

UNITIL ENERGY SYSTEMS, INC.

**DIRECT TESTIMONY OF
RICHARD L. FRANCAZIO**

New Hampshire Public Utilities Commission

Docket --

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Attachment 1 – October 30, 2017 Storm After Action Report

1 **I. INTRODUCTION**

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

3 A. My name is Richard L. Francazio and my business address is 6 Liberty Lane West,
4 Hampton, New Hampshire 03842.

5

6 **Q. What is your position and what are your responsibilities?**

7 A. I am the Director of Business Continuity and Compliance for Unitil Service Corp.
8 (“USC”), which provides centralized management and administrative services to
9 Unitil Corporation’s affiliates including Unitil Energy Systems, Inc. (“UES” or the
10 “Company”). In this position, I am responsible for organizational readiness related
11 to Business Continuity events, including storm conditions, and the development of
12 policy and procedures that will ensure the Company’s compliance with all
13 applicable Federal, State and Local Regulation.

14

15 **Q. Please describe your business and educational background.**

16 A. I have over 40 years of experience in the utility industry with expertise in many
17 aspects of the distribution and transmission energy delivery business. Prior to
18 joining USC in March 2009, I was employed at National Grid for 27 years and
19 prior to that, five years at Florida Power & Light (“FP&L”). After my stay at
20 FP&L as a system protection engineer, I joined New England Electric System
21 (now part of National Grid) as a Supervisor in the Substation Operation and

1 Maintenance department and over the years held a variety of senior management
2 positions including Vice President of New England Electric Operations (included
3 Rhode Island, Massachusetts and New Hampshire); Vice President of Construction
4 Services for National Grid USA, and Vice President and Director of Emergency
5 Planning for National Grid US.

6
7 From 1995 to 2009 I also served as National Grid's System Storm Director
8 responsible for implementing and coordinating restoration activities across all of
9 National Grid USA. I retired from National Grid in 2009 and joined USC in April
10 of that year. I now act as Incident Commander during major storm events for the
11 whole of Unitil. I have a Bachelor of Science degree in Electrical Engineering
12 from Roger Williams College and a Masters of Business Administration from
13 Boston University.

14

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

17 A. Yes. I testified before the Commission regarding UES's deployment of resources
18 following the 2008 ice storm Docket DE 10-001 and in UES Docket 13-065. In
19 addition, I have testified before the Massachusetts Department of Public Utilities
20 ("MDPU") in a number of emergency response dockets.

21

22 **II. PURPOSE OF TESTIMONY**

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

2 A. The purpose of my testimony is to support the Company’s proposal to increase the
3 Storm Recovery Adjustment Factor (“SRAF”) by incorporating the cost recovery
4 for the October 30, 2017 wind storm. My testimony will describe the impact of the
5 storm on the distribution infrastructure of UES, the Company’s pre-planning,
6 restoration and recovery efforts, the resulting costs of those efforts, and why the
7 October event qualifies for major storm treatment as defined by the Commission.

8

9 **Q. How is your testimony organized?**

10 A. The remainder of my testimony consists of two segments. First, I will describe the
11 impact of the October storm and the Company’s response. Second, I will explain
12 why the storm qualifies as a major event under the Commission’s definition of a
13 major storm event.

14

15 **III. DESCRIPTION OF THE OCTOBER 30TH, 2017 WIND STORM**

16 **Q. When did the October storm strike New England and the UES service**
17 **territory?**

18 A. Beginning on October 26th (Thursday), weather forecasters began reporting a
19 significant storm system they expected to impact the northeast late Sunday
20 (October 29th) into Monday (October 30th) with heavy rain, lightning and gusty
21 winds. Over the weekend, forecasters increased the severity and likelihood of the

1 storm system, predicting moderate to heavy amounts of rain and frequent gusts
2 between 35-50 mph with isolated gusts up to 60 mph. High wind watches and
3 warnings were issued for nearly all portions of the northeast especially for coastal
4 parts of RI, MA and NH. Following the storm's passage, nearly 1.4 million
5 customers were without power in the northeast due to severe flash flooding and
6 tree damage. In terms of New Hampshire, this storm was ranked the state's fourth
7 most impactful event in realltion to customer outages, (at peak) affecting over
8 277,000.

9

10 **Q. Please describe Unital's preparations for the October 30, 2017 Wind Storm**

11 A. In response to the forecasted winds, Unital began holding daily, internal
12 coordination conference calls beginning Friday (October 27th) with key internal
13 personnel to coordinate preparation activities. Based on the forecasted weather and
14 potential for outages, the Company began issuing its preparatory communication
15 messages and initiating contact with life support customers, regulators, emergency
16 response, and municipal officials the following day. The Regional Emergency
17 Response Centers ("REOCs") were established prior to the storm to quickly take
18 local control, if needed. The Seacoast and Capital REOCs were opened in advance
19 of the weather event (Sunday evening) with the System Emergency Operations
20 Center ("EOC") opening at 6:00 AM on Monday (October 30th) to provide
21 essential logistical and communications support for responding resources.

1 SEOC Logistics began acquiring resources on Friday October 27th and continued
2 the process throughout the weekend. By Monday October 30th, the Company had
3 acquired the resources identified in Table 1 for UES. Unitil also participated in
4 scheduled North Atlantic Mutual Assistance Group (“NAMAG”) calls, which
5 began on October 30th. The Company was compelled to request additional
6 resources through NAMAG because of the storm’s Northeast region wide impact;
7 however, the NAMAG response to the Company’s request was limited to an
8 additional six (6) line crews capable of supporting its restoration in a timely
9 manner. Ultimately, the Unitil-acquired contracted line resources were redirected
10 to other impacted, regional utilities, as Company restoration progress was made
11 sooner than the projected arrival time of the resources.

12 Table 1 - October 30, 2017 UES Crew Availability

Crew Type	# Crews	# FTEs (personnel)
Internal Line	12	24
External Line	55	110
Tree	15	30
Damage Assessor	9	9
Wires Down	18	18
Support	≈80	≈80

13
14 As the storm approached New Hampshire, the Company implemented its multi-
15 layered communications protocols detailed within its Electric Emergency
16 Response Plan (“ERP”). The Communication team crafted public service
17 announcements (“PSAs”) to distribute prior to and throughout the event,
18 which provide important wires down safety messages, Company contact

1 information and details on restoration progress. Messaging began on
2 Saturday, October 28th and was updated twice daily throughout the event for
3 a total of seven (7) PSAs being disseminated through various media channels
4 (radio and print media). In addition, the Company leveraged its social media
5 channels (Twitter/Facebook) to share additional information with customers
6 via 50+ messages broadcast throughout the restoration effort.

7 Once storm-related outages began to occur at approximately 10:00 AM on October
8 29th, the Company issued Restoration Status Reports, which provided outage and
9 crew information, every four (4) hours to regulators, municipal emergency
10 response personnel and others until the conclusion of the event.

11 Life Support customers were contacted by the Customer Service Center
12 (“CSC”) prior to the storm’s impact and were provided safety and contact
13 information in the event of a service interruption. Nearly 35,000 customer
14 calls were made to the CSC throughout the restoration effort, which were in
15 addition to online outage reporting.

16 Communications with Regulatory, Elected, and State Management Officials also
17 began on Saturday, October 28th, notifying them of Unital’s preparations and
18 providing them points of contact. The Company also worked with the New
19 Hampshire Homeland Security and Emergency Management (“NH HSEM”) staff
20 on securing waivers to expedite border crossing procedures for crews coming from
21 Canada. The Company continued to update these contacts with routine information

1 including the required New Hampshire Public Utilities Commission (“NH PUC”)
2 Crew and Outage report forms until restoration was nearly completed.

3 The Municipal Rooms in each REOC were activated and staffed with liaisons to
4 provide a 24/7 available contact for municipal first responders within their
5 respective service territories. Pre-event notices were sent to all Municipal Official
6 contacts, informing them of the time the Municipal Room would be open and the
7 means to contact the Company. The Company also began hosting Municipal
8 Conference calls to speak one-on-one with the affected town emergency response
9 personnel to provide restoration and crew information and solicit any issues or
10 concerns on Monday, October 30th.

11 **Q. How many UES customers were impacted by the October storm?**

12 Peak interruptions occurred at approximately 5:19 AM on October 30th with 33,354
13 customers impacted (43% of Unital’s New Hampshire customers) with a cumulative
14 total of 53,332 customers being impacted throughout the storm event and
15 subsequent restoration effort.

16

17 **Q. When did the Company restore service to all customers?**

18 A. The first outage occurred on October 29th at 7:50 PM and the last customer was
19 restored at November 1st at 5:54 PM; however, the majority of impacted customers
20 (95%) were restored by 6:00 AM on November 1st. There were some delayed
21 responses due to the inability of crews to work during periods of high winds. The
22 storm reported two distinct waves or peaks of high winds. I believe that the

1 Company's completion of its restoration effort in approximately 48 hours was a
2 notable achievement.

3

4 **Q. When did the Company release the contracted resources it had acquired in**
5 **advance of the October 30, 2017 storm?**

6 A. After restoring power to its New Hampshire customers, UES was able to release
7 resources to other New England utilities. Demobilization efforts began throughout
8 the day on Wednesday, November 1st. Working with NAMAG, resources were
9 released to other regional utilities, including six (6) internal line and 11 contract
10 crews sent to Eversource New Hampshire. By the evening of Wednesday,
11 November 1st, the Company had released contracted line crews to three (3) utilities
12 in three (3) states, including the 17 in New Hampshire.

13

14 **Q. Did the Company complete an After Action Report for UES following**
15 **October storm?**

16 A. Yes. The UES "After Action Report" is provided as Schedule RLF-1 (Oct 30 2017
17 Storm Event AAR). This report provides a more detailed summary of the
18 restoration regarding the October 30, 2017 storm.

19

20 **IV. QUALIFYING MAJOR STORMS**

21 **Q. Why is October 30, 2017 event considered to be a major storm?**

1 A. The Commission has established criteria for each utility in New Hampshire, based
2 on the number of “troubles” and the percentage of customers interrupted, under
3 which a severe weather event would be classified as a “major storm.” Troubles are
4 defined as interruption events occurring on either primary or secondary lines.
5 Because the criteria incorporate information about the number of trouble locations
6 (the number of individual outages) in addition to the number of customers
7 interrupted, large outages caused by non-storm events cannot exceed the defined
8 thresholds and are, thus, screened out. These definitions have worked well for over
9 a decade and ensure that only significant storms meet the criteria for a major
10 storm.

11

12 **Q. How does the Commission define a qualifying major storm for UES?**

13 A. Consistent with the definition in the Company’s Major Storm Cost Reserve,
14 qualifying major storms include severe weather events causing 16 concurrent
15 troubles (interruption events occurring on either primary or secondary lines) and
16 15 percent of customers interrupted, or 22 concurrent troubles, in either the Capital
17 or Seacoast regions of UES. The Company undertakes planning and preparation
18 activities in advance of severe weather, if a qualifying major storm is likely to
19 occur. The Company can also recover preparation costs if a major storm is
20 considered likely to occur when an Energy Event Index (“EEI”)¹ from the

¹ EEI levels are indices developed by Unitil’s weather forecast provider – DTN. An EEI level is a qualified indicator of both the possibility and severity of a particular weather event that results in the potential for customer outages.

1 Company’s professional weather forecaster reaches an EEI level of 3² or greater
2 with a “high” (greater than 60 percent) level of confidence.

3

4 **Q. Did the October storm meet the definition of a qualifying major storm?**

5 A. Yes. During the October storm, UES experienced the following impact:
6 approximately 180 concurrent troubles interrupting 64% of customers in the
7 Capital Region; 104 concurrent troubles interrupting 72% of customers in the
8 Seacoast Region. The numbers are significantly greater than the thresholds defined
9 under the Commission definition. In addition, the event was forecasted on October
10 29th to have an EEI of 3 with a “High” level of confidence.

11

12 **Q. Is the Company seeking recovery of the costs of October Wind storm through**
13 **the Major Storm Cost Reserve (“MSCR”)?**

14 A. No. As explained in Testimony of Mr. Chong, the MSCR was established to deal
15 with the more frequent (“typical”) major storms that have a higher probability of
16 occurring on an annual basis. It was not designed to include low frequency storms
17 that are extraordinary in magnitude, such as Sandy. The reserve established in DE
18 10-055 (initially \$400,000) in the amount of \$800,000 (revised in docket DE 13-
19 065) annually was not set at a level that would be sufficient to recover the costs of
20 storms such as Sandy. If this cost (\$1,233,742 of expense) were added to the

² An EEI level of 3 is defined by weather conditions meeting any combination of the following criteria – strong storms where isolated yet severe pockets are possible with moderate to severe lightning; icing between 3/8 to 3/4 inch accretion; less than 6 inches of heavy wet snow; soil moisture greater than 6 g/kg; sustained winds of 30 to 40 mph with many wind gusts between 40 to 50 mph, and with a few in excess of 50 mph.

1 MSCR, the reserve would be in a significant deficit (over \$4.5M) for an extended
2 period of time.

3

4 **Q. For what activities and costs is the Company seeking recovery?**

5 A. The non-capitalized portion of the costs of restoration activities including:
6 contractor crews, incremental compensation of employees, meals, lodging, and
7 related expenses are included in the Company's filing. In addition, planning and
8 preparation activities in advance of the storm including: pre-staging of crews,
9 standby arrangements with external contractors, incremental compensation of
10 employees, and other costs to prepare are also included.

11 **V. CONCLUSION**

12 **Q. Please summarize your testimony.**

13 A. To summarize, UES had a successful restoration, restoring service to 95% of its
14 customers in approximately 36 hours, and all of its customers within 48 hours.
15 UES's response over the past several major storms has demonstrated the
16 Company's commitment to providing reliable service to its customers, including
17 efficient and cost effective restoration services. The ability to pre-stage resources
18 and, subsequently, release the same resources to support surrounding utilities has
19 benefited not only our customers but also the state overall. This event was
20 significant to the people of New Hampshire and far exceeded the major storm
21 threshold. In light of the Company's performance and the fact that October wind

1 event far exceeded the Commission definition of a major storm event, the
2 Company respectfully requests the adjustment to the SRAF, as described in my
3 testimony.

4

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

6 A. Yes, it does.