends to phase out the credit to customers.**

9 A. In this rate case, Granite State proposes to change this provision in two ways: 1) close  
10 the availability of this rate provision to new customers; and 2) phase out the credits  
11 provided to customers by reducing the credit by fifty percent in this rate case, and  
12 eliminating the credits in the next rate case. The permanent rates being proposed in this  
13 case reflect the fifty percent reduction to the credits.

14 **Q. Has the Company considered bill impacts to those customers receiving the credits?**

15 A. Yes. By phasing out the credit over two rate cases, customers will see a smaller bill  
16 impact than if the credits were immediately eliminated.

1           **G.    Other Tariff Changes**

2           **Q.    Please describe the Increased Night Use provision.**

3           A.    For commercial and industrial customers taking service under rates G-1 and G-2, the  
4           tariff currently contains a provision called Increased Night Use. This optional rate allows  
5           the customer to enter into a five-year agreement that guarantees

6                           ...that the Demand shall be not less than 50 kilowatts and guaranteeing to  
7                           pay for not less than 200 kilowatt-hours per kilowatt of Demand each  
8                           month, then any fifteen-minute peaks occurring during the periods from  
9                           10:00 p.m. to 7:00 a.m. daily and from 7:00 a.m. to 10:00 p.m. on Sundays  
10                          and legal holidays in New Hampshire shall be reduced by one-half for the  
11                          purpose of ascertaining the Demand...

12           The Company does not have any customers taking this service, and has not since the  
13           acquisition in 2012.

14           **Q.    What is the Company's request for the Increased Night Use provision?**

15           A.    Granite State proposes removing this provision from the tariff because it has not been  
16           utilized and the Company does not believe it will be used in the future.

17           **Q.    Please describe the Optional Determination of Demand provision.**

18           A.    The optional determination of demand provision is an option for customers taking service  
19           under rates G-1 and G-2 to be billed under the greater of demand options a) and b),  
20           rather than the greatest of a), b) and c) below:

1 The Demand for each month under ordinary load conditions shall be the greatest  
2 of the following:

- 3
- 4 a) The greatest fifteen-minute peak during the peak hours which occurs  
5 during such month as measured in kilowatts,
- 6 b) 90% of the greatest fifteen-minute peak occurring during such month  
7 as measured in kilovolt-amperes where the Customer's kilowatt  
8 Demand exceeds 75 kilowatts, or
- 9 c) 80% of the greatest Demand as so determined above during the  
10 preceding eleven months.

11 Any Demands established during the eleven months prior to the application of this  
12 rate shall be considered as having been established under this rate.

13 When accepting the optional determination of demand, the customer pays a 20%  
14 premium on the demand charge and energy charge during the period in which they have  
15 taken this option.

16 **Q. What change is the Company requesting for the Optional Determination of**  
17 **Demand?**

18 A. In the current tariff language, G-1 and G-2 customers may choose this provision for only  
19 two months, then ask to be billed without the provision or as they had been billed prior to  
20 the request to change. The Company seeks approval to change the two month period to a  
21 one year period because, as currently structured in the tariff, the customer can make this  
22 change as frequently as six times a year. This is burdensome for the Company's billing  
23 department because the customer's billing requires manual intervention.

1 **Q. What is Granite State's request for the Optional Determination of Demand?**

2 A. Granite State is requesting that the Commission approve changing the period of service  
3 for which a customer may elect the provision from two months to a minimum of one  
4 year.

5 **Q. Why have descriptions of Transmission Service Cost Adjustment, Stranded Cost**  
6 **Adjustment, Energy Service, Electric Assistance Program, and System Benefits**  
7 **Charge Adjustment Provision been removed from each rate class?**

8 A. The descriptions of these rates are provided on pages 18 through 24 of Attachment HMT-  
9 1 and explain that any customer taking service is required to pay for these charges.  
10 Providing the information within the description of each rate class was thus duplicative  
11 and unnecessary.

12 **Q. Please explain why the Company removed the Business Profits Tax and the Energy**  
13 **Service Cost Reclassification Adjustment Provision.**

14 A. The Company removed the explanation of the Business Profits Tax rate because it is now  
15 rolled into the distribution rate. The Energy Service Cost Reclassification Adjustment  
16 Provision is a legacy charge that reflected the reclassification of cost recovery of those  
17 costs incurred by the Company in providing Energy Service which were included in the  
18 Company's distribution rates. These costs are recovered through the Energy Service rate  
19 and have been removed from the distribution rates. As such, this provision no longer  
20 applies to distribution rates and the Company proposes to remove the reference.

1 IV. **CONCLUSION**

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

3 A. Yes, it does.