



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

Docket No. DE 19-XXX

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

Calendar Year 2018 Annual Report and Reconciliation and Rate Adjustment Filing

**DIRECT TESTIMONY**

**OF**

**JOEL RIVERA**

**AND**

**HEATHER GREEN**

March 15, 2019

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1 **I. INTRODUCTION**

2 **Joel Rivera**

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

4 A. My name is Joel Rivera and my business address is 9 Lowell Rd., Salem, New  
5 Hampshire.

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

7 A. I am employed as the Manager of GIS and Electric System Planning by Liberty Utilities  
8 Service Corp., which provides services to Liberty Utilities (Granite State Electric) Corp.  
9 (“Granite State” or the “Company”). In my capacity as Manager of GIS and Electric  
10 System Planning, I am responsible for managing the electric system capacity, reliability,  
11 integrity, interconnections, protection systems, equipment and system upgrades,  
12 prioritization, and associated budget estimates.

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

14 A. I graduated from Universidad Interamericana de Puerto Rico in 2003, earning a  
15 bachelor’s degree in electrical engineering. I also graduated from the University at  
16 Buffalo in 2017, earning a master’s degree in electrical engineering.

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

18 A. In 2006, I began my engineering career as an associate engineer with National Grid USA  
19 (“National Grid”) and a former affiliate of Niagara Mohawk, in Buffalo, New York. In  
20 2009, I had progressed to senior engineer in the distribution planning department for  
21 National Grid’s electric distribution system in Buffalo, New York. Between 2009 and

1 2013, I was promoted to lead engineer and was responsible for distribution planning,  
2 asset management, protection, and reliability functions for National Grid's electric  
3 distribution system in both New England and New York. In 2013, I assumed the role of  
4 Planning Engineer - Electric for Liberty Utilities Service Corp. In 2018, I was promoted  
5 to Manager of GIS and Electric System Planning and am responsible for electric and gas  
6 map records and developing and implementing the company's electric planning  
7 initiatives in the electric delivery business.

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

10 A. Yes, I have previously testified before the Commission on the Company's Reliability  
11 Enhancement Program.

12 **Heather Green**

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

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

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

17 A. I am employed by Liberty Utilities Service Corp. as the Program Manager of Inspections  
18 and Vegetation. In that capacity I support Electric Operations and plan, budget, and  
19 manage Granite State's inspection and vegetation management programs; vendor  
20 performance; and storm and regulatory support on the distribution and sub transmission  
21 assets.

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

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

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

5 A. I joined Liberty Utilities Service Corp. in March 2018. Prior to that I worked for the  
6 State of NH Division of Forests and Lands as a Community Forester. I worked in the  
7 role of Municipal Arborist from 1998–2013 in the Chicago suburbs in both a north shore  
8 community of Park Ridge and a south shore community of Oak Lawn. I have also  
9 worked for a variety of commercial tree care companies and gardens.

10 I have been very active in professional organizations. I currently sit on the Board of  
11 Directors as the President Elect for the New England Chapter of the International Society  
12 of Arboriculture (NEC-ISA). I also held a variety of positions on the Illinois Arborist  
13 Association (IAA) Board of Directors, including President. I am a current member of the  
14 NH (CFAC) Community Forestry Advisor Committee.

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

16 A. No. I have not previously testified before this Commission on vegetation management  
17 issues.

18 **II. PURPOSE OF TESTIMONY**

19 **Q. What is the purpose of this testimony?**

20 A. This testimony provides the Commission with background information regarding the  
21 Reliability Enhancement Program (“REP”) and Vegetation Management Program

1 (“VMP”) that Granite State implemented during Calendar Year 2018 and as described in  
2 the Company’s accompanying Calendar Year 2018 Reliability Enhancement Program and  
3 Vegetation Management Program Report dated March 15, 2019 (the “CY2018 REP/VMP  
4 Report”) submitted with this filing. Additionally, this testimony provides support for the  
5 Company’s request to recover \$1,944,301 for 2018, which represents: i) \$444,301 of  
6 2018 O&M expense above the Base Plan operating and maintenance (“O&M”) amount of  
7 \$1,500,000. The Company also seeks to recover the revenue requirement of \$247,919,  
8 the amount associated with a total of \$1,087,416 in capital investment, broken down  
9 between two program years, CY2017 and CY2018. Information regarding the calculation  
10 of the REP/VMP Adjustment Provision and the REP Capital Investment Allowance, and  
11 the associated rate impacts, is set forth in the testimony of David Simek, which is a part  
12 of this filing.

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

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

15 A. Since 2014, the Company has continued its Vegetation Management and Reliability  
16 Enhancement Programs at agreed upon spending levels subject to annual Commission  
17 approval. *See* Order No. 25,638 (March 17, 2014) (approving the Settlement Agreement  
18 in Docket No. DE 13-063, the “Settlement Agreement”), as amended by Order No.  
19 26,005 (April 12, 2017) (approving the Settlement Agreement in Docket No. DE 16-383).  
20 In general, the REP and VMP include categories of both capital (REP) and O&M (VMP)  
21 spending targeted to improve reliability performance. The REP and VMP are premised  
22 on the understanding that a certain amount of annual spending on both capital and O&M

1 activities is necessary to maintain the safety and reliability of the Company's electric  
2 distribution system. The Settlement Plan assumed that a base amount of \$1,500,000  
3 would be spent on O&M activities associated with the VMP during a fiscal year. In  
4 addition, the REP program includes a targeted budget of \$1,500,000 for REP capital  
5 investments for each calendar year.

6 **Q. Please describe what types of activities are included in the REP and VMP.**

7 A. The capital budget included installation of one single phase recloser in radial application.  
8 A significant portion of this budget was also targeted towards the re-conductoring of  
9 approximately 3.65 miles of bare mainline primary conductor with spacer cable. These  
10 projects are identified in Appendices 2 and 3 of the CY2018 REP/VMP Report, which  
11 accompanies this testimony. The vegetation management activities consisted of Planned  
12 Cycle Trimming, Tree Removal, Tree Planting, Right of Way work and Interim, Spot,  
13 and Trouble Tree Trimming, identified in Appendices 4 and 5 of the CY2018 REP/VMP  
14 Report.

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

19 A. Each year, the Company develops an Annual Work Plan that is designed to achieve the  
20 overriding performance objectives of the business (safety, reliability, efficiency, customer  
21 satisfaction, and environmental responsibility). At the outset, the Company compiles a  
22 draft work plan that consists of proposed spending for asset replacement, system

1 capacity, and performance initiatives, and individual capital projects and work activities  
2 required to comply with franchise or tariff requirements such as pole relocations,  
3 response to damage/failure, and new business construction. Each potential project  
4 specified within the plan includes a business category/justification for the project and  
5 estimated costs. The Company then prioritizes the projects based on the relative risk or  
6 opportunity associated with each project proposal to facilitate the selection of appropriate  
7 projects to be included in the Annual Work Plan. All of the proposed projects then  
8 undergo review and are prioritized to achieve an optimized portfolio of projects  
9 considering the reliability performance data compared to the reliability improvements  
10 targeted by the various programs and the deliverability of the various programs within the  
11 calendar year. The process is designed to ensure the Company arrives at a budget that is  
12 the optimal balance in terms of selecting the investments necessary to maintain and  
13 improve the performance of the system, while also ensuring a cost-effective use of the  
14 Company's available resources.

15 **Q. Please explain how capital improvements in the REP/VMP Plan relate to the other**  
16 **capital investments made by the Company to its system.**

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

1 **Q. Please summarize the Company's actual results for the CY2018 REP/VMP Report**  
2 **and the level of recovery the Company is requesting.**

3 A. For CY2018, Liberty proposed to spend \$1,600,000 for capital investments. The final  
4 spending level was \$1,087,416 and further details of the projects and actual spending  
5 amounts are detailed in the Report.

6 Liberty initially proposed to spend \$2,157,086 for VMP, which included \$480,000 that  
7 Liberty would bill to Consolidated for its share of planned vegetation maintenance work.  
8 Those reimbursements were excluded from the total amount of VMP O&M expenses to  
9 be recovered, resulting in an adjusted total of VMP O&M expense budget of \$1,677,086.  
10 Consistent with Section III.b. of the Settlement Agreement, Liberty submitted this  
11 alternative budget for Staff's consideration, which is above the Base Plan O&M Budget  
12 amount of \$1,500,000 by \$177,086. The Company's actual total spending level for  
13 CY2018 was \$1,944,301 for O&M activities related to the VMP.

14 **Q. Please explain why the Company's actual O&M spending for CY 2018 varied from**  
15 **the Company's original budget.**

16 A. The major spending variances are as follows below:

- 17 • Work planning: \$23,841 less spent than anticipated
- 18 • Spot Tree Trimming: \$4,812 higher than anticipated
- 19 • Trouble and Restoration Maintenance: \$2,078 higher than anticipated
- 20 • Planned Cycle Trimming: \$46,569 higher than anticipated

- 1           • Police Detail (Traffic Control): \$112,083 higher than anticipated
- 2           • Hazard Tree Removal: \$135,490 higher than anticipated
- 3           • Interim Trimming: \$321 lower than anticipated
- 4           • Tree Planting: \$655 lower than anticipated
- 5           • ROW: \$10,858 lower than anticipated

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

7   **Q.   Please explain why the Company’s actual Capital spending for CY2018 varied from**  
8   **the Company’s original budget.**

9   A.   The major spending variances are as follows below:

- 10           • Bare conductor replacement: \$373,454 lower than anticipated
  - 11               ○ 2017: \$422,420 in carryover from 2017 for projects completed in 2018
  - 12               ○ 2018: \$795,874 lower than anticipated, with some projects not being
  - 13                       completed until 2019
- 14           • Single phase trip saver installations: \$10,870 carryover from 2017 for projects
- 15               completed during 2018
- 16           • Single phase Reclosing installations: \$50,000 lower than anticipated, with 2018
- 17               projects scheduled to be completed during 2019

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

1 The carryover of \$422,420 from 2017 includes \$331,053, which is attributable to the  
2 Bare Conductor Replacement Project - 14L2 Mammoth Rd. Further details of the  
3 carryover is described in the Report.

4 The lower than anticipated spending of \$795,874 is attributable to the Bare Conductor  
5 Replacement Project - Route 12 and the details of the underspending are further  
6 described in the Report.

7 **Q. Please summarize the reliability results shown in the CY2018 REP/VMP Report.**

8 A. The Company met its SAIFI and SAIDI targets of 1.19 and 126.27 minutes, respectively,  
9 with actual results of 1.01 and 118.17, respectively, which are based on a five-year  
10 rolling average and are shown in Appendix 7. For the past four years, the Company has  
11 met all of its SAIFI and SAIDI targets. Liberty expects this overall positive performance  
12 in SAIFI and SAIDI to continue as further positive impacts from our reliability initiatives  
13 are experienced. Additional details of the reliability results are provided in the Report.

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

16 A. Yes. As described in this filing, the expenditures were reasonable because these  
17 expenditures were made for programs that are specifically referenced in the Settlement  
18 Plan and were necessary to achieve continued improvement in the Company's system  
19 reliability. The work undertaken for vegetation management, single phase recloser and  
20 trip-saver installations, and bare conductor replacement was incurred for the explicit  
21 purpose of improving system reliability and is consistent with the intent of the Secretarial

1 Letter. These expenditures are expected to generate real customer benefits in the form of  
2 improved reliability performance. As such, the Commission should approve recovery of  
3 these expenditures and permit the requested rate adjustments to become effective for  
4 usage on and after May 1, 2019.

5 **IV. CONCLUSION**

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

7 **A.** Yes, it does.