



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

Docket No. DE 19-064

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

REBUTTAL TESTIMONY

OF

HEATHER GREEN,

JOEL RIVERA,

AND

HEATHER M. TEBBETTS

January 30, 2020

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1 **I. INTRODUCTION AND BACKGROUND**

2 **Q. Ms. Green, please introduce yourself.**

3 A. My name is Heather Green, my business address is 407 Miracle Mile, Lebanon, New
4 Hampshire, and I am employed by Liberty Utilities Service Corp. I am the Program
5 Manager of Inspections and Vegetation for Liberty Utilities (Granite State Electric) Corp.
6 (“Liberty” or “the Company”). In that capacity I plan, budget, and manage inspection
7 and vegetation management programs, vendor performance, and storm and regulatory
8 support on the Company’s distribution and sub-transmission assets. Please see the Direct
9 Testimony of Heather Green and Heather M. Tebbetts, filed April 30, 2019, for a
10 description of my educational background and work experience.

11 **Q. Mr. Rivera, please introduce yourself.**

12 A. My name is Joel Rivera, my business address is 9 Lowell Road, Salem, New Hampshire,
13 and I am employed by Liberty Utilities Service Corp. I am the Manager of GIS and
14 Electric System Planning for Liberty. I am responsible for managing the Company’s
15 electric system capacity, reliability, integrity, interconnections, protection systems,
16 equipment and system upgrades, prioritization, and associated budget estimates. Please
17 see the Direct Testimony of Joel Rivera, Anthony Strabone, and Heather M. Tebbetts,
18 filed April 30, 2019, for a description of my educational background and work
19 experience.

1 **Q. Ms. Tebbetts, please state your full name, business address, and position.**

2 A. My name is Heather M. Tebbetts, my business address is 15 Buttrick Road, Londonderry,
3 New Hampshire, and I am employed by Liberty Utilities Service Corp. I am Manager of
4 Rates and Regulatory Affairs and am responsible for providing rate-related services for
5 the Company. Please see the Direct Testimony of Joel Rivera, Anthony Strabone, and
6 Heather M. Tebbetts, filed April 30, 2019, for a description of my educational
7 background and work experience.

8 **II. PURPOSE OF TESTIMONY**

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

10 A. Our testimony is provided in rebuttal to the Staff witnesses Jay E. Dudley and Kurt
11 Demmer related to the topics of reliability enhancement program (REP) and the
12 vegetation management program (VMP), Staff's proposed non-substantive changes to the
13 Company's tariff, and the Company's request to insert into the tariff a table of the
14 Company's interconnection fees, similar to that of other utilities.

15 **III. RELIABILITY ENHANCEMENT PROGRAM**

16 **Q. Does Staff support continuing the REP?**

17 A. No, they do not. Staff recommended termination of the REP beyond 2020 because
18 Liberty has exceeded National Grid's pre-2005 reliability performance.¹ The Company
19 strongly disagrees with this recommendation and believes that the purpose of the REP is
20 to maintain or improve reliability for our customers, something that our customers

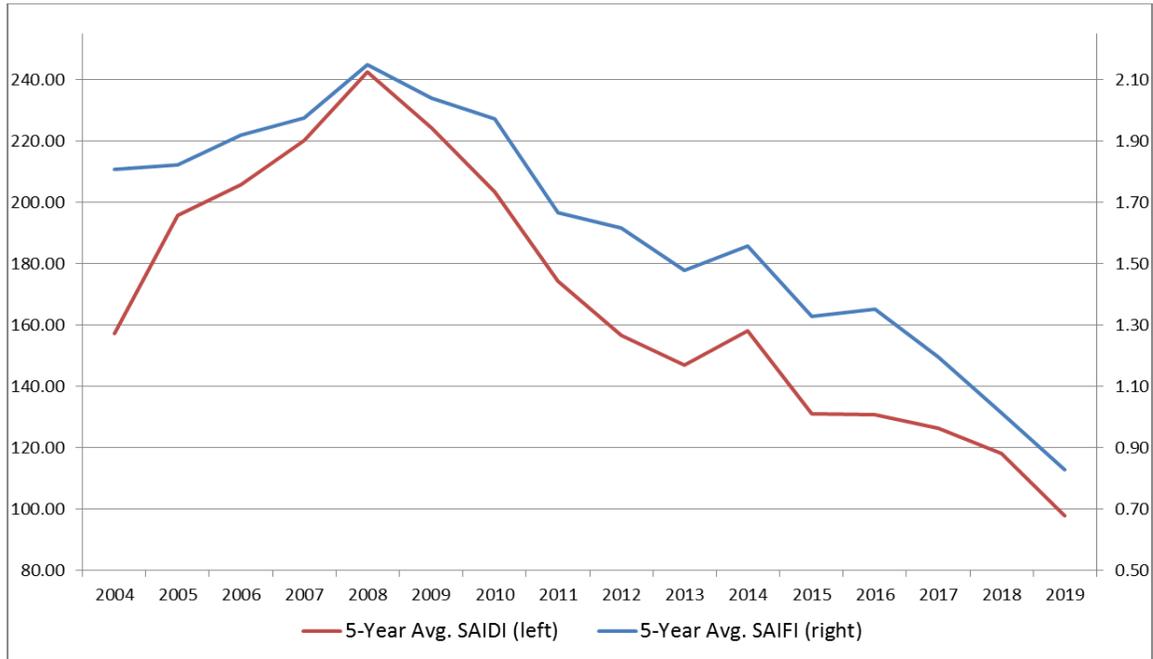
¹ Direct Testimony of Kurt Demmer, Bates Page 31, lines 10–16.

1 demand and expect. Staff’s recommendation gives the impression that the Company’s
2 reliability is “good enough,” but the Company believes that efforts to maintain and
3 improve reliability are in customers’ best interests.

4 **Q. Please summarize the reliability results for the Company as a result of its reliability**
5 **and vegetation initiatives.**

6 A. To illustrate the Company’s reliability performance, the graph below shows Liberty’s
7 five-year rolling average for SAIDI and SAIFI² between 2004 and 2019. At its worst, the
8 reliability performance of the Company in 2008 (four years prior to Liberty’s purchase of
9 the utility) was 2.15 for SAIFI and 243 for SAIDI. Since then, the Company’s reliability
10 performance has improved considerably. As of year-end 2019 the reliability performance
11 is 0.83 for SAIFI and 97.88 for SAIDI. This represents an improvement of
12 approximately 40% for both SAIDI and SAIFI, which marks the first time that the
13 Company’s five-year rolling average is below 100 minutes for SAIDI and 1.0 for SAIFI.
14 It also marks the first time that the Company has met its reliability targets for both SAIDI
15 and SAIFI in five consecutive years (2015–2019). These reliability improvements and
16 results are mainly due to the Company’s combined REP/VMP strategies and projects
17 developed to address system deficiencies as documented in the Company’s Least Cost
18 Integrated Resource Plan.

² SAIDI is System Average Interruption Duration Index. SAIFI is System Average Interruption Frequency Index.



1

2 **Q. Do you agree with Staff’s recommendation to end the REP in 2020?**

3 A. No, Liberty believes that this is premature. Given the success of the REP, and the
4 uncertainty and existing challenges and delays with the Grid Modernization proceedings,
5 Liberty recommends maintaining the REP at least over the short term. As part of the
6 Grid Modernization proceedings, Liberty and other stakeholders can work together to
7 determine the ultimate disposition of the REP as it pertains to a potential Integrated
8 Distribution Plan.

9 Maintaining the REP program allows for a targeted and more accelerated replacement
10 schedule by having funds earmarked for those investments. If the projects are not
11 included as part of future REP planning, the annual rate of funding for the projects could
12 be impacted by annual budgetary pressures from emergent projects and other delivery
13 system needs.

1 **IV. VEGETATION MANAGEMENT PROGRAM**

2 **Q. What is Staff's position on the VMP?**

3 A. For background, in the Settlement Agreement in Docket No. DE 13-063, the Company
4 agreed to "provide its REP and VMP plan (the "Plan") to Staff the following calendar
5 year for Staff's review." The Plan is not filed formally, rather it is provided to Staff and
6 OCA informally to facilitate further discussions about the contents of the Plan.

7 The VMP currently includes an annual base amount in distribution rates of \$1,500,000,
8 which was never intended to be an annual budget amount. Although Staff acknowledges
9 that the \$1,500,000 is not sufficient for the Company's annual VMP requirements, Staff
10 only recommends \$178,000 more in annual funding, a figure that Mr. Demmer states the
11 Company submitted in its 2018 VMP budget filing. In fact, the costs submitted to Staff
12 on November 15, 2017, for the 2018 plan were \$1,851,000, see Attachment GRT-1 for
13 the details. After a meeting and further discussions where Staff disagreed with the
14 proposed budget, the Company revised its proposal downward, but Staff still disagreed
15 and argued that any further spending over \$1,500,000 was unnecessary. Thus the
16 Company went forward with its original spending as Staff agreement on the annual
17 budget is not a requirement. The final spending for the test year was \$1,944,301, or
18 \$93,301 more than proposed. As noted in Staff's testimony, \$46,569 of the additional
19 costs was the result of a 2017 invoice that was paid in 2018, thus the total overspend for
20 the test year versus the budgeted amount was \$46,732 (or 2.5%) after payments from
21 Consolidated Communications were taken into account for their share of pruning

1 costs. The Commission approved full recovery of this amount. Order No. 26,244 (Apr.
2 30, 2019).

3 **Q. Has the Company tried to reduce costs associated with pruning?**

4 A. Yes. On November 15, 2019, the Company informally provided to Staff its 2020 Plan for
5 its review and comment. Please see Attachment GRT-2. In that Plan, the Company
6 provided the option of continuing with a four-year cycle (which the Commission
7 approved as part of Liberty's last rate case) or moving back to a five-year cycle, all due to
8 the fact that the labor costs for tree pruning have significantly increased, as previously
9 discussed in the direct testimony of Ms. Green and Ms. Tebbetts. As of the date of this
10 testimony, a date for discussion of Staff's comments on the 2020 Plan has not yet been
11 finalized.

12 **Q. Will the Company meet the clearance requirements of Puc 307.10 if it reduces its**
13 **spending on vegetation management?**

14 A. No. Puc 307.10(a) states:

15 With the landowners' consent, utilities shall prune trees adjacent to all
16 distribution circuits to the following minimum clearances on no more than
17 a 5 year cycle:

18 (1) 10 feet below the conductors;

19 (2) 8 feet to the side of the nearest conductor; and

20 (3) 15 feet above the conductors, at time of pruning.

21 If the Company reduces its vegetation management budget to the amount recommended
22 by Staff, we will not meet these clearance requirements on a four- or five-year cycle. The

1 amount recommended by Staff is also insufficient to fund a program that can maintain or
2 improve tree related reliability, and Staff's recommendation was not based on current
3 costs or the actual needs of the system. At the current bid rates and Staff's proposed
4 budget of \$1,678,000, it is projected that the Company would have funding that would
5 require it to extend the trim cycle to six or seven years, also a violation of Puc 307.10.

6 In order to comply with Puc 307.10 and not exceed a five-year cycle, the VMP requires a
7 minimum average of \$1,372,000 in funding for planned cycle trimming *alone*. This
8 funding amount does not include any other component of the program (planning,
9 removals, traffic detail, etc.). The Company has proposed an alternative plan to reduce
10 costs by reverting from a four-year to a five-year cycle. Note that even if the Company
11 moved back to a five-year cycle, the costs, as shown in Attachment GRT-2, are still
12 greater than the request of \$1,944,301. However, this proposed alternative five-year
13 cycle budget at least allows for the Company to meet the clearance requirements of Puc
14 307.10.

15 **Q. During the technical session, did the Company discuss with Staff the fact that it**
16 **cannot maintain its clearances as required under Puc 307.10?**

17 A. Yes. Staff responded that the rule is essentially optional, citing Puc 307.10(c), which
18 provides:

19 (c) Utilities shall not be required to prune to the clearance standards
20 specified in (a) of this section, where:

21 (1) The land-owner has refused or restricted permission to prune;

1 (2) A municipality or other local governing body, by ordinance or other
2 official means, has refused or restricted permission to prune; or

3 (3) Pruning to the standards specified in subpart (a) would be detrimental
4 to the health of the tree, in which the utility shall adhere to the guidelines
5 provided in ANSI A300 Part 1– 2008 Edition, available as noted in
6 Appendix B.

7 Staff indicated at the technical session that Puc 307.10(c)(3) provides an out for the
8 Company because the Company only has to prune to the clearances if the trees are
9 unhealthy. If the trees are healthy, Staff suggested there is no requirement to prune to the
10 required clearance. Staff also explained that if it does not make financial sense to prune
11 to required clearances, then the Company does not have to meet the rule’s requirements.
12 Staff’s comments about “financial sense” appear to imply that if there are not sufficient
13 funds available then it is acceptable to trim less than the specified clearances in Puc
14 307.10. As discussed below, the Company does not agree with that interpretation of the
15 rule. When Staff was asked about the Company filing a waiver for the rule, Staff noted a
16 waiver is not needed if the Company adopted Staff’s interpretation of the rule.

17 The Commission’s December 3, 2009, *After Action Review December 2008 Ice Storm*
18 *Final Report* provides relevant “action items” on page 15:

19 2.2 Staff will meet with PSNH, Unitil, National Grid and NHEC and submit
20 recommended trim cycles and zones by April 2010, to be promulgated in
21 the Puc 300 rules. The following should be considered as a starting point
22 for this review: all sub-transmission circuits (34.5 kV – 69 kV) to be
23 trimmed on a cycle not to exceed 48 months, and all distribution circuits be
24 trimmed on a cycle not to exceed 60 months; all 3-phase distribution circuits
25 to have clearances of 10 feet below, 8 feet to the side, and 15 feet above;
26 and, single phase circuits and those 3-phase circuits with Hendrix cable to
27 be cleared 10 feet above and below and 8 feet to the side. Though
28 considerably more expensive, “ground-to-sky” trimming should be

1 considered, as should the use of chemical treatments as part of an integrated
2 vegetation management program.

3 Note that the Commission implemented this recommended action item by promulgating
4 Puc 307.10, which first appeared in the Puc 300 rules after this Report.

5 The Company also disagrees with Staff's interpretation of the above exception to the
6 rule's clearance requirements. The plain language of the rule applies to the health of
7 single trees; Staff's suggestion would make it apply to the thousands of trees³ the
8 Company must prune to satisfy the rule's clearance requirements.

9 **Q. Does the Company agree with Staff's interpretation of the rule?**

10 A. No. We disagree that the rules require decreased clearances and think that reading the
11 rule in that fashion will result in poor outcomes for our customers.

12 **V. OTHER ITEMS**

13 **Q. Mr. Dudley noted that Staff is recommending non-substantive changes to the tariff.**
14 **Has Staff provided these recommendations to the Company?**

15 A. No. Please see Attachment GRT-3 for Staff's response to a request of the list of
16 proposed changes. During the technical session, the Company asked for a high level
17 understanding of what these tariff changes are and was told Staff does not know what the
18 changes consist of, that they do not have a list, and that they have not seen a markup of

³ There are approximately 300 trees per mile for the 927 miles of distribution lines in the Company's service territory, which means we have an estimated 278,000 trees.

1 the changes to the tariff. Thus, the Commission should disregard Mr. Dudley's
2 recommendation in this regard.

3 **Q. What is Mr. Demmer's position on creating a table to simplify interconnection fees**
4 **for customers and developers?**

5 A. Mr. Demmer believes the change should be addressed through Docket IR 15-296. Please
6 see Attachment GRT-4.

7 **Q. Does the Company agree with this position?**

8 A. No. Docket No. IR 15-296 has been ongoing since 2015, and as Mr. Demmer notes in
9 his data response provided in Attachment GRT-4, the working group has not convened.
10 We think that it would more expeditious, and in the public interest, to make this change
11 to the Company's tariff now while it is being considered in this case and to provide the
12 same information for customers and developers that is contained in Eversource's tariff.

13 **VI. CONCLUSION**

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

15 A. Yes.