

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

April 25, 2024 - 1:01 p.m.  
21 South Fruit Street  
Suite 10  
Concord, NH

RE: DE 24-044  
LIBERTY UTILITIES (GRANITE STATE  
ELECTRIC) CORP. d/b/a LIBERTY UTILITIES:  
2023 Vegetation Management Program Plan.

**PRESENT:** Chairman Daniel C. Goldner, *Presiding*  
Commissioner Carleton B. Simpson

Ben Martin-McDonough, Esq./*PUC Legal*  
*Advisor*

Tracey Russo, Clerk

**APPEARANCES:** **Reptg. Liberty Utilities (Granite State**  
**Electric) Corp. d/b/a Liberty Utilities:**  
Michael J. Sheehan, Esq.

**Reptg. Residential Ratepayers:**  
Michael Crouse, Esq.  
Charles Underhill, *Dir. of Rates and*  
*Markets Policy*  
Office of Consumer Advocate

**Reptg. New Hampshire Dept. of Energy:**  
Marie-Helene B. Bailinson, Esq.  
Paul B. Dexter, Esq.  
Jay Dudley, Electric Division  
(Regulatory Support Division)

Court Reporter: Steven E. Patnaude, LCR No. 52

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**P R O C E E D I N G**

CHAIRMAN GOLDNER: Okay. Good afternoon. I'm Commissioner Goldner. I'm joined today by Commissioner Simpson.

We're today for a hearing in Docket Number DE 24-044, in which the Commission docketed Liberty Utilities' 2023 Vegetation Management Program Plan, including Liberty's proposal to update its VMP rate for effect May 1st, 2024.

This hearing was noticed on March 29th, 2024. And the Commission's jurisdiction over this matter is based on the just and reasonable ratemaking standard of RSA 374:2 and RSA 378:7.

Let's take appearances, beginning with the Company.

MR. SHEEHAN: Good afternoon, Commissioners. Mike Sheehan, for Liberty Utilities (Granite State Electric).

CHAIRMAN GOLDNER: Thank you. The New Hampshire Department of Energy?

MS. BAILINSON: Good afternoon, Commissioners. This is Marie-Helene Bailinson. I'm an attorney with the Department, and along

1 with me is Paul Dexter, who is my co-counsel, he  
2 is a Senior Hearings Examiner; and Jay Dudley,  
3 who is a Utility Analyst in this matter.

4 CHAIRMAN GOLDNER: Very good. Thank  
5 you. And the Office of the Consumer Advocate?

6 MR. CROUSE: Good afternoon,  
7 Commissioners. My name is Michael Crouse, Staff  
8 Attorney for the OCA, representing residential  
9 customers in this matter.

10 Joining with me today is our new  
11 Director of Rates and Markets Policy, Charles  
12 Underhill. You may also refer to him as "Chuck".

13 Thank you.

14 CHAIRMAN GOLDNER: Thank you. Welcome,  
15 Mr. Underhill.

16 Okay. Thank you. Before delving into  
17 the parties' cases, we would like to first  
18 discuss what the issues are at this hearing and  
19 the best way to resolve them.

20 To start, we note that the parties  
21 filed a Joint Witness and Exhibit List on  
22 April 18th, 2024, that includes three exhibits.  
23 However, neither the DOE, nor the OCA, filed  
24 their witness's technical statements as exhibits.

1       So, first, we ask that, after this hearing, both  
2       parties file those statements as exhibits.

3               And, second, I'll just ask if the  
4       parties anticipate introducing any additional  
5       exhibits during these proceedings?

6               MR. SHEEHAN: Liberty does not.

7               CHAIRMAN GOLDNER: Okay.

8               MR. CROUSE: Apologies for that  
9       oversight. The OCA does not plan to file  
10      anything other than our technical statement.

11              CHAIRMAN GOLDNER: Thank you.

12              MS. BAILINSON: And the Department does  
13      not plan to file any other exhibits other than  
14      the technical statement.

15              Thank you.

16              CHAIRMAN GOLDNER: Okay. And the  
17      Commission has both of the documents in question,  
18      we just don't have them filed as exhibits. So,  
19      it's just to file them as exhibits after the  
20      hearing today please.

21              Okay. Based on the issues noticed in  
22      the Commencement of Adjudicative Proceeding and  
23      the parties' filings, we believe there are two  
24      issues to resolve at today's proceeding.

1           The first is to set a new VMP rate for  
2           effect on May 1st, 2024. Liberty has proposed a  
3           new rate of zero, while the DOE has proposed  
4           maintaining the currently effective rate credit  
5           of \$0.00002 per kilowatt-hour.

6           The second issue is whether the  
7           Commission should permit Liberty to carryforward  
8           budgeted funds it did not spend in calendar year  
9           2023. It seems that all parties agree that  
10          Liberty should be able to carryforward the amount  
11          proposed. However, the DOE has recommended  
12          ring-fencing that amount to guarantee it is used  
13          to remove hazardous trees.

14          In addition to these two issues, that  
15          must be resolved in this docket, the DOE and OCA  
16          have also highlighted concerns as to whether  
17          Liberty is satisfying its vegetation management  
18          obligations outlined in the Settlement Agreement  
19          in DE 19-064.

20          The OCA recommended opening a new  
21          docket to investigate these concerns further. We  
22          are interested in knowing if the OCA intends to  
23          file a petition requesting the Commission open  
24          such a docket, and, if so, when it intends to do

1           so.

2                       So, before getting into these issues,  
3       we would like to afford each of the parties an  
4       opportunity to make an opening statement. In the  
5       opening statements, please address the following  
6       three items: Have we accurately described the  
7       issues for today's hearing? (2) Briefly explain  
8       what your witnesses will testify to today. And  
9       (3) Given the DOE's recommendation, we'd like to  
10      hear from the parties as to whether the rates for  
11      May 1st, 2024 should be provisional, and, if so,  
12      what those provisional rates should be.

13                    So, let's begin with those opening  
14      statements, beginning with the Company.

15                   MR. SHEEHAN: Thank you.

16                    I agree with the statement of issues,  
17      at the top of the list, the rate and the  
18      carryforward. And, of course, as you  
19      articulated, the Company is proposing a rate of  
20      zero, and a carryforward of roughly \$50,000 into  
21      the next year.

22                    I've already lost my train of thought  
23      of the other items.

24                   CHAIRMAN GOLDNER: That's all right, I



1 have notes.

2 So, the second one was briefly explain  
3 the witnesses --

4 MR. SHEEHAN: Sure.

5 CHAIRMAN GOLDNER: -- what they will  
6 testify to today. And, then, finally, the  
7 question of the provisional rates.

8 MR. SHEEHAN: The witnesses will  
9 testify consistent with their written testimony,  
10 with the adder of some responses to what has been  
11 in the technical statements.

12 In particular, Ms. Green will address  
13 the argument that \$100,000 should not be included  
14 in so-called -- what I call "training costs".  
15 The suggestion that the Company should bear the  
16 \$600,000 delta to between what was spent and what  
17 could have been spent to better meet the training  
18 requirements.

19 And I think that's all. The other  
20 stuff will come up.

21 And, then, last, as far as provisional  
22 rates, we had this discussion the other day. And  
23 our request is you not do that. You approve the  
24 proposed rate of zero. Always subject to audits

1 and reconciliation later.

2 This VMP dollars is not the exact same  
3 as a reconciling mechanism, because it is built  
4 into base rates. But, in effect, it is. The  
5 \$2.2 million we are collecting that we can't  
6 keep. We have to spend it on veg. management.  
7 And, if we underspend, we have to return it to  
8 customers, just like any reconciling mechanism,  
9 unless we roll it over. So, I think we could  
10 analytically think of this as a reconciling  
11 mechanism. So, the process of approving the  
12 proposed rate, and subject to audit and any  
13 adjustments later, seems to make the most sense  
14 to the Company.

15 CHAIRMAN GOLDNER: Okay. Thank you.  
16 We'll move now to the Office of the Consumer  
17 Advocate. And, yes, please proceed.

18 MR. CROUSE: Thank you.

19 Addressing the -- I guess the issues  
20 that you've identified first. The OCA is not  
21 objecting to the Company's proposed rate of zero,  
22 and the carryover the OCA is also not objecting  
23 to.

24 However, the concerns that the OCA has

1 is that the Settlement Agreement from 19-064 was  
2 a commitment by Liberty, approved by the  
3 Commission, to be on a four-year trim cycle. And  
4 that Liberty's own testimony is neither compliant  
5 with that Settlement Agreement, nor Puc 307.10.  
6 So, the Office of the Consumer Advocate has lots  
7 of concerns about whether or not ratepayers are  
8 actually seeing the benefit of that commitment.

9 The OCA is certainly understanding that  
10 the Company has experienced difficulties, such as  
11 with Consolidated no longer providing that  
12 subsidy for joint ownership, and some other  
13 matters that the Company has experienced, and  
14 having to rely on Asplundh primarily.

15 But, in the view of the OCA, the  
16 Company had committed to that budget with a ten  
17 percent overage cap that should not be allowed to  
18 be collected in excess until decided in a future  
19 rate case.

20 So, when the OCA sees, in Table 3 from  
21 the Company's attachment, these deltas of what it  
22 would cost to come into compliance, the OCA sees  
23 that as "this is what it would cost in order to  
24 come back in, but we're not doing that."

1           And, so, we're concerned about that  
2       deferred 214 miles, and, by approving or going  
3       along with these VMP reconciliations, that we're  
4       not just waiving our right to enforce the  
5       Settlement Agreement as agreed to.

6           And, then, with respect to what Mr.  
7       Underhill will be testifying to, we'll just be  
8       sticking with our technical statement, and  
9       explaining some of the reasons we think an  
10      investigation into how to resolve that matter  
11      that I just identified.

12           Thank you.

13           CHAIRMAN GOLDNER:   So, maybe a  
14      follow-up question.

15           Is this the right forum, in the opinion  
16      of the OCA, to sort through those issues of the  
17      Company's mileage and the cost of that mileage  
18      and so forth?  Or, would the OCA prefer a  
19      petition, and then a subsequent proceeding?

20           MR. CROUSE:   That's certainly a  
21      conversation we've had internally.  And, to  
22      address the earlier question as well, "are we  
23      planning to file a petition?", we first wanted to  
24      flag that issue and raise it here.  And, then,

1 we're certainly not opposed to filing a petition.  
2 But we wanted to bring this up, because the  
3 current rate case is stayed. This is a matter  
4 that is being discussed there.

5 But we are seeing 214 deferred miles.  
6 We're seeing reasons why the Salem circuit isn't  
7 being addressed. We're seeing a number of  
8 matters that are concerning to us. And, so, we  
9 just don't want to see a situation where we go  
10 into the rate case, we haven't flagged these  
11 issues, and all of a sudden the cost of that  
12 deferred work, that has the guardrails in place  
13 from the Settlement Agreement are now able to be  
14 collected, if that Settlement Agreement is no  
15 longer in effect.

16 So, we're just trying to make sure that  
17 residential customers, who have been paying for a  
18 four-year trim cycle, are not receiving that  
19 benefit. We can make sure those costs have been  
20 identified. And, so, that way, in the rate case,  
21 if that is the appropriate place, or if the  
22 Commission is amenable to an investigation, we  
23 can sort that out.

24 CHAIRMAN GOLDNER: Okay. Thank you.

1 And, then, finally, does the Consumer Advocate  
2 have a position or recommendation on the rates  
3 being provisional?

4 MR. CROUSE: The OCA has no confliction  
5 with what the Department has said in its  
6 technical statement about making it provisional.  
7 So, how the Commission chooses to advance, we  
8 wouldn't object in either sense.

9 CHAIRMAN GOLDNER: All right. Thank  
10 you.

11 And we'll move now to the New Hampshire  
12 Department of Energy.

13 MS. BAILINSON: Thank you, Mr. Chair.  
14 A few points to make.

15 The Department references a technical  
16 statement, and would approve the Company's  
17 proposed carryover, as Mr. Chair stated, of the  
18 50,240, on the condition that this amount can  
19 only be applied toward the costs of hazard tree  
20 removal.

21 Relative to a rate increase, the  
22 Department's position is that we are unable to  
23 make a determination relative to proposed rates  
24 that -- in other words, that the proposed rates

1 are just and reasonable, because of the problems  
2 with the 2023 numbers. As stated in the  
3 technical statement, the Commission -- the  
4 Department would recommend that the Commission  
5 postpone its ruling on approval or disapproval of  
6 the Company's VMP rate request, until such time  
7 as the Commission rules on the reliability of all  
8 of 2022 and 2023 accounting data, and the  
9 Department's Audit Division has completed its  
10 review of this filing.

11 In the interim period, until the  
12 Commission's ruling, given that Liberty's  
13 proposed VMP rate was to take affect on May 1,  
14 2024, the Department recommends that the  
15 Commission continue and extend the existing  
16 credit of 0.00002 to remain in effect, until the  
17 Commission issues its final decision.

18 And, finally, regarding testimony, our  
19 expert, Jay Dudley, will be presenting a summary  
20 of his technical statement.

21 CHAIRMAN GOLDNER: Okay. Very good.  
22 And does the Department -- would the Department  
23 like to highlight or recommend a position on the  
24 provisional aspect of the ruling?

1 MS. BAILINSON: Just a moment.

2 [Atty. Bailinson, Atty. Dexter, and Mr.  
3 Dudley conferring.]

4 MS. BAILINSON: Thank you. Our  
5 position is that the rates be provisional,  
6 because we're recommending that the Commission  
7 keep the rates as is, pending the further review.

8 CHAIRMAN GOLDNER: Okay. Thank you.

9 And can the Department weigh in on the  
10 OCA's position, relative to the OCA's concerns  
11 and potential petition and future proceeding? In  
12 other words, are those -- are the OCA's concerns  
13 with the -- is the Department's position that  
14 those belong in today's hearing or a future  
15 proceeding?

16 [Atty. Bailinson and Mr. Dudley  
17 conferring.]

18 MS. BAILINSON: Thank you, Mr. Chair.  
19 A few points.

20 We addressed many of the concerns in  
21 the -- you know, raised by the OCA in the 23-039  
22 docket in our testimony. And we believe that  
23 those matters are best dealt with there.

24 Mr. Dudley will elaborate more on this,



1 but our understanding of this proceeding is that  
2 the costs and implementation deal with a 2023  
3 Vegetable [sic] Management Program Plan.

4 CHAIRMAN GOLDNER: Okay. So, I just  
5 want to repeat back and make sure I understand.

6 So, the Department's position is that  
7 the OCA's concerns, relative to not doing enough  
8 miles, the cost of those miles and so forth,  
9 belongs in a different proceeding, either in 039  
10 or a separate proceeding?

11 MS. BAILINSON: Yes. And I'd like to  
12 say "Vegetation", and not "Vegetable".

13 CHAIRMAN GOLDNER: Okay.

14 MS. BAILINSON: Taking that back.

15 CHAIRMAN GOLDNER: That made it a lot  
16 easier on Liberty. They were perfectly happy  
17 with vegetables.

18 Mr. Sheehan, would you like to weigh in  
19 on the OCA's -- on the OCA issue?

20 MR. SHEEHAN: Sure, before Ms. Green  
21 talks about carrots.

22 I agree that they were raised here,  
23 some of those questions. But this isn't the  
24 place to do it. It is teed up in the rate case.

1       We've made a proposal for a change to the VMP  
2       amount. There's been discovery on it, there's  
3       been testimony on it. It seems the logical place  
4       to do it.

5               So, yes. So, I agree with -- so, I  
6       guess I agree with DOE, that it belongs in the  
7       rate case, not with OCA and a -- well, he can  
8       file the petition, but I think the other  
9       proceeding is the best place to do it.

10              CHAIRMAN GOLDNER: So, maybe the last  
11       question would be, so, for a future vegetation  
12       management, understand rate case, potentially  
13       another petition and so forth, but, in terms of,  
14       if we look backwards, I think the OCA's position  
15       is that the Company hasn't been doing enough in  
16       vegetation management in the past, and it needs  
17       to accelerate that work. So, it's --

18              MR. SHEEHAN: So, I can respond to  
19       that. Our position is, again, this is a  
20       reconciling mechanism, in effect, and we can do  
21       as much work as we have dollars to do. I  
22       completely disagree with the contention that we  
23       agreed to a four-year trim regardless of money.  
24       We agreed to a four-year trim and a \$2 million

1 amount. And, so, we did as much as we could with  
2 the money that we were given to do. And any  
3 extra is not shareholder money, it should come  
4 out of -- it's a customer benefit.

5 Mr. Crouse is incorrect to say  
6 "Customers have paid for a four-year trim." They  
7 have paid \$2 million, and they have paid for as  
8 many miles as we can trim with \$2 million. So,  
9 there is a fundamental disagreement there.

10 And, if the Commission were to order  
11 us, for example, in this past year, to have paid  
12 the extra 600,000 out of shareholder money, that  
13 would be a taking, in our opinion.

14 CHAIRMAN GOLDNER: And I would like to  
15 hear from the OCA and the DOE on this, before we  
16 march into witness testimony. Because the --  
17 what is the opinion of, first, the OCA, and then  
18 the Department, on what the Settlement says?  
19 Does it say that "Liberty has to complete a  
20 quarter of the vegetation management every year",  
21 or does it say "The Company has a budget and does  
22 as much as it can within that budget"?

23 MR. CROUSE: Chairman Goldner, if I may  
24 respond?

1 I mean, this is straight from Liberty's  
2 testimony, and I could read it to you from the  
3 Settlement Agreement.

4 CHAIRMAN GOLDNER: Go ahead and read it  
5 into the record, just so that we have it, sir.

6 MR. CROUSE: It says: "The base rate  
7 increase agreed to in this Agreement includes an  
8 increase in the VMP spending to 2.2 million for  
9 2020, which shall continue until changed in a  
10 future base rate case. The Company shall not  
11 recover any VMP expense that exceeds ten percent  
12 of that amount, or in excess of 2.42 million,  
13 through the annual reconciliation filing, or  
14 otherwise." End that quote.

15 So, in the view of the OCA, what's the  
16 point of that overage cap, if the Company is only  
17 going to spend 2.42 million. Or, alternatively,  
18 the Company just agreed to -- the first sentence,  
19 under the "VMP", "the Company shall maintain a  
20 four-year cycle for tree trimming", what's the  
21 point of a four-year trim cycle, with a 2.24  
22 million over cap, if the Company is neither doing  
23 a four-year trim cycle, or identifying a delta in  
24 excess of that 2.24 million cap, for work that

1           should have been done, but is not being done.

2                   CHAIRMAN GOLDNER:   Okay.   Thank you,  
3   Attorney Crouse.   Department?

4                   MR. DEXTER:   Mr. Chairman, I'm going to  
5   weigh in, because I was involved in the  
6   settlement in the past cases.

7                   We've actually raised this issue in the  
8   last two VMP dockets.   And the Department has  
9   been concerned that Liberty has spent the money,  
10   but not done the work.   They have not hit the  
11   four-year trim cycle, which they agreed to.   I  
12   think it's unambiguous.   And Mr. Crouse read it.  
13   I would have read the sentences in the order that  
14   they're in the Settlement, he reversed them a  
15   bit.   But it starts with saying that "The Company  
16   shall maintain a four-year cycle", then goes in  
17   to talk about the 2.2 and the 2.4 million.

18                  We've heard from Liberty over the years  
19   about why they were not able to meet the  
20   four-year cycle.   And what we've said in past VMP  
21   dockets is that we're very concerned that this  
22   deferral -- that this deferred work could not be  
23   preapproved for recovery at some point, and we  
24   believe we've preserved the right to argue about

1           that.

2                       We are amenable to doing that in the  
3       upcoming rate case.   However, if the OCA files a  
4       petition to open an investigation, looking  
5       backward or looking at this issue specifically,  
6       outside the rate case, we will participate in  
7       that fully.

8                       CHAIRMAN GOLDNER:   So, I'd like to  
9       recommend for today's proceeding, just in terms  
10      of simplifying matters, which is the point of  
11      this dialogue, that we shelve the issue of the  
12      Settlement and the miles and the cost and so  
13      forth, for either the rate case, or a petition  
14      from the Office of the Consumer Advocate, to  
15      simplify today's proceeding, and just focus on  
16      the rate, because there's a dispute there.

17                      And I think what I heard on the  
18      carryforward is everyone is okay with the 50,000,  
19      but there's this additional amount of 100,000  
20      relative to the SAP conversion, that I think I  
21      heard that the OCA would like to discuss today.  
22      Do I have that right?

23                      MR. CROUSE:   It is just a simple  
24      clarification.   Since the OCA has identified what

1 I'm just going to call the "elephant in the  
2 room", this \$6 million cost for what we believe  
3 for the Company to come into compliance, you  
4 know, we see that the SAP conversion has caused  
5 an overspend on administrative costs. Then, we  
6 see line items like there's no road clearing,  
7 because it's all administrative, we see no  
8 hazardous tree removal except an \$8,000 value.

9 Then, we start asking, "Okay, well,  
10 there's a lot of administrative costs that are  
11 being taken from that 2.2 or the 2.4 with the  
12 excess." And, so, we could debate over what is  
13 or is not good in that bucket. But our view is  
14 that the Company should be making up the  
15 difference that goes over the 2.24 million cap.  
16 So, for us to say whether or not that 100,000 is  
17 appropriate, it's hard to argue that smaller  
18 number, when there's the bigger 3.6 million, you  
19 know, where do those fall in or not fall in.

20 CHAIRMAN GOLDNER: Okay. So, I don't  
21 mean to make this more difficult than it probably  
22 is. But, for today's proceeding, is the Consumer  
23 Advocate comfortable with a rate of zero, and a  
24 carryforward of 50,000, and that the rest of the

1       dispute, or the conversation, with respect to  
2       expenses, belongs in a different proceeding?

3               MR. CROUSE:   The OCA is amenable to  
4       having that in the rate case, or direction of the  
5       Consumer Advocate on a petition to be filed.

6               CHAIRMAN GOLDNER:   Okay.

7               MR. CROUSE:   And, if appropriate, we  
8       could file a letter addressing how we would do  
9       that.

10              CHAIRMAN GOLDNER:   Thank you.   And is  
11       it the position of the Consumer Advocate, just to  
12       refine that one more time, that you would want to  
13       file a petition for a separate proceeding, is  
14       that something that the Consumer Advocate would  
15       want to do?

16              I'm just trying to understand what the  
17       Commission should expect.

18              MR. CROUSE:   Yes.   Thank you for the  
19       opportunity to clarify.   I was just saying that I  
20       would get confirmation from the Consumer  
21       Advocate, if it's his preference to have this in  
22       the rate case or by a petition.   And, then, once  
23       I have his approval, I would file a letter with  
24       the Commission stating how we would intend to



1 address those issues.

2 CHAIRMAN GOLDNER: I see. Would it be  
3 okay just to close on the issue? Because this  
4 is -- this filing is due May 1st, it's for effect  
5 May 1st. Would you be comfortable filing  
6 something by close of business Monday?

7 MR. CROUSE: I think that's  
8 appropriate. Thank you.

9 CHAIRMAN GOLDNER: Okay. Thank you.

10 Okay. Just closing back with the  
11 Department, so we can move on with our witnesses.  
12 Is the Department comfortable that the only  
13 dispute today is whether the rate should be zero  
14 or the small credit that is, I don't mean to use  
15 that in a pejorative way, but the credit amount  
16 of 0.00002? Is that the only dispute today?

17 MS. BAILINSON: Yes.

18 CHAIRMAN GOLDNER: Okay. Thank you.

19 MS. BAILINSON: Thank you.

20 CHAIRMAN GOLDNER: Okay. All right.  
21 We can move forward.

22 Mr. Patnaude, would you please swear in  
23 the witnesses.

24 *(Whereupon **ROBERT GARCIA,***

[WITNESS PANEL: Garcia|Green|Faber]

1                   **HEATHER GREEN, and JEFFREY FABER** were  
2                   *duly sworn by the Court Reporter.)*

3                   CHAIRMAN GOLDNER: Okay. Mr. Sheehan,  
4                   please proceed.

5                   MR. SHEEHAN: Thank you.

6                   **ROBERT GARCIA, SWORN**

7                   **HEATHER GREEN, SWORN**

8                   **JEFFREY FABER, SWORN**

9                   **DIRECT EXAMINATION**

10                  BY MR. SHEEHAN:

11                  Q     And we'll start at the far end. Mr. Garcia,  
12                        please introduce yourself, your title with  
13                        Liberty?

14                  A     (Garcia) My name is Robert Garcia. I'm the  
15                        Manager of Rates and Regulatory Affairs for  
16                        Liberty.

17                  Q     And, Mr. Garcia, did you participate in the  
18                        testimony that's been marked as "Exhibit 1" in  
19                        this docket?

20                  A     (Garcia) I did.

21                  Q     Do you have any corrections or changes you'd like  
22                        to bring to the Commission's attention this  
23                        afternoon?

24                  A     (Garcia) I do not.

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[WITNESS PANEL: Garcia|Green|Faber]

1 Q And for those parts that you are responsible for,  
2 do you adopt it as your oral testimony today?

3 A (Garcia) I do.

4 Q Thank you. Ms. Green, your turn. Please state  
5 your name and your position with Liberty?

6 A (Green) My name is Heather Green. I am the  
7 Manager of Vegetation Management for Liberty  
8 Utilities.

9 Q And, Ms. Green, did you also participate in the  
10 testimony that's been marked as "Exhibit 1"?

11 A (Green) Yes.

12 Q Do you have any changes or corrections to bring  
13 to the Commission's attention?

14 A (Green) No.

15 Q And do you adopt your written testimony as your  
16 sworn testimony today?

17 A (Green) Yes.

18 Q Thank you. Mr. Faber, your turn. Please  
19 introduce yourself and your position with  
20 Liberty?

21 A (Faber) My name is Jeff Faber. I am the interim  
22 Senior Director for Electric Operations at  
23 Liberty.

24 Q And, Mr. Faber, this is your first time sitting

[WITNESS PANEL: Garcia|Green|Faber]

1 in that chair, is that correct?

2 A (Faber) That is correct.

3 Q And, since you are not a familiar face, if you  
4 could give the Commission a paragraph of what  
5 brought you to Liberty and what you have in your  
6 background?

7 A (Faber) Lifelong New Hampshire resident, and I  
8 worked 35 years at National Grid. Left them and  
9 joined Liberty in September of 20 -- last year,  
10 '23, as a Director of Engineering, and then  
11 recently took over for Anthony Strabone, who's  
12 moved into the gas role. So, Anthony is running  
13 our gas business, and I've been asked to run the  
14 electric business.

15 At National Grid, I did mostly  
16 engineering, also operations, process  
17 improvement, contract management. So, a number  
18 of different roles.

19 Q And, to our benefit, your history at Grid  
20 included work on the New Hampshire system, is  
21 that correct?

22 A (Faber) Yes. When I was Supervisor and Manager  
23 of Engineering in North Andover, I was also  
24 responsible for Granite State Electric, yes.

{DE 24-044} {04-25-24}

[WITNESS PANEL: Garcia|Green|Faber]

1 Q Thank you. Mr. Faber, did you participate in the  
2 testimony that's been marked as "Exhibit 1"?

3 A (Faber) I did.

4 Q And do you have any changes you'd like to bring  
5 to the Commission's attention?

6 A (Faber) I do not.

7 Q And do you adopt it as your sworn testimony this  
8 afternoon?

9 A (Faber) Yes.

10 Q Thank you. Given the very helpful discussion we  
11 just had with the Commission, I'm going to go to  
12 you, Mr. Garcia, and ask you to point to where in  
13 the filing is the rate of zero that the Company  
14 is proposing the Commission approve in this  
15 docket?

16 A (Garcia) Certainly. In addition to the back-end  
17 of the testimony, Attachment 4, Page 3, it  
18 reflects the proposed adjustment factor of zero.

19 Q Do you have a Bates reference for that?

20 A (Garcia) Yes. Let me pull the hard copy here.  
21 It's Bates 042.

22 Q And, Mr. Garcia, is it fair to say that the math  
23 that went into that zero is the typical  
24 reconciliation math of you had a goal to collect

[WITNESS PANEL: Garcia|Green|Faber]

1 X dollars, and over the past year you collected  
2 Y dollars, and the math comes out that you don't  
3 need to collect or return any more, thus the zero  
4 rate?

5 A (Garcia) Yes and no. There is a very, very, very  
6 small balance of \$698 resulting from our  
7 calculation, which is too small -- would result  
8 in a rate that's too small. It would go to six  
9 decimal places, and we bill to five. So, as a  
10 result, it goes to zero, is the proposal.

11 Q And the net result of that rate is the Company  
12 will continue to collect the \$2.2 million that is  
13 in base rates today?

14 A (Garcia) Correct.

15 Q And we'll reconcile to that next year?

16 A (Garcia) Correct, plus the \$698.

17 Q And, Ms. Green, turning to you. You've heard the  
18 request of the Department, I think it was the  
19 Department, maybe OCA, that the 50,000 carryover  
20 be designated for hazard tree removals. Did you  
21 hear that?

22 A (Green) Yes.

23 Q Does the Company have any problem with that  
24 condition, if it's approved by the Commission?

[WITNESS PANEL: Garcia|Green|Faber]

1 A (Green) No. No problem.

2 MR. SHEEHAN: That's all I have. Thank  
3 you.

4 CHAIRMAN GOLDNER: Thank you. Let's  
5 turn now to the Office of the Consumer Advocate.

6 MR. CROUSE: Thank you.

7 The OCA is going to table as instructed  
8 any of our conversation about the investigation,  
9 but we do have a couple small matters to clear  
10 up. By questions are for any of the witnesses.  
11 Feel free to shore up any from the others, I'll  
12 just direct it to Ms. Green, since she has a nice  
13 smile.

14 **CROSS-EXAMINATION**

15 BY MR. CROUSE:

16 Q I notice that on Page 12 of your testimony, or  
17 Bates Page 014, you all state that "In 2023, a  
18 significant amount of their time", meaning the  
19 Asplundh contract workers, were spent "utilized  
20 in designing and implementing process needs for  
21 VMP support and SAP integration." Could you  
22 clarify what a "significant amount of time"  
23 means, relative to actual tree cutting?

24 A (Green) So, Asplundh provides permissions and

[WITNESS PANEL: Garcia|Green|Faber]

1 execution. So, they do some administrative  
2 components with the cycle work. And, in their  
3 contract, they do the permissions piece and the  
4 execution, and auditing of their own work. So,  
5 there is administration that is included with  
6 that.

7 In the past, we've had ECI do the work  
8 planning, which is where they build the orders,  
9 they build parcels, and they build the work, and  
10 then they hand it over to the provisioners. So,  
11 what we did this last year is we just shifted  
12 that back a little bit, so that the provisioner  
13 now wrote the work as well, and it ties the loop,  
14 and it addressed several components, for example,  
15 finger-pointing, you know, accountability.

16 But, then, it also freed up -- we had  
17 to reduce, with this budget, we were at three  
18 work planners, and some administrative help  
19 internally, and, with this budget, we reduced it  
20 to two. So, we were already challenged to get  
21 the work done regularly.

22 And, then, when SAP was here, it also  
23 took some of their energy to translate the work  
24 plans that are external to SAP, and get them to

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[WITNESS PANEL: Garcia|Green|Faber]

1           be able to be invoiced in SAP. So, there was a  
2           little bridging that needed to happen with that  
3           ECI work planners. So, I'd like to call them  
4           "administrators". Can I call them  
5           "administrators"?

6   Q       I'm okay with that as a term.

7   A       (Green) The whole budget item is basically  
8           administration, whether it's field  
9           administration, quality control, auditing,  
10          customer, you know, permissions, and things like  
11          that.

12                       Did that answer your question?

13   Q       Yes. That was a helpful response. Because, when  
14           the OCA is looking over Attachment 1, O&M  
15           expenses, you know, when we're looking through  
16           this, we see that there is an approximately  
17           \$321,000 spent for work planners for vegetation,  
18           and then we see that, you know, there's the  
19           "AI-Dash" program, and then all of the  
20           right-of-way work was administrative. And, so,  
21           we see a lot of administrative line items.

22                       But, then, when we look to work that's  
23           being done, we see like the Salem circuit wasn't  
24           done, because it was in response to storm

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[WITNESS PANEL: Garcia|Green|Faber]

1 recovery.

2 So, we just wanted to better  
3 understand, and here's the question. What's  
4 being done with tree planting or canopy shelf  
5 management, because some of these line items are  
6 appearing as zero, so we're concerned in that  
7 regard?

8 A (Green) So, as far as administration, I am the  
9 only staff in this program. So, I am the only  
10 person that can administrate, operate or  
11 operational, regulate strategies. So, I do need  
12 some help to make, you know, to pay the bills and  
13 things like that.

14 So, the right-of-way piece that you  
15 have mentioned, goes back to when Liberty bought  
16 from National Grid. And the RFP, or the whole  
17 program that we needed for the off-road piece was  
18 managed in the transmission and the BMPs, I don't  
19 know, it's an inch or two thick, it's pretty big.  
20 And it's to cover six different states'  
21 requirements, and we don't need six different  
22 states' requirements. It wasn't adopted by  
23 Liberty. So, I need some administrative  
24 assistance to help build the policy, build RFP

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[WITNESS PANEL: Garcia|Green|Faber]

1       for the program, to make sure that I'm compliant  
2       legally and compliant with best management  
3       practices. And we are synergistically working  
4       with, for example, Liberty Central. So, we're  
5       grabbing what Liberty Central has, grabbing what  
6       locally we have. But I have tried myself to do  
7       that piece, and for six years, and I haven't been  
8       able to. So, I have gone out contractually to do  
9       that, because I'm not able to balance that all  
10      out.

11                   So, that that was that piece. That  
12      answer the question about --

13   Q     It does. This question is for any of the  
14         witnesses, I'm just looking at Ms. Green, since  
15         we were just speaking. But the Company indicates  
16         that they're now going to take advantage of  
17         mechanized equipment. Could we go into a little  
18         bit of detail on what that mechanized equipment  
19         is?

20   A     (Green) I can do that. Do you want me to answer  
21         the question about the tree planting?

22   Q     Certainly. You can do in either order. This is  
23         just clarification.

24   A     (Green) Okay. So, mechanized equipment, as is

[WITNESS PANEL: Garcia|Green|Faber]

1       stated in previous testimony, we have some crew  
2       resource issues, and I think it lines up with  
3       much of COVID, and I think it's part of -- the  
4       State of New Hampshire has done research on  
5       workplace, on employment, or those things. So,  
6       we're in the same boat. Trying to get the bodies  
7       to fill the skill position to do the work. And  
8       we have not been able to do that as well as in  
9       the past, when the supply and the demand of the  
10      workforce was in our favor.

11               So, we have to -- to get things done,  
12      we have a Jarraff, which is a mechanized mower,  
13      which we are able to use when the land allows it,  
14      or we won't use it, for example, in sensitive  
15      areas, in front of a very high-profile home, or  
16      right in front of a home, but along the wooded  
17      areas we'll use it. And, if the terrain will  
18      allow, there's not a big ditch or there's not  
19      big, steep hills, we use that equipment there.  
20      We also use a mower.

21               So, we're using those things to get  
22      things done where the workforce is not available,  
23      and we call it a "workforce multiplier".

24      Q      Thank you. The concern that the OCA has, as you

[WITNESS PANEL: Garcia|Green|Faber]

1       just heard, is about how much work is being done.  
2       And my impression, from reading last's year Plan,  
3       and then this year's filing, is that the  
4       mechanized equipment is now becoming available.  
5       Do I have that correct, as opposed to always  
6       having been available?

7   A     (Green) It was available as of, I think, last  
8       year.

9   Q     All right. Thank you. And the Company is  
10       intending to use the same amount or looking to  
11       take better advantage of this workplace  
12       multiplier in future filings?

13   A     (Green) The contractor and the Company work  
14       together to find efficiencies to make the work --  
15       to get the work done.

16   Q     Okay. And, then, the last question was just  
17       about the tree planting versus the canopy shelf  
18       management?

19   A     (Green) Tree planting versus the shelf  
20       management?

21   Q     Well, I meant, there's not a budget line for any  
22       sort of tree planting that was done, and then  
23       canopy shelf management. We're thinking that,  
24       when the Company is not planting any trees, that

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[WITNESS PANEL: Garcia|Green|Faber]

1           might be affecting how the distribution lines or  
2           anything goes through the canopy that might  
3           otherwise, if you're planting like smaller trees  
4           than what might naturally be occurring there?

5                       I can try to better clarify?

6   A       (Green) Please.

7   Q       So, when I look at "Attachment 1 - O&M Expenses",  
8           if I go to "Tree Planting", I see that a budget  
9           of "\$20,000" was allocated. But zero dollars was  
10          spent out of that. So, when I think of "tree  
11          planting", I think that maybe taller trees have  
12          been removed, and they're being replaced by  
13          smaller trees via the tree planting budget, and  
14          that might create a canopy shelf that allows less  
15          branches to interfere with your service area or  
16          your networks?

17   A       (Green) Let me just rephrase it in a way that I  
18          can understand it.

19   Q       Certainly.

20   A       (Green) So, our "Tree Planting" line item is  
21          either for mitigating issues we have with very  
22          difficult situations, or it's a much needed  
23          educational opportunity with our customers. So,  
24          if we can offer a small tree to plant, more

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[WITNESS PANEL: Garcia|Green|Faber]

1           appropriately a small tree in front of their  
2           home, or a large tree to shade farther away from  
3           the lines, it's an educational campaign, which  
4           helps us more sustainably in the long run.

5                       That program is about \$10,000 each, and  
6           we're going to try to do two of them. It's an  
7           Arbor Day program, all wrapped up. And it's  
8           about easily executed as you can be. However, I  
9           didn't have the resources myself to implement  
10          that administration. I didn't -- and the  
11          coordination to get those couple hundred trees  
12          out in an educational campaign.

13                      So, it is the ideal piece to move  
14          forward sustainably, to work with customers to  
15          educate on more viable tree species in more  
16          viable locations. So, that is the intend of  
17          that, is to have a much more sustainable  
18          corridor, with much less maintenance. And joint  
19          use, synergistic use of that land space or that  
20          corridor, so that that customer, that landowner  
21          has the use that they need that doesn't conflict  
22          with safe and reliable power for them and their  
23          neighbors.

24                      So, that is the intent of that line.

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[WITNESS PANEL: Garcia|Green|Faber]

1 But I haven't had my time available to implement  
2 that, as well -- and you also mentioned  
3 "removals". The removals wouldn't come from that  
4 budget, they would come from a different budget.  
5 But we're not doing a lot of removals right now,  
6 so there's not a lot of that removal/replacement.  
7 That is a goal in the future, is to offer  
8 removal/replacements where we can.

9 Does that answer the question?

10 MR. CROUSE: That did. And thank you  
11 for bearing with me as I communicated the  
12 question poorly.

13 The OCA has no further questions for  
14 cross.

15 CHAIRMAN GOLDNER: Thank you. We'll  
16 turn now to the New Hampshire Department of  
17 Energy.

18 MS. BAILINSON: Thank you, Mr. Chair.  
19 I will also direct my questions to the panel, but  
20 I'm going to address Heather Green, because of  
21 smiles and all of that.

22 BY MS. BAILINSON:

23 Q Okay. I'm looking at Page 21, because that's --  
24 the document's Bates Page 021, if you could go



[WITNESS PANEL: Garcia|Green|Faber]

1           there with me, I've got a couple of questions.

2                     Starting at the very beginning, on

3           Line 1. Still trying to get use to this

4           microphone, bear with me here. On Line 1, it's

5           entitled "Planned Miles". And, then, you know,

6           going across, in Columns (a) and (b), you have

7           the "Calendar Year 2023 Budgeted" miles and

8           "Calendar Year 2023 Actual Expenses". In

9           Column (a), just going back to that actually, it

10          says that "165.09" miles were budgeted, correct?

11   A       (Green) Correct.

12   Q       And was this based on a four-year or a five-year  
13          trim cycle?

14   A       (Green) It was based on a budget.

15   Q       It was based on a budget?

16   A       *[Witness Green indicating in the affirmative]*.

17   Q       If you go to Line 13 of the same document -- I'm  
18          sorry, let's go to Line -- to Column (c) of  
19          Line 1, where it says that "18.75" miles --  
20          there's a variance of "18.75" miles between  
21          budgeted and actual expenses, correct?

22   A       (Green) Yes.

23   Q       And, then, if you go to Line 13 of the same  
24          document, Exhibit 1, at Bates 021, there is a

[WITNESS PANEL: Garcia|Green|Faber]

1 line item described as "Planned Cycle Trimming".  
2 And, then, on the far right, in Column (c), it  
3 states that there's a variance of "\$239,777", and  
4 I understand in that amount, is that correct?

5 A (Green) That is correct.

6 Q Okay. Now, are those two line items, 1 and 13,  
7 speaking about the same thing?

8 A (Green) Generally, yes.

9 Q Generally. Yes, I was curious, because, on  
10 Page 22, I believe, the page after this, it  
11 points to 18.7 miles -- 18.75 miles on Line 13.  
12 I was a little curious whether that was the same  
13 number?

14 A (Green) Generally speaking, that represents the  
15 difference in the costs, correct.

16 Q Okay.

17 A (Green) Not to the letter, because that -- there  
18 are other things that hit that line. So, some  
19 other training costs or other things that will  
20 hit that line. So, it's approximate. It  
21 correlates very well with the price of that  
22 particular circuit that was done.

23 Q Okay. The 18.75 miles?

24 A (Green) Yes. I just don't have the exact number,

[WITNESS PANEL: Garcia|Green|Faber]

1 but it's really close.

2 Q So, it would correlate then, I think that's  
3 Line 2, "Variance Budget Less Actual 18.75", to  
4 Page 22, Line 13, "18.75"?

5 A (Green) Yes.

6 Q Yes?

7 A (Green) Yes.

8 Q Okay. Thanks. Can you explain what events led  
9 to the underspend of \$239,707 [sic] in planned  
10 cycle trimming?

11 A (Green) So, I am tasked to hit the budget.

12 Q Uh-huh.

13 A (Green) And not go over the budget. So, that is  
14 my goal. To accomplish the various goal -- the  
15 various components to get to that, to get to that  
16 budget. So, in order to do that, I need to be  
17 conservative throughout the year. So, I hold  
18 back on things, or I don't pull another lever,  
19 unless I'm certain that I can pull through it.

20 So, this last year, it was -- there was  
21 a concern, when I need to pull that lever, that I  
22 might be over budget.

23 Q Okay.

24 A (Green) And I did not want to -- that was not

[WITNESS PANEL: Garcia|Green|Faber]

1 acceptable.

2 Q Okay.

3 A (Green) So, I could not -- in order to keep us --  
4 keep our crews on property consistently through  
5 the year, so that I can respond to trouble, I can  
6 respond to storm, I needed to make sure that I  
7 had those resources through the year. And, when  
8 I needed to pull that lever to pull in additional  
9 crews to do those miles, I did not have the  
10 ability to see that I was not going to be over  
11 budget.

12 Q Okay. Thank you. That helps. And that's why  
13 that work was deferred?

14 A (Green) Yes.

15 Q Okay. I was looking at your testimony on  
16 Page 14, and that's consistent. Thank you.

17 Okay. Moving on to another question we  
18 had under -- looking at, again, Exhibit 1,  
19 Bates 021, Line 12, and that indicates "Work  
20 Planners for Veg. Plan", and you may have already  
21 addressed some of this in response to the OCA,  
22 and bear with me if I'm repetitious. But, in  
23 your testimony, at the bottom of Bates 014 and  
24 top of Bates 015, you explain that "In 2023, a

[WITNESS PANEL: Garcia|Green|Faber]

1 significant amount of [contractor Asplundh's]  
2 time was utilized in designating [sic] and  
3 implementing process needs for the VMP support  
4 and SAP integration, invoicing and reporting,  
5 which resulted in the Work Planner activity  
6 expenditures to run over \$101,803" -- "run  
7 101,803 over budgeted amounts." Correct?

8 A (Green) Correct.

9 Q Thanks.

10 A (Green) Correct.

11 Q Can you provide the Commission with more detail,  
12 particularly in terms of SAP integration for  
13 Vegetation Management Plan program support?

14 A (Green) Can you repeat that question?

15 Q Yes. I think I'm quoting from your testimony.  
16 Can you provide the Commission with more detail,  
17 particularly in terms of SAP integration for  
18 Vegetation Management Plan program support?

19 A (Green) As far as what I provided for SAP or what  
20 the SAP people provided?

21 Q I'm not sure. I think it's just, you know, just  
22 reading, I guess I was confused when I was  
23 reading the testimony. And, you know, whatever  
24 you can do to clarify, where you say that the --

[WITNESS PANEL: Garcia|Green|Faber]

1 A (Green) Clarify the last line on Page 12?

2 MS. BAILINSON: Okay. I'm sorry. Can  
3 you give me a moment please?

4 *[Atty. Bailinson and Mr. Dudley*  
5 *conferring.]*

6 BY MS. BAILINSON:

7 Q I think I'm able to clarify my question, if I  
8 might. Better put, how was SAP integration  
9 related to work planner activity costs?

10 A (Green) Cost to cost? I think, how much was  
11 costs regarding work planners versus how much  
12 cost was for SAP?

13 Q Well, there was this overage of \$101,000, I think  
14 that's where I'm focusing on.

15 A (Green) Yes.

16 Q Yes, in your testimony, and I was going to get to  
17 this, but we talk about "invoicing and  
18 reporting", which resulted in the Work Planner  
19 activity expenditures to run over 101,803. So  
20 it's that "invoicing and reporting" piece.

21 Did you spend or did the Company spend  
22 money on invoicing and reporting, due to SAP  
23 integration?

24 A (Green) Yes. Just you have to take the old

[WITNESS PANEL: Garcia|Green|Faber]

1 system and the new system, right? And you need  
2 to meet those up together.

3 Q Yes.

4 A (Green) So, that's what we were doing here --

5 Q Okay.

6 A (Green) -- is meeting them up together.

7 Q Yes. I think you were describing about  
8 "bridging", --

9 A (Green) Yes.

10 Q Is that what you were talking about earlier?

11 A (Green) Yes.

12 Q Bridging and support?

13 A *[Witness Green indicating in the affirmative]*.

14 Q Okay. Okay, and I do have a follow-up on this,  
15 if I might?

16 Did you experience any problems in  
17 translating work plan and invoices into the SAP  
18 system?

19 A (Green) We've been building the bridges to make  
20 that communication possible.

21 Q One more follow-up please? Was it accomplished?

22 A (Green) Yes. We do -- our system does -- we do  
23 have a process in place to take the work planning  
24 work to SAP and invoice.

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[WITNESS PANEL: Garcia|Green|Faber]

1 Q And it's working correctly?

2 A (Green) Correct.

3 Q Okay. Thank you. Whoops, pardon me. Will the  
4 invoices and records be available to DOT -- DOE,  
5 not "DOT", DOE auditors?

6 A (Green) I don't see why they wouldn't be.  
7 They're in SAP.

8 Q Okay. Thank you. All right. Let's move over to  
9 Hazard Tree Removal, back to Exhibit 1, Page 21,  
10 Line 14. In the "Variance" column, there is a  
11 underspend of "\$41,837". In your testimony, on  
12 Bates 015, you explain that this is "due to the  
13 need to minimize the removal program to  
14 reallocate funds to other contracted work on the  
15 system." Correct?

16 A (Green) Yes.

17 Q Okay. The Company budgeted 50,000 for Hazard  
18 Tree Removal, correct, according to the exhibit?

19 A (Green) Yes.

20 Q First things first, what is "Hazard Tree  
21 Removal"?

22 A (Green) First of all, we have renamed it with the  
23 new rate case. It is "Tree Risk Management",  
24 "Tree Risk Removal", versus "hazard". But I will

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[WITNESS PANEL: Garcia|Green|Faber]

1 continue to define it here as "hazard".

2 Q Okay.

3 A (Green) So, basically, trees that either are a  
4 high risk, with grow-in or fall-in, are trees  
5 that should be removed, because they can't be  
6 pruned or managed other ways. And, either with  
7 the aesthetic or the health of the tree, we  
8 can't -- there's not enough to leave it. So, it  
9 needs to be removed, either to get that corridor  
10 or clearance of growth, or to clear the corridor  
11 for clearance of high potential of fall-in.

12 Q Okay. Thank you for the explanation. And I  
13 assume there is an order of priority for Hazard  
14 Tree Removal projects?

15 A (Green) There is.

16 Q Thank you. Can you tell me broadly how the  
17 Company prioritizes?

18 A (Green) I can broadly -- I'll tell you how this  
19 line, this line is, basically, for imminent work.

20 Q Imminence?

21 A (Green) Imminent. So, basically, this is the  
22 budget allocation for those trees that cannot be  
23 deferred. They need to be -- they're actively  
24 failing, they're likely to fail, and have a high

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[WITNESS PANEL: Garcia|Green|Faber]

1 consequence -- they also have a high consequence  
2 of failure, before the next budget year.

3 So, basically, it's an emergency fund  
4 of tree removal, and also limb removals. When we  
5 do pruning in a tree, and the limb is larger,  
6 it's not pruning anymore, it's, basically, a tree  
7 removal in the sky. So, I have to pay for that  
8 in the sky. So, some of my pruning actually hits  
9 my removal budget.

10 Q Okay.

11 A (Green) If I don't remove that big, dead,  
12 nine-inch limb, then the pruning is really for  
13 not. So, I need to have some money to take care  
14 of that pruning.

15 Q Uh-huh.

16 A (Green) And, then, additionally the field  
17 conditions change regularly. And they're not  
18 known at all times, that I don't know that I need  
19 to remove X number of trees this year imminently  
20 as I go through the system. So, I kind of hold  
21 it back, to make sure that I don't go over  
22 budget, and I remove the most high-priority ones.

23 And, so, that's the way I've been using  
24 the removal budget in the past couple years.

[WITNESS PANEL: Garcia|Green|Faber]

1           It's just, let me do the most important ones, and  
2           stay under budget. And, then, also, the whole  
3           budget is tentative. It's not, oh, really, I  
4           can't dial line in tentatively, so I need some  
5           flexibility with each of them, to be able to move  
6           things around.

7   Q       Okay. All right. So, is that kind of in line  
8           with the explanation that 50,000 was budgeted  
9           for, but not spent? Or, I mean, about, what was  
10          it, 4,000 or so was spent?

11   A       (Green) Yes.

12   Q       Okay. Sort of saving, because didn't want to go  
13          over budget?

14   A       *[Witness Green indicating in the affirmative].*

15   Q       Okay. I'm just -- a curious question, if you  
16          were going to put 50,000 toward what you call  
17          "Tree Risk Removal" more appropriately now, how  
18          much can you accomplish with that? Is it in  
19          terms of trees or is it in terms -- could it be  
20          just pruning of one tree or --

21   A       (Green) Are you asking what the impact of 50,000?  
22          Or, how many trees?

23   Q       How many trees, yes.

24   A       (Green) It depends.

[WITNESS PANEL: Garcia|Green|Faber]

1 Q I figured that was going to be the answer, but  
2 I --

3 A (Green) When we look at trees, the trees are --  
4 if I'm working cycle, on cycle, the trees have a  
5 price per size. So, a five- to nine-inch tree  
6 has a price, and nine- to twelve-inch, that's  
7 measured at four and a half feet from the ground.  
8 So, it's the diameter of the trunk, and each of  
9 them has a price to do. Some of them are grow-in  
10 risks, some of them are fall-in risks. Some of  
11 them are along --

12 *[Court reporter interruption.]*

13 **CONTINUED BY THE WITNESS:**

14 A -- three-phase, sorry. Some of them are along  
15 the three-phase, or serve the most customers, and  
16 have the highest consequence of failure. And  
17 some of them are along smaller amounts of  
18 customers and have a lower consequence of  
19 failure. Some of them are near a transformer and  
20 a pole, which that's a pretty costly thing as  
21 well.

22 So, you balance all of those as best  
23 you can with the knowledge that you have.

24 BY MS. BAILINSON:

[WITNESS PANEL: Garcia|Green|Faber]

1 Q Okay. Thank you.

2 A (Green) Can I add one thing?

3 Q Yes.

4 A (Green) So, additional tree removals do occur  
5 under another line item. "Make Safe Removals",  
6 Line Item 6, and those tree removals do not hit  
7 our threshold for our removal priority. However,  
8 the customer needs those down, and they need  
9 assistance to make it safe. So, we assist them  
10 in getting those down. So, there are more tree  
11 removals that happen. But they're falling under  
12 that line item, because we're assisting the  
13 customers so that they can safely remove their  
14 trees.

15 And that budget, I will not -- I will  
16 do what it takes to make sure that the customers  
17 have a safe experience and can manage their  
18 property.

19 So, we did remove more trees, but it  
20 was to assist the customers on their priority.

21 Q Thank you for that addition. Appreciate it. Can  
22 you explain what the Company has done in  
23 vegetation management in the Charlestown area,  
24 Charlestown, I forget the -- yes, the Bellows

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[WITNESS PANEL: Garcia|Green|Faber]

1 Falls area, to resolve what's been discussed in  
2 other dockets?

3 A (Green) We just completed the 12L1 and the 12L2,  
4 as far as cycle work. It's one of the -- it's  
5 the two most recent completed work outside of  
6 Salem. So, all of the miles were trimmed, and  
7 the brush was flat-cut, and mowing happened  
8 there, and the Jarraff work happened there. It  
9 was very successful.

10 MS. BAILINSON: Thanks. Thank you.  
11 One moment please.

12 *[Atty. Bailinson and Mr. Dudley*  
13 *conferring.]*

14 MS. BAILINSON: Just a point of  
15 clarification, if I might.

16 BY MS. BAILINSON:

17 Q In your answer just now, you talked about the  
18 "trimming at 12L1 and 12L2". Did you mean to say  
19 or do you say that all trimming on those circuits  
20 were completed?

21 A (Green) Yes.

22 MS. BAILINSON: Thank you. I have a  
23 few more questions.

24 BY MS. BAILINSON:

[WITNESS PANEL: Garcia|Green|Faber]

1 Q And we discussed, and you answered on direct,  
2 about the Department's recommendation that the  
3 carryover amount of 50,240 be targeted for Hazard  
4 Tree Removal. And you responded you do support  
5 that proposal?

6 A (Green) Yes.

7 Q Okay. Thank you.

8 MS. BAILINSON: Okay. Thank you. Just  
9 a minute.

10 *[Atty. Bailinson and Mr. Dudley*  
11 *conferring.]*

12 BY MS. BAILINSON:

13 Q I want to move on to Bates Page 041, I have a few  
14 questions there. There's a chart, which I  
15 printed off, and the print is teeny. Didn't want  
16 to rely on technology my first go-around here.

17 Okay. So, looking at Exhibit 1,  
18 Page 41, if you are there with me?

19 A *[Witness Faber indicating in the affirmative].*

20 Q The chart identifies an over-collection every  
21 month, beginning with "16,586", and ending with  
22 "698". Is that correct?

23 A (Garcia) Yes. We began the year with an  
24 over-recovery balance of "16,586", and with the

[WITNESS PANEL: Garcia|Green|Faber]

1           0.0002 [0.00002?] credit in place, we whittled  
2           that down to "698".

3   Q       Okay. I guess I just need -- you might be a few  
4           steps ahead of me here. So, when I look at the  
5           chart, everything has got a parens around it, you  
6           know, from Line 2 through 14, ending with the  
7           "698".

8   A       (Garcia) What column? I'm sorry, what column are  
9           you working --

10   Q       I'm just saying that, on that exhibit, Page 41,  
11           everything, from Line 2 to Line 14, has a parens  
12           around it, meaning that that is an  
13           over-collection?

14   A       (Garcia) That's correct.

15   Q       Thanks. But, then, going down to, a  
16           clarification is what I'm seeking here, going  
17           down to Line 21, that -- the "698" is no longer  
18           an over-collection, it's an under-collection.  
19           And I was curious how that's connected? How it  
20           switches, I guess?

21   A       (Garcia) Yes. The math is shown on the bottom  
22           here, let me go over here, to the spreadsheet, if  
23           you bear with me for one minute.

24   Q       Oh, sure. Take your time.



[WITNESS PANEL: Garcia|Green|Faber]

1 A (Garcia) To make sure.

2 [Short pause.]

3 **CONTINUED BY THE WITNESS:**

4 A (Garcia) Well, I mean, the math on Line 17  
5 through 21, I can walk you through. It's the  
6 "16,637", shown on Line 17, less the "16,586",  
7 which produces an over-recovered "51", you have  
8 cumulative interest, so that's "698", results in  
9 "698". Wait a minute. One second, please.

10 BY MS. BAILINSON:

11 Q Sure. Certainly.

12 [Short pause.]

13 WITNESS GARCIA: Okay. I'm sorry.

14 What was the question again?

15 BY MS. BAILINSON:

16 Q So, when you look at the chart, the chart  
17 identifies, the chart on Page 41, --

18 A (Garcia) Uh-huh.

19 Q -- identifies an over-collection every month, you  
20 know, beginning with that "\$16,586" amount way up  
21 at the top, "Beginning Balance with Interest",  
22 Column (a), and then it ends, you know, with  
23 "\$698", on Line 15 or so, Column (c). So,  
24 that's -- that represents an over-collection.

[WITNESS PANEL: Garcia|Green|Faber]

1 But, then, on Line 21, that "\$698" is  
2 now an under-collection. And that was confusing.  
3 A (Garcia) Yes. As I'm looking at this math now, I  
4 think the model we've been using might have a  
5 sign issue with subtracting negatives, which is  
6 something we've been trying to correct, as I've  
7 gone through with -- in my new position here.

8 Looking at this now, given that we had  
9 a \$16,586 over-collection, and we credited  
10 \$16,637, I believe the over -- under-collection  
11 should be an over-collection, with interest, of  
12 801. I'm doing this math very quickly, trying to  
13 address the sign issue, so I think there is a  
14 sign issue here, as I look at this now.

15 *[Atty. Bailinson, Atty. Dexter, and Mr.*  
16 *Dudley conferring.]*

17 BY MS. BAILINSON:

18 Q Yes. If you could give us an accurate number,  
19 that would be much appreciated.

20 A (Garcia) Yes. It still would result in a zero  
21 charge, because you're talking about hundreds of  
22 dollars. You couldn't round 698 when it was  
23 positive, you're not going to be able to round up  
24 at 801 as a negative credit, because it still

[WITNESS PANEL: Garcia|Green|Faber]

1 doesn't show up to the fifth decimal point, it  
2 would only show up to the sixth.

3 But we can correct that entry, in terms  
4 of what we're tracking.

5 MS. BAILINSON: Thanks. I'm going to  
6 have a follow-up, if you give me a minute please?

7 WITNESS GARCIA: Okay.

8 *[Atty. Bailinson and Mr. Dudley*  
9 *conferring.]*

10 BY MS. BAILINSON:

11 Q So, to clarify, the number "698", on Line 20, is  
12 inaccurate?

13 A (Garcia) I believe that's correct, now that I  
14 look at this. It probably should be an  
15 under-recovery of 801, as opposed to an  
16 over-recovery of 698, because of, I think, the  
17 sign issue on this attachment.

18 Q All right. And, so, that number, whatever it  
19 ends up being, so 801 under-recovery, then would  
20 that result, I guess, in a charge or a credit to  
21 ratepayers, which is -- that's calculated on the  
22 next page, Bates 042?

23 A (Garcia) No, it wouldn't, because you still --  
24 again, it still suffers from the same issue, we

[WITNESS PANEL: Garcia|Green|Faber]

1           only bill to five decimal points. And an \$800  
2           credit still would not crack that, I believe.

3                       I mean, I could run the math, if you  
4           want to move on to some other questioning and  
5           come back to it, but I don't believe it's going  
6           to --

7   Q       Yes. Yes, we'll definitely move on to other  
8           questions. And, if you can run the math, and  
9           maybe, you know, submit something supplemental?

10   A       (Garcia) Uh-huh.

11   Q       That would be great. Thanks.

12   A       (Garcia) Thank you.

13                       MS. BAILINSON: Just a few more  
14           questions, Mr. Chair, Commissioners.

15                       This concerns ClearWay litigation, and  
16           the Department has a few questions on this  
17           matter. And, if the panel doesn't have answers,  
18           perhaps counsel could provide an update in his  
19           closing?

20                       MR. SHEEHAN: I'd be happy to provide  
21           an update.

22                       MS. BAILINSON: Okay. Thank you. We  
23           had some questions, let me lay them out. And I'm  
24           sure your update will cover it, but just so that

[WITNESS PANEL: Garcia|Green|Faber]

1 I've stated them please.

2 I guess it does deal with updating on  
3 whether litigation is at this stage, whether any  
4 funds have been recovered from ClearWay? And, if  
5 "yes", please indicate if those funds have been  
6 accounted for by Liberty, for example? Have  
7 these recoveries been included in the actual  
8 amount reports in this docket to offset costs  
9 that are being reviewed in this docket?

10 MR. SHEEHAN: I can do that right now,  
11 if that would make things tidier?

12 CHAIRMAN GOLDNER: Please proceed.

13 MR. SHEEHAN: We have recovered no  
14 funds from ClearWay. So, they're not reflected  
15 here. And I can give more explanation later.

16 CHAIRMAN GOLDNER: Thank you.

17 MS. BAILINSON: We have no further  
18 questions at this time, Mr. Chairman.

19 CHAIRMAN GOLDNER: Okay. Thank you.  
20 We'll turn now to Commissioner questions,  
21 beginning with Commissioner Simpson.

22 CMSR. SIMPSON: Thank you. Thank you  
23 all for being here.

24 BY CMSR. SIMPSON:

[WITNESS PANEL: Garcia|Green|Faber]

1 Q So, I'm looking at Bates Page 021, Attachment 1,  
2 "O&M Expenses". I'll give you all a minute to  
3 turn to that page.

4 So, just generally, when I look at  
5 this, it looks like there are two areas where the  
6 Company had a little bit more work that you had  
7 to do, and then several areas where you didn't do  
8 what you had budgeted or forecasted.

9 So, I look at the "Unplanned Work", it  
10 looks like about \$70,000 variance over the  
11 approximately \$150,000 that you had budgeted for  
12 unplanned work. Is that correct? Am I looking  
13 at those numbers correctly?

14 A (Green) Correct. On the unplanned work, we spent  
15 more than we had tentatively expected.

16 Q And can you just explain what arose that led to  
17 that increase in unplanned work?

18 A (Green) This budget line item is definitely  
19 variable. It is not something you can  
20 anticipate, it happens, it's unplanned. So,  
21 customers call it in, a storm may loosen up a  
22 tree that doesn't come up in a storm, and then  
23 later we need to take care of it in a month or  
24 so. So, it's just that work that people call in

[WITNESS PANEL: Garcia|Green|Faber]

1 and needs to be taken care of immediately.

2 Some of this work is -- can be related  
3 to the deferred work, because there is -- we're  
4 not seeing stuff as often as we would otherwise  
5 see it, or preventatively maintaining it.

6 So, those line items will continue to  
7 move up. But it's just a placeholder, and we do  
8 our best to put a placeholder, but it could be a  
9 lot less or a lot more, depending on how much we  
10 can continue to defer. Like someone may call in,  
11 we're like "Nope, we'll wait till the cycle, and  
12 we'll address it then", if possible or if  
13 appropriate. But the work you see here, the  
14 expenses, was the work that could not wait till  
15 cycle.

16 Q And are most of those expenses in the "unplanned  
17 work" categories driven by contractors of tree  
18 crews that have to go out and remedy  
19 unanticipated problems?

20 A (Green) Yes. This would be all -- my entire team  
21 is contractual.

22 Q Uh-huh.

23 A (Green) So, whether I send someone out to look at  
24 it, or I send someone out to execute and perform

[WITNESS PANEL: Garcia|Green|Faber]

1 the work, they're all contractual.

2 So, none of this is Line Department, if  
3 that's your question?

4 Q I understand that. Thank you, though. Okay.

5 So, then, for the areas that the Company was not  
6 able to accomplish that you had budgeted for, so  
7 I'm looking at your "Planned Cycle Trimming",  
8 \$240,000 variance; "Hazard Tree Removal", almost  
9 80 percent of the work that you had forecasted  
10 wasn't either needed or wasn't accomplished. The  
11 "Right of Way" work, with exception of the  
12 "Sub-Transmission Right of Way clearing", and  
13 then other expenses, like "Police Detail", "Tree  
14 Planting", the "Permit Fees", "Training", can you  
15 address why those areas led to significantly  
16 lower amounts of spending than budgeted?

17 A (Green) My goal, in the beginning of the year, is  
18 to hit the budget as best as I can, and not go  
19 over budget. That is my task.

20 Q Uh-huh.

21 A (Green) And to prioritize work for safe and  
22 reliability for our customers. As I go through  
23 the year, I adjust each of these items to meet  
24 that goal. And I need to pull levers at certain

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[WITNESS PANEL: Garcia|Green|Faber]

1 time of the year to make things happen. And, if  
2 I'm not certain -- if I'm not comfortable that  
3 everything is going to be okay, and it's not an  
4 imminent issue, I'm going to put that on hold for  
5 a moment. And some of these things couldn't be  
6 released.

7 So, for example, I have, for the tree  
8 planting, I need to start in January. If I don't  
9 think I'm going to have the resources to pull  
10 that trigger, then I'm not going to -- I need to  
11 do it in January, and I need to do it again in  
12 May, to hit the fall. But there's a certain -- I  
13 didn't have the assurance that everything would  
14 be okay with those couple of levers. Or, like  
15 with the Right of Way/Herbicide RFP, my  
16 contractor had to have the resources, and, at the  
17 time he had the resources, I couldn't pull that  
18 lever. And later, when I could, he didn't have  
19 the resources.

20 So, there are external -- there are  
21 external forces that, on almost everything here,  
22 that I don't have control over.

23 You mentioned "traffic control", I  
24 think it's pretty on-task. Traffic control is

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[WITNESS PANEL: Garcia|Green|Faber]

1        pretty close. I wouldn't call that a significant  
2        underspend. And all of these are contractual  
3        work, all of these are field-dependent, and all  
4        of these budgets are estimates. And I don't have  
5        the ability to hit all of them at exactly their  
6        dollar. But, based on the field condition needs,  
7        how much traffic control you need, based on which  
8        streets that I have, and what that town calls  
9        for, as an example.

10                So, it's pulling those levers to work  
11        the priority work, so that I get the best work  
12        done, with the resources I have, whether it's  
13        staff or funding.

14    Q        Okay. Thank you. I understand that. I think  
15        the police detail, for instance, that's one that  
16        actually quite surprised me, that you're under  
17        budget on that.

18    A        (Green) Well, we didn't do all the miles.

19    Q        And that absolutely makes sense to me, as in line  
20        with that, the permit fees, that your permit fees  
21        are significantly lower.

22                So, where I'm going is, it looks like  
23        there were priorities that arose that are not  
24        necessarily reflected in the budgeted line items

[WITNESS PANEL: Garcia|Green|Faber]

1           and the core tree work. And we've all -- we've  
2           heard about it, you've had some questions about  
3           SAP.

4                       So, I'm curious, how much time did you  
5           spend in 2023 with the work planner effort, as  
6           aligned with the SAP conversion?

7   A       (Green) How much time did I spend with SAP.

8   Q       Yes.

9   A       (Green) I can't quantify it, but a significant  
10          amount.

11   Q       More than you had anticipated in 2022?

12   A       (Green) Yes.

13   Q       And explain that to us. Help us understand, what  
14          were the challenges that you encountered?

15          Because it looks like you really had to dedicate  
16          a lot of your time to that integration, as  
17          opposed to what you've done in the past, with  
18          respect to coordinating tree work. And I don't  
19          say that as a criticism. I'm trying to  
20          understand and recognize what you've done.

21   A       (Green) The SAP program doesn't have, for  
22          contracted work, it isn't quite built out for  
23          contracted work, and my team is contracted.

24   Q       Uh-huh.

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[WITNESS PANEL: Garcia|Green|Faber]

1 A (Green) So, I had to build those pieces to make  
2 the contracted work in the -- those pieces to be  
3 able to talk to SAP. I can't say, like, how  
4 good, while we were talking, when you asked for  
5 the \$50,000 to go to tree removals, that's much  
6 easier in SAP than it's ever been. I can code  
7 that and track that. So, in my head, I'm like  
8 "Yes, no problem", because SAP will make that  
9 better. And it will make it better because of  
10 all of the things we built into the crew  
11 software, and we had to put in place things for  
12 the crews to just check a box, so that it would  
13 move along through the system so that I can pay  
14 it, and it can go over and correlate with the  
15 proper job, whether its construction or storm or  
16 maintenance.

17 So, we had to build those pieces. So,  
18 we had to build the bridges to make my work talk  
19 to SAP. I can't give you a quantity. It's not  
20 known. I didn't track it.

21 Q Uh-huh.

22 A (Green) But it was significant. I can't say how  
23 it compares to anyone else. But I do know one of  
24 the challenges was my work is contractual. So,

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[WITNESS PANEL: Garcia|Green|Faber]

1 my challenges were different than other people,  
2 because of that bridge that didn't exist.

3 Q And, when you say "bridge", how I'm interpreting  
4 that is you have another tool or a prior tool  
5 that you've used as a work management piece of  
6 software, that you're now tethering to SAP. Am I  
7 understanding that correctly?

8 A (Green) That is correct.

9 Q And is SAP a replacement for that?

10 A *[Witness Green indicating in the negative].*

11 Q Or, do you still maintain and use the tool that  
12 you've always used for your contract --

13 A (Green) Yes.

14 Q -- arborist work, it's now just going into SAP?

15 A (Green) Yes. Now, it can be seen visibly by the  
16 Company. It can be seen visibly across other  
17 veg. management programs. And they can compare  
18 and leverage and have --

19 Q Management, when you said "they", do you mean  
20 management?

21 A (Green) Procurements, for example.

22 Q Procurements.

23 A (Green) You can actually standardize the  
24 contracts. You can standardize the pricing. You

[WITNESS PANEL: Garcia|Green|Faber]

1 can report on things that they couldn't do  
2 before. So, we're getting a lot of really good  
3 synergies with that, with SAP. So, I am really  
4 excited of the visibility that I get with  
5 construction jobs. There was just silos of  
6 information. So, that bridging is happening. I  
7 just had to build a little bit of my own, because  
8 the Company -- SAP was working on fixing for  
9 everybody else as well.

10 Q Uh-huh.

11 A (Green) So, I did my best to do my piece off to  
12 the side. They worked on the rest of things that  
13 I'm sure you've talked about.

14 So, the work -- the work software that  
15 SAP has is not contractor software. That's  
16 something they would put in contractors' hands,  
17 and my team is fully contractual.

18 And I just needed to put in place a  
19 couple of the attributes or pick lists or  
20 formulas, so that the crew just says "Hey, start  
21 time/end time", done, and then everything flows  
22 through such that I can pay the bill. And anyone  
23 who needs to can see what those costs were.

24 Before, that wasn't visible. So,

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[WITNESS PANEL: Garcia|Green|Faber]

1       that's the good thing about SAP, is we're getting  
2       some really good visibility to that. But I had  
3       to build a couple of those bridges.

4   Q    Yes. And I can imagine that that is -- or, I  
5       would guess that that type of work is not  
6       historically what you've done?

7   A    (Green) No.

8   Q    So, I can imagine that there was some challenges  
9       that you faced with that. And I just want to  
10      underscore how I recognize the importance of what  
11      you do, and the importance of tree trimming. It  
12      really is an incredible investment in reliability  
13      and resiliency. And I guess the message I want  
14      to send is, I don't want that to be lost. That  
15      to keep focus on ensuring that the work that you  
16      intend to do on a cycle is done.

17   A    *[Witness Green indicating in the affirmative].*

18   Q    Knowing that problems arise from time to time,  
19      and storms come up, and car accidents happen, and  
20      all these unknowns arise, but that tree trimming  
21      is a resource that is very important to  
22      customers.

23   A    *[Witness Green indicating in the affirmative].*

24   Q    So, when I look at that Work Planner line item,

[WITNESS PANEL: Garcia|Green|Faber]

1           it's about \$100,000 over, did you have SAP  
2           forecasted in the 220 when you made the 2023  
3           budget?

4   A       (Green) No. Actually, even the 220 wasn't  
5           enough, and I was trying to figure out how I was  
6           going to make it work. So, I knew I wasn't going  
7           to hit my 220. It was basically two people.  
8           And, whenever I tried to add a third, like a  
9           third of a person, --

10   Q       A contractor?

11   A       (Green) Yes, a contractor.

12   Q       To help you with SAP?

13   A       (Green) No, just to run, whether SAP was here or  
14           not, --

15   Q       Okay.

16   A       -- whenever I need to go "Hey, I need another  
17           body to do this project for four months", --

18   Q       Uh-huh.

19   A       (Green) -- or I have a budget for X, and it  
20           doesn't allow for me to hire a new person for the  
21           year, it makes it really hard, it takes me two  
22           months to get them onboard and train them, and  
23           things like that. So, I just did it by people.  
24           Basically, I had three people, I needed to cut my

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[WITNESS PANEL: Garcia|Green|Faber]

1 budget, someone was leaving, I just didn't  
2 replace them. I left that vacancy. So, I was  
3 trying to do what I could do with those two  
4 people. We also lost at least half a person  
5 previously, before SAP, I used to get  
6 administrative assistance as possible, you know,  
7 some help here, some help there, some help there,  
8 and with SAP, that help was no longer viable.

9 Q Because they were working on something else?

10 A (Green) They were working on SAP and other  
11 things. So it was already hard for them, and  
12 that's why I had to get a different person all  
13 the time. But -- so, I lost that resource as  
14 well.

15 Q Uh-huh.

16 A (Green) And, so, moving over, I was just trying  
17 to do my best with the budget I had and the  
18 resources I had.

19 Q And, for contractors in that category, are they  
20 from an Asplundh, or is this a different type of  
21 staffing company?

22 A (Green) Different staffing.

23 Q Can you explain who --

24 A (Green) I have --

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[WITNESS PANEL: Garcia|Green|Faber]

1 Q -- who you use or give me an example?

2 A (Green) ECI.

3 Q Okay.

4 A (Green) It's "Environmental Consultants, Inc.".

5 They have provided the service for the past six

6 years. There's a new contractor starting in

7 July. So, we will be transitioning over to them.

8 We also use balanced staffing for the

9 administration piece, that's that like third

10 person, you know, like partial of a person. And

11 she was actually hired for SAP originally, but I

12 couldn't -- I was supposed to get an intern, but

13 I couldn't, no one would respond to my request.

14 And we had her, so we took her on, and she's just

15 really made -- she filled in that missing gap,

16 and she helped build the bridges, and just made

17 it work.

18 So, there's a lot of -- there's a lot

19 of pieces to be able to give all the reports out

20 there. Even like the invoicing, I do all -- I

21 record all my invoices in another file, versus,

22 so I can compare them to Liberty's file, so it

23 takes time, it takes administrative time to do

24 that. But that gives me the confidence to come

[WITNESS PANEL: Garcia|Green|Faber]

1           here and tell you, with confidence, that I feel  
2           this is the spend and it was prudent to do so.  
3           So, we have administrative costs to do those  
4           things.

5   Q       Sure.

6   A       (Green) And I talk too much.

7   Q       No, thank you. That's very helpful, Ms. Green.  
8           I appreciate that.

9                       It's an interesting question about the  
10          "ten percent over budget" figure that's available  
11          in the Settlement. Can you just explain for us  
12          what factors lead the Company to seek that or not  
13          seek that in any one instance?

14   A       (Green) We try to balance the funding allowed,  
15          and the different tasks to accomplish. So, the  
16          four-year cycle, the 307.10, and we put that  
17          together and we do the best we can. And we  
18          usually do target that ten percent over, and that  
19          was our goal. But, with the visibility that we  
20          had in -- at the time that I couldn't pull my  
21          levers, I had to make sure that I had a buffer  
22          through the end of the year, to make sure that I  
23          prioritized the work, I pulled back, to make sure  
24          that I got more miles, as many miles done as I

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[WITNESS PANEL: Garcia|Green|Faber]

1       could, as many processes figured out as I could,  
2       as many invoices paid. Those were the highest  
3       and hottest fires that were going on. And I  
4       didn't have the visibility to see that last  
5       couple of hundred thousand.

6   Q    Uh-huh.

7   A    (Green) So, we still got to the budget, the 2.2,  
8       just that ten percent over -- that ten percent  
9       difference that we usually target, because that  
10      wasn't visible, we had to have a buffer there.  
11      And that just happened to be the buffer, the same  
12      number.

13  Q    Thank you. And I'm not criticizing you for not  
14      going over budget. I just want to have that on  
15      the record.

16                When you talk about, you know, not  
17      having the resource to pull all the levers that  
18      you could in any one time, and looking at hitting  
19      a mileage number to make sure that you can stay  
20      as close to schedule, in terms of your cycle for  
21      trimming as you can, are Right of Way miles  
22      included in that mileage or is that separate?

23  A    *[Witness Green indicating in the negative].*

24  Q    Okay. So, when, in your testimony, you note that

[WITNESS PANEL: Garcia|Green|Faber]

1           you "underspent in the Right of Way", was that  
2           just, again, a function of resources, --

3   A       *[Witness Green indicating in the affirmative].*

4   Q       -- lack of resources to contract, manage the  
5           people to go out and do that work, and keep track  
6           of it?

7   A       (Green) It wasn't physical work. This was all  
8           administrative work.

9   Q       Yes, I understand that. But that was your  
10          limiting factor, just your own burden, your work  
11          time burden?

12   A       (Green) My burden, and, if I was going to go over  
13          budget, it wasn't going to be because I pulled  
14          that lever.

15   Q       Yes.

16   A       (Green) But I wanted to make sure I got my miles  
17          done. At the time that I needed to pull that  
18          lever, I wasn't certain where I was. So, I had  
19          to make sure that I had the funding there for the  
20          miles. The funding there to get the work  
21          written, so the crews can do the miles.

22                       Later, when I had funding, when I knew  
23          that I was okay, maybe, to move it forward, he  
24          didn't have the ability to give me the resources.

[WITNESS PANEL: Garcia|Green|Faber]

1 Does that answer the question?

2 Q Yes. Thank you. And you're looking for a  
3 carryover to catch up. How do feel about where  
4 you are right now? Do you think that the cycle  
5 that you agreed to in the last rate case was too  
6 aggressive? Do you feel like you're in a good  
7 place, with respect to the system being trimmed,  
8 whether it's distribution miles or Right of Way?  
9 How do you -- what's your sense right now? So,  
10 we can understand, looking forward, what we  
11 should be thinking about, in working with the  
12 Company to provide a next phase of this type of  
13 program?

14 A (Green) I feel that the resources for a five-year  
15 cycle would be best for our system. And the  
16 ability to -- the resources and the funding to do  
17 a five-year cycle and removals is prudent,  
18 effective, and efficient, for all parties.

19 Q Okay. And you don't feel that that would  
20 increase risk so much that the vegetation growth  
21 would be excessive and present reliability risk  
22 that are --

23 A (Green) No.

24 Q -- known and measurable?

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[WITNESS PANEL: Garcia|Green|Faber]

1 A (Green) Prior to this four-year cycle that was  
2 set up in 2016, National Grid was on a five-year  
3 cycle previously, and it seemed to suit them  
4 well. And I agree, a five-year cycle seems to be  
5 fine. I just need to remove some trees, so I can  
6 get that quota back.

7 CMSR. SIMPSON: Okay. Very good.  
8 Thank you, Ms. Green.

9 Mr. Faber and Mr. Garcia, you're going  
10 to get off easy today, because Ms. Green has  
11 answered all my questions.

12 That's all. Thank you.

13 CHAIRMAN GOLDNER: Thank you. Let's  
14 pause here and take a ten-minute break, and we'll  
15 resume at ten of. Off the record.

16 *(Recess taken at 2:40 p.m., and the*  
17 *hearing reconvened at 2:54 p.m.)*

18 CHAIRMAN GOLDNER: Okay. I just want  
19 to pick up on some of Commissioner Simpson's  
20 questions to start.

21 BY CHAIRMAN GOLDNER:

22 Q So, I think, Ms. Green, you had mentioned  
23 "visibility issues", and I'm not sure I caught  
24 what the visibility issues were. Can you

[WITNESS PANEL: Garcia|Green|Faber]

1 describe a little bit more about where you did  
2 and didn't have visibility?

3 A (Green) Well, integrating the new system, we --  
4 different players were involved with -- the  
5 visibility of the VMP spend. I have my database  
6 that I keep daily. But, then, there's a lot of  
7 things that happen in finance of deferrals and  
8 accruals, all those kind of -- I know what my  
9 spend is, but I don't know how it's hitting the  
10 books. So, it's just, because of that, all the  
11 different players that are involved, and all the  
12 mapping, and those reports didn't exist in SAP,  
13 so they're building them. So, that piece just  
14 wasn't visible to me at that time.

15 Q And did you -- in a lot of companies, there's a  
16 monthly or quarterly close, and do you -- so, you  
17 get kind of refreshed on some sort of periodic  
18 basis. Did you have visibility, as you went  
19 through the year, on a monthly or quarterly  
20 basis, where things were trued up for you? Or,  
21 was that also not available because of the SAP  
22 implementation?

23 A (Green) I would say it was not available, because  
24 the actual report needed didn't exist in SAP.

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[WITNESS PANEL: Garcia|Green|Faber]

1 And different people, who had different angles of  
2 it, were -- had different numbers.

3 Q Yes.

4 A (Green) So, they were trying to -- just we were  
5 trying to finalize what that -- everyone had an  
6 interpretation of what the veg. spend was, but  
7 they weren't taking into account maybe an  
8 accrual, or they weren't taking into account a  
9 deferral. And, so, we had to work with several  
10 people to find that.

11 Q Okay. So, at what point did you know that your  
12 actual expenses were 2,149,760? Is that  
13 something you had visibility into when the  
14 Company closed the books for the year, and maybe  
15 in February of this year you saw that? Or, when  
16 did you know that was your --

17 A (Green) February.

18 Q -- where you landed? February, okay. So, and  
19 that was because of the annual close process, and  
20 the booking of all the journal entries, and  
21 everything has been settled into an account?

22 A (Green) Correct. Yes.

23 Q So, again, following up on Commissioner Simpson's  
24 question, now, here we are, some months later,

[WITNESS PANEL: Garcia|Green|Faber]

1 April of 2024, do you feel -- do you have  
2 visibility now? Do you know, if I asked you what  
3 your spend was as of today, at 9:00 a.m., would  
4 you know? And, if so, you can say.

5 A (Green) Actually, I owe Jeff a report. I have  
6 better visibility, but I can't go get it myself  
7 yet.

8 Q Okay. So, if you -- so, if I asked you for a  
9 record request, which I'm not going to do, but,  
10 if I did, and I said "Give me the vegetation  
11 management spend as of March 30th", you could  
12 produce that?

13 A (Green) Yes.

14 Q Okay. And could you have produced that same  
15 report on April 25th of 2023, for the end of  
16 March 2023?

17 A (Green) No.

18 Q Okay. Thank you. Because I think, in the end  
19 here, in the end what we have is sort of an  
20 execution issue from the Company, and there may  
21 be good reasons for it, but it's an execution  
22 issue. So, you underperformed your miles by  
23 about ten percent and you underspent your budget  
24 by about ten percent. So, in the end, it's

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[WITNESS PANEL: Garcia|Green|Faber]

1 execution, and there might good reasons for that,  
2 SAP visibility and so forth. But, in the end, I  
3 think that's what we're looking at, in my  
4 opinion.

5 So, the only other question I think I  
6 have, and, if nobody has the answer to this, I  
7 will make a record request on this, was there --  
8 were there any manual journal entries at  
9 year-end?

10 And the reason I ask that is that  
11 there's a lot of balls in the air here, SAP  
12 issues and other stuff. And I want to make sure  
13 that the -- I want to understand if there were  
14 any manual journal entries entered to sort of  
15 square things up at the end of the year, or that  
16 these were just the way that the natural expenses  
17 fell out?

18 Does anyone know the answer to that?  
19 Ms. Green?

20 A (Garcia) Go ahead. No, go ahead.

21 A (Green) Pam and I reconciled and went through  
22 things, and we made some adjustments. So, those  
23 are journal entries, we did make some adjustments  
24 in February, comparing her report versus my

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[WITNESS PANEL: Garcia|Green|Faber]

1 report.

2 Q Okay.

3 A (Garcia) And Pam is -- I'm sorry to interrupt.

4 Pam is -- she's referring to our Accounting  
5 staff, --

6 Q Okay.

7 A (Garcia) -- our colleagues in Accounting.

8 Q Okay.

9 A (Garcia) So, every year, to prepare for this  
10 case, they go through this whole process of  
11 reconciling all the numbers, and preparing that.

12 Q So, would the annual report align with the report  
13 here, or were there journal entries made  
14 subsequent to the annual report close or you're  
15 annual close process?

16 A (Green) I don't know that I can answer that  
17 question.

18 Q The reason I say that is, if you had a journal  
19 entry in February, that would be after your  
20 financial close. So, then, what you're reporting  
21 here would be different by that amount to what  
22 the Company closed the books at.

23 A (Garcia) It's a function of, when you guys were  
24 pens down on the final numbers for this filing,

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[WITNESS PANEL: Garcia|Green|Faber]

1           and when that occurred. I'm trying to remember,  
2           it's all a blur.

3                       *[Court reporter interruption.]*

4   **BY THE WITNESS:**

5   A       (Green) It was done in February.

6                       CHAIRMAN GOLDNER: That would have been  
7           post close.

8                       WITNESS GARCIA: Yes.

9                       CHAIRMAN GOLDNER: So, you would have  
10          closed the books in January, I assume.

11                      Okay. Let me make a record request,  
12          just to keep it simple. Just please send a  
13          simple list of all the journal entries that were  
14          done, the manual journal entries that were done  
15          post -- well, beginning January 1st, 2024, for  
16          the numbers here. So, just a listing of all the  
17          manual journal entries, and then maybe just a  
18          quick comment on what it was for, "15,000 to  
19          correct this", or whatever it was. And I just  
20          want to make sure that we have a clean record of  
21          what's in the 2,149,760, both the natural  
22          expenses that would have happened, and then the  
23          adjustments in the manual journal entries.  
24          So, --

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[WITNESS PANEL: Garcia|Green|Faber]

1 MR. SHEEHAN: And I think you said  
2 this, Mr. Chairman, but it related to the numbers  
3 in this filing?

4 CHAIRMAN GOLDNER: Yes.

5 MR. SHEEHAN: Okay.

6 CHAIRMAN GOLDNER: Yes. Just for  
7 vegetation management, and I'm really just  
8 comparing the 2,149,760, the actual expenses, and  
9 how much of that was a manual journal entry, you  
10 know, post close.

11 MR. SHEEHAN: And just a caution, I'm  
12 not sure the conversation between Ms. Green and  
13 Ms. Moriarty, when they reconcile numbers for  
14 this filing, was journal entry stuff. They  
15 certainly did their work, but, as you say, it was  
16 post close, and may be different conversations.  
17 That's all.

18 CHAIRMAN GOLDNER: Okay. Is there  
19 anything, Ms. Green, that you would to add to or  
20 ask about the request about what we're trying to  
21 understand?

22 WITNESS GREEN: We did make  
23 adjustments. I just don't know if they were  
24 "journal entries", or if they were adjustments

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[WITNESS PANEL: Garcia|Green|Faber]

1           made to this year's budget.

2                       WITNESS GARCIA:   Yes, we can confirm  
3           that.  But, Mr. Chairman, just to clarify, is it  
4           post close or after January 1st, because I think  
5           I've heard both?

6                       CHAIRMAN GOLDNER:  That's a very good  
7           question, sir.  I'm thinking about that myself at  
8           the moment.

9                       So, what I'm -- I'm actually interested  
10          in the adjustments that were made for close,  
11          which would have been, generally speaking, in  
12          January, and post close.  So, I'm actually --  
13          thank you for the clarification, because I'm  
14          actually interested in both.

15                      And, if the Company could summarize  
16          both of those, and just give a brief description  
17          of the adjustments and why the Company made the  
18          adjustments, that would give the Commission  
19          comfort, in terms of the number that's being  
20          proposed here, because we have two different  
21          issues.  We have the Company saying "Hey, please  
22          assess at zero", and we have the Department  
23          saying "Please assess it at a credit."  And, so,  
24          the Commission is here just trying to make sure

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[WITNESS PANEL: Garcia|Green|Faber]

1       that we're assessing the right amount. And, so,  
2       that data point would be very helpful for us to  
3       understand -- to understand the amount that we  
4       should be assessing via the rate.

5               Okay. That's all I have for the  
6       witnesses. Commissioner Simpson?

7               *[Cmsr. Simpson indicating in the*  
8               *negative.]*

9               CHAIRMAN GOLDNER: Nothing else. We  
10       can move to redirect, Attorney Sheehan.

11              MR. SHEEHAN: Thank you. Just a few  
12       questions to clarify things that may not have  
13       been clear. And it's sort of a random list.

14                           **REDIRECT EXAMINATION**

15       BY MR. SHEEHAN:

16       Q       Ms. Green, there was a question about the work --  
17       not a question, you said that there were two  
18       circuits completed in the Charlestown area, the  
19       12L1 and the 12L2. When were those circuits --  
20       the trimming on those circuits completed?

21       A       (Green) The 12L1 was performed in 2022 and 2023,  
22       completed in 2023. And just before that, they  
23       did the 12L2, which was 2022.

24       Q       Okay. You mentioned the mechanical trimmer,



[WITNESS PANEL: Garcia|Green|Faber]

1           called a "Jarraff". And, for folks who want to  
2           look it up and see a picture, that is  
3           J-A-R-R-A-F-F, correct?

4   A       (Green) Correct.

5   Q       And it's quite a picture, too. Earlier in your  
6           testimony you mentioned one of the buckets of  
7           costs were used in the context of getting the  
8           permissions, and your phrase was "mitigation of  
9           difficult situations". Can you give us an  
10          example of what that might look like in the  
11          field?

12   A       (Green) If we have a situation where a tree that  
13          really needs to come down, it's a high risk, but  
14          the homeowner maybe isn't that cooperative, we  
15          might need to plant a tree there, or work with  
16          the town, we do some tree planting for  
17          educational pieces. But it's to mitigate  
18          whatever the difficult situation may be, or to  
19          keep customer relations as needed. So, we manage  
20          that through tree planting or other things.

21   Q       And to state what may be the obvious, customers  
22          can refuse to have their trees pruned, correct?

23   A       (Green) Yes, they can.

24   Q       There were questions about the various budget

[WITNESS PANEL: Garcia|Green|Faber]

1        buckets that you have, and how some were over,  
2        some were under. And I believe you said that --  
3        is it your testimony that you're certainly  
4        monitoring all those, but the overriding goal is  
5        managing to the total budget, is that fair?

6    A        (Green) Yes.

7    Q        So, if with one line item gets overused, for  
8        whatever reason, you've got to be able to  
9        underuse another line to even things out, and  
10       vice versa?

11   A        (Green) Yes. That is correct.

12   Q        And, as far as visibility and timing, if you were  
13        unable to pull the lever on a certain project to  
14        get it done by year-end, sometimes that decision  
15        point is months before the end of the year, is  
16        that correct?

17   A        (Green) Yes. Correct.

18   Q        So, if you, for example, for certain kind of  
19        work, if you don't make the decision by July, you  
20        can't get that work done, based on whatever that  
21        kind of work is, is that fair?

22   A        (Green) Yes. That is correct.

23   Q        On the bridge-building you talked about, is it  
24        fair to say that that work, getting -- let me

[WITNESS PANEL: Garcia|Green|Faber]

1 back up. The goal of that work was to get SAP to  
2 talk to another system, correct?

3 A (Green) Yes.

4 Q What is that other system?

5 A (Green) Terra Spectrum FieldNote.

6 Q And that is a software program?

7 A (Green) Yes.

8 Q Is that company-owned or contractor-owned?

9 A (Green) Company-owned.

10 Q And what does that -- at a high level, what does  
11 that software do?

12 A (Green) It provides digital records of the work  
13 orders, permissions system, such that the crews  
14 can then report the work completed, or refusals  
15 or customer concerns.

16 Q This is software that your contractors use, even  
17 though it's company-owned?

18 A (Green) Yes.

19 Q And they actually have tablets with them that is  
20 that system, is that correct?

21 A (Green) Yes.

22 Q Is it fair to say that that system is the core of  
23 your business?

24 A (Green) Yes.

{DE 24-044} {04-25-24}

[WITNESS PANEL: Garcia|Green|Faber]

1 Q Okay. And, so, the work to integrate that with  
2 SAP is a necessary piece of your business?

3 A (Green) Yes.

4 Q And, if you don't do it, we would have had to  
5 hire somebody else to do it, is that fair?

6 A (Green) Yes.

7 Q And some of the costs, obviously, are some of  
8 those other people you did hire to help do that?

9 A (Green) Yes.

10 Q Okay. Last, there were some questions from  
11 Commissioner Simpson that to me suggested around  
12 the limitations of you getting all the work done,  
13 trimming all the miles. And just to be clear,  
14 was the limitation in miles your work capacity or  
15 something else?

16 A (Green) Something else.

17 Q And what was that?

18 A (Green) I had to get to the budget.

19 Q So, if you had more money, you would have trimmed  
20 more miles?

21 A (Green) Yes.

22 Q Is that the simple answer?

23 A (Green) Yes.

24 Q And there was a question about the five-year trim

[WITNESS PANEL: Garcia|Green|Faber]

1 cycle. Have you proposed numbers that would  
2 support a five-year trim cycle?

3 A (Green) Yes.

4 Q And in what context have you proposed those  
5 projections/budgets?

6 A (Green) In the rate case.

7 Q Okay. And in prior versions of this hearing?

8 A (Green) Yes.

9 Q Okay. And, at a high level, you are now spending  
10 roughly \$2 million a year. What have you  
11 proposed that would be the cost for a five-year  
12 trim cycle?

13 A (Green) Four million.

14 Q Okay. And that would cover what?

15 A (Green) That would cover the removal -- the tree  
16 removals to obtain the corridor or re-obtain the  
17 corridor, and perform the five-year miles, and do  
18 the education, so that we can get a more  
19 sustainable and less -- and a more prudent  
20 program in the decades to come.

21 Q In a perfect world, if you had \$4 million a year  
22 to do that, would that number come down as you  
23 were able to establish the corridor?

24 A (Green) Yes.

{DE 24-044} {04-25-24}

[WITNESS PANEL: Garcia|Green|Faber]

1 Q And to the extent, it's not been discussed today,  
2 the corridor is the width and height of the open  
3 space around the lines that is required by PUC  
4 rules, is that correct?

5 A (Green) Yes.

6 Q And, historically, Granite State did not maintain  
7 as wide a corridor, so we've been playing  
8 catch-up for years on that, is that correct?

9 A (Green) Yes.

10 MR. SHEEHAN: That's all I have. Thank  
11 you.

12 CHAIRMAN GOLDNER: I just want to make  
13 sure I understand before the witnesses leave.  
14 So, the last line of questioning, you're going  
15 from a -- you're proposing going from a four-year  
16 cycle to a five-year cycle. So, it's  
17 counterintuitive that the cost would then double.  
18 But what you're saying is is that you're playing  
19 catch-up on this corridor issue, and that's  
20 really the cause of it increasing?

21 MR. SHEEHAN: That's one piece. The  
22 other piece is, the current budget is simply not  
23 enough. We are underfunded, and have been for  
24 years.

{DE 24-044} {04-25-24}

[WITNESS PANEL: Garcia|Green|Faber]

1 CHAIRMAN GOLDNER: Because, when I look  
2 at this, so you sort of underperformed the miles  
3 by about ten percent, and you underperformed the  
4 max budget with the cap by about ten percent.  
5 So, it looks like you were sort of in the  
6 ballpark, at least for this Plan?

7 MR. SHEEHAN: I guess that's a question  
8 for Ms. Green is, if she had spent the full  
9 2.4 million, would that be enough to maintain the  
10 five-year cycle and everything else?

11 WITNESS GREEN: No. I wouldn't have  
12 hit a five-year cycle with that Plan.

13 CHAIRMAN GOLDNER: Hmm. Can you just  
14 quickly walk us through the math? Because I see  
15 it as you're short by ten percent on miles and  
16 your short by ten percent on the cap budget. So,  
17 why would that be?

18 WITNESS GREEN: 163 miles is not a  
19 five-year cycle. It's less than a five-year  
20 cycle.

21 CHAIRMAN GOLDNER: I see. Okay.

22 BY MR. SHEEHAN:

23 Q And finish that thought. So, the miles budget  
24 was based on the \$2 million, not on a five-year

[WITNESS PANEL: Garcia|Green|Faber]

1 plan?

2 A (Green) Yes.

3 Q How much -- roughly how many miles would be a  
4 five-year?

5 A (Green) 175.

6 Q Per year?

7 A (Green) Uh-huh. Additionally, these aren't clean  
8 miles. We're not doing any removals with them.  
9 So, the corridor is slowly growing in. So,  
10 it's -- we're pruning those miles, but they're  
11 not really "clean" miles. So, it's -- and about  
12 of a million, of that \$4 million, about a million  
13 of it is removals only. And, once those removals  
14 are done through a cycle, those won't -- that  
15 will be gone from the budget. And there will be  
16 less to trim, because they won't be there to need  
17 to be trimmed.

18 So, that a million of that budget is a  
19 one-time investment, but a good investment,  
20 because the cost has increased tremendously in my  
21 six years. So, the sooner we get to it, the  
22 better.

23 CHAIRMAN GOLDNER: So, the Company,  
24 Mr. Sheehan, has about 875 miles, is that how I



[WITNESS PANEL: Garcia|Green|Faber]

1 do the math? 175 times five?

2 WITNESS GREEN: As far as cycle. Yes,  
3 there's also right-of-way miles. So, actually,  
4 it's a little bit more. But, yes.

5 CHAIRMAN GOLDNER: More. So, call it  
6 900 miles, something like that?

7 WITNESS GREEN: Yes.

8 CHAIRMAN GOLDNER: Okay. Thank you.  
9 Sorry, Mr. Sheehan.

10 MR. SHEEHAN: No, that's okay. I had a  
11 thought, it's gone now. Nothing further. Thank  
12 you.

13 CHAIRMAN GOLDNER: All right. Oh, go  
14 ahead.

15 MR. SHEEHAN: You waved a piece of  
16 paper.

17 BY MR. SHEEHAN:

18 Q Mr. Garcia, in the break you were able to take a  
19 look at the Bates Page 041, I believe. Can you  
20 explain what you found and the impact, if any?

21 A (Garcia) Yes. My thanks to DOE for calling this  
22 to our attention.

23 There is a sign issue in how the \$698  
24 balance is presented in the walk-through math

[WITNESS PANEL: Garcia|Green|Faber]

1 from Line 17 to 21, which were a recent add-on in  
2 this filing. The correct number can be found on  
3 Line 15, Column (c), and that is the negative  
4 698, or an over-recovery of 698.

5 But, to clarify, two things: One,  
6 whether it's positive or negative, it doesn't  
7 change the proposed rate for the coming year,  
8 which would still be zero, due to the fact that  
9 it would not round to five decimal points.  
10 Secondly, that amount is forecast. The last two  
11 months -- the first ten months shown in that  
12 exhibit are actuals, the last two are forecasts.  
13 So, 698 is the product of two months of  
14 forecasting. So, when we start next year's  
15 reconciliation over again, we'll use what's  
16 actually booked after all the books close on the  
17 period.

18 MR. SHEEHAN: Thank you. That's all.

19 CHAIRMAN GOLDNER: Okay. Thank you for  
20 your time today. The witnesses are dismissed.  
21 And we'll call the Department's witness to the  
22 stand.

23 Mr. Patnaude, if you could please swear  
24 in the witness.

[WITNESS: Dudley]

1                   (Whereupon **JAY E. DUDLEY** was duly sworn  
2                   by the Court Reporter.)

3                   CHAIRMAN GOLDNER: Thank you. And just  
4 before we begin, I think the thing I'd like to  
5 clarify is I believe the only issue left on the  
6 table is "Is the correct rate zero or is the  
7 correct rate minus 0.00002?" And, so, that's  
8 what the Commission at this point is trying to  
9 understand.

10                  So, please proceed.

11                  MS. BAILINSON: Thank you, Mr. Chair.  
12 Good afternoon, Mr. Dudley.

13                         **JAY E. DUDLEY, SWORN**

14                         **DIRECT EXAMINATION**

15 BY MS. BAILINSON:

16 Q       Would you please state your name and the position  
17       with the Department?

18 A       My name is Jay Dudley. And I am a Utilities  
19       Analyst for the Electric Division in the  
20       Department of Energy.

21 Q       Thank you. Have you testified before the  
22       Commission before?

23 A       Yes, I have.

24 Q       Did you prepare the Department's technical

[WITNESS: Dudley]

1 statement in this proceeding?

2 A Yes, I did.

3 Q Do you have any corrections or updates to your  
4 technical statement?

5 A Yes, I do. I have one correction, on Page 2, in  
6 the first paragraph, the next to the last line in  
7 the first paragraph, "Charlestown circuit" should  
8 be "Bellows Falls/Charlestown circuits", plural.

9 Q Thank you, Mr. Dudley. With that one correction,  
10 do you adopt the technical statement as your  
11 sworn testimony in this proceeding?

12 A Yes, I do.

13 Q Thank you. And could you please give a brief  
14 summary of your technical statement?

15 A Yes. Yes. The Department reviewed Liberty's  
16 2023 VMP Plan. And we found it to be generally  
17 consistent with the terms of the Settlement  
18 Agreement reached in DE 19-064, in that Liberty  
19 does file the requisite filings every year, the  
20 VMP Plan, of course, and then their  
21 reconciliation filing. They do overall stay  
22 within the \$2.2 million budget that was set in  
23 the Settlement Agreement.

24 And there is some question as to

[WITNESS: Dudley]

1       whether or not they are actually following a  
2       four-year trim cycle. We do address that issue  
3       in the Department's testimony that was filed in  
4       the rate case in DE 23-039.

5               But, overall, we believe that they are  
6       compliant with the Settlement Agreement as agreed  
7       to.

8               We did look at the Excel spreadsheets  
9       and the attachments. We did not catch the error  
10      in Attachment 4 until late, after the -- after  
11      the tech statement was filed. Mr. Garcia just  
12      said that the actual impact is *de minimis*, in  
13      terms of rate impact, because the number is so  
14      small. We would tend to agree with that  
15      statement.

16              Aside from that, we found no other  
17      issues mathematically with the filing. However,  
18      based on what we learned in the rate case,  
19      regarding the 2022 numbers that were used as the  
20      basis for the 2022 test year, and also what we've  
21      also learned about the continuing mapping issues  
22      and mapping errors in the SAP system into 2023  
23      and into 2024, the Department does not consider  
24      the numbers used as the basis for the VMP rate,

{DE 24-044}   {04-25-24}

[WITNESS: Dudley]

1 which were the 2023 numbers, to be reliable.

2 And, so, our recommendation to the  
3 Commission is that the Commission delay approval  
4 or disapproval until such time as the Audit  
5 Division can complete their work in auditing the  
6 VMP numbers.

7 Aside from that, we have no problem  
8 with the \$50,000 carryover, as long as it's used  
9 towards working down the backlog in hazard trees.

10 MS. BAILINSON: Thank you, Mr. Dudley.  
11 I don't have any further questions.

12 CHAIRMAN GOLDNER: Okay. Let's turn to  
13 the Office of the Consumer Advocate?

14 MR. CROUSE: Thank you. The OCA has no  
15 questions for Mr. Dudley.

16 CHAIRMAN GOLDNER: Okay. We'll turn  
17 now to Liberty?

18 MR. SHEEHAN: No questions. Thank you.

19 CHAIRMAN GOLDNER: All right. To  
20 Commissioner Simpson?

21 CMSR. SIMPSON: Thank you for your  
22 testimony, Mr. Dudley.

23 BY CMSR. SIMPSON:

24 Q Can you just briefly address the thought process

[WITNESS: Dudley]

1       for using the carryforward towards hazard trees  
2       specifically?

3   A    Yes.   Yes.   Our findings, or the findings of our  
4       consultants in the rate case, RCG, River  
5       Consulting Group, was that, and this goes back to  
6       our work in Liberty's LCIRP docket, in DE 21-044,  
7       and the backlog of hazard trees has been  
8       consistent, it's growing.  It became apparent to  
9       us that it's not being properly prioritized.  
10      And, therefore, if any other monies are to be  
11      spent, we believe that they should be dedicated  
12      to the backlog of hazard trees.  And I heard Ms.  
13      Green state that -- I believe she used the word  
14      "imperative", and indeed they are.

15               However, if you look at the budget on  
16      Attachment 1, the entire 50,000 was not spent on  
17      hazard trees.  So, we believe that it's  
18      appropriate that Liberty commit those funds to  
19      working down that backlog.

20   Q    I can imagine that the Department has greater  
21       visibility into customer experiences with tree  
22       trimming-related issues.  Have you received or  
23       been made aware of any concerns on the customer  
24       sides with the Company's performance in 2023?

[WITNESS: Dudley]

1 A Not particularly with Liberty. We do -- there  
2 are some complaints that do come in from time to  
3 time. I don't handle that area in the  
4 Department. But I'm aware that they do come in,  
5 but I'm not aware of anything specifically.

6 Q Okay. And, with respect to the audit timing, do  
7 you have any sense of when the Department's Audit  
8 Division may be likely to complete the audit of  
9 the figures presented today?

10 A I don't. I can't speak with any authority on  
11 that. From an historical perspective, with a  
12 single program, such as the VMP, early summer has  
13 been, June or July, has been the usual timeframe.  
14 But that's just my own opinion. I have not  
15 conferred with the Audit Division on that.

16 CMSR. SIMPSON: Okay. Thank you for  
17 your testimony.

18 WITNESS DUDLEY: Yes.

19 CMSR. SIMPSON: No further questions.

20 CHAIRMAN GOLDNER: Okay. Mr. Sheehan,  
21 when you go to closing, if the Company could  
22 comment on this business of ring-fencing the  
23 \$50,000 for hazard, I think the Commission would  
24 appreciate your comments on that.



[WITNESS: Dudley]

1 I think I'm good, Mr. Dudley. I  
2 appreciate your analysis here. It was very  
3 helpful. And I think it's fully understandable.  
4 So, I have no questions.

5 I think, do you have any further  
6 questions, Commissioner Simpson?

7 CMSR. SIMPSON: No thank you.

8 CHAIRMAN GOLDNER: I think we can  
9 return to the Department for redirect, when  
10 they're ready.

11 MS. BAILINSON: Sorry?

12 CHAIRMAN GOLDNER: That's okay. When  
13 the Department's ready, we're ready for redirect.

14 MS. BAILINSON: Thank you. We have no  
15 redirect, Mr. Chair.

16 CHAIRMAN GOLDNER: Okay. Okay. Thank  
17 you, Mr. Dudley, for your testimony today.

18 So, Mr. Crouse, I think, just to close  
19 out on our pre-discussion, I think we'll -- I  
20 think we'll, because of the issues at hand, and  
21 what the OCA wants to look at, Mr. Underhill  
22 would not be needed for testimony today, unless  
23 you have something you would like to ask him  
24 relative to the rates or the carryforward?

1 MR. CROUSE: Thank you for the  
2 opportunity to address that.

3 Currently, the OCA was not expecting to  
4 ask any more direct questions, given the scope we  
5 discussed earlier. But we're still fine offering  
6 him for cross, if any of the parties or the  
7 Commission had questions.

8 CHAIRMAN GOLDNER: Okay. Would anyone  
9 like to put Mr. Underhill on the stand or should  
10 we move to close?

11 MR. SHEEHAN: We don't need that.  
12 Thank you.

13 CHAIRMAN GOLDNER: Okay. The  
14 Department?

15 MS. BAILINSON: We do not. Thank you.

16 MR. CROUSE: Just one matter to bring  
17 before the Commission's attention. We were  
18 intending to correct a brief error that appears  
19 in the technical statement. The sentence  
20 discussing the "ten percent additional overage"  
21 got cut short. And, so, we were just going to  
22 identify and correct that. But we can make that  
23 clear when we file it as Exhibit 3, due to that  
24 oversight.

1 CHAIRMAN GOLDNER: Okay. Perfect.

2 Thank you, Mr. Crouse.

3 Okay. Okay, thank you. Thank you  
4 again, Mr. Dudley. You're dismissed. And please  
5 stay seated where you are, that would be great.

6 So, let's move on to closing  
7 statements. But, before we do, is everyone okay  
8 with moving Exhibits 1 through 3 onto the record,  
9 once filed?

10 *[Atty. Crouse indicating in the*  
11 *affirmative.]*

12 MR. SHEEHAN: Yes.

13 CHAIRMAN GOLDNER: That's okay?

14 MS. BAILINSON: Yes.

15 CHAIRMAN GOLDNER: Thank you. So,  
16 hearing no objections, the Commission moves those  
17 exhibits onto the record.

18 And we'll make "Exhibit 4" the question  
19 that I had asked earlier.

20 *(Exhibit 4 reserved for record*  
21 *request.)*

22 CHAIRMAN GOLDNER: And I'll restate it  
23 just for clarity. And, then, I'll ask you,  
24 Mr. Sheehan, at the end what would be a good time

1       for that. And, as a preamble or as a preview,  
2       I'll mention that, because -- sorry, because  
3       you're asking for the rates on May 1st, we're on  
4       a bit of an expedited process. So, if I could  
5       ask for it by close of business Monday, even that  
6       would be tight for us, but we could still get the  
7       order out the next day?

8               MR. SHEEHAN: I, frankly, have no idea  
9       how long it will take. But, if you give us a  
10      deadline, we'll make every effort to meet it.

11             CHAIRMAN GOLDNER: Thank you. Thank  
12      you. I promise not to make it four o'clock  
13      today.

14             So, let's do Monday, by midnight. And,  
15      then, I think the Commission will still have one  
16      day to write the order. So, that's just probably  
17      the best we can do. And, if you can file it  
18      sooner, please do. That would make our life a  
19      lot easier.

20             And I'll just repeat the question, just  
21      because -- in case you have any questions. But  
22      the question was around any adjustments, and I  
23      appreciate the word "adjustment", as opposed to  
24      "journal entry", because it's just more clear

1       this way. So, any adjustments that the Company  
2       made for the annual close, that would mean post  
3       January 1st, any adjustments that the Company  
4       made in that process, in other words, adjustments  
5       that were needed to close the books? And, then,  
6       after the books were closed, were any further  
7       adjustments made post close?

8               So, that's just what the Commission is  
9       trying to understand. Again, this is in the  
10      spirit of validating that we're approving the  
11      right number for rates. And, though, the  
12      Commission would appreciate, and I'm sure the  
13      parties would, too, a brief description of each  
14      of those adjustments, what they were for.

15             Okay. Great. So, let's move to  
16      closing, starting with Liberty.

17             MR. SHEEHAN: Thank you.

18             The issues that the Commission had us  
19      focused on, and I think appropriately so, is what  
20      rate to approve, and whether the Company is okay  
21      with the condition on that \$50,000. And, no  
22      surprise, we will ask you to approve the rate  
23      that we filed, for the reasons presented in the  
24      filing and orally.

1           As we said in the hearing a couple days  
2 ago, not approving the rate, whether it's not  
3 issuing an order or a contingent rate, is we  
4 think unnecessary. And we think the -- well,  
5 I'll leave it there.

6           I could give you 20 seconds on the big  
7 picture, just so you know where the Company is  
8 coming from on the extra costs, well, the cost in  
9 the four-year in the Settlement Agreement.

10           It is a bit legalese, but the  
11 Settlement Agreement is not the source of the  
12 requirements here. The Settlement Agreement,  
13 everyone -- every agreement says this, and the  
14 19-064 Settlement said it as well, it's  
15 conditioned on Commission approval. So, the  
16 governing document is not the Settlement  
17 Agreement, it's the order. Of course, the order  
18 incorporates the Settlement Agreement.

19           So, what we have in this case is an  
20 order to complete a four-mile circuit -- a  
21 four-year cycle, in an order that we can only  
22 collect 2.2 million. And, whether we agreed to  
23 it or not, I think is relevant, and it simply  
24 can't happen. As we've demonstrated many times,

1 we cannot complete a four-year trim cycle on  
2 \$2 million a year. And, if the Commission  
3 ordered us to, and we spent the 600,000  
4 referenced in OCA's tech statement, or some other  
5 number, we do believe that is a taking. So,  
6 that's our basic position there.

7 I know we've litigated it elsewhere.  
8 I'm not suggesting it needs to be addressed here.  
9 But just so you know where we stand.

10 And I'll leave it there. So, thank  
11 you.

12 CHAIRMAN GOLDNER: Okay. Thank you.  
13 Let's turn now to the Office of the --

14 Well, before we do that, Mr. Sheehan, I  
15 just want to clarify one thing. So, on the  
16 hazard trees, you were okay with ring-fencing  
17 that?

18 MR. SHEEHAN: Yes. And there was one  
19 other thing that I promised to do. Yes. Ms.  
20 Green just privately confirmed that she will  
21 absolutely spend the \$50,000 on hazard trees in  
22 the upcoming year, and we have no problem with  
23 that.

24 CHAIRMAN GOLDNER: I'm sorry,

1 Mr. Sheehan, before, and I don't want you to  
2 forget your next point, but is that now \$100,000,  
3 because it wasn't spent this year, and so it's  
4 additive to next year? Or, is that 50,000 total?

5 What are we -- I just want to make sure  
6 we're all saying the same thing.

7 MR. SHEEHAN: Ms. Green's understanding  
8 is it's a promise to spend \$50,000 total this  
9 year.

10 CHAIRMAN GOLDNER: On hazard. And is  
11 that the other parties' understanding as well?

12 *[Atty. Sheehan and Ms. Green*  
13 *conferring.]*

14 MR. SHEEHAN: Yes. She has confirmed  
15 that the existing budget of 50,000 will be  
16 increased by the 50,000 coming from this case.

17 CHAIRMAN GOLDNER: So, now 100,000?

18 MR. SHEEHAN: Yes.

19 CHAIRMAN GOLDNER: Okay. The parties  
20 don't need to confirm. I know that that's what  
21 they were looking for.

22 All right. Thank you.

23 MR. SHEEHAN: And the other item I said  
24 I would update you on is the ClearWay litigation.



1           As you all know, ClearWay walked off  
2           our property several years ago, leaving us high  
3           and dry. And we brought suit against them,  
4           losing track of the years, it's probably two  
5           years ago now, early in the year, which was the  
6           year after it happened.

7           We -- last summer, we had a mediation  
8           with ClearWay. We reached a handshake agreement.  
9           I'll be polite about this, ClearWay and its  
10          counsel have been difficult to deal with forever.  
11          Last week, we got finally a confirmation that the  
12          settlement documents are okay and they're going  
13          to sign them.

14          The settlement provides for, frankly,  
15          small payments, in the hundreds of thousands of  
16          dollars range, several hundred thousand, rather  
17          than the couple million that we probably could  
18          have presented at a trial. It was based on our  
19          own investigation that ClearWay is a one-man  
20          operation, essentially working out of a wad of  
21          cash in his pocket. It was really a fly-by-night  
22          operation. We've looked, we've scoured, there  
23          are no assets there.

24          So, from our perspective, and we'll

1 present this at the right time, we've done our  
2 due diligence to get what we can from ClearWay  
3 and its principal. Whether we actually see  
4 money, frankly, is an open question. But we will  
5 have a settlement agreement, with some dollars,  
6 with some enforcement mechanisms. And we'll just  
7 have to wait to see if anything comes out of it.

8 CHAIRMAN GOLDNER: Okay. Thank you.

9 Now, we'll turn to the Office of the  
10 Consumer Advocate, and Attorney Crouse.

11 MR. CROUSE: Thank you.

12 Recognizing the issues that we flagged  
13 at the start of the hearing today, I won't go  
14 back through all of them, recognizing the scoping  
15 issue.

16 But, just briefly, in response to what  
17 Attorney Sheehan has said, clearly, the OCA has a  
18 disagreement. And I would just fairly quickly  
19 point out, back in 2022, the Commission, in its  
20 Order Number 26,620, and that just discusses some  
21 of the low achievement that Liberty achieved in  
22 that vegetation management year, where it talked  
23 about, just because Consolidated backed out of  
24 the arrangement, that doesn't justify shifting

1 the costs back to customers.

2 And, so, the OCA is open to either  
3 participating in the rate case, or, if the  
4 Consumer Advocate decides, I'll update you, a  
5 petition is going to be filed for an  
6 investigation. And, in light of the tight  
7 turnaround, I'll try to aim for Monday, if  
8 possible.

9 But I just wanted to say that, in  
10 respect to the issues presently in the hearing,  
11 the OCA is not objecting, as long as its  
12 reserving its right to enforce the Settlement  
13 Agreement.

14 Thank you.

15 CHAIRMAN GOLDNER: Okay. Thank you,  
16 Attorney Crouse.

17 And, finally, we'll wrap up with the  
18 New Hampshire Department of Energy.

19 MS. BAILINSON: Thank you, Mr. Chair.

20 To conclude, the Department has  
21 reviewed the Company's filing. The Department  
22 finds that Liberty's implementation of the 2023  
23 VMP was generally consistent with the program  
24 goals set out in the Settlement Agreement

1 approved by the Commission in Liberty's rate  
2 case, in Docket DE 19-064.

3 However, the Department remains  
4 concerned about the ongoing lack of progressive  
5 achievement in terms of reducing the growing  
6 backlog of hazard trees, failure to meet goals of  
7 miles cut, and lack of prioritization of cuts,  
8 and particularly involving the  
9 Charlestown/Bellows Falls circuit.

10 The Department has no objection, as  
11 we've discussed before, to the Department's  
12 request of carrying -- I mean, to the Company's  
13 request of carrying 50,240 underspent in calendar  
14 year 2023 over, but with condition putting this  
15 towards hazard tree removal, consistent with  
16 testimony in the base rate case, DE 23-039.

17 The Department objects to adjusting  
18 rates until an audit has been completed relative  
19 to the SAP operating system problems, and the  
20 Commission rules on the reliability of all 2022  
21 and 2023 accounting data, and the Department's  
22 Audit Division has completed its review of this  
23 filing.

24 Therefore, the Department would

1 recommend that, until the Commission's ruling,  
2 relative to these overarching matters, that the  
3 Commission continue and extend the existing  
4 credit of 0.00002 to remain in effect until the  
5 Commission issues its final decision.

6 Thank you.

7 CHAIRMAN GOLDNER: Thank you. And,  
8 before we adjourn, is there anything else that we  
9 need to consider today?

10 *[Atty. Sheehan indicating in the*  
11 *negative.]*

12 CHAIRMAN GOLDNER: Okay. Seeing none.

13 Well, first, let me thank everyone for  
14 their time today, in particular the witnesses.  
15 We'll take the issues presented here today under  
16 advisement, and work to get an order out by  
17 May 31st, if everyone could help us by making  
18 timely filings, that would be --

19 CMSR. SIMPSON: The first.

20 CHAIRMAN GOLDNER: I'm sorry, what did  
21 I say?

22 CMSR. SIMPSON: You said "31st".

23 CHAIRMAN GOLDNER: By May -- oh, no,  
24 that's not right, is it? Sorry. We'll make that

1 "April 30th".

2 Okay. Anything else we need to cover?

3 *[No verbal response.]*

4 CHAIRMAN GOLDNER: Thank you. We are  
5 adjourned.

6 ***(Whereupon the hearing was adjourned***  
7 ***at 3:36 p.m.)***

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