



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

Docket No. DE 13-063

Granite State Electric Company d/b/a Liberty Utilities
Distribution Service Rate Case

DIRECT TESTIMONY

OF

WILLIAM T. SHERRY

March 29, 2013

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is William T. Sherry. My business address is 11 Northeastern Blvd., Salem, New Hampshire 03079.

Q. By whom are you employed and in what capacity?

A. I am currently employed by Liberty Energy Utilities (New Hampshire) Corp. ("Liberty Energy NH") as the Vice President of Customer Care for its electric and gas distribution businesses in New Hampshire, which includes the operations of Granite State Electric Company ("Granite State" or the "Company").

Q. Please describe your educational background and professional experience.

A. I received a Bachelor of Arts in Politics from Brandeis University in 1982 and a Master of Business Administration in Management from Bentley College in 1992. I am also a veteran of the U.S. Air Force and Air National Guard. I worked for National Grid and its predecessor companies through its subsidiaries, Massachusetts Electric Company, Granite State, and National Grid USA Service Company, Inc. from 1982 to 2012. Over 30 years, I held a number of different positions in customer service, energy efficiency program management and delivery, community relations, business, government and regulatory affairs and senior leadership. In July 2012, I assumed my present position with Liberty Energy NH. In addition, I currently serve on the Board of Directors of Granite United Way in New Hampshire.

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

2 A. Yes. I have testified before the Commission in numerous dockets since 1996.

3
4 **Q. What is the purpose of your testimony?**

5 A. The purpose of my testimony is to explain Granite State's proposed changes to its tariff
6 that relate to customer charges and fees as well as to its Line Extension policies to reflect
7 current construction costs to provide service and current construction practices among
8 contractors and builders. In the final section of my testimony, I will review Granite
9 State's current Street Light service and its ongoing activities to evaluate new technologies
10 for potential future introduction, including Light Emitting Diode (LED) options.

11
12 **II. PROPOSED TARIFF CHANGES**

13 **Customer Charges and Fees**

14 **Q. Is the Company proposing to update any fees and charges in its tariff?**

15 A. Yes. The Company is proposing to update the following fees and charges:

- 16 • Service Connection / Activation Fee
- 17 • Service Reconnection Fee
- 18 • Service Reconnection Fee After Hours
- 19 • Variance of Bill Adjustment Due to Meter Tests (+/-)
- 20 • Collection Field Visit Fee

21
22 A detailed list of the current and proposed fees and charges is attached to my testimony

as Attachment WTS-1.

Q. Why does the Company propose making these changes?

A. These fees and charges are being updated to reflect the Company's current cost to provide the particular services to customers which have increased as a result of inflation over the many years since they were last updated. It is appropriate to bring these fees and charges into line with the Company's current costs so that the Company is adequately compensated for the services it provides, as well as to send the proper price signals to customers who seek to use these services. We have surveyed similar charges by other electric utilities, which is also set forth in Attachment WTS-1. Based on this survey, the proposed charges are reasonable.

Line Extension Policies

Q. Is Granite State proposing any changes to its line extension policies as part of this case?

A. Yes. Granite State's line extension policies have not been updated since prior to Granite State's last distribution rate case in 1995. The Company is proposing changes to its policies to reflect current construction costs to provide service and current construction practices among contractors and builders. In addition, the Company's proposal is also more efficient to administer and easier for customers and contractors to understand. A copy of the proposed changes are reflected in Attachment WTS-2.

For example, in Granite State's current line extension policies, if a customer requests a

1 residential line extension to a single house from an underground distribution line, a
2 company engineer must develop two estimates for the proposed service. The engineer
3 must estimate the cost to serve the residential customer from both the overhead and
4 underground distribution systems, whether there is an overhead line available or not. In
5 addition, for every single residential line extension, an engineer must develop an actual
6 estimate. The current policy is unnecessarily onerous. Simple residential line extensions
7 lend themselves to a more standardized approach to cost estimating.

8
9 In its proposed line extension policy, Granite State would move to a standard cost per
10 foot basis to estimate overhead or underground line extensions, and the Company would
11 update its cost per foot at the time of its next rate case. In addition, the Company is
12 proposing to place all construction related fees and charges in a new schedule of fees in
13 the tariff. *See* Attachment WTS-2.

14
15 In order to address requests from customers, contractors and builders regarding certain
16 construction practices and to provide more clarity for our customers to understand which
17 line extension policy would apply to their particular type of construction, the Company
18 has re-written the language of the present line extension policies and given designations
19 to each particular line extension policy. They are as follows and are incorporated into the
20 revised tariff:

- 21
22
- Policy 1 – Line Extension Policy for Individual Residential Customers

- Policy 2 – Line Extension Policy for Residential Developments
- Policy 3 – Line Extension Policy for Individual Commercial and Industrial Customers
- Policy 4 – Line Extension Policy for Commercial and Industrial Developments

III. STREET LIGHT SERVICE

Q. Please describe the Company's current outdoor lighting services and any changes that are under consideration.

A. Granite State currently offers a variety of outdoor lighting sources, such as high pressure sodium type lighting, for street and area lighting under its Outdoor Lighting Service Rate M. A number of customers have requested that the Company introduce newer lighting technology, such as light emitting diode (LED) type fixtures for street and area lighting. While the Company is not proposing to introduce a specific size and type of fixture to its M Rate at this time, it is actively investigating new types of fixtures, specifically LED type lights, for potential introduction in the near future. Its investigation will include such areas as: operating characteristics of new street lighting technology, potential interactions with the electric distribution system, operations and maintenance issues associated with installing and maintaining new types of street lights, purchasing costs of such new equipment and potential rate design implications. In the meantime, Granite State is planning to install a limited number of these new street lights in select locations in its service territory in order to gather operating and performance data. The Company will evaluate the results of this demonstration project and the viability of introducing

1 LED technology in its next rate case.

2

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

4 A. Yes it does.

5

LEFT BLANK INTENTIONALLY