

MAINE PUBLIC UTILITIES COMMISSION
AUGUSTA, MAINE

IN RE:)
) Docket No. 2022-152
CENTRAL MAINE POWER COMPANY) November 8, 2022
)

Request for Approval of a Rate Change - 307

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6 SCOTT BOCHENEK, Central Maine Power Company
SCOTT TREMBLE, Central Maine Power Company
7 SEAN SULLIVAN, Central Maine Power Company
WILLIAM RANSOM, Central Maine Power Company
8 EBEN PERKINS, Competitive Energy Services
PHELPS TURNER, Conservation Law Foundation
9 IAN BURNES, Efficiency Maine Trust
NAT HASLETT, Efficiency Maine Trust
10 BARBARA ALEXANDER, AARP
MELISSA HORNE, Walmart, Inc.
11 CLAIRE SWINGLE, Governor's Energy Office

1 CONFERENCE COMMENCED (November 8, 2022, 11:02 a.m.)

2 MR. BRYANT: Good morning. This is the resumption of
3 a technical conference in docket number 2022-00152, Central
4 Maine Power Company request for approval of a rate change. Let
5 me begin by taking appearances. I'll start with Central Maine
6 Power. And we have a lot of names so let's go methodically and
7 clearly, please.

8 MR. DES ROSIERS: Jared des Rosiers from Pierce
9 Atwood on behalf of Central Maine Power.

10 MR. PURINGTON: Joe Purington from Central Maine
11 Power.

12 MS. ANCEL: Charlotte Ancel, Central Maine, Power.

13 MR. COHEN: Peter Cohen, Central Maine Power.

14 MS. VANLULING: Andrea VanLuling, Central Maine
15 Power.

16 MS. HILTON: Deb Hilton, Central Maine Power.

17 MR. TAURO: Eric Tauro, Central Maine Power.

18 MR. FERNANDEZ: Guillermo Fernandez, Avangrid,
19 Central Maine Power.

20 MR. TREMBLE: Scott Tremble, Avangrid on behalf of
21 Central Maine Power.

22 MS. MCDONOUGH: Katherine McDonough, counsel for
23 Central Maine Power.

24 MS. TRACY: Sarah Tracy with Pierce Atwood for
25 Central Maine Power.

1 MR. BRYANT: Jared, do you recommend that we take
2 appearances of other folks when they step up to testify?

3 MR. DES ROSIERS: Yeah, for these questions I don't
4 believe -- nobody in the back will be speaking. So why don't
5 we do that when they appear. But on the Teams, Diane Byron
6 should be among the list who may be one who would answer
7 questions, and she could be on the Teams link.

8 MR. BRYANT: Okay. Let me do that. So for folks who
9 are participating remotely on behalf of Central Maine Power,
10 would you please identify yourself for the record?

11 MS. BYRON: Hi, this is Diane Byron from Avangrid on
12 behalf of Central Maine Power.

13 MR. DES ROSIERS: And I believe that should be all
14 that we have the appearing on --

15 MR. BRYANT: Okay. Office of the Public Advocate,
16 starting with those in the room.

17 MR. HARWOOD: William Harwood, Office of Public
18 Advocate.

19 MS. CHAMBERLIN: Susan Chamberlin, Office of the
20 Public Advocate.

21 MR. LANDRY: Andrew Landry, Office of Public
22 Advocate.

23 MR. BRYANT: And for those who are participating on
24 behalf of the OPA remotely, can you please identify yourself
25 for the record?

1 MR. OSTRANDER: Bion Ostrander, consultant for the
2 OPA.

3 MR. HOLLOWAY: Larry Holloway, consultant for the
4 OPA.

5 MR. MORGAN: Lafayette Morgan, consultant for the
6 OPA.

7 MR. BRYANT: Does the OPA expect any others?

8 MR. LANDRY: That's primarily who we expected, yes.

9 MR. BRYANT: Okay. I noticed, Mr. Holloway, that you
10 -- to the extent that you ask follow-up questions, you were a
11 little quiet as far as the people in the room hearing you. So
12 I may prompt you to speak louder if the -- if that happens when
13 the time comes. Okay. I don't --

14 MR. HOLLOWAY: Okay. Apologies.

15 MR. BRYANT: Pardon me? I'm sorry, I --

16 MR. HOLLOWAY: I apologize for that. Is that -- is
17 this better?

18 MR. BRYANT: Yes, thank you.

19 MR. HOLLOWAY: Thank you.

20 MR. BRYANT: I don't see any other parties in the
21 room. So let me -- I'll go through who I see appearing by
22 Teams and ask you to identify yourselves. So on behalf of the
23 -- of AARP Maine, Barbara Alexander?

24 MS. ALEXANDER: Barbara Alexander, yes. Thank you.

25 MR. BRYANT: On behalf of Efficiency Main Trust, I

1 see Ian Burnes.

2 MR. BURNES: Yeah, Ian Burnes, Efficiency Maine
3 Trust.

4 MR. HASLETT: And Nat Haslett with Efficiency Maine
5 Trust.

6 MR. BRYANT: Okay. Thank you. On behalf of Walmart,
7 Melissa Horne?

8 MS. HORNE: Good morning. Melissa Horne on behalf of
9 Walmart.

10 MR. BRYANT: And on behalf of the Conservation Law
11 Foundation, Phelps Turner?

12 MR. TURNER: Good morning. Phelps Turner
13 Conservation Law Foundation.

14 MR. BRYANT: Are there any other parties
15 participating remotely who have not identified themselves that
16 I might have missed? Okay, hearing none, let me introduce --
17 ask the staff to introduce themselves. I'll start. Oh, sorry.
18 Go ahead, Rebecca. I didn't see you there.

19 MS. SCHULTZ: Hi, Rebecca Schultz is here with the
20 Natural Resources Counsel of Maine. Thank you.

21 MR. BRYANT: Okay. Thanks. So -- oh, go ahead,
22 Eben. Okay, I've been for some reason we can't hear you, but I
23 know who you are. So I'll say that Eben Perkins on behalf of
24 Competitive Energy Services is present. Anybody else? Okay,
25 behalf of the staff, my name is Eric Bryant. I'm one of the

1 Hearing Examiners.

2 MS. HEALY: I'm Nora Healy. I'm another Hearing
3 Examiner.

4 MR. BARTLETT: Phil Bartlett, chair.

5 MR. SCULLY: Pat Scully, Commissioner.

6 MS. TAYLOR: Daya Taylor, Hearing Examiner.

7 MS. HEIMGARTNER: Greta Heimgartner, analyst.

8 MR. DAVIDSON: Derek Davidson. I'm the director of
9 the consumer assistance and safety division.

10 MR. BRYANT: And would members of the staff who are
11 participating by Teams please identify yourself now?

12 MR. ROLNICK: Matthew Rolnick, analyst.

13 MR. MCBRIDE: Jameson McBride, analyst.

14 MS. SMITH: Lucretia Smith, analyst.

15 MR. SIMMONS: Michael Simmons, analyst.

16 MR. BRYANT: Lucretia, I think you tried to speak.
17 We didn't hear you about, but I saw you there. So that's
18 Lucretia Smith, staff analyst.

19 MS. HEALY: And I believe we have some members of
20 Electric Power Engineers participating by Teams. If you'd like
21 to introduce yourselves, that'd be helpful.

22 MS. MURRAY: Good morning. This is Danielle Murray
23 with Electric Power Engineers.

24 MS. CHATTERJEE: Good morning. This is Sarah
25 Chatterjee with Electric Power Engineers.

1 MS. HEALY: Great.

2 MS. HUNTINGTON: And, Nora and Eric, Faith Huntington
3 is here as well.

4 MR. BRYANT: Good morning.

5 MR. BEHRENS: And Marty Behrens with Electric Power
6 Engineers.

7 MR. BRYANT: And we'll get you spellings for their
8 names.

9 MS. CAVAZOS: Grisel Cavazos with Electric Power
10 Engineers.

11 MR. BRYANT: Okay. Is there anyone whose appearance
12 we don't have who needs to make one? Okay. And we'll --

13 MS. SWINGLE: This is Claire Swingle from the
14 Governor's Energy Office.

15 MR. BRYANT: Thank you, Claire. So you can --

16 MS. HEALY: Yes, I just wanted to -- you might recall
17 from last week that staff was interested in taking Central
18 Maine Power up on its offer to have a sort of offline meeting
19 to work through the deliveries and revenues forecast model or
20 the sales forecast models some people might refer to it. And
21 so we've worked that out, and it's going to happen on the 18th
22 at 2 p.m. It will be conducted by Teams. It will be recorded
23 in Teams. It won't necessarily be transcribed. The Public
24 Advocate had expressed an interest in attending that meeting,
25 and so the Public Advocate's been invited. Of course, other

1 parties are welcome to attend as well. I did get a question
2 from Barbara Alexander about the model that was being
3 discussed. Barbara, I hope I just answered your question. But
4 if people are interested, you could reply to -- reply all to
5 the email that I sent around regarding that date, and we'll be
6 happy to share you the -- share the Teams invite with you and
7 have you attend.

8 MR. BRYANT: Okay, the staff has an ODR for the rate
9 design panel. I'll state it into the record so you can have
10 it. It'll be ODR 2-1. That's how the numbering will occur.
11 Here it is. Assume that the Commission approves a standard
12 offer TOU rate where the TOU periods are consistent with those
13 approved for CMP delivery rates at the end of this case.
14 Please assume two alternative standard offer scenarios. One,
15 the standard offer TOU as default rate that customers can
16 choose to opt out of and, two, standard offer TOU rate is
17 optional and customers must choose to opt into it. Please
18 discuss the time needed by CMP to be able to offer those rates
19 and the estimated cost under each scenario. I can forward this
20 to Jared so he has the spelling. No, to Sarah? Okay. Both --
21 okay, Sarah, I'll do that. Okay. So, again, before we get
22 started, the question around the CCI poles and the broadband
23 poles, there may be questions about that today and tomorrow,
24 but we intend to start Thursday morning with our own internal
25 experts conducting questioning on that issue. So I just wanted

1 to let parties -- maybe I said that Friday afternoon. I don't
2 recall. For this morning we're going to start with the OPA
3 with the resumption of questions for the policy panel on two
4 subject areas, affiliate services and executive compensation.
5 Following that, the OPA will then have the opportunity to ask
6 its questions of the other panels. And I'm going to suggest --
7 I realize there's a lot of crossover in the testimony among
8 various issues. I'm going to suggest we follow this order,
9 customer -- sorry, CIP, capital investment, operations, grid
10 modernization, and vegetation management. I don't know if that
11 works for the OPA. If it doesn't --

12 MR. LANDRY: Okay.

13 MR. BRYANT: And so I think that's it for preparatory
14 stuff. Okay. So, again, we're starting with the policy panel,
15 Ms. VanLuling and Ms. -- I'm sorry I didn't catch your last
16 name.

17 MS. HILTON: Hilton.

18 MR. BRYANT: Will you -- since you may be testifying
19 in response to questions, I'd like to put you under oath.

20 MR. DES ROSIERS: Eric, if I may, second row, there's
21 Mr. Tremble and there's a Mr. Tauro may also answer questions.
22 And then on the video is Diane Byron who may also answer
23 questions. So when you swear, you --

24 MR. BRYANT: Okay. So I need to get -- Ms.
25 VanLuling, what's your first name?

1 MS. VANLULING: Andrea.

2 MR. BRYANT: And could you give spelling of your name
3 please?

4 MS. VANLULING: Sure, A --

5 MR. BRYANT: Oh, sorry, I have yours. I was looking
6 at --

7 MS. HILTON: Hilton, H I L T O N.

8 MR. BRYANT: And your first name?

9 MS. HILTON: Deb.

10 MR. BRYANT: Okay. And in the back row, again, if
11 they're not members of one of the existing panels, I'll need to
12 have names and spellings.

13 MR. TAURO: Eric Tauro. E R I C T A U R O.

14 MR. BRYANT: And next?

15 MR. FERNANDEZ: Guillermo Fernandez. G U I L L E R M
16 O, FERNANDEZ, F E R N A N D E Z.

17 MR. BRYANT: Thank you.

18 MR. TREMBLE: Scott Tremble. S C O T T, Tremble, T R
19 E M B L E.

20 MR. BRYANT: Thank you. Okay. With the five of you
21 please raise your right hand? Do you swear or solemnly affirm
22 that the testimony you give today and throughout this entire
23 proceeding is and will be wholly truthful?

24 (Affirmative responses.)

25 MR. BRYANT: Just to be clear, did any of you not

1 answer in the affirmative? Okay, you are on now under oath.

2 And I would remind the other three members of the policy panel
3 that you are still under oath from last week. I believe we're
4 ready for questioning.

5 MR. DES ROSIERS: And then Ms. Byron on the Teams may
6 also answer questions as well. Diane Byron.

7 MR. BRYANT: Thank you. Okay, I got the spelling off
8 the -- and I wasn't watching, but did you raise your hand as
9 well?

10 MS. BYRON: I did not, but I can do that now. I
11 agree.

12 MR. BRYANT: Okay, I'm sorry. I have to remember
13 this remote participation. Please raise your right hand. Do
14 you swear or solemnly affirm that the testimony you give today
15 and throughout this entire proceeding is and will be wholly
16 truthful?

17 MS. BYRON: Yes, I do.

18 MR. BRYANT: Thank you.

19 MS. BYRON: Thank you.

20 MR. BRYANT: So anything else I've forgotten? Okay.
21 Okay, Bill? Drew?

22 MR. LANDRY: I've got this. I've got this.

23 MR. BRYANT: Floor is yours.

24 MR. BRYANT: Good morning. Andrew Landry. I'm
25 Deputy Public Advocate, and I'll be asking questions this

1 morning regarding primarily related to affiliate services and
2 executive compensation. Before I start, I want to just note,
3 and we talked ahead of time, there are a number of these
4 questions that are really better presented in the form of
5 written data request. And by prior arrangement with counsel,
6 we'll be trying to get you those written data requests in lieu
7 of this questioning this morning. It'll save us a lot of time
8 and hopefully a lot of pain listening to me read long
9 questions. So I appreciate that and I appreciate you all being
10 here today. I will refer occasionally to the term allocated
11 service company, and I may use the abbreviation ASC to refer to
12 allocated service company. So just for purposes of anybody
13 reading the transcript now, that is a phrase I'll probably use
14 a number of times.

15 MR. DES ROSIERS: If I may, Drew, as to the acronym
16 of ASC, the folks here, many of them work for ASC, but in their
17 parlance it's Avangrid Service Company.

18 MR. LANDRY: Okay.

19 MR. DES ROSIERS: And if your intention is the
20 specific company, I might offer that ASC would be that acronym
21 as opposed to a different acronym because it could get
22 confusing. If there's a way to parse it. If you're speaking
23 more generally.

24 MR. LANDRY: Fair.

25 MR. DES ROSIERS: -- then we could have a term that

1 would be general, but I just fear that if we --

2 MR. LANDRY: Okay, I will try to stick ASC as
3 Avangrid Service Company and use the word allocated if I'm
4 referring to anything else.

5 MR. DES ROSIERS: That would be helpful. Thank you.

6 MR. LANDRY: All right, first questions relate to
7 some testimony in the revenue requirement panel which I believe
8 it was pages 17 to 19. I'm not certain if it's important to
9 look at that, but that's what I'm referring to. So I
10 understand that the company is proposing to use an inflation
11 factor to escalate the allowed affiliate charges included in
12 its distribution rates from the cap that was established in the
13 -- in prior proceedings to increase it to reflect the current
14 level. Am I correct that -- what inflationary rate did you
15 use, not percentage wise, but what was the source of the
16 inflation factor?

17 MR. COHEN: Peter Cohen. That inflation factor is
18 consistent with the other -- the application for other
19 components of the revenue requirement. Subject to check it's
20 GDPPI.

21 MR. LANDRY: All right. Did the company do any
22 analysis or, for instance, some sort of regression analysis or
23 something to determine that that was an appropriate factor,
24 that that reflected the (indiscernible) appropriate inflation
25 factor for affiliate charges?

1 MR. COHEN: This is Peter Cohen. So the company
2 uniformly used GDPPI for its rate case. It didn't do a
3 specific assessment as it pertains to this specific category of
4 costs.

5 MR. LANDRY: Now I think in the last rate proceeding,
6 CMP had prepared an analysis that was intended to demonstrate
7 that the overall level of affiliate charges was reasonable and
8 met market conditions for the services that were being
9 provided. Did CMP provide -- prepare any analysis like that
10 for this proceeding?

11 MR. COHEN: It did not. The results of the last case
12 indicated that the company needed to provide information
13 regarding outsourcing efforts, and the company did provide
14 that. I think it was revenue requirement panel Exhibit 7.

15 MR. LANDRY: Thank you. Now as I understand it,
16 you're -- the company is proposing to use the cap that was
17 established previously but to escalate it for inflation. Does
18 -- are any of the other Avangrid operating companies in the
19 U.S. subject to a cap on the amount of affiliate charges that
20 they are allowed to recover?

21 MS. VANLULING: This is Andrea VanLuling. No. This
22 is Andrea VanLuling. No, outside of Maine. So Maine,
23 including CMP, MEPCO, Novarco (phonetic), Chester, all the
24 Maine entities are under that current cap.

25 MR. LANDRY: Thank you for that clarification. And

1 now I'm referring to the cost allocation manuals that were
2 provided in response to OPA data request 001-001. I'm
3 wondering if --

4 MR. DES ROSIERS: Drew? Drew? Just to be clear,
5 reference, did you mean the attachments to OPA 01-02 for the --
6 I don't believe the attachment to one is a cost allocation
7 manual, but I believe 002 --

8 MR. LANDRY: -- might have.

9 MS. VANLULING: It is.

10 MR. LANDRY: It is?

11 MS. VANLULING: Yeah.

12 MR. LANDRY: Okay, thank you. So are we referring to
13 one then? Okay, good. Thank you for the clarification. Do
14 Appendix A and Appendix B in the cost allocation manual refer
15 to and include Avangrid Service Company services and expenses
16 for both corporate services and technical services?

17 MS. VANLULING: This is Andrea. Yes, they do. So
18 I'm specifically looking at Attachment 001-007 which is the
19 most recent version of it, and yes, it does.

20 MR. LANDRY: Sure. Thank you. Are both of those --
21 both corporate services and technical services charges, both
22 charges that are made by Avangrid Service Company to CMP?

23 MS. VANLULING: This is Andrea. So the way that the
24 charges work is there's Avangrid Management Company. I'll also
25 sometimes call it AMC. AMC is a separate entity that gathers

1 charges. AMC can allocate to Avangrid Services Company, what
2 we call the ASC, or they can allocate to the other segments at
3 Avangrid. Once you -- once those allocations come down to ASC,
4 Avangrid Services Company, Avangrid Services Company then has
5 individuals like myself, like Deb who sit there, who charge
6 into the company. It gathers the costs at ASC as well as the
7 costs that came down from AMC, and those costs are what are
8 allocated to our regulated subsidiaries including Central Maine
9 Power.

10 MR. LANDRY: So just so I understand, does AMC impose
11 separate affiliate charges on Central Maine Power?

12 MS. VANLULING: AMC has their own charges. So items
13 such as general services sit at AMC. So the certain buildings.
14 And they -- that -- they gather the charges that are considered
15 AMC charges. Then depending on what type of charges they are,
16 they have different drivers, and those drivers will dictate if
17 the charges are going to ASC. So ASC will get a portion of
18 some charges of AMC.

19 MR. LANDRY: (Indiscernible) just wondering if this
20 -- so AMC could be charging to both CMP and ASC.

21 MS. VANLULING: AMC cannot charge directly to CMP.
22 And this is Andrea.

23 MR. LANDRY: (Indiscernible). No, that clarifies for
24 me. Thank you. That was what I was trying to get at maybe in
25 artfully. Now Appendix B of the CAM (phonetic) shows 2021

1 projected corporate ASC expenses of 35.5 million and ASC
2 expenses of 15 -- technical ASC charges of 15.5 million. Are
3 the 2021 projected technical expenses of 15.5 million included
4 in the actual total ASC expenses of 32.5 million that are shown
5 on Exhibit RRP-2 which is Revenue Requirement Panel 3, page six
6 of 31? I'm sorry, I should have pointed that out to you
7 before.

8 MS. VANLULING: Sure, so this is Andrea. That page,
9 exactly to your point, there's \$35.5 million of AMC charges and
10 \$15.5 million of ASC charges, both of which represent the
11 budgeted charges that would be allocated to CMP for the 2022
12 year. That -- they total 51 million. That is then -- both of
13 them are then subject to the cap of the 32 and a half, and the
14 32 and a half is across all the entities in Maine. So they are
15 capped, but that is the allocated charges that CMP would have
16 been getting had they not had a cap.

17 MR. LANDRY: All right. Thank you. That's very
18 helpful.

19 MS. HEALY: Sorry, could you just restate that total,
20 what the total charges would have been to -- I'd like to know
21 what the total charges would have been to CMP but for the cap.

22 MS. VANLULING: Sure, 51 million. CMP. This is
23 Andrea.

24 MR. LANDRY: So just to be clear, the 32.5 includes
25 both the technical expenses and the corporate expenses.

1 MS. VANLULING: This is Andrea. Correct.

2 MR. LANDRY: So you've provided the 2021 corporate
3 and technical expenses. Does -- has CMP prepared a budget or
4 projections for 2022 and 2023 for these expenses?

5 MS. VANLULING: This is Andrea. We do have a budget
6 for 2022, and we are currently undergoing the budget process
7 for 2023. It needs to be approved by all of the presidents and
8 the boards before it's considered final. The 2023 has not been
9 approved. We have a draft, but it has not been approved.

10 MR. LANDRY: Is it possible -- I guess this is an
11 oral data request -- to provide the 2022 budget?

12 MS. VANLULING: This is Andrew. Yeah.

13 MR. BRYANT: (Indiscernible) be ODR 2-2.

14 MR. LANDRY: Getting back to the inflation
15 adjustment, does the inflation adjustment -- I guess this is
16 just for clarity, but the inflation adjustment applied to both
17 the technical expenses and the corporate expenses that are
18 included in the charges?

19 MS. VANLULING: This is Andrea. Correct, yes.

20 MR. LANDRY: (Indiscernible) an ODR as well, but
21 within the corporate -- I assume shareholder expenses are
22 included in the corporate expenses?

23 MS. VANLULING: This is Andrea. When you say
24 shareholder expenses, specifically what are you referring to,
25 what type?

1 MR. LANDRY: Sure. I think what I'm referring to is
2 expenses related to being a public company. So whether it's
3 preparation of reports need to be filed with the SEC and just
4 shareholder services, things along those lines.

5 MS. VANLULING: So this is Andrea. The answer to
6 that is it depends. Certain costs -- when we were going
7 AMC/ASC down to CMP, certain costs stay at AMC. And then other
8 costs will be allocated down to ASC, and then ASC will allocate
9 costs to CMP. So certain shareholder expenses do stay at AMC,
10 but it's a broad category of expenses. So it might make sense
11 to just better understand exactly the definition of what you're
12 looking for to answer that question.

13 MR. LANDRY: I guess the easiest way to get at it,
14 again, might be another oral data request and which is can you
15 provide the -- for the most recent year you have it available,
16 the amount of shareholder-related expenses that were included
17 in the corporate charges made by ASC the CMP and then identify
18 them by category? I'll suggest we add to that to identify the
19 categories that are not (indiscernible) so charges that are
20 withheld by AMC.

21 MR. BRYANT: Okay, that's ODR 2-3.

22 MR. HARWOOD: So if I understand it correctly, the
23 management at AMC would have responsibility for merger and
24 acquisition activity involving Avangrid companies in the U.S.
25 Is that right?

1 MS. VANLULING: This is Andrea. That is correct.

2 MR. HARWOOD: And so in the case of looking for
3 acquisition companies in the U.S., those costs and time would
4 be at the AMC and they would not be charged down to the service
5 company and then to the operating utilities. Is that right?

6 MS. VANLULING: This is Andrea. That is correct. I
7 need to double check the exact amounts that were incurred and
8 what went down, but we do keep merger and acquisition at the
9 AMC level.

10 MR. HARWOOD: Well, here's my question. One of the
11 questions I -- issues I assume at the AMC level is whether to
12 hold onto CMP as one of your operating companies or whether to
13 put it up for sale as we know these companies do from time to
14 time. How do we know, when the AMC management is looking at
15 CMP and its finances and its projections and its earnings,
16 whether it's doing it in its management capacity to help manage
17 CMP or in its capacity of mergers and acquisitions as to
18 whether or not it's in the best interests of Avangrid
19 shareholders to hold CMP or to sell it?

20 MS. VANLULING: This is Andrea. I would need to
21 check with the Avangrid Management employees as to how they
22 spend their time and if they have done that. As far as I'm
23 aware, in my role I'm not aware of such activity occurring, but
24 that doesn't mean it doesn't occur outside of my scope.

25 MR. HARWOOD: Well, when you say you're not aware of

1 such activity, let me try -- the assumption is that when AMC
2 management is reviewing CMC's finances, without putting them
3 under oath and having them here, how do we know whether they're
4 assisting in the management of CMP for the benefit of its
5 ratepayers versus evaluating the future earnings and
6 profitability of CMP so that it can make good decisions under
7 its fiduciary duty to its investors as to whether to hold or
8 sell CMP?

9 MS. VANLULING: Yeah, this is Andrea. We'd have to
10 check what the AMC employees --

11 MR. HARWOOD: Do you want to make that an oral data
12 request?

13 MR. BRYANT: The question is do you want to make it -
14 -

15 MR. HARWOOD: I'd be happy to. Yes, thank you.

16 MR. BRYANT: Can you pare that down?

17 MR. HARWOOD: Yes, the oral data request is --

18 MR. DES ROSIERS: I'd decline if I had a vote. I
19 don't think it's my choice so --

20 MR. HARWOOD: Please explain how you distinguish the
21 time that AMC management spends on CMP as to whether it's
22 properly charged to CMP as benefiting ratepayers or should not
23 be charged to CMP as benefiting investors.

24 MS. TAYLOR: Thank you. That's ODR number four.

25 MR. LANDRY: Thanks. So do -- does ASC charge

1 affiliate charges, the technical charges and the corporate
2 charges, to all operating company subsidiaries that are part of
3 the Avangrid company or organization?

4 MS. VANLULING: This is Andrea. ASC charges all of
5 the Networks utilities.

6 MR. LANDRY: Okay. So it doesn't -- is Renewables or
7 --

8 MS. VANLULING: This is Andrea. Renewables can only
9 be charged by AMC, Avangrid Management Company. So if you
10 think about it, Renewables and Avangrid Service Company, AC --
11 ASC, are sister companies.

12 MR. LANDRY: (Indiscernible). So ASC does not
13 provide any same services to Avangrid Renewables?

14 MS. VANLULING: This is Andrea. There may be
15 instances where there's a separate agreement for ASC to provide
16 services to Renewables on one offs, such as if they had
17 engineering capabilities or knowledge of something, where they
18 would -- their employees may provide a one-off service to
19 Renewables, but they would charge Renewables for that service
20 and be reimbursed for it.

21 MR. LANDRY: And in terms of services, what are the
22 allocation factors that ASC uses to decide how it's going to --
23 how much it's going to charge the various operating companies
24 for its services?

25 MS. VANLULING: Sure. So this is Andrea. On that

1 cost allocation manual and those appendixes that you were
2 referring to, there is a schedule that shows all of the
3 different types of services that are provided and then the
4 individual drivers, how those are allocated. So we use things
5 such as number of vehicles, number of invoices, number of
6 people per the business or the Mass. formula to allocate the
7 services depending what the cost causation driver should be.
8 so that manual that we were talking about before outlines each
9 type of service, what the driver is, and then, in that same
10 manual, it shows what the portion for the budget is that CMP is
11 going to be receiving for that year.

12 MR. LANDRY: Thank you. Are there any non-U.S.-based
13 affiliates that receive an allocation of any of ASC's expenses?

14 MS. VANLULING: This is Andrea. No. Receiving
15 charges from ASC?

16 MR. LANDRY: Correct.

17 MS. VANLULING: No.

18 MR. LANDRY: And are there any U.S.-based affiliates
19 of ASC or I guess subsidiaries of ASC that do not receive
20 charges?

21 MS. VANLULING: This is Andrea. No.

22 MR. LANDRY: Now there were a couple of data requests
23 and there may be another one further down, but I have that, as
24 of today, that OPA 1 -- 001-002 had not been responded to.

25 MS. VANLULING: This is Andrea. Correct. It should

1 be submitted today.

2 MR. LANDRY: Today? Great. Thank you. And I think
3 there was some annual information missing from the response to
4 OPA 001-003 I think for the earlier years requested.

5 MS. VANLULING: This is Andrea. Correct, 2015 and
6 2016.

7 MR. LANDRY: Will those -- when will that be provided
8 do you expect?

9 MS. VANLULING: That should be by the end of this
10 week.

11 MR. LANDRY: Thank you. Appreciate that. So now
12 I'll be referring to, I think, Attachments 1 to 4 to your
13 response to OPA 001-003 which shows changes in the distribution
14 and transmission allocation factors for gross payroll component
15 for the years provided. It appeared that gross payroll --
16 there was a decrease in gross payroll from 2018 to '19 by 27
17 point -- 23.7 million. And wondered what was driving the
18 decrease in payroll during that period. So if I have the
19 numbers correct, there was a -- for 2018, which was used for
20 the 2019 allocator, we had -- the payroll allocator was 61.9
21 million for distribution and 20.2 million for transmission.
22 And the following year, it dropped to \$38.2 million for
23 distribution and 13 million for transmission.

24 MS. VANLULING: And this is Andrea. We'd need to
25 look into that.

1 MR. LANDRY: Okay, we'll -- we're going to be
2 submitting some written data requests as we talked about
3 before. I think we'll just include this question there rather
4 than try to recite it.

5 MR. BRYANT: Sounds good. Thank you.

6 MR. LANDRY: And when you're doing -- you know,
7 preparing these gross payroll amounts, would those gross
8 payroll amounts include incentive compensation such as bonuses,
9 short-term incentives, overtime -- I guess that's not incentive
10 but overtime -- supplemental retirement, or severance payments?

11 MS. VANLULING: This is Andrea. They would, but they
12 also include storm payroll.

13 MR. LANDRY: Okay. Now another one that I think was
14 missing so far was the response to -- a response to OPA 001-004
15 which regarded allocation of Iberdrola cost to Avangrid. Do
16 you have an idea when that number will be available?

17 MS. VANLULING: I'd refer that one to Guillermo and
18 Eric.

19 MR. FERNANDEZ: I think -- hello, this is Guillermo
20 Fernandez. I think we have provided -- we have that
21 information readily available. I think we provided it to the
22 team, and maybe we need to follow up and provide it to you.
23 But we do have that information.

24 MR. LANDRY: Great. Thank you.

25 MS. VANLULING: This is Andrea. Today.

1 MS. TAYLOR: Just a point of clarification, are you
2 going to take an ODR on that?

3 MR. LANDRY: No, that last one we're just looking for
4 the status of a question that we --

5 MS. TAYLOR: Oh, okay, thank you.

6 MR. LANDRY: So appreciate that it will be maybe
7 today.

8 MR. DES ROSIERS: Yeah. And just to be clear, the
9 ones that Drew has asked about, they've been responded to, but
10 certain ones indicated that they would be supplemented with
11 additional information. And this is one of those.

12 MS. TAYLOR: Okay. Thank you.

13 MR. LANDRY: (Indiscernible) that clarification. Now
14 as part of the response to OPA 001-005, there was a discussion
15 of the efficiency transformation project. Could somebody
16 describe what that project is and identify what Avangrid
17 affiliates are participating in it?

18 MS. VANLULING: Sure. So this is Andrea. Over the
19 last couple of years we've had various different programs, it
20 might be referred to as Everyday Better or One Avangrid, where
21 we look at how to make our processes as well as our overall
22 cost more efficient for our ratepayers and look for ways to
23 improve what we're currently doing, better knowledge sharing,
24 better system enhancements. That drive over -- a better
25 overall effective and efficient processes.

1 MR. LANDRY: And is this initiative -- is that one
2 that's limited to CMP, to Avangrid Service Company affiliates,
3 or Avangrid corporate and all its --

4 MS. VANLULING: This is Andrea. So that's for
5 everybody. Avangrid corporate, all of the regulated utilities,
6 CMP, Renewables. Everybody undergoes those.

7 MR. LANDRY: Okay. Thank you. Now, again, looking
8 at Attachment 1 to OPA 001-005, there's a reference, and I have
9 line references to 623 -- oh, excuse me, 642, 643, 646, 647. I
10 don't know if you have to look -- find them. I'll describe
11 what they are, though. It states that there are -- that it
12 includes cost subject to allocation to CMP of \$4 million for
13 political government power takeover, of \$4 million, \$7 million,
14 or, excuse me, .7 million for government takeover, 75K, sorry,
15 \$4 million for Maine affordable energy --

16 MS. MCDONOUGH: Hey, Drew/

17 MR. LANDRY: Yes.

18 MS. MCDONOUGH: Could you -- this is Katherine
19 McDonough. Could you please give us the line number when you
20 look at those? It might make it easy.

21 MR. LANDRY: The line numbers I'm referring to on
22 Attachment 1 are lines 620 -- excuse me, 642, 643, 646, and
23 647.

24 MS. MCDONOUGH: And this is in tab 1, correct?

25 MR. DES ROSIERS: Which --

1 MS. VANLULING: No, I think it's an OPA 001-005A,
2 2021 Corp tab.

3 MR. DES ROSIERS: And which tab, Drew?

4 MR. LANDRY: You're going to make me look.

5 MS. HEALY: It was the -- I think Andrea answered
6 that it was the OPA 1-5A, 2021 Corp tab, correct?

7 MS. VANLULING: Correct. That's where I -- what I
8 believe he's referencing.

9 MR. LANDRY: So I understand these. You know, this
10 is showing costs that have been assigned or allocated. Are
11 those -- just trying to understand what the -- whether those
12 are included in what's being imposed on CMP has to be imposed
13 on CMP ratepayers or if you think they're excluded as part of
14 the cap.

15 MS. VANLULING: So this is Andrea, and I do ask
16 Guillermo to correct me if I misspeak, but columns J and
17 columns K --

18 MR. LANDRY: Yeah.

19 MS. VANLULING: -- say not allocated. Those are not
20 allocated to the -- to CMP.

21 MR. LANDRY: Okay.

22 MS. VANLULING: So those maintain at the parent
23 company levels, the service company levels that they were
24 incurred at and do not get allocated down.

25 MR. LANDRY: And does that apply to those different

1 lines, all those lines?

2 MS. VANLULING: Column J and column K will tell you
3 if it's allocated or not allocated, and if it says not
4 allocated, it means it stays at the service companies.

5 MR. TREMBLE: Drew, this is Scott Tremble. But to
6 confirm, yes, it does. All the ones that you specifically
7 asked about say not allocated and have zero in the allocated to
8 CMP column as well.

9 MR. LANDRY: Great. Thank you. And I think we noted
10 on Attachment 2 at line 54, there's annual dues to EEI with
11 120,000 allocated to CMP. Have these costs been removed or
12 adjusted from the -- CMP's rate request? That may be for
13 Peter.

14 MS. VANLULING: Yeah, this is Andrea. I would need
15 to check with the revenue requirements team. But can you --
16 you said --

17 MR. LANDRY: It's --

18 MS. VANLULING: Attachment 2. Do you know which year
19 you're referring to? I'm assuming 2021.

20 MR. LANDRY: I'm assuming 2021.

21 MS. VANLULING: And do you know which row you're
22 talking about, whether --

23 MR. LANDRY: This is line 54.

24 MS. VANLULING: -- four.

25 MR. LANDRY: I assume that's row 54.

1 MS. VANLULING: Yeah, I see some -- I see that.
2 Yeah.

3 MR. LANDRY: Maybe we can -- I guess I'll ask this is
4 an oral that request now. Has CMP removed or included the EEI
5 dues in its revenue request?

6 MR. COHEN: It would be best that we took that as an
7 ODR just to make sure we confirm it with the revenue
8 requirement.

9 MR. LANDRY: Sure.

10 MR. COHEN: This is Peter.

11 MS. TAYLOR: ODR 6.

12 MS. TRACY: Ms. Taylor, could you tell me what ODR 5
13 is? Because I'm -- I thought it was five.

14 MS. TAYLOR: Drew, said earlier that he had one he
15 was going to email to us. So I had put that as ODR 5. There
16 was one earlier in the record.

17 MR. DES ROSIERS: I think that that was going to be
18 part of the writing--

19 MR. LANDRY: Right, right, yeah.

20 MS. TAYLOR: Okay, so --

21 MR. LANDRY: I'm not going to -- right, I was not
22 going to ask it right now.

23 MS. TAYLOR: Okay. So that -- you're correct, then
24 this one is ODR 5.

25 MR. BRYANT: So just -- so the questions that you're

1 going to put in writing is going to be OPA set, like, 11 or
2 something, is that --

3 MR. LANDRY: Right. We'll do it as open an OPA set,
4 and with that, ask, subject to discussion with counsel after
5 they receive them, that they have the same deadline as ODR 2,
6 but --

7 MR. BRYANT: Okay, that's fine.

8 MR. LANDRY: This will go back to the same theme we
9 had with others there with OPA 001-007 and OPA 001-008. There
10 were some information that was not available when the response
11 was provided. Wondered whether the -- you had an idea of when
12 the remaining information that would be provided would be
13 available.

14 MS. VANLULING: Yeah, OPA, 001-007 and OPA 001-008
15 remaining information should be early next week.

16 MR. LANDRY: Thank you. (Indiscernible) the
17 questions that we had for -- on executive compensation, and
18 this relates to, you know, parent-level executive compensation
19 and its allocation to CMP. And I think this information will
20 be better asked as -- in written form. And I really appreciate
21 your willingness to do this, and we can -- it may be easier
22 after you receive them. We may want to set up a discussion and
23 see how we can -- you know, what's readily available and that
24 sort of thing.

25 MR. DES ROSIERS: That would be helpful.

1 MR. LANDRY: I think with the opportunity to ask some
2 written questions, that's all I had. But Bill, go ahead.

3 MR. HARWOOD: Give me the permission to ask just a
4 couple of follow ups. In an earlier data request, you
5 indicated that there are over 600 Avangrid employees who spend
6 more than ten percent of their time for CMP. How many
7 employees does CMP have approximately today? This is round
8 numbers.

9 MR. PURINGTON: Joe Purington. It's a little under a
10 thousand.

11 MR. HARWOOD: So CMP has under a thousand, and then
12 there are 600 Avangrid employees who spend at least ten percent
13 of their time on CMP. How does management decide, when you
14 need additional people to help run the company, whether to add
15 them on the Avangrid side, so to that 600, or to the CMP side
16 for a thousand?

17 MS. VANLULING: This is Andrea. So if an individual
18 is slotted as a CMP employee, they need to be spending almost a
19 hundred percent of their time working on CMP. If they are not,
20 then they are not a CMP employee. And any CMP employee who is
21 -- provides services for another entity is given a charge code
22 so they can charge that other entity when they are providing
23 services to that other entity. So if they service CMP 90
24 percent of their time and they service a different entity ten
25 percent, they have a charge code for when they are servicing

1 the other entity to charge to that other entity. Those were
2 those direct charges that you will see in some of the schedules
3 that we provide.

4 MR. HARWOOD: Let's assume hypothetically that we are
5 about to hire an employee and he or she is going to spend
6 roughly a hundred percent of their time on CMP. They can
7 either be an Avangrid employee and -- or they can be CMP
8 employee. How do you decide where to put them?

9 MS. VANLULING: They need to be -- this is Andrea.
10 They need to be CMP employee because they're going to be
11 spending a hundred percent of their time. And the rule of
12 thumb is employees who spend more than 80 percent of their time
13 on one company need to be in that particular company.

14 MR. HARWOOD: But if you were now talking about
15 hiring larger numbers of people, in theory, you could hire
16 three Avangrid employees who spend a third of their time on CMP
17 or you could hire one full-time CMP employee. You follow?

18 MS. VANLULING: This is Andrea. So on that question,
19 though, what would those three other individuals be doing for
20 other entities? Is there a need for them? So my understanding
21 of the question was if CMP needs an employee and needs -- let's
22 talk hours 2,000 hours, then we would hire a CMP employee to
23 fill those 2,000 hours. If I had needs for 6,000 hours in the
24 example that you just gave with the three employees, the
25 question would be where are those needs and where is that 6,000

1 hours being spent? And then analyze where those employees
2 should go.

3 MR. HARWOOD: Let me wade into an area, and I don't
4 want to go into executive session. So you have indicated in
5 your data responses the average executive comp and senior
6 leadership compensation at Avangrid and the senior leadership
7 compensation at CMP. Assuming, hypothetically, that there is a
8 significant pay differential between CMP employees and
9 comparable Avangrid employees, is that a factor in determining
10 whether or not to increase the number of employees at Avangrid
11 versus at the -- CMP?

12 MS. VANLULING: This is Andrea. I'd need to refer to
13 Diane for the compensation levels.

14 MR. HARWOOD: What I'm --

15 MS. BYRON: Hi, this is Diane Byron. I could speak
16 to the compensation levels, but not how it goes into deciding
17 head count at the operating companies. I don't think there's a
18 direct correlation between head count needed and the
19 compensation of the executives, but I would not be making those
20 decisions on head count. So I can't answer the question
21 directly.

22 MR. PURINGTON: So this is Joe Purington. If I can
23 add a little bit to what Andrea said. So as we go through our
24 determination of hiring and filling roles, determination
25 between a local operating company jurisdictionally versus a

1 service company employee, you know, in our rate case we've
2 asked for lineworkers, you know, troubleshooters, control
3 center operators, etc. For those functions that have been
4 traditionally service company employees where we create centers
5 of excellence for reporting that benefits all the companies,
6 we'll consider those going into the service company. Every
7 week we look at a report of open positions and how they are
8 being allocated at the president level and the senior leaders.
9 We review that report to ensure that those employees are being
10 properly categorized into the right company or service company.
11 So if there's questions about somebody being hired at a service
12 company level, I can throw my hand up and ask those questions
13 to ensure that we're getting the most value for that position.
14 Likewise, you know, when we put in positions at the CMP level,
15 people understand and we justify the reason for it being at the
16 CMP level, local execution. So there's a robust process for
17 approving positions and determining the allocation of where
18 they go in the enterprise.

19 MR. HARWOOD: Is it theoretically possible -- and I --
20 -- setting aside the implementation challenges -- theoretically
21 possible that CMP could beef up its internal management team
22 and have more than the thousand employees and reduce its need
23 for management services from the Avangrid management and have
24 less than the 648 Avangrid employees who spend more than ten
25 percent of their time on CMP?

1 MR. PURINGTON: You know, in in theory, Bill, I think
2 what we would have to look at is the value created at spreading
3 those skill sets across an enterprise versus bringing them
4 local and what do you lose when you bring them local. That's a
5 tough question that I don't think I can give you a black and
6 white answer on.

7 MR. HARWOOD: And hypothetically if CMP's
8 compensation levels for those management employees were less
9 than Avangrid, the results of bringing those in house might be
10 to lower the overall revenue requirement of CMP. Is that fair?

11 MR. PURINGTON: So I'll say that in our conversations
12 about hiring positions, we don't talk a lot about compensation
13 for the positions between the companies, and I'd want to defer
14 to our HR folks and comp -- Diane can probably help answer that
15 question. But we're really looking to fill the need and where
16 it best serves the company and the enterprise.

17 MR. HARWOOD: Okay. I had -- and I apologize
18 (indiscernible) one question (indiscernible), Peter, to follow
19 up an exchange we had last week, and this was the rate plan and
20 the issue of AFUDC. Do you remember that discussion? So let
21 me try a hypothetical to see if I can get my hands around this.
22 Let's assume we're in the rate plan, and let's assume that
23 there is \$200 million of additional net plant going into rates
24 in year three. And let's assume that CMP has only one project
25 that is going to start construction on the first day of year

1 three, and on the last day of year three, it will go into
2 service at 200 million. So there's no adjustment or
3 reconciliation, right? So for my \$200 million project that's
4 under construction in year three but is in rate base in year
5 three, did you say that you are charging AFUDC on that
6 construction project during year three that would inflate the
7 amount of the project that would then be available to go into
8 rates when it is transferred to plant in service?

9 MR. COHEN: (Indiscernible) investment doesn't turn
10 to rate base until it's brought into service. In the
11 hypothetical example you provided, this investment was brought
12 into service on the final day of rate year three. Is that
13 correct?

14 MR. HARWOOD: Yes.

15 MR. COHEN: So because rate base is used as an
16 average, not a period-ending figure, that would only have a
17 very small impact on rate base in rate year three as a result
18 of the timing of the in (indiscernible). So that -- that's an
19 important distinction. So as capital is being invested and
20 before it is brought into service, it's not in rate base and it
21 would accrue AFUDC. That is because it's not in rate base.
22 When it goes into service, that ends, obviously, and it moves
23 into rate base.

24 MR. HARWOOD: I understand the 13-month average rate
25 basis throws off my hypothetical, but I think you're avoiding

1 -- the question is aren't you calculating additional AFUDC or
2 are you calculating any addition, any AFUDC, on that project
3 under construction which ratepayers will be responsible for
4 paying for at the same time the \$200 million, which is your
5 estimate of the project, is in rates and is being paid for by
6 ratepayers?

7 MR. COHEN: I'm sorry if it would appear that I'm
8 being evasive. It's not my intent. I would guess that I'm
9 confused by your question because the way that -- it's not in
10 rates until it's in rate base. In your example, it's not in
11 rate base except for a very small sliver. So there is no AFUDC
12 that's being charged while something's in a rate base. It adds
13 to the balance, certainly, but it's not -- you don't have these
14 occurring simultaneously.

15 MR. HARWOOD: Let me try it again. The AFUDC, I
16 understand, will be paid for over the life of the asset.
17 You've had an inflated rate base for the asset because it --
18 you've got the AFUDC during construction. The point -- it's a
19 little bit like the old nuclear power quip. How is it fair to
20 ratepayers to say we're going to put a proxy number of \$200
21 million into rate base because that's our best estimate of what
22 the capital investments or additions are going to be during
23 this year, and then also turn around and say the ratepayers,
24 you got to pay the carrying charges on that construction
25 project during construction in the form of AFUDC? Which I

1 understand you don't pay for in this rate case or this rate
2 plan, but you sure pay for over the life of the asset.

3 MS. ANCEL: This is Charlotte Ancel. Mr. Harwood, we
4 are -- we want to answer your question fully. We're going to
5 take a stab now, and then I understand -- I would expect that
6 at some point we'll take a break, and we will come back if
7 there's additional information that we can provide. We would
8 note that -- and we're struggling a little bit to understand
9 conceptually how it is that you're thinking of AFUDC and we
10 want to make sure that we do understand it so that we can
11 answer fully. We would note that in a case where there are
12 multi-year rate adjustments, you would be actually accruing
13 less AFUDC for customers because you're closing -- you're
14 starting to recover on the amount of capital that's been put
15 into -- plant that's put into service and you're recovering
16 that on rates. So you're clearing that balance out as opposed
17 to traditional rate cases where you would stay out, accrue a
18 ton of AFUDC in terms of amounts that have been closed to plant
19 but not yet collected on in rates.

20 MR. HARWOOD: So are you saying that the amount of
21 AFUDC that is charged ratepayers may be affected by your -- the
22 way your rate plan would play out? Because I thought Mr.
23 Cohen's answer, at least last week, was AFUDC doesn't anything
24 to do with this, the rate plan won't affect it. But I thought
25 I heard your answer saying it may.

1 MS. ANCEL: No, we would agree that there's no
2 difference in terms of ratemaking as to how AFUDC would be
3 accrued here. We're simply making the point that you're
4 closing -- you're starting to collect on the amounts that have
5 been closed to plant in service with greater frequency and one-
6 year steps which is beneficial to customers in terms of
7 clearing -- not letting those balances build. It seems -- I
8 guess I would let the record reflect that CMP has not yet fully
9 answered Mr. Harwood's question, and if we could --

10 MR. HARWOOD: Do you want to --

11 MS. ANCEL: -- taking a pause and at the break we'll
12 confer as a team. We would like to be able to answer it for
13 you.

14 MR. HARWOOD: Or you could take it as an oral data
15 request if that's helpful and give it more reflection.

16 MR. COHEN: This is Peter. I think, given I've taken
17 a couple swings at this and missed it, I would like to take an
18 ODR, Bill, and I'll get you the answer.

19 MR. HARWOOD: And I'm happy to have that continual
20 follow up during the break or anytime else just so I better
21 understand this. Do you need the ODR repeated?

22 MR. BRYANT: Yes.

23 MS. TAYLOR: Please.

24 MR. COHEN: Yeah.

25 MR. HARWOOD: Could you explain how your rate plan

1 may or may not affect the amount of AFUDC accumulated on
2 projects while under construction that will eventually be
3 charged to ratepayers?

4 MS. TAYLOR: Thank you.

5 MR. HARWOOD: Thank you very much. I appreciate you
6 allowing me to come back to that.

7 MR. BRYANT: Bill, I'm wondering if, in CMP's
8 response, it would be useful for you to have a hypothetical
9 numerical example that shows when stuff is charged when it
10 isn't, when it goes off the books, etc., etc.

11 MR. HARWOOD: Great addition. A friendly amendment
12 to the ODR.

13 MR. BRYANT: That might be the way to illustrate how
14 you answer the question.

15 MR. COHEN: I agree. It's Peter. Thank you.

16 MR. HARWOOD: Thank you. We're all set.

17 MR. BRYANT: So you're done with your questions for
18 this panel?

19 MR. LANDRY: I think -- Bill, I don't know if you had
20 leftover questions for the policy panel, but that's all we had
21 for the affiliate charges and executive comp. We're going to
22 deal with -- as we discussed, we'll have ODR -- excuse me, OPA
23 data request 11 I think will cover --

24 MR. HARWOOD: And I'm all set with a policy panel.
25 Thank you very much.

1 MS. HEALY: Yeah. So I have a couple questions on
2 affiliated charges and one on executive comp. So affiliate
3 charges, I wanted to focus on Exhibit RRP-7. This is the
4 report on outsourcing activities. And this report indicates
5 that it was prepared -- or at least it's dated January 1, 2020.
6 Have there been any updates to this report since it was
7 created?

8 MR. DES ROSIERS: I'll -- just so we're clear on the
9 record, the report was prepared in the summer of 2022, but it
10 goes back to pick up activities that go back to January 1,
11 2020.

12 MS. HEALY: Okay, that's helpful. Okay. So it was
13 prepared, you said, in -- when in 2022?

14 MR. DES ROSIERS: It was prepared in -- completed in
15 July of 2022 in advance of the filing in August.

16 MS. HEALY: Okay. So are there any updates to this
17 report since July of 2022?

18 MR. COHEN: This is Peter. No, there hasn't been.

19 MS. HEALY: And so this report reports on the number
20 of activities that you've outsourced now, for example,
21 corporate tax services, that had previously been provided --
22 these services have been provided by affiliates, correct?

23 MR. COHEN: This is Peter. That's correct.

24 MS. HEALY: Okay. Have you analyzed whether -- and I
25 know that these services were outsourced at different times,

1 but I think, for example, some of the tax services were
2 outsourced maybe as early as 2019. PWC began performing these
3 corporate tax functions in August 2019, is that --

4 (No audible reply.)

5 MS. HEALY: Okay. And have you analyzed whether it
6 has -- whether those services have been less expensive now that
7 they've been outsourced compared to when they were provided by
8 affiliates?

9 MS. VANLULING: This is Andrea. Specific to the PWC
10 corporate tax outsourcing, that was a set agreement for a
11 number of years. I believe it's three -- five years. And so
12 we entered into a set cost agreement for those five years at
13 which time, before entering into it, we did analyze to ensure
14 that it was more cost effective than what we had currently had.
15 Once that agreement is done after the five years, the rates
16 would -- we would go out to bid again. We would go through the
17 same analysis. And at that point, one of the options is to
18 bring it back in house.

19 MS. HEALY: Okay. So at least at the time you
20 entered into the contract, you had done a cost benefit analysis
21 and they were less expensive. Can you tell me with respect to
22 the other services that have been outsourced, have those -- are
23 those less expensive or more expensive or the same as what was
24 charged when affiliates were providing those services?

25 MS. VANLULING: This is Andrea. I can broadly tell

1 you that in order for anything to be outsourced, at that time,
2 an analysis has to be done and it has to be proven that it is
3 more cost effective to outsource it. I can't speak to the
4 other specific services provided in here, but my colleagues in
5 general services, HR, and electric ops should be able to on the
6 specific analysis that's done.

7 MS. HEALY: I think (indiscernible) answer. Thank
8 you the -- and what you've proposed in this case, I think we
9 talked about, was to allocate to -- under the cap the
10 distribution portion that would be allocated to CMP would be
11 17.13 million and then escalated for inflation in each of the
12 three rate-effective years? Okay. And you had discussed
13 earlier the fact that the actual charges to CMP, actual
14 affiliate charges to CMP, were approximately 51 million. Was
15 that T&D combined or just D?

16 MS. VANLULING: This is Andrea. It's D&T combined.

17 MS. HEALY: Okay. And what would the allocation to D
18 be roughly if -- of that 51 million? So I could compare it to
19 the 17.13.

20 MS. VANLULING: This is Andrea. One moment. So
21 using the 2021 data, the D portion would be probably 52
22 percent.

23 MS. HEALY: Fifty-two percent of the 51 million?

24 MS. VANLULING: Yeah.

25 MS. HEALY: Okay. So --

1 MS. VANLULING: That's an estimate.

2 MS. HEALY: Okay. And so I can't do math well in my
3 head, but I'm thinking that's something around, I think, 25
4 million.

5 MS. VANLULING: Yeah, 25,26.

6 MS. HEALY: Okay. And so you -- let me ask you,
7 first of all, then why are you proposing the cap here, subject
8 to inflation adjustment, if the actual affiliate charges are
9 significantly higher than the cap?

10 MR. COHEN: This is Peter. I think that we felt as
11 though proposing an increase to the cap would require
12 performing a study, and we didn't --

13 MS. HEALY: Hope to deal --

14 MR. COHEN: -- feel that the rate case was an
15 appropriate venue for that given our past experiences. So
16 inflation is affecting all aspects of costs. We felt that it
17 would be appropriate to make that request, and then to the
18 extent we felt it would be correct to ask for a change in the
19 cap, we would do that separately.

20 MS. HEALY: But you have not, in proposing the level
21 of the cap, adjusted -- made an adjustment for activities that
22 had previously -- you know, that you've now outsourced or that
23 you may outsource in coming years?

24 MR. COHEN: Yeah, in the rate case, we propose to
25 increase the existing cap just by inflation.

1 MS. HEALY: That's the only proposal? Okay.

2 MR. COHEN: That's correct.

3 MS. HEALY: And so for the functions that have now
4 been outsourced, the costs for those -- those charges would be
5 -- show up in outside services, non-affiliate charges. Is that
6 correct?

7 MS. VANLULING: This is Andrea. That's correct.

8 MS. HEALY: And --

9 MS. VANLULING: -- deferred taxes. I need to confirm
10 on the other ones, but I --

11 MS. HEALY: Okay. And I may have an ODR coming, but
12 I'll just ask it. Do you know what the levels of those outside
13 services from non-affiliates for the functions that have been
14 outsourced -- what those charges were for 2019, 2020, and 2021?

15 MS. VANLULING: This is Andrea. I don't know off the
16 top of my head, but we can get you that data.

17 MS. HEALY: Okay. So I'll ask an ODR for that. So
18 that's for the functions that have been outsourced with -- that
19 were previously provided by affiliates, what was the -- what
20 were the charges for those in 2019, 2020, and 2021? And then
21 my next question would be --

22 MR. DES ROSIERS: Just on that --

23 MS. HEALY: Yeah.

24 MR. DES ROSIERS: -- when you say the charges for
25 them, are you --

1 MS. HEALY: The charges for the --

2 MR. DES ROSIERS: -- prior to the outsourcing or just
3 since the outsourcing was effected?

4 MS. HEALY: Since the outsourcing, yeah.

5 MR. DES ROSIERS: I can -- I know from the report
6 that it -- for a number of them that are included in the
7 report, they don't go back to 2019. Now tax did, but some of
8 the other --

9 MS. HEALY: Right, some of the others were outsourced
10 more recently, yes. So I'm just -- what I'm trying to do is
11 compare the charges that have been outsourced to the charges as
12 they existed previously. Okay. And then can you identify for
13 me the outside service for non-affiliates associated with those
14 functions that have now been outsourced, what the amounts are
15 proposed for the rate-effective year one, rate-effective year
16 two, and rate-effective year three? Someone might have that
17 answer here, I don't know, but if not, I'll take it -- do it as
18 an ODR.

19 MS. VANLULING: This is Andrea. We'll need it as an
20 ODR.

21 MS. TAYLOR: Do you want to do a separate ODR or do
22 you want to combine it with the previous?

23 MS. HEALY: Let's do separate just to give it a
24 little cleaner, if that's okay.

25 MR. DES ROSIERS: That's 02-07 and 02-08?

1 MS. TAYLOR: Correct.

2 MR. DES ROSIERS: And for 08, it's for those that
3 services that have been outsourced, what are the amounts
4 included for those outside services included in the revenue
5 requirement for the three rate years?

6 MS. HEALY: Yes. Sorry. And just for the sake of
7 clarity, with respect to the amount of affiliate charges that
8 are allocated to transmission, are those subject to an
9 affiliate charges cap -- the affiliate charges cap as well?

10 MS. VANLULING: This is Andrea. Yes, everything D&T
11 and all the other Maine entities are capped at the 32 and a
12 half.

13 MS. HEALY: Right. And I think the genesis of that
14 was from a reorganization involving Energy East so okay.

15 MR. DES ROSIERS: And if folks don't want it, we
16 would be okay without it.

17 MR. COHEN: This is Peter.

18 MS. HEALY: Yeah, we're not proposing to remove the
19 cap today.

20 MR. DES ROSIERS: Fair enough.

21 MS. HEALY: And I'm not testifying, but -- are you
22 expecting to outsource more activities? Are you -- is that
23 something that's constantly being examined or --

24 MS. VANLULING: This is Andrea. Outsourcing is
25 constantly being examined.

1 MS. HEALY: And do you -- can you speak to any -- are
2 there any sort of I'll say relatively well-developed plans to
3 outsource anymore affiliate --

4 MS. VANLULING: This is Andrea. Not that I'm aware
5 of for well-developed plans, but as part of the Everyday Better
6 and One Avangrid initiatives that we were discussing earlier
7 with Drew, we do look at potential outsourcing as -- just for
8 cost efficiencies.

9 MS. HEALY: I guess I'll ask an ongoing ODR then for
10 -- to please provide any material updates to the decision to
11 outsource activities that are currently provided by affiliates.
12 I don't know if anyone else from staff has any questions about
13 affiliate charges. We're good on that. And then I had -- you
14 had to follow-up question.

15 MR. HARWOOD: Can I just that's one clarification,
16 and maybe I'm the only one. The 32 and a half million, is that
17 just CMP or is that all of your Maine subsidiaries including
18 MEPCO, Chester, and Maine Natural Gas?

19 MS. VANLULING: This is Andrea. It's all the Maine
20 subsidiaries including MEPCO, Chester, Maine Natural Gas.

21 MR. HARWOOD: And so what's CMP's cap out of the 32?

22 MS. VANLULING: So we calculate it each year and it
23 changes depending on -- we look at what would the -- what are
24 the service company charges, what would they be had there been
25 no cap. And whatever percentage that is of the total, that's

1 the percent they get of the 32 and a half. So it changes.

2 MR. HARWOOD: Thank you.

3 MR. DES ROSIERS: It's roughly 31 and a half of the
4 32 and a half of CMP, but it varies year by year.

5 MR. HARWOOD: Thank you. Apologies.

6 MS. HEALY: So I have one question about executive
7 comp, or at least I think it -- and it's not even necessarily
8 executive comp but (indiscernible) compensation generally. Are
9 -- does CMP propose to recover any amounts in its revenue
10 requirement associated with the financial performance of
11 Avangrid or Iberdrola generally? So whether, you know,
12 executive or otherwise, are there any aspects of compensation
13 that are tied to the overall financial performance of Avangrid
14 or -- and/or Iberdrola that would be reflected in the amounts
15 that CMP seeks to recover in rates in this proceeding?

16 MR. COHEN: This is Peter Cohen. So this is more a
17 revenue requirements question, but when the amount of labor
18 expense is calculated, there is a schedule in that workpaper
19 that identifies two components of the drivers of incentive
20 compensation. One is for shareholder benefit and the other is
21 for customer benefit. And the portion that is only for
22 shareholder benefits, so that would be something -- net income
23 for example, that gets excluded from the revenue requirement
24 request. Whereas something that is benefiting customers,
25 perhaps it's a reliability statistic, that would get included.

1 And I don't know the workpaper reference, but I can probably
2 find that if you give me a --

3 MS. HEALY: No, I guess maybe this is an ODR then.
4 So it's possible then in the -- that customer -- the customer
5 metric, I guess it is, that there could be an element of -- or
6 would there -- let me ask. Would there be any element of --
7 associated with the financial performance of either Avangrid or
8 Iberdrola that's reflected in that customer metric?

9 MR. DES ROSIERS: I believe there's a data response
10 that sort of breaks down in pretty good detail what's included
11 in customer versus shareholder. But if you give us a minute,
12 we can probably find the reference.

13 MS. HEALY: Okay.

14 MS. BYRON: Peter, would you like me to address how
15 the Avangrid and -- objectives go into incentive compensation
16 generally? Would that be helpful here?

17 MR. COHEN: Diane, if you can just hold on, we're
18 going to speak to the revenue requirement folks so that we can
19 get a reference.

20 MS. HEALY: Can you state your name too, please?

21 MR. HURWITZ: Yes. Jacob Hurwitz. (Indiscernible)
22 provided a description of what we did in response to Examiner
23 set 11, question 30. We provided the workpaper in response to
24 a different data request that I'm still searching for. I think
25 Diane was about to speak to the contents of that workpaper.

1 MS. HEALY: Okay, Diane, I guess I'm interested --
2 I'm happy to -- if you can weigh in on -- really what I'm
3 trying to understand is, end game, is there anything in the
4 proposed revenue requirement that's tied -- related to
5 compensation that's tied to the financial performance, overall
6 financial performance, of Avangrid or Iberdrola? If you can
7 answer that question, I'd like to know the answer to that.

8 MS. BYRON: Okay. In our incentive compensation
9 plans, there is no Iberdrola results that go into any of the
10 calculations. So that's an easy answer. The Avangrid results,
11 every non-union employee has a portion of their incentive
12 that's based on Avangrid results. And then for CMP and other
13 Network affiliates, there's a portion based on the Networks
14 results. But as Peter mentioned, they -- we separate out the
15 shareholder versus customer-facing objectives. So the Avangrid
16 financials would be excluded from what we're seeking in the
17 revenue requirements.

18 MS. HEALY: Okay, that's helpful. Thank you.

19 MS. BYRON: Yeah.

20 MR. BRYANT: Okay, it's time for our lunch break.
21 When we come back, we will pick up with the OPA's questions. I
22 think we decided that we would start with the customer --
23 capital investment panel. So when we come back at 1:30, we'll
24 start with OPA questioning of the capital investment panel.
25 Okay, thank you. Have a good lunch.

1 MR. DES ROSIERS: And I take it these folks are all
2 set, the folks from -- that were answering on affiliate service
3 charges, they are all set. The policy folks will still be
4 around, but --

5 MR. BRYANT: I -- the OPA was done with their
6 affiliate questions, and I think we're done with our affiliate
7 questions. So the answer is yes, they're excused. Thank you
8 for your responses to our questions. I appreciate it.

9 CONFERENCE RECESSED (November 8, 2022)

10 CONFERENCE RESUMED (November 8, 2022, 1:32 p.m.)

11 MR. BRYANT: Okay. So before we start with
12 questioning, a couple things to take care of. First, I sent
13 out the ODR from this morning to the entire party list. I felt
14 that was the right way to do it, and I got a response from
15 Barbara Alexander just to me. And I wanted to respond to that,
16 first of all, by acknowledging that I got that email. The
17 question she asked was whether the Commission thought it had
18 the authority to change the standard offer at all in this
19 docket. The answer is no, we are not going to be changing
20 anything to do with the standard offer in this docket. It's a
21 fair question given how the question was worded, but no, that's
22 -- we'd have to -- the Commission would do that, if it were to
23 do it, in a separate docket.

24 And then following up on that ODR, Commissioner
25 Bartlett has a question that may require redrafting of that ODR

1 or just a response later by someone from CMP. And maybe -- and
2 Commissioner Scully may have a follow up as well.

3 MR. BARTLETT: Hoping that it's simple, but what I
4 was trying to understand from the other day's testimony from
5 the panel was I understand that there's programming that's
6 going to be need to be done in order to be able to change the
7 time of use rates on the delivery side. But then once those
8 changes are made, it should be fairly straightforward to make
9 further adjustments to the time of use. And so I think what I
10 want to understand in terms of moving -- incorporating the
11 supply side, the time of use rates, what the incremental time
12 is once that programming changes made, as in, you know,
13 assuming you have made the investment to move to the time of
14 use rates, what's the additional time?

15 MR. DES ROSIERS: So if we included in the response
16 the timeline for the initial investment to make the initial
17 change, we could also include in that response then, if there
18 are subsequent incremental changes to the time of use periods
19 for both delivery and supply, what that timeline would be?

20 MR. BARTLETT: Right. Because part of what I'm
21 thinking about is if we -- if you make the investment and you
22 start -- you know, implement the delivery rate time of use and
23 then we decide, okay, we want to move to a supply side time of
24 use. How quickly can that be implemented?

25 MR. DES ROSIERS: We certainly can include that in

1 the response, and my understanding is it's much shorter than
2 the original but --

3 MR. BARTLETT: Right, which is my -- the initial
4 response to the question had me a little bit confused because
5 it seemed -- and I think it's just --

6 MR. DES ROSIERS: We will make sure to include that
7 in the response.

8 MR. SCULLY: And just to put another point on it is
9 whatever additional time is necessary associated with changing
10 the periods or let's assume that we decided we wanted standard
11 offer to also be on a time of use basis and we tracked exactly
12 the same time of use periods that you were putting into effect
13 for the delivery rates, would that add any time? So is it
14 adding standard offer into the mix that adds the time and
15 effort and expense, if any? Or is it monkeying with what the
16 time of use periods look like that adds the time and/or
17 expense?

18 MR. DES ROSIERS: I believe it's monkeying with them
19 and that it's -- the increment is small, but we'll certainly --
20 can fill that out.

21 MR. BRYANT: Okay.

22 MS. TRACY: Can I just ask a clarifying question
23 since I'll be the one fielding these?

24 MR. BRYANT: Yes.

25 MS. TRACY: I understand the question, but also the

1 ODR is going to be issued. So are you going to add that to the
2 existing ODR or -- I mean, I can communicate it to the rate
3 design panel now so they know what's coming, but as a
4 procedural matter, how do you expect to reflect that in the
5 record?

6 MR. DES ROSIERS: Did you already issue it or --

7 MR. BRYANT: What's that?

8 MR. BRYANT: Have you already issued that one or you
9 --

10 MR. BRYANT: No, it'll go out --

11 MS. TRACY: -- email.

12 MR. BRYANT: In fact, it will go out in the set at
13 the end of the week. So -- or beginning of next week since
14 Friday is a vacation day or holiday. Excuse me. I think we
15 should add it -- add language to the to the ODR so it's clear.

16 MR. DES ROSIERS: That's fine.

17 MS. TRACY: That'd be great. Thank you.

18 MR. BRYANT: We'll probably do what we did last week
19 which is send out an email containing the draft ODRs and invite
20 people who asked them to edit them if necessary.

21 So before we talk about the new CMP panel, I want to
22 ask if there are others who have joined on Teams did not yet
23 make an appearance this morning, who may have joined later.
24 So, could anybody who is participating remotely right now who
25 did not make an appearance this morning, please do so now? You

1 may need to unmute yourself. Okay. Now I -- we need to have
2 the appearance entered of the folks who will be testifying with
3 regard to this panel which I believe is the capital investment
4 panel. So --

5 MR. DES ROSIERS: So the --

6 MR. BRYANT: -- you could do that.

7 MR. DES ROSIERS: -- capital panel witnesses are in
8 the first row. We sort of tried to organize the other panels
9 as well, but they're all in the front row so they can go down
10 and enter their appearance.

11 MR. DESROSIERS: Yeah, Adam Desrosiers, vice
12 president, electric operations, CMP.

13 MS. CULLEN: Kimberly Cullen, manager distribution
14 planning, CMP.

15 MR. MORIN: Chris Morin, senior director, integrated
16 system planning, Central Maine Power.

17 MR. MCGRAD: (Indiscernible) McGrade, manager,
18 investment planning, New England.

19 MR. DONNELLY: Kevin Donnelly, senior vice president
20 of planning and regulatory here on behalf of CMP.

21 MR. BRYANT: Before we go to the back row, Kimberly,
22 could you tell -- could you state your last name again and
23 spell it for us?

24 MS. CULLEN: Sorry about that. It's Cullen, C U L L
25 E N.

1 MR. BRYANT: And the gentleman between Chris and
2 Kevin, I didn't -- you spoke very quietly. I didn't catch your
3 name at all.

4 MR. MCGRAD: Sorry. It's Dan. Dan McGrade, manager
5 of investment planning for New England territory.

6 MR. BRYANT: Thank you. Yeah. You're actually on
7 the panel. So other folks who may be testifying in response to
8 questions to this panel, I think in the back row there.

9 FEMALE: And before we move forward, if you're not a
10 panel witness, please spell your name.

11 MR. BRYANT: Thank you, yes.

12 MS. THERRIAULT: Kerri Therriault, senior director,
13 electric operations, CMP. That's K E R R I T H E R R I A U L
14 T.

15 MR. THERRIAULT: Kevin Therriault, senior director of
16 system operations. K E V I N, Therriault, T H E R R I A U L T.

17 MR. BRYANT: Again, if your name is on one of the
18 witness panels as filed, I don't need you to spell it. We have
19 those spellings.

20 MR. SADLER: Matt Sadler, director, energy control
21 center for CMP.

22 MS. BEAN: Jacqueline Bean, director of smart
23 metering here on behalf of CMP.

24 MR. MADER: James Mader, senior manager, smart grids
25 innovation and planning.

1 MR. MANNING: Bob Manning on behalf of CMP.

2 MR. BOCHENEK: Scott Bochenek on behalf of CMP.

3 MS. KING: Rita King on behalf of CMP.

4 MR. SULLIVAN: Sean Sullivan, director on the smart
5 grid and planning team on behalf of CMP.

6 MR. ALONSO: Miguel Alonso on behalf of CMP.

7 MR. BRYANT: And could you please spell your name?

8 MR. ALONSO: M I G U E L. Last name Alonso, A L O N
9 S O.

10 MR. BRYANT: Thank you.

11 MR. LITTLEFIELD: Dan Littlefield, manager of
12 substation and transmission asset management, CMP.

13 MR. DES ROSIERS: (Indiscernible) haven't yet had any
14 of the vegetation management folks introduce themselves. On
15 the off chance that there are questions there, we'll have --
16 they'll have to come up to the mic, but we didn't have seats
17 for them.

18 MR. BRYANT: Okay, thanks. Did Robert Manning make
19 an appearance? Okay, I missed that. Thank you. Anybody
20 participating by Teams, Jared?

21 MR. DES ROSIERS: Not on -- not for these panels.

22 MR. BRYANT: Okay, so I don't believe any of you have
23 yet been sworn in in this proceeding. So I would like to do
24 that now. Please all raise your right hand. Do you swear or
25 solemnly affirm that the testimony you give today and

1 throughout this proceeding is and will be wholly truthful?

2 (Affirmative responses)

3 MR. BRYANT: Is there anyone who didn't respond in
4 the affirmative? Okay, you're all under oath. Let me just ask
5 Pam in the back. Pam, did you get spellings for everybody you
6 need?

7 (No audible reply.)

8 MR. BRYANT: Say that again?

9 (No audible reply.)

10 MR. BRYANT: I don't think so.

11 FEMALE: There's a Scott.

12 MR. BOCHENEK: It could have been me Scott Bochenek,
13 B O C H E N E K.

14 MR. BRYANT: Okay. With that --

15 MS. HEALY: (Indiscernible) the cameras pointed in an
16 appropriate direction, Pam?

17 MR. BRYANT: Okay. As a turn it over to the OPA for
18 questioning on the capital investment panel.

19 MS. CHAMBERLIN: Thank you. Good afternoon,
20 everyone. Susan Chamberlin, Office of the Public Advocate.
21 Let's see, starting with the testimony CIP, page three, it
22 describes various investments toward building a better system
23 to serve customers. And then it states, "These expectations
24 must be balanced with customer affordability." And my question
25 is where in the process is customer affordability considered?

1 MR. DONNELLY: This is Kevin Donnelly. Overall,
2 within our planning process, we start with what are those full
3 system needs of the system? If you view that in a
4 unconstrained manner, what is it that the system requires?
5 From there, we take a further prioritization and a review of
6 the impacts that it would have on our customers from an
7 affordability standpoint, from a financial perspective, from a
8 company standpoint, understanding that balance and making sure
9 that we have enough cash available and the impact on customers
10 is not so great that we would not be able to move forward with
11 that investment plan. There's a series of prioritization steps
12 that are in place. We've provided that in our testimony. I
13 think the exhibit is number four for how we go through that.
14 And ultimately, there's the discussions that are made with our
15 vice president of electric operations, Adam Desrosiers, other
16 executives within CMP, and ultimately with our CEO and
17 president Joe Purington to establish that balance.

18 MS. CHAMBERLIN: And does each project go through a
19 cost benefit analysis?

20 MR. DONNELLY: From a general level, I would comment,
21 and then I'd invite Adam and Chris Moran on the panel here as
22 well to share their views. We're looking at what are the
23 impacts of those projects on reliability, on safety, on our
24 customer impacts, the various categories that we've laid out as
25 important and necessary. From a reliability standpoint, we're

1 looking at what is the cost versus what does that benefit terms
2 of the reliability benefit that that does contribute on a worst
3 performing circuit or within our substation profile and the
4 like.

5 MS. CHAMBERLIN: And you referenced an exhibit. Does
6 it tell when this analysis takes place? Is it at the beginning
7 of the process, at the end of the process? How does it fall
8 within the timeline?

9 MR. DONNELLY: Sure. So from a -- again, an overall
10 portfolio standpoint, we're working to develop at the time of
11 our budget, at the beginning stages of what does that portfolio
12 need look like. And when we establish the overall need from a
13 system, how do we then balance that with the performance
14 against the customer impacts on rates, on affordability. An
15 example might be here we've submitted a base in rate year one
16 of capex of 180 million, put the capital trackers aside for a
17 moment, just the base needs of the system. And the need of the
18 system is probably two or three X that level, but establishing
19 what is it that we would bring forth as the most important and
20 the most beneficial investments against what ultimately would
21 be impacts on a revenue requirement or on customer rates is
22 that discussion up front.

23 MS. CHAMBERLIN: So how do you decide what's the most
24 important one?

25 MR. DONNELLY: And I'm going to defer to Adam and

1 Chris here on reliability calculations and our reliability
2 calculator.

3 MR. MORIN: (Indiscernible) question, Sue? Sorry.

4 MS. CHAMBERLIN: Well, how do you decide what -- he
5 mentioned prioritization of projects. So you have any number
6 of projects that might be a good idea. How do you prioritize
7 them?

8 MR. MORIN: So for us, the big aspect is customer
9 impact, how can we improve a lot --

10 MR. BRYANT: Excuse me, please.

11 MR. MORIN: Oh, sorry, Chris Morin.

12 MR. BRYANT: Please remember to state your name.
13 Yes, thank you.

14 MR. MORIN: Yeah, sure. We look for customer impact,
15 of course, positive improvement in reliability. So a lot of
16 our programs we included in the rate case filing like
17 automation program, resiliency, those are the biggest impact
18 we're going to have on our customers across the board. So we
19 look at that aspects, of course, and then we also have the
20 reliability calculator mentioned in other data requests that
21 help look at project-by-project basis how the overall impact is
22 going to be in improvement reliability based on cost, and that
23 can be compared against other projects as well.

24 MS. CHAMBERLIN: And is there a percentage impact on
25 customer bills that guides you, 50 percent is okay, 75 percent

1 too much?

2 MR. MORIN: Not directly. I think we just have that
3 balance like Kevin mentioned, trying to understand the needs --
4 the base needs of the system versus overall impact to our
5 customers on the rates.

6 MS. CHAMBERLIN: Looking -- turning to CIP 4, it
7 discusses the separate capital adjustment mechanisms. And I'm
8 wondering if the Commission rejects the multi-year plan and
9 decides to go with a historic test year as has been done in the
10 past, that separate mechanism is not required. Is that
11 correct?

12 MR. DONNELLY: Just to clarify, are you referring
13 here to the capital trackers when you say mechanism?

14 MS. CHAMBERLIN: Yes.

15 MR. DONNELLY: -- clarifying for me.

16 MS. CHAMBERLIN: Yes.

17 MR. DONNELLY: So the way to think about those
18 investments, particularly the CCI pole replacements and the
19 make ready, the broadband -- (indiscernible) invite Mr.
20 Purington to share his views as well here -- is that those are
21 requirements. Like, we have to do them. When we come across
22 an issue and a pole is not meeting the standard based on a DLI
23 inspection that we performed and there are issues with it, in
24 order to enable those investments to move forward on the CCI,
25 our requirement to replace poles on broadband, we're obligated.

1 We have to replace those. As such, it would take away from our
2 ability to do other work, and it takes away from our base core
3 needs within the system to do exactly what Chris was referring
4 to, improve the quality of supply and reliability for our
5 customers.

6 MS. CHAMBERLIN: So if the Commission goes with a
7 historic test year, how would the -- how would you propose to
8 recover those costs?

9 MR. DONNELLY: If a traditional approach is utilizing
10 -- correct me where I go wrong. I just think this is what
11 you're asking. For the attrition analysis and that type of
12 work is not captured to the level that we see the increasing
13 demands, the company's going to have to be able to balance off
14 what else can it financially afford with the cash constraints
15 that end up coming from not having full recovery in rates of
16 its base work. Because again, there's an obligation to do the
17 CCI and the broadband make ready pole replacements under the
18 current construct. And Joe, if you have anything you'd like to
19 --

20 MR. PURINGTON: Joe Purington. And, again, I'll just
21 go back to your comment about -- we don't evaluate the each
22 individual project as an acceptable threshold for customer
23 impact. We look at our capital investment plan holistically
24 and what's the total bill impact for the customers from that
25 investment plan. And in that investment plan, we have

1 different categories, some are project work, some are these our
2 mandated work from our inspection, some is emergent equipment
3 failure, and other projects like automation that we'll employ
4 in the next few years. So all of that, you know, coupled
5 together and, you know, you look at building your budget and
6 investment portfolio from the bottom up of what the system
7 needs, and then there's a certain threshold where, as Kevin's
8 alluded, to the 180 million -- and I've said this a few times
9 in -- at this proceeding and also at others, you know, we could
10 probably use two or three times that to dramatically improve
11 the system performance. But we know that that's not the --
12 it's not the right time and place at this point to do that and
13 come to the Commission with a proposal that was, you know,
14 three or \$400 million in capex. We're trying to keep these --
15 the rate impact to be affordable in our terms, and when we did
16 our filing, we coupled our capital investment plan with price
17 predictability for our customers. Therefore, we
18 (indiscernible) recommending a three-year rate case of approval
19 plan so that we can give that predictability to our customers
20 and also understand that, for those trackers, we'd have to have
21 conversations about is there potential caps that we understand
22 what potential rate impacts could come to our customers from
23 those additional trackers. But we're really focused on the
24 core investments that we need to make on the system to continue
25 to maintain and to improve reliability for our customers.

1 MS. CHAMBERLIN: And if the Commission does accept
2 this capital adjustment mechanism, does CMP envision an annual
3 prudence investigation?

4 MR. PURINGTON: Joe Purington. Yeah, I do believe
5 that we would envision an annual prudence investigation as well
6 as annual reporting, maybe on a biannual basis as well. We
7 will be very transparent with the projects that are underway
8 and report out on the progress of those projects. We've had a
9 lot of questions at the previous testimony about, you know, the
10 budget and some projects may slip for various reasons and what
11 do you do in that case. Those are where those conversations
12 would occur.

13 MS. CHAMBERLIN: And do you do any economic analysis
14 of customer income, what customers are paying? Are they paying
15 four percent in their energy bills? Are they paying 25 percent
16 in their energy bills? Do you do that sort of customer
17 economic analysis?

18 MR. PURINGTON: So we understand the percent impact
19 of our rate request.

20 MS. CHAMBERLIN: How do you understand it?

21 MR. PURINGTON: Well, it's a percentage of the total
22 bill or a percentage of the distribution rate.

23 MS. CHAMBERLIN: But when you're looking at the
24 customers, how do you evaluate whether the customers can absorb
25 that or not?

1 MR. DONNELLY: Kevin Donnelly. Here, let me help out
2 a little bit in the response. It is something that we are
3 concerned with as Joe mentioned, and we look at that total bill
4 impact. When you ask about specific customer economic data or
5 demographic data, we don't have that level of granularity, but
6 what we do have are other data points that we can look to,
7 current rates of inflation, when rates were last re-set, how
8 long has it been since the delivery rate has been adjusted or
9 distribution rate to be more specific, and balancing that
10 overall request. Multi-year rate plan, as Joe mentioned is
11 something, you know, we feel very strongly in that provides
12 that level of rate stability and predictability for the
13 customer, for the Commission, for the company to be able to
14 make the necessary levels of investment and make good on the
15 delivery of what we have for reliability improvement and just
16 overall customer service. So we do not have that specific
17 economic or econometric data I think that you might be asking
18 around, like how do you know or what your company -- customer
19 base does and does not have the ability to afford. We do have
20 the comparables that I mentioned, and that's part of the
21 overall strategic conversation when we're evaluating with Joe,
22 ultimately, what is it that we're going to bring forth.

23 MS. CHAMBERLIN: Thank you.

24 MR. BRYANT: Susan, can I -- oh, go ahead.

25 MR. BARTLETT: Question real quick. Is there a

1 percent rate impact that you use as a rule of thumb to figure
2 out what is -- what you think can they -- ratepayers can absorb
3 or not? Is there some guide post that you're using to say this
4 just feels like too much or this this doesn't?

5 MR. DONNELLY: So Kevin Donnelly once more. Again,
6 particularly to this request that we've put forward, we know
7 that the current economic times are difficult and the total
8 energy wallet, what our customers are experiencing, is going
9 up. We recognize the impact of the supply price both from last
10 year and what we're likely to see coming forward as well. What
11 we're really looking at is inflationary cost pressures --
12 they're on the company, and we're incurring those same
13 inflationary cost pressures -- and can we propose a multi-year
14 rate plan that is below that level of inflation on a total bill
15 impact, at least in that first rate year to be able to balance
16 off that need. And, Joe, if you have anything else you like to
17 add.

18 MR. PURINGTON: Yeah, no, I think, you know, Kevin's
19 covered it pretty well. But, you know, simply put, you know,
20 our customers, when we communicate to them, what we're hearing
21 more, that they want to understand what the total dollar impact
22 is, not percentage. So when we looked at our proposed rate
23 filing and our investments -- and, again, I'll say this
24 repeatedly, but, you know, we had on the table investments, you
25 know, double what we put in the rate case. But we said about

1 \$5 a month would be -- we came into this proceeding thinking
2 that would be a fair amount to ask from our customers to
3 continue to improve the system performance. And also
4 understanding that, you know, we also have passed legislation
5 that is going to measure our service quality metrics, and we
6 have to find that right balance between being able to continue
7 to improve system performance and reliability that we are being
8 held accountable to, which we should be held accountable to,
9 but also balancing that with affordability for customers. And,
10 again, I'll go back to this point. We talked about a multi-
11 year rate plan to provide price predictability to our
12 customers, especially in a volatile market that we're seeing
13 right now. And we have no idea where other costs in the
14 economy are going right now. So we thought it was prudent from
15 a customer perspective to look at the impact to our customer
16 base with this filing.

17 MR. DES ROSIERS: If I just may, Joe, you mentioned
18 \$5 a month. For what customer was that calculated?

19 MR. PURINGTON: Residential, average residential.
20 And that's rate year one.

21 MR. BRYANT: I have a follow up on something you
22 said, Kevin, in response to Susan's question. You were talking
23 about the trackers, and you mentioned that the company is
24 obligated, you used that word obligated, to go in and replace
25 the CCI poles that it discovers in its DLI inspection program.

1 And obligated to -- I believe you said this, to switch out the
2 broadband, the poles for the coming broadband attachers. We're
3 going to talk more about this Thursday morning, but my
4 recollection from reading data responses about the broadband
5 situation was that it's -- the company's looking far ahead.
6 It's looking to a flood of funding for it -- for broadband
7 attachers, and it's also looking to the possibility that there
8 may be funding for the make ready work that's CMP would
9 otherwise have to do. So saying that the company is obligated
10 to do the work sounds very black and white to me. Is -- did
11 you intend to mean it that black and white?

12 MR. DONNELLY: So I'll give -- and this is Kevin
13 Donnelly. I'm going to give my view. Others who are closer to
14 it, please feel free to add on or correct me if needed. With
15 the make ready, and as those attachers come into our territory,
16 request that we do accommodate, if we find, by way of attaching
17 for those requests from the third party, that the weighting on
18 the poles is greater than what the pole can handle, we would
19 have an obligation to change out that pole in order to
20 accommodate the make ready and broadband work to be done. I'm
21 going to pause there, and there are others who do this actually
22 probably right behind me, and have them comment as well.

23 MR. DESROSIERS: Yeah, this is Adam Desrosiers. I
24 mean, to speak to the DLI obligation and the CCI poles, the way
25 I kind of look at that is so we've done an inspection of that

1 pole and, based our inspection criteria and the condition of
2 the pole, it's been recommended to be replaced. If CCI doesn't
3 replace that pole, we're potentially creating an unsafe
4 situation, and our mission as a company is to provide safe,
5 reliable power. So if we don't address that situation by
6 replacement of the pole because CCI is not, it's creating a
7 situation where we cannot provide safe, reliable power. So
8 that's the view that we look at it.

9 MR. BRYANT: Yeah, for the time being, my question
10 was really more about the broadband. I mean, we'll get to the
11 CCI poles in detail, I think later, but as far as an obligation
12 to replace the pole for broadband attachers or for a number of
13 broadband attachers that we're not even sure what the number is
14 right now, saying you're obligated to do it sounds to me a
15 little black and white. That's -- I just was wondering if
16 anybody had any comment on that.

17 MR. DESROSIERS: Yeah, and so Adam Desrosiers again.
18 To an extent a broadband attacher request on a pole that has
19 been inspected or does not meet current standards would be
20 replaced outside of the broadband initiative, likely under the
21 DLI project because it's a pole that's been identified based on
22 the condition would need to be replaced anyway. So the
23 attacher would not pay for that. We would be paying for that
24 cost to replace the pole due to the circumstances around its
25 condition. I believe also -- and I know we've got some other

1 broadband folks in the room here, but I believe there's certain
2 statutes that require us to pay for the cost of broadband make
3 ready, especially if it's done at the municipality level.

4 MR. BRYANT: Okay. All right, we can get to this
5 further later. Thank you. But I also had a follow up to
6 something that Joe Purington had in response, and I'll get --
7 let you start again, Susan, shortly. I think you said that
8 there would be a prudence proceeding every year. How does that
9 save time, administrative time, at the Commission if there's a
10 prudence proceeding every year?

11 MR. PURINGTON: So I'll correct myself. You know, I
12 would envision that we would have an annual compliance report
13 or some type of reporting to the Commission and staff on the
14 projects that were put in service as well as the projects that
15 were being planned for the next year so that they will -- you
16 know, it was fully transparent to what was going on. We also
17 have, you know, categories of DLI that are not specific
18 projects but are many poles that are replaced under our
19 program. And under our programs, we'd also report out on the
20 capital investment each year to the Commission so that you
21 could determine if there were any questions that you may have
22 on the programs of projects that we have underway.

23 MR. BRYANT: So I think -- let me translate that.
24 What you meant to say was if -- because of the annual
25 proceeding and because of the estimates and the reporting that

1 you'll be doing in the annual proceeding, the Commission has
2 the opportunity to pursue a prudence investigation if it deems
3 it necessary. Okay.

4 MR. PURINGTON: That's correct.

5 MR. BRYANT: CMP wouldn't be asking for prudence
6 blessings for all of these investments that it's proposing.

7 MR. PURINGTON: No, I stand corrected. Thank you,
8 Eric.

9 MR. BRYANT: Okay, thanks. That's very helpful.

10 MR. BARTLETT: (Indiscernible) be clear that there
11 would be no requirement of a prudency finding before the
12 trackers kicked in and those expenses went into rates?

13 MR. PURINGTON: Correct, yeah.

14 MR. DES ROSIERS: And I'll add that nothing is then
15 intended to preclude the Commission from initiating an
16 investigation then or in the next rate proceeding to consider
17 the prudency of any of the investments that are then sought to
18 be included in rates.

19 MR. BRYANT: Okay. Thanks. Okay. Thank you, Susan.

20 MS. CHAMBERLIN: Just as a clarification, so is this
21 proceeding, is this rate case, considered the prudence
22 investigation as to whether or not these investments should be
23 made?

24 MR. DONNELLY: This is Kevin Donnelly. I'm just
25 trying to think through your question. Perhaps you could

1 clarify for me again. I'm not quite sure I follow.

2 MS. CHAMBERLIN: Well, there's some budgeted figures,
3 and I'm looking for when is the prudence investigation to take
4 place regarding whether or not these investments are to be
5 considered prudent and, therefore, included in rates. If
6 there's a tracker, you're saying they're not in rates yet. So
7 I'm -- if there's not going to be an annual prudence
8 investigation, is this the prudence investigation? Is this our
9 opportunity to analyze whether or not these investments are
10 needed and should be reflected in just and reasonable rates?

11 MR. DES ROSIERS: And, Susan, if I may, just to
12 understand "these investments," if -- and, it may be helpful
13 for you to distinguish the plant in service as of today versus
14 the investments that are contemplated during the rate plan
15 years in the future. And if you asked it that way, I think the
16 panel could address the distinction as to what this case is
17 about versus when the prudence of the future investments could
18 be -- would be addressed or could be addressed by the
19 Commission.

20 MS. CHAMBERLIN: All right, so for the investments
21 that are included in the historic test year, this would be the
22 prudence investigation for having them be included in rates.
23 Is that correct?

24 MR. DONNELLY: Correct.

25 MS. CHAMBERLIN: For future years, investments that

1 are not yet included in rates, is this the prudence
2 investigation for those investments?

3 MR. DONNELLY: Kevin Donnelly, and I see that my
4 colleague Charlotte Ancel is itching to get to the mic. So let
5 me pause for a moment.

6 MS. ANCEL: Oh, please. Thank you, Kevin. Charlotte
7 Ancel. So with respect to investments proposed in the case,
8 both in base rates and in the capital adjustment mechanisms,
9 the company is proposing them to the Commission and the parties
10 as proposed programmatic investments that reflect plant in
11 service targets for what's -- would be in base rates and
12 budgets for what would be through the capital adjustment
13 mechanisms. We are asking that the Commission review and the
14 parties review and modify and ultimately approve them, such
15 that it would be akin to a pre-authorization of that level of
16 plant in service with a downward -- as we've talked about,
17 with a downward reconciliation, to the extent that the company
18 did not close those amounts by rate year, speaking to base
19 rates, actually into service. There would then be an
20 opportunity, and as I understand it and I would defer to
21 counsel, but the Maine Commission always has an ability to do
22 ongoing prudency review. But there would then be the
23 opportunity to do, as part of the annual reconciliation filings
24 as Joe described, as part of the next review of the next rate
25 plan to review -- for the Commission and the parties to review

1 the prudence of the actual investments closed to plant. And as
2 a general matter from a regulatory perspective, prudence is
3 usually best assessed after, of course, the investment actually
4 goes into service. The same would be with respect to the
5 capital adjustment mechanism items. The -- in our view, the
6 Commission would be approving budgets for those amounts and
7 not-to-exceed budgets for those amounts. We would then go make
8 those investments and come back in in annual compliance filings
9 for a review of what did we actually close to service for
10 purposes of rate recovery and follow-on prudence review by the
11 Commission and the parties.

12 MS. CHAMBERLIN: So if in year three, the product
13 doesn't come into service and there is going to be \$5 million
14 more of cost above the budget, is CMP offering to eat those
15 costs?

16 MS. ANCEL: Let's talk about what -- if we could
17 please be specific as to what are we -- which -- are we talking
18 about projects under the capital adjustment mechanism?

19 MS. CHAMBERLIN: We're talking about projects under
20 the capital adjustment mechanism.

21 MS. ANCEL: Okay. So the capital adjustment
22 mechanism, as we proposed it, would be that we would not be
23 actually recovering those costs until we had actually spent
24 them. So -- and as we understand it and as we proposed it,
25 those amounts would be not-to-exceed amounts in terms of what

1 we put in the case. So we would be coming in -- so to use an
2 example for broadband, we would be coming in to recover amounts
3 that we had actually spent in the last year that would be
4 within the limits already proposed by the Commission -- or
5 approved by the Commission.

6 MS. CHAMBERLIN: So on year three, the actual money
7 that you've spent is bigger than the budget. What happens with
8 that differential?

9 MS. ANCEL: I see. Yeah, thanks. The -- it's
10 helpful to talk it through. So under your example, it would
11 seem to me that if the Commission had approved a specific
12 budgetary amount for an upper threshold for the capital
13 adjustment mechanism for a specific type of programmatic
14 investment and the company's actual expend exceeded that
15 amount, that would not be recoverable in that rate year via the
16 capital adjustment mechanism.

17 MS. CHAMBERLIN: And would the company then seek to
18 recover it at a later date?

19 MS. ANCEL: I think we might. I think that would be
20 on the company to show why that was appropriate, but say -- so
21 to continue using the example of broadband investments, let's
22 say that we're really fortunate here in the state of Maine and
23 we get a significant amount of funding for broadband buildout
24 and that necessitates a higher level of the company's side of
25 construction and that exceeds the amount approved in the

1 capital adjustment mechanism. From a policy standpoint, the
2 Commission and the parties might decide that it is appropriate
3 for CMP to spend above in that rate year what was approved in
4 the budget, defer it, and come back in a future rate year. I
5 think it would depend on the facts and circumstances of the
6 investment. And the company would be at risk for that later
7 recovery.

8 MS. CHAMBERLIN: So let's say it's the battery
9 project and the project ultimately cannot be sited. We've
10 spent, you know, \$10 million and there's a problem and this
11 this project is just not going forward in any way. Is CMP on
12 the hook for that money or, because it was in the budget, it's
13 already spent, and ratepayers have to eat it?

14 MS. ANCEL: Well, there is, as I understand -- and at
15 some point I would defer to legal counsel in terms of getting
16 into legal issues, but as I understand it, there is Commission
17 precedent on at times it's prudent for a utility to say we
18 wanted to build this to serve our customers in this way, but as
19 we continued, we saw that it actually -- just the case no
20 longer made sense to serve our customers with this investment.
21 So there is Commission precedent that says you -- that's
22 prudent. We want to incent utilities to do that. So in that
23 case you would stop spending money and you would record that --
24 the spent money into a -- as a preliminary survey and recover
25 it as expensed. So in the example that you gave, that might be

1 a circumstance where we would look to propose a preliminary
2 survey effectively, like an expensed write down because it no
3 longer made sense from an overall cost benefit standpoint to
4 make that investment. But, again, it would depend on the
5 circumstances.

6 MS. CHAMBERLIN: So you're not able to say here today
7 that the money spent will result in an actual project or, if it
8 doesn't result in an actual project, customers don't have to
9 pay for it. You're not able to say that today.

10 MS. ANCEL: What I would say is that if the company
11 is spending money -- and we're talking about the -- let me
12 pause and strike that. Are we talking about the capital
13 adjustment mechanism?

14 MS. CHAMBERLIN: We're still talking about the
15 capital adjustment measurement.

16 MS. ANCEL: Okay. I just want to make sure I don't
17 blur concepts and then I take us down a -- so if -- under the
18 capital adjustment mechanism as proposed, let's take battery
19 storage as an example. If the company were to get approval to
20 make a certain threshold or ceiling level of investments and we
21 were to make substantial investments in the battery storage and
22 then ultimately decide that it didn't make sense for customers
23 to continue, the onus would be on the company to say why those
24 were prudent expenditures, to spend anything, what we did, and
25 what the ultimate reasons were that we decided to stop. So we

1 would still bear a burden to show that those were prudent
2 expenditures. That would be on us.

3 MS. CHAMBERLIN: And if the company fails in that
4 burden for whatever reason, you're agreeing that the PUC has
5 the authority to claw back that money?

6 MS. ANCEL: What we would say is -- I can speak at a
7 high level to what our intention was in proposing the capital
8 adjustment mechanisms. They were -- the intention was not to
9 supplant any authority that the Commission would otherwise have
10 with respect to prudence determinations generally.

11 MR. BRYANT: Susan, I have a follow up. Charlotte,
12 you may have led me down the wrong path inadvertently.

13 MS. ANCEL: I'm sorry.

14 MR. BRYANT: First of all, just so you know, the
15 staff struggled with what the term tracker meant. And I think
16 where we're landing is it's the capital adjustment mechanism,
17 those five items that you want as a flow through amount. So if
18 we use that term tracker, I think that's what we're talking
19 about, but let's make sure we're on the same page. What I
20 thought I heard you say was that the tracker items, those five
21 items, you've put an estimate in for each of them year by year
22 for your three-year rate plan. But I think you said that the
23 amounts are capped and if you go over those amounts, it's
24 something that the company can't recover at least in the short
25 term. That to me describes the three-year rate plan, but I

1 don't recall you talking about that kind of a cap on the
2 trackers in your testimony. So help me understand this.

3 MS. ANCEL: Yeah, I can say conceptually that was in
4 -- I don't believe that the testimony gets into that level of
5 specificity. The example took us that -- in that direction.
6 But we do think for planning purposes as those -- a final
7 Commission order with set amounts on those capital adjustment
8 mechanisms, which I think is fair to say synonymous with the
9 term tracker, would be upper threshold amounts that the company
10 would look not to exceed. And if we did, we would bear the
11 burden as to why that was appropriate.

12 MR. DES ROSIERS: And I'll add, Eric, there were data
13 responses asked by -- data requests asked by some parties that
14 indicated whether the company intended or was open to sort of
15 an upward cap or was it uncapped. And in those responses that
16 company indicated that it was -- would be certainly open and
17 perfectly appropriate if the Commission approved them, but then
18 established that, you know, the authorization is only up to X
19 dollars and -- for any given tracker.

20 MR. BRYANT: Okay, thanks. Faith, did you have a
21 follow up to that?

22 MS. HUNTINGTON: No, thank you. That was my
23 question. Thank you.

24 MR. BARTLETT: I just had a quick follow up. So when
25 you were talking about the prudence, the initial determination

1 in this proceeding, there's sort of -- we're sort of finding
2 prudence in terms of the management decision around those
3 investments. Are you talking just about those tracker
4 components or are you talking about the entire capital plan?

5 MS. ANCEL: Yeah, we -- so for both the capital plan
6 proposed in base rates and the capital adjustments, we think
7 about it conceptually as there certainly is a pre-authorization
8 coming from the Commission in a final order that, yes, we think
9 the programmatic investments that were described by the parties
10 that we -- that the Commission reviewed, we are pre-authorizing
11 the spend in that direction.

12 So that's what's really different about this case
13 from a traditional test year or attrition analysis where we
14 would be given an amount and then we would later review the
15 management decisions. You're actually asking us to determine
16 that this suite of investments that you've put forward is the
17 best set essentially and giving our blessing. So then our
18 prudence review is reined into implementation of those -- of
19 that spend and really not much else. Is that right?

20 MR. DONNELLY: So if I could, Kevin Donnelly. It's
21 an excellent question. And when you think around ratemaking,
22 traditional ratemaking here in the state of Maine and perhaps
23 compared against other states in the Northeast, we referred
24 this -- to it a bit in our testimony as well. And I'll
25 describe it as prospective rate base. I think that's similar

1 to what you're thinking, Chair Bartlett, and versus a historic
2 backward look. What we've suggested and what we've recommended
3 through our proposal is that it would be in -- our belief, it's
4 in the customers' best interest to be looking forward to
5 establish what are the needs of the system. In a time where
6 your capital investment needs to provide safe, adequate, and
7 reliable service are pretty static in they're steady state, a
8 historic look back is more than appropriate because that level
9 of future investment equals the level of the past investment.
10 What we've experienced over the last four years is that level
11 last set in the prior rate case is far under serving the needs
12 of the system. So the company has made the decision and taking
13 that decision to invest well above the levels funded in rates
14 to really drive improvement in our reliability and our customer
15 service. Looking forward, we see that same level of investment
16 at the 180, now to the up to the 200 million, as a base level
17 that, as Joe said, is that balance of necessary level without
18 being extreme, right? Okay, so what we're proposing is to be
19 able to fund at that level such that we are able to, as a
20 company actually make those investments. We aren't in a
21 position where we can continue to be able to just use the
22 company's cash without having some recovery mechanism in place,
23 the continued stress and strain that puts on the company's
24 financials and credit metrics and so on. That is the
25 background.

1 So now let's look forward. Okay. So we have this
2 concept, and we've proposed the prospective rate base. And
3 let's fast forward. Let's say we agree here and that it was
4 ultimately the decision of the Commission, and you fast forward
5 and it's three or four years from now we're back in for another
6 base distribution rate case. In my experience in other
7 commissions and in other states and my own view of it, and
8 others can say if they disagree, the ability to look back to
9 say were your decisions appropriate, were your investments at
10 the right level from a prudence standpoint never goes away from
11 a commission. You can still question that and say, well, how
12 did you know that that was the right technical solution. Part
13 of our governance process and our investment planning
14 prioritization process has that technical system analysis and
15 assessment. Is it the right solution? Is there still a need?
16 Because undoubtedly things will change over the next few years,
17 and a new solution might be the better one. Maybe it costs
18 less, maybe we don't do it, and we would have that downward net
19 plant only reconciliation that is, again, downward only to make
20 sure customers were made whole during this period of
21 prospective funding prior to the actuals actually -- you know,
22 really coming in. If we find that we need to make investments
23 even greater, the company would be on the hook for that in
24 between rate cases.

25 MR. BARTLETT: Right. So I guess what I'm really

1 trying to sort of put a finer point, what I'm trying to
2 understand is that what are you asking us to approve? Are you
3 asking us to approve an amount? Because I understand you need
4 a forward-looking amount that's higher. So you're asking us to
5 approve an amount and then we -- later we'll do the traditional
6 prudency review to assess whether you made the right choices.
7 Or are you asking us to actually be approving the particular
8 suite of investments you put forward? Because it's a very
9 different analysis in my view if we have to determine that this
10 is the right set of investments.

11 MS. ANCEL: If -- yeah, if I could, Chairman
12 Bartlett, it's the former. So there is nothing in our -- just
13 to be explicit, in our proposed multi-year plan that is
14 intended to abrogate or supplant the Commission's ability to
15 ongoing prudency review. But it's -- for all the reasons that
16 Kevin described, clean energy transformation does require --
17 now that we plan on a programmatic standpoint, and we're
18 looking to set up an investment plan to support that with the
19 Commission always having the ability, that I don't even know
20 that it could waive if it wanted to, to look backwards at the
21 prudency and used and usefulness of investments.

22 MR. SCULLY: And the flip side of that is you also
23 preserve a certain amount of flexibility as you deploy that
24 capital over the three-year period that circumstances change
25 and exactly how you make those investments could be different

1 than what's here in this detailed plan today. Is that fair?

2 Yeah.

3 MR. PURINGTON: I think, you know, as we look at the
4 system and the changes that are happening on the system from,
5 you know, just DERs being a -- you know, established on the
6 system and connected, you know, we're seeing, you know, issues
7 from some of that right now that, you know, we may have to be
8 adjusting in future years. So there needs to be a little bit
9 of fluidity to the capital investment plan. But I will say one
10 thing, and these guys are tired to hear me say this, but
11 automation is one area where we will not deviate because that,
12 in my mind, is a clear pathway to improving the performance of
13 the system and mitigating the number of customers that are
14 impacted by each outage. So we'll stay focused on that, and we
15 have a set of projects over this next three years that we plan
16 on investing. But, again, circumstances could change from a
17 variety of -- for a variety of reasons. So we need to be
18 cognizant of that.

19 MR. DAVIDSON: I've got one more follow up. Sorry,
20 Susan. So if the company is envisioning that the five capital
21 trackers, the projected spending amounts, is a cap, why isn't
22 it simply rolling those into its plant investment plan in the
23 first place and having that subject to the downward adjustment?
24 Why is it treating it differently if it sounds like you're
25 saying we're going to look -- we, the Commission, will look at

1 it the same way?

2 MR. PURINGTON: So I'll start, this is Joe again,
3 and, Kevin, you can probably add to this. We would just -- you
4 know in our rate proposal for our capital investment program,
5 we are focused on core system improvements projects. If you
6 look at the trackers that we've established for EVs, for DG,
7 for broadband, for CCI, there's some variability in those. We
8 don't know what they could be, and if we were going to have
9 conversations with all of the parties on what we're focused on,
10 I wanted to be able to come to you and say we're focused on
11 improving the system performance of the grid right now. There
12 are some things that we'd like to do, right, but we need your
13 opinion and your support to say do you want to do something
14 like a battery storage project at this point in time? Is it
15 the right time for our customers? Same thing with the EV
16 rates. Do you want to add that additional burden onto
17 customers? The CCI agreement is one where we'll talk about
18 more in detail on Thursday. Broadband, we don't have any idea
19 yet of what the magnitude of that will be. You know, we're
20 going to have to go out when it's deployed, in what areas it's
21 deployed in, determine the condition of the plant that's there.
22 We're going to have to survey it and determine, okay, how will
23 those costs be allocated? Will they be allocated to the
24 company? Will they be allocated to the broadband attacher?
25 Will we get federal funding? And, again, that's why when we

1 looked at these programs, we fully envision conversations
2 around the trackers and whether or not you want to go forward
3 with them. If so, how? And that we would fully understand
4 that you would want to put a cap on it. I would expect that
5 from the Commission and staff and the other parties. But we
6 just want to be straightforward with all of you, and what we're
7 focused on is improving the system. You know, we want to build
8 it smarter, stronger, and more resilient every time we touch
9 it. And that's our core philosophy right now.

10 MR. DAVIDSON: Thank you.

11 MR. BRYANT: Yeah, go ahead, Susan. Thank you.

12 Thank you for the interruption.

13 MR. HARWOOD: Could I jump in and one follow up? On
14 the Chairman's question of prudence, if I understand your
15 testimony, is it fair to interpret it that if we end up in a
16 prudence fight down the road over some investment that was
17 subject to this rate plan tracker, am I correct in
18 understanding that CMP will not use any language in this rate
19 order or an additional follow-up rate order that is potentially
20 favorable to the project as a defense to any allegation of
21 imprudence?

22 MR. DONNELLY: And Kevin Donnelly, and others may
23 chime in as well. I think it's important what Joe just said a
24 moment ago and particularly for the EV, the battery storage,
25 the time of use rate. So the question in front of the

1 Commission we're looking for is are those projects, are those
2 programs that you would like us to move forward with. We've
3 proposed some opportunities. We've proposed some insights and
4 some benefits that those could provide to customers. And if
5 the Commission determines ultimately, yes, we would like for
6 you to propose -- move forward with your proposals on EV
7 chargers or on battery storage, and then to use, Sue, your
8 example, if later down the line for whatever reason, it's
9 determined that -- and maybe it's a Commission order or maybe
10 it's just that a particular location that was picked for
11 battery storage -- I'm sort of thinking out loud here for a
12 moment -- no longer is appropriate. Then we would, in my view,
13 be still looking and saying, well, this was a program that we
14 were pursuing that was appropriate underneath the guidance of
15 where the Commission was looking for us to -- the capital
16 trackers or the capital adjustment mechanism, as Eric referred
17 to it as, has really two components. Those do address
18 investments that are not in our control, CCI and broadband.
19 And those are investments that are really being presented here
20 to push forward with state policy. And if state policy changes
21 and it was once advocated for and something we proposed, I
22 still think we would be saying this is something we did to
23 further it. Now whether we did the right thing, did we take
24 the right decision, did we pick the right vendor, did we over
25 investor underinvested in a particular approach for battery

1 storage or for EV, I think that's the discussion that you have
2 around the prudence. Others?

3 MR. HARWOOD: Can I just try the question one more
4 time? And I don't mean to be sharp, but I almost think it's a
5 yes or no question. Will the company use a rate order or a
6 follow-on rate order that has language referring to these
7 projects as part of its defense to any future allegation of
8 imprudence for any of these projects?

9 MR. DONNELLY: Kevin Donnelly. To clarify, you're --
10 are you referring to the capital adjustment mechanism?

11 MR. HARWOOD: Take them one at a time, the capital
12 investment. Is there a different answer depending on which
13 program?

14 MR. DONNELLY: Specific to the capital trackers, the
15 ones I described, you know, yes, the language here. If it's
16 supporting battery storage and EV or the time of use rates
17 change that we're proposing, then, yes, that would be our
18 support for having Commission backing for advancing that
19 because we would not advance it otherwise.

20 MR. HARWOOD: So we are giving you some prudence
21 protection by going ahead if you're going to be able to use it
22 as a defense, right?

23 MR. DONNELLY: Kevin Donnelly here. In relation to
24 the support for the program. Again, we're not going to make
25 the investment -- I think Joe was very clear. We would not

1 advance the battery storage or the EV pilots without the
2 support of the Commission, not the dollar amount, but the
3 support for the concept.

4 MR. HARWOOD: Thank you, Susan. Sorry.

5 MS. CHAMBERLIN: I was going to leave this. Any
6 other questions? All right. I just have some detailed
7 questions. I'm looking at CIP 32, and there's Table 3. And
8 there's a line for comprehensive studies, area studies. And
9 the projection for 2025 is -- it looks like 4.5 million for
10 studies. And then in 2026, it's 11.5 million. What's the
11 basis for that increase?

12 MR. MORIN: This is Chris Morin. So as the projects
13 -- well, first let me take a step back. These studies are --
14 the dollars in here are more of a placeholder designed for
15 future ongoing studies. We know we're going to have some
16 deficiencies. We're seeing them already. The studies aren't
17 completed yet. So these cost items are really for engineering,
18 future long-lead time items like transformers, and once we have
19 an actual project established, these funds get pulled into a
20 specific project, a stand-alone project, outside of this
21 blanket program that we have. So as you progress through the
22 years, more area studies will be completed, more funds will be
23 kind of realized or needed because more projects are being
24 identified and completed. So it's more just the compression of
25 us completing studies over time. We have several that are

1 ongoing now and some in the future we have in the queue as
2 well.

3 MS. CHAMBERLIN: So the fact that it's such a large
4 jump, I mean, it's more than double, there's no particular
5 reason for that? You just think you might need some more
6 studies by then?

7 MR. MORIN: Well, we know we need several studies.
8 We have a queue built up now, and we have some that are ongoing
9 today that also have funds needed in the future years. So,
10 again, we're trying to shift this out into the more future
11 years as we know -- because right now, again, we're going
12 through that study process, they're not completed yet. So we
13 know we'll need more funds into the future.

14 MS. CHAMBERLIN: All right. Looking at CIP 16,
15 distribution automation devices, and the discussion is that
16 they improve reliability. That's correct?

17 MR. MORIN: This is Chris Morin. That's correct.

18 MS. CHAMBERLIN: And then it's states that CMP needs
19 to install 2,360 distribution automation devices. Will that
20 cover CMP's entire distribution system?

21 MR. MORIN: This is Chris Morin. Yes, it will.

22 MS. CHAMBERLIN: And from 2018 to 2021, CMP installed
23 25 distribution automation devices a year. Is that correct?

24 MR. MORIN: Chris Morin. Yes, that's correct.

25 MS. CHAMBERLIN: I'm looking at OPA 9-11, and we're

1 discussing the grid model enhancement program. And the answer
2 is the program will conduct a complete field survey of CMP's
3 distribution system. So what's the purpose of the field
4 survey?

5 MR. MORIN: Chris Morin. I'm just pulling up that
6 data response now. One second.

7 MS. TRACY: We also have members of the grid mod
8 panel available.

9 MR. BRYANT: That was Sarah Tracy.

10 MR. MORIN: I can kick things off. I may defer to
11 Miguel Alonso as well who's leading this initiative. So, of
12 course, the grid model enhancement program is designed to help
13 us improve the accuracy of our data right now across the
14 system, and that field survey's intended to understand what's
15 out in the field today in comparison with what's in our models
16 and our databases. So we'll do a complete field survey of the
17 distribution system, evaluating phasing of conductors, pole
18 locations, device locations, and make sure we have the exact
19 information, bring it back into our system, then import that
20 into our CYME models, for example, as one use case to improve
21 the accuracy of our models and data.

22 MS. CHAMBERLIN: And what is it about the field
23 survey going forward that is different from your records of
24 what you have in the distribution system? Like, why is this
25 comprehensive field survey necessary?

1 MR. MORIN: Well, one reason is as you go through all
2 these outages, storm responses, things get changed in the
3 field, and the records don't always get back into our system.
4 So part of this initiative, the GMEP initiative, is to also
5 modify our change management process to make sure going
6 forward, anything that happens in the field, it gets back
7 automatically into our databases, our GIS, and back into our
8 CYME models, for example, as well.

9 MS. CHAMBERLIN: What does that mean, redesign
10 equipment change management process moving forward?

11 MR. MORIN: So want to go to Joe or --

12 MR. DESROSIERS: Yeah. So just to back up, and I can
13 give you an example of one of the biggest benefits we're going
14 to get from GMEP. So today on our three-phase portions of our
15 distribution circuits, we don't track which customers are
16 connected to which phases. So when we have a single-phase
17 outage on a three-phase portion of a circuit, we have no way of
18 knowing immediately which customers are affected by that outage
19 because they're all connected independently to the three
20 different phases. GMEP is going to give us that information so
21 that as we get to a centralized operation of our energy control
22 center, we'll be able to predict exactly which customers are
23 affected by that outage and dispatch crews and operate the
24 system accordingly.

25 To get back to the equipment change question, we'll

1 have a much more disciplined approach to documenting when
2 equipment changes in the field so that the model will stay up
3 to date from the changes that the crews do in the field on a
4 daily basis.

5 MR. PURINGTON: This is Joe Purington. I'll just add
6 to that. As we think about how the system is operated today
7 and how will be operated a year from now, today the control
8 center runs the transmission system for us and they are an
9 operator for our distribution field crews, meaning that our
10 distribution field crews will go out in the field and any
11 devices that are automated, they'll ask the operator to operate
12 for them on their behalf. So if they're going out to do some
13 work on a circuit, they may ask the operative put that circuit
14 on DNR. but the operator really doesn't have control of that
15 circuit from an outage perspective. In the future, as we add
16 more automation to the system, we bring all that intelligence
17 from the field into the control center and our distribution
18 system operators now become the operators and owners of the
19 system, meaning that no work goes on the system without the
20 system operator understanding who's working on it and they need
21 permission to do so that they can operate the system -- in
22 cases where we have faults, use the information that's coming
23 in from the system into the control center to segregate the
24 customers into the least common number of customers impacted by
25 that outage. That's a transformational change. There's a

1 trust issue between the field and the control center as we move
2 through this process. I've been through it. The field wants
3 to know that the control center has authority, but they also
4 want to know that the information that they're using on their
5 screens is accurate, when they make decisions, that those
6 decisions are accurate and they're not compromising the safety
7 of the people that are in the field. The GMEP process allows
8 you to get that baseline accuracy to ensure that the
9 information that's in the control system is accurate to what's
10 represented out in the field. You then have to ensure that
11 your processes are sound to ensure that when changes are made
12 on the system, that those changes are reflected in the control
13 room before they're energized in the field. Again, that's all
14 about ensuring that there's trust between the control center
15 operating the system every day and the lineworkers that are out
16 on the distribution system working every day. So you have to
17 have real confidence in the data that the control center is
18 looking at. You want to feel confident that there's accuracy
19 and that we want to model the system as accurately as we can so
20 that we can, again, use the automation that's installed on the
21 system to benefit our customers most.

22 MS. HEALY: May I ask a quick follow up? What's the
23 current process that CMP's using to verify modeling errors?

24 MR. DESROSIERS: It -- basically a process where, if
25 the crew in the field identifies a discrepancy between the

1 information they have and the mapping that they have, there's a
2 process that they document the change and it gets submitted so
3 that the update gets made. But it's not to the same level that
4 GMEP is gathering data such that -- like the three-
5 phase/single-phase customer connection example.

6 MS. HEALY: Thanks.

7 MS. CHAMBERLIN: So just to be clear of -- field
8 survey, is this somebody going out in a truck and looking and
9 seeing what's on the pole or is this something that's done,
10 like, on a computer?

11 MR. ALONSO: Hello, this is Miguel Alonso. I am the
12 project manager for the grid model enhancement project. So
13 originally we thought to survey pole by pole on the ground one
14 by one, and we've already initiated that process in -- for
15 getting some information. But we shifted now that we're going
16 to be doing an approach in which we're going to be capturing
17 imagery on top of vehicles as they drive by, and we're going to
18 extract the information out of those images for everywhere we
19 can access imagery and our assets from the road. Everything
20 that we are not able to obtain imagery from the roadside, then
21 we're going to dispatch, you know, surveyors. They're going to
22 obtain that information in the field. We don't expect to be
23 using bucket trucks to obtain information as that's only on a
24 need basis. We're going to be employing the best available
25 technologies everywhere that we can to do this process of

1 obtaining the information in the field and comparing it to our
2 records in the most efficient way, very likely with not only
3 drive-by imagery but also perhaps employing the use of drones
4 and, of course, capturing images with -- by humans on the
5 field.

6 MS. CHAMBERLIN: And how long do you expect that to
7 take?

8 MR. ALONSO: This project is scheduled for the next
9 years, from 2021 till 2026.

10 MS. CHAMBERLIN: But just the field survey part, just
11 the mapping of your entire system to make sure the data is
12 accurate, that's going to take until 2026?

13 MR. ALONSO: No, not likely. We're doing a -- we are
14 right now in the planning stage of this project, and we are
15 going to elaborate detailed schedules and plans for obtaining
16 that information in the field. And a lot of it's going to be
17 depending on what we're able to learn and discover on this
18 first, let's say, attempt which is going to be the drive-by
19 imagery capture and to -- that's going to be kicking off in
20 2022 and 2023. Those are the two years in which we expect the
21 bulk of the field gathering to take place, but we don't exclude
22 the possibility that we are, during 2024, also obtaining
23 information in the field.

24 MS. CHAMBERLIN: And does CMP currently have the
25 ability to take that data and put it into the models? Does

1 that have to be done manually?

2 MR. ALONSO: So that's actually one of the main
3 focuses also of the grid model enhancement project, not only
4 the field data capture, but also the processes that we need to
5 put in place to automate the intake of that information into
6 our systems and the adoptions of those systems to host that
7 information and to process it in the most efficient way. So
8 some items might have to be manual as is today, but we're
9 looking into every possibility that we have to automate,
10 streamline, and make the data gathering and the quality
11 assurance of that data sustained and efficient in the long
12 term.

13 MS. CHAMBERLIN: In terms of the timeline, you do the
14 survey first. You implement the data prior to the automation.
15 Do you complete the model first or do you implement the
16 automation in order to complete the model?

17 MR. ALONSO: So they go a bit hand in hand. We're
18 working at the same time in planning the field data capture of
19 information. At the same time, we are aware that there are
20 certain items that we are not going to be able to obtain with
21 drive-by imagery. So we're working on planning those items at
22 the same time. And we're also looking already at a description
23 of the current situation of processes and where there is an
24 immediate opportunity for us to adjust our systems and our
25 processes to keep that data actual in the long term and to

1 enhance the intake of the information that we're going to be
2 obtaining during the survey. So we're working on those avenues
3 in parallel, and they are not excluding one the other.

4 MS. CHAMBERLIN: Okay, so your expectation is by 2026
5 both of these things will be completed. You will have the
6 field data completed, you will have the automation completed,
7 and there will be communication to keep the models accurate.
8 Is that a fair summary?

9 MR. ALONSO: So by 2026 we will be complete with the
10 project. And as of now we are in the planning stage, and our
11 current line -- timeline is subject to change based on the
12 planning and the procurement processes that we are ongoing
13 right now that are going to provide us also a lot of
14 information regarding when and which stages are going to be
15 completed by when.

16 MR. PURINGTON: So this Joe again. I'll add that the
17 automation won't be completed by 2026 on the system. There'll
18 still be needed devices invested beyond '26.

19 MR. SIMMONS: Susan, do you mind if I follow up on --
20 yeah. So has the company -- have they considered incorporating
21 the surveys with their DLI program where one-fifth of the
22 system gets evaluated each year?

23 MR. ALONSO: It's Miguel Alonso. Yes, the DLI
24 program and GMEP have been -- we have been looking into
25 potential synergies of both projects. The decision was made to

1 keep both initiatives separate for the main reason that the DLI
2 program is focused on asset condition while the GMEP program is
3 focused on ensuring that our records and our data is accurate
4 and that we have the process in place to keep that data
5 accurate in the long term. So while there are synergies and we
6 are in conversations with our colleagues exchanging best
7 available technologies and best practices, those are two
8 separate programs.

9 MR. SIMMONS: Does it require two separate skill
10 sets? As far as, you know, the people inspecting the poles for
11 asset condition, are they capable of doing the surveys for
12 what's there and is it a significant addition of labor
13 resources?

14 MR. PURINGTON: This is Joe Purington. It is a
15 little different skill set, and if you think about our DLI
16 inspection process, that's over a five-year period. And we're
17 trying to get this program wrapped up in a couple years. So
18 it's pace as well. But the technology that's used by the
19 people that will be doing the GMEP is much different than what
20 our DLI inspectors use.

21 MR. SIMMONS: Okay, thank you.

22 MS. CHAMBERLIN: (Indiscernible) up on OPA 9-10 --

23 MS. HEALY: Susan, you mind if I ask a question
24 before you move into a different topic? Can you explain how
25 you prioritized which -- the rollout of the circuits that would

1 be automated? Can you explain how you selected those and how
2 you're prioritizing those?

3 MR. DES ROSIERS: I'm going to pick if one of you
4 doesn't.

5 MR. PURINGTON: I'll go ahead. This is Joe. So when
6 we roll out the DI -- excuse me, the automation, there's
7 synergies when you roll out the automation in a given region so
8 that the operators that are operating the system, they have a
9 certain geographic area that they're responsible. As I
10 mentioned before, it's important for transformation,
11 organizational transformation, purposes that the crews that are
12 in that geographic area, we don't just give them one or two
13 circuits in that area to be aware of but we look at it
14 holistically for a region. So our approach is going to be a
15 regional approach for those very reasons. It's easier for the
16 operators to get a feel for how the system operates in the new
17 -- with the new parameters and the new tools that they have.
18 It's easier for us to train a certain region rather than a
19 circuit or two in five different regions or seven different
20 regions. So that'll be our approach. And as I think Chris has
21 alluded to in some of the testimony, we're looking at
22 approaching it from an Alfred region first, just based on
23 performance of the system and the number of customers that are
24 down in Alfred, as well as the first region to get rolled out
25 to. And then the subsequent rollout regions, I'll defer to

1 Chris and Adam to review.

2 MR. MORIN: This is Chris Morin. Just to add to
3 that, so how we selected the regions to go first ultimately was
4 looking at the SAIFI performance. We used a three-year
5 weighted SAIFI average to kind of rank all of our service
6 centers and found the most poor performing service center would
7 go first. Alfred was obviously that division. That's what
8 we're tackling first. And then after that it just goes in
9 order of reliability performance. I think Brunswick was next.

10 MS. HEALY: And you might have answered a data
11 request on this, I don't recall, but have you quantified the
12 expected improvement from the automation investments on SAIFI?

13 MR. MORIN: We've done some analysis with the
14 reliability calculator. And this is this is Chris. I think we
15 alluded to that, and I think it's Examiners 16-03 data
16 response, that we used about 15 circuits to look at a sample
17 size. So now we are looking at doing all the automation
18 circuits through this program. But based on what we've seen so
19 far, we're seeing about an average 40 percent improvement in
20 SAIFI. And, of course, that tool utilizes historic outage
21 information to kind of predict future outcomes and future
22 results. But based on that tool, we are seeing about a 40
23 percent average as a target. Of course, that will vary based
24 on where your outages are, the storms come in. So there's
25 definitely some uncertainty with that, but based on this tool's

1 algorithm, that's what we are projecting right now. And it
2 does seem to come in line with our expectations.

3 MS. HEALY: (Indiscernible) that something that
4 happens as soon as the -- you can expect to see those benefits
5 as soon as the automation is -- I guess on the all those --

6 MR. MORIN: That's a great question.

7 MS. HEALY: -- not the end of the year so --

8 MR. MORIN: That's a great question. Actually it
9 depends because, as I mentioned, outages vary significantly
10 across the system. So you really don't realize that until
11 several years into it when you have a lot of devices deployed,
12 have time to see kind of those storms roll through certain
13 areas, to kind of realize those benefits. So it does take some
14 time to get that improvement.

15 MR. SIMMONS: Can I ask a follow up to that, Nora?
16 So, Chris, I understand the operational desire to roll this out
17 kind of in a district-by-district basis. Is there a critical
18 mass that you need of circuits automated in an area in order to
19 achieve the kind of reliability benefits that that you're
20 talking about so that you need, you know, more circuits that
21 are inner tied and can operate together or is that just on a
22 feeder basis?

23 MR. MORIN: We are looking at the whole system
24 holistically, and it will vary. Some circuits might have
25 additional devices we're adding, (indiscernible) ability. Just

1 depends what's on there currently, and some of the circuits
2 might need nothing at all. We're looking across the whole
3 system, but ultimately, we're looking at automating circuit
4 ties as well. That's a big key of improving restoration time,
5 having that backup supply. So it does take a wider area, I
6 think, to really realize that the reliability benefits because
7 you have circuit ties and neighboring circuits at the same
8 substation, neighboring substations. So really it's more of a
9 holistic, I think, process to really realize that significant
10 reliability improvement.

11 MR. SIMMONS: Okay. Thank you.

12 MS. CHAMBERLIN: So moving to OPA 9-10, the question
13 is regarding hourly load data by distribution circuit. And the
14 answer includes the statement, "There are some circuits where
15 hourly load data is not available." So the follow-on question
16 is what percentage of distribution circuits don't have the
17 hourly load data available?

18 MR. MORIN: This is Chris Morin. Did anticipate that
19 question so it is a good follow up. About 20 percent right
20 now. We don't have hourly load data, SCADA data. We do have
21 that CMP circuit sensor program included in the rate case to
22 rectify that problem, that issue, because obviously visibility
23 is very important. So it is about 20 percent right now.

24 MS. CHAMBERLIN: Twenty percent that do not?

25 MR. MORIN: Do not, yeah.

1 MS. CHAMBERLIN: Okay. And then a follow on
2 regarding the CYME GPS integration. Is that system integration
3 a hundred percent of CMP's distribution system?

4 MS. CULLEN: Hey, this is Kimberly Cullen. So that
5 the answer is yes, the entire CMP distribution system is
6 integrated with our GIS system through the CYME gateway.

7 MS. CHAMBERLIN: Okay, thank you. Turning to page
8 51, I just have some questions about that chart. And it's
9 Table 9. And the third column says others. Can you define
10 what others mean?

11 MR. DES ROSIERS: Susan, not to cause a wrinkle, but
12 through the review in preparing for the technical conference,
13 the team identified some errors in Table 9, and that we've got
14 a new version that corrects the -- and I'm happy to pass them
15 out. So figured there may be questions. I would encourage --
16 it may be better to use the revised table so we're -- we get
17 the right numbers because -- but they can explain whatever you
18 would like but we'll then be using the right --

19 MS. CHAMBERLIN: That's fine.

20 MR. DESROSIERS: Yeah, so this is Adam Desrosiers.
21 The others column in Table 9 is -- in the prefiled testimony
22 refers to CCI-owned poles that were changed out as part of
23 other programs or projects on the system, not specifically the
24 DLI program.

25 MR. BRYANT: Jared, did you want me to mark this as a

1 technical --

2 MR. DES ROSIERS: Why don't we mark --

3 MR. BRYANT: -- Exhibit 3 or will it be in your
4 rebuttal testimony or --

5 MR. DES ROSIERS: Why don't we mark it just for the
6 record today as Technical Conference Exhibit 3. We will
7 address it as a correction eventually and we'll make it clear
8 in the record, either in rebuttal or a correction, but figuring
9 there will be questions on it, we thought we'd better have it
10 today so we don't get confused.

11 MR. BRYANT: Okay. So if you could upload it to CMS
12 at the end of the day or tomorrow morning.

13 MR. DES ROSIERS: We will.

14 MR. BRYANT: Thank you.

15 MS. CHAMBERLIN: My questions are going to be off the
16 old table. So we'll just see how they relate.

17 MR. DES ROSIERS: And that's fine. And then we can --
18 -- also we can explain what's changed in the numbers so that --

19 MS. CHAMBERLIN: Yeah, that would be great. So I'm
20 looking at the total of CCI poles projected to be replaced.
21 And I came up with 49,000, almost 50,000. I don't know where
22 it would -- on the original one, it's the first two numbers at
23 the bottom, those -- that total. Is that correct?

24 MR. DESROSIERS: Yeah. So that was a forecasted
25 amount for future years. What we've done on the revised table

1 is combine the DLI program column and the other column from the
2 previous table into one and essentially forecasted the level of
3 DLI poles that could be replaced with the approximately ten
4 million that was shown in the capital tracker.

5 MS. CHAMBERLIN: Where's the total on the new --

6 MR. DESROSIERS: It would be the first column, the
7 27,000.

8 MR. DES ROSIERS: And it has gone down because this
9 is where we've realized that the cost numbers weren't correct.
10 So that's why there are fewer poles proposed for replacement,
11 because the cost for each replacement pole has gone up.

12 MS. CHAMBERLIN: So let me ask you with the new
13 numbers. The proposed CCI pole placement program, what
14 percentage of poles are going to be replaced? What percentage
15 of the CCI-owned joint poles are going to be replaced?

16 MR. DES ROSIERS: Percentage or number?

17 MS. CHAMBERLIN: Well, we could start with the
18 number, and then we could figure out the percentage. I had the
19 numbers on the old chart.

20 MR. DESROSIERS: So we do have some witnesses that
21 were prepared to answer CCI-related questions. I think we had
22 talked about doing it Thursday. We can get into those details
23 now or hold that question till Thursday. I don't believe
24 they're sitting at a mic so --

25 MS. CHAMBERLIN: I mean, I can hold them till

1 Thursday. I have a -- I just have a few. I was just -- we're
2 just trying to figure out how many need to be replaced and what
3 percentage of the system that is.

4 MR. PURINGTON: So this is Joe again. So I'd say in
5 the CCI, it's a result of our inspection process. So as we go
6 from year to year, we're making a projection. We're not sure
7 if that projection -- how certain that will hold true. Again,
8 it's -- it will be dependent on how those - the inspection
9 results for each of those poles.

10 MS. CHAMBERLIN: So based on your projection, do you
11 have a percentage of how many is going to be replaced? If you
12 don't know that right now, we can save it till Thursday.

13 MR. DES ROSIERS: If we're going to continue on CCI
14 poles, we need to bring up the person who's responsible for
15 that program, but we can do it Thursday and --

16 MS. CHAMBERLIN: We can wait till Thursday.

17 MR. BRYANT: Yeah, so my question would be if you
18 need Larry Holloway to hear the answers to follow ups, you
19 should ask the questions now because that's why we've deferred
20 to you today. Otherwise, I would prefer that you wait until
21 Thursday.

22 MS. CHAMBERLIN: Is Larry still on? Does he need the
23 answers today? ...: Hearing nothing, I think Thursday will be
24 fine. So I have a general question which I think this panel
25 can answer, and if not, we'll defer it till Thursday. But it

1 appears from the testimony that the pole -- that CMP believes
2 the pole replacement cost for the broadband initiative will be
3 paid for by electric ratepayers. Is that correct? Is that
4 CMP's belief?

5 MR. DESROSIERS: At this point, with what we've
6 learned on the broadband program, we don't see another
7 mechanism that's been put forth that would cover the cost of
8 make ready unless we would essentially get federal funding to
9 cover the make ready cost.

10 MS. CHAMBERLIN: And so the basis of that conclusion
11 is the absence of any other mechanism?

12 MR. DESROSIERS: Correct. And this is Adam
13 Desrosiers, by the way.

14 MS. CHAMBERLIN: So I'm looking at EXM 9-77, and
15 there's a discussion about the Municipal Access Act. And the
16 answer is that CMP believes that most of the pole attachment
17 requests it receives as part of the broadband program will fall
18 under the municipal exception in Chapter 880. Can you identify
19 which municipalities you believe will fall under the exception?

20 MR. COTA: This is Nathan Cota.

21 MR. DES ROSIERS: -- new witness speak.

22 MS. CHAMBERLIN: I didn't hear that.

23 MR. COTA: This is Nathan Cota. I can answer that
24 question.

25 MR. BRYANT: Have you been sworn?

1 MR. COTA: Not been sworn.

2 MR. BRYANT: Okay. So why don't you just state your
3 name for the record and your position and then I'll swear you
4 in.

5 MR. COTA: Nathan Cota, manager of joint use plant at
6 CMP.

7 MR. BRYANT: (Indiscernible) you raise your right
8 hand please. Do you swear or solemnly affirm that the
9 testimony you give today and throughout this proceeding is and
10 will be wholly truthful?

11 MR. COTA: I swear.

12 MR. BRYANT: Thank you.

13 MR. COTA: You repeat the specific question, please?

14 MS. CHAMBERLIN: Sure. EXM 9-77, the answer that CMP
15 gave, it says, :CMP believes that most of the pole attachment
16 requests it receives as part of the broadband program will fall
17 under the municipal exemption in Chapter 880." And I was
18 looking for a list of the municipalities that CMP believes will
19 fall under the exception.

20 MR. COTA: So today I don't have a list.

21 FEMALE: Sir, could you please move closer to the
22 mic?

23 MR. COTA: Sorry. I don't have a list today. It's
24 ever evolving as Maine connectivity authority funding is
25 distributed. It could actually be broadband utility district.

1 So it might be a combination of municipalities as well. I
2 guess the short answer is I don't have a list. I can tell you
3 I'm working with the town of Leeds who is seeking to fall under
4 the municipal exemption currently, but that, as time goes on,
5 we'll have many towns that would meet the requirement for the
6 municipal exemption.

7 MS. CHAMBERLIN: And can you describe why Leeds
8 thinks it's going to fall under what the criteria are?

9 MR. COTA: Because it does not meet the unserved --
10 or it meets the unserved or underserved definition of broadband
11 inside the census block of Leeds.

12 MS. CHAMBERLIN: Could I ask an ODR for a list of the
13 municipalities? Or I'd like to ask an ODR for the list of the
14 municipalities.

15 MR. BRYANT: So you want CMP to produce a list of
16 municipalities that it believes will qualify under the statute?

17 MS. CHAMBERLIN: That will qualify under the -- yeah,
18 the municipal exception.

19 MR. BRYANT: Okay, why don't you please -- let's put
20 in that ODR the reference to the --

21 MS. CHAMBERLIN: Yeah, it's the municipal --

22 MR. BRYANT: -- data response that you're citing.

23 MS. CHAMBERLIN: Yeah, it's EXM 9-077, and the
24 references to the Municipal Access Act, 35-A, Section 2524.

25 MR. BRYANT: Thanks.

1 MS. CHAMBERLIN: And that's all I have.

2 MR. BRYANT: Okay. Well, good timing. It's time for
3 our afternoon break. So we will come back and begin with the
4 operations panel. Right? I mean, we have questions for this
5 panel as well. It just won't happen today.

6 MR. DES ROSIERS: Okay.

7 MR. BRYANT: So --

8 MR. DES ROSIERS: However you -- they're here.

9 MR. BRYANT: So the panel's not excused.

10 MR. DES ROSIERS: Well, I guess --

11 MR. BRYANT: For the time being you can retire, but
12 you're not excused.

13 MR. DES ROSIERS: With one question. If folks were
14 ready with questions for the grid modernization panel, they
15 have more folks from away who probably eventually want to go
16 home. That's a longer drive. But if -- so if they could be
17 done today, that would be great. If not, so be it. I mean,
18 they're here and they'll be here as needed, but --

19 MR. BRYANT: Yeah.

20 MR. DES ROSIERS: -- the electric operations panel,
21 these guys work over -- just over there so --

22 MR. BRYANT: I think we're going to run out of time
23 today. So I'm -- unfortunately for the grid mod folks, you're
24 going to have to enjoy Maine weather for a few more days, or at
25 least one more day.

1 MR. DES ROSIERS: And that's fine. I --

2 MR. BRYANT: Okay. So let's come back at let's say
3 3:17 give or take. Thank you.

4 CONFERENCE RECESSED (November 8, 2022)

5 CONFERENCE RESUMED (November 8, 2022, 3:18 p.m.)

6 MR. BRYANT: -- two people who may testify who have
7 not yet made an appearance.

8 MR. DES ROSIERS: -- actually are three. Also Art
9 Brown added to the list. So there are three.

10 MR. BRYANT: So I would like those three people to
11 enter their appearance now, if you would please, including --
12 if your name does not appear on the testimony, please spell
13 your name for the reporter.

14 MS. MANENDE: Kathryn Manende, manager of vegetation
15 management.

16 MR. BRYANT: Okay.

17 MS. BONDARIVA: Christina Bondariva, senior manager
18 of programs and joint use. That's C H R I S T I N A B O N D A
19 R I V A.

20 MR. BRYANT: Thank you.

21 MR. BROWN: Art Brown, supervisor maintenance
22 engineering, CMP.

23 MR. BRYANT: Okay, my understanding is the three of
24 you have not been sworn. So if you could please raise your
25 right hand. Do you swear or solemnly affirm that the testimony

1 you give today and throughout this entire proceeding is, and
2 we'll be wholly truthful? Okay, let the record show that all
3 three answered affirmatively. Let me just ask Barbara
4 Alexander whether my instructions were sufficient for her to
5 (indiscernible) the picture that she wanted. Getting a nod
6 from my colleague here. Okay, good. I believe we're ready for
7 the OPA to begin questioning of this panel. Thank you.

8 MS. CHAMBERLIN: Great, thank you, Susan Chamberlin,
9 OPA. I was looking at testimony on pages six and seven, and it
10 talks about the changes in the leadership team. And I'm
11 wondering if this has an impact on the cost allocation to Maine
12 ratepayers.

13 MR. DESROSIERS: This is Adam Desrosiers. I would
14 say likely some of these changes (indiscernible) a change in
15 the allocation to Maine ratepayers. So, for example, my job as
16 vice president, electric operations was previously held by an
17 individual that shared his time between Connecticut and Maine.
18 And likewise with our senior director of system operations,
19 Kevin Therriault used to share his time between Maine,
20 Connecticut, and New York. So there's various examples where,
21 with the organizational changes, we've refocused local leaders
22 on CMP only.

23 MS. CHAMBERLIN: And as of a follow-up ODR, can you
24 quantify the financial impact? So it's the quantify the
25 financial impact of the changes in leadership described in the

1 -- on page EOP 7.

2 MS. TAYLOR: That'll be ODR 11.

3 MS. CHAMBERLIN: And now I'm looking at EOP 13, and
4 it discusses 43,400 miles of conductor on the distribution
5 system. That's the total. And 5,000 miles has been converted
6 to covered tree wire. Is there documentation of a cost benefit
7 analysis regarding the proposed investments in covered tree
8 wire at this point?

9 MR. DESROSIERS: Not that I'm aware of. We have
10 reliability data to show the benefit of covered tree wire. And
11 I believe there was an ODR that addressed the cost difference
12 between installing covered tree wire versus open wire.

13 MS. CHAMBERLIN: But not an analysis of the results,
14 the cost benefit of we're going to spend this much money and
15 we're going to get these results compared to some other thing
16 you might do like trimming or what have you?

17 MR. DESROSIERS: Not to my knowledge.

18 MS. CHAMBERLIN: All right. Looking at EOP 16 to 17,
19 and that's customer interconnections. And the sentence is,
20 "Depending on the work, a material portion of the costs of this
21 work are not recoverable from the developer." So I wanted to
22 just dig into that a little bit. Staff then asked what type of
23 work is not recoverable. That's EXM 6-18. And then there's
24 the answer, it discusses level one and level two
25 interconnections and that transformers are not covered. So

1 following up on that question, what's the basis for CMP's
2 determination that the costs of the transformer are not
3 recovered by the -- but from the developer?

4 MR. DESROSIERS: So this is Adam Desrosiers. In
5 almost all scenarios, the transformer is used to serve more
6 than one customer. So we do not believe it was right to charge
7 one customer for an asset that is serving multiple customers.

8 MS. CHAMBERLIN: If the developer is the entity or
9 the load that is causing the need for the new transformer, you
10 don't charge any of the cost to the developer because there are
11 others on the same transformer?

12 MR. DESROSIERS: We charge the labor to install the
13 replacement transformer and any travel time to the developer
14 but not the actual cost of the transformer.

15 MS. CHAMBERLIN: And looking at EOP 18, this is the
16 distribution line inspection program. The proposal is for that
17 program to change from a five-year to a six-year cycle as well,
18 if the Commission accepts the changes to the veg management
19 program. Is that correct?

20 MR. DESROSIERS: Yeah. So there was an ODR that --
21 or not an ODR, a DR that -- this is Adam Desrosiers again --
22 that said that we had changed and decided to not recommend the
23 change to the six-years inspection cycle on DLI. We would
24 stick with the five-year inspection cycle.

25 MS. CHAMBERLIN: Okay. So the budgeted amount is \$30

1 million, and this year's costs are 47.5 million. So there's a
2 reduction. Is there documentation as to why there's a
3 reduction in the cost?

4 MR. DESROSIERS: So if you take the -- this is Adam
5 Desrosiers. If you take the 30 million that's proposed for
6 2023 plus the approximately 10 million that was shown in the
7 CCI tracker, you get approximately 40 million in pole
8 replacement budget or investment for 2023. So really the
9 reduction from the 47 spent this year to the 40 proposed in
10 2023 is just reprioritization of our investment to focus a
11 portion of our investment on automation in 2023.

12 MS. CHAMBERLIN: So essentially it's taking about \$10
13 million and moving it to automation?

14 MR. DESROSIERS: Correct.

15 MS. CHAMBERLIN: All right. So on EOP 42 there's a
16 discussion of storm planning. And it says, "Nationally, most
17 utilities have shifted to a planning and pre-staging model
18 prior to storms." Is there a cost benefit analysis of the
19 impact of adopting this planning and pre-staging model?

20 MS. THERRIault: This is Kerri. We have not done a
21 cost benefit analysis at this time.

22 MS. CHAMBERLIN: And is CMP aware of other utilities,
23 any data on the cost benefit analysis of planning for storms in
24 this way?

25 MS. THERRIault: I do not, no.

1 MS. CHAMBERLIN: Generally speaking, pre-staging has
2 a -- it's costly. It's a costly way of preparing for storms.
3 Is that a fair assessment?

4 MS. THERRIAULT: This is Kerri. That's correct.

5 MR. PURINGTON: So this is Joe. So I would say that
6 three staging now is a necessity in storms and we can go to a
7 present example today. We have Hurricane Nicole is going to
8 hit the Florida as a -- proposed as a category one and then
9 travel up the Mid-Atlantic into the northeast. Right now New
10 England utilities are securing crews for this storm today as
11 pre-staging cost for this event. That forces us, if we want to
12 get resources to respond to these types of events, to make
13 those decisions much earlier. And if you look at other states
14 in New England and even New York, you'll see that there are
15 penalties for poor performance if you don't meet restoration of
16 customers within a certain time period. And that is what has
17 forced those companies to enter into agreements for pre-staging
18 and right of first refusal for line contractors to ensure that
19 they position themselves well so that they don't pay penalties
20 for restoration of storms that may or may not materialize. But
21 those decisions are being made really early in the process. So
22 being last in line in Maine, you can see the impact of those
23 decisions being made multiple days in advance. So the value of
24 pre-staging today is much different than it was previously.
25 Again, I think in Maine we've seen -- we have high expectations

1 for reliability and restoration of storms after the event, and
2 in order to continue to do that, the pressure is going to
3 continue to make those -- we're going to have to make those
4 decisions earlier and earlier in the process to help mitigate
5 cost. But there's also that risk reward that says if, for
6 instance, we make that decision on Thursday or Wednesday,
7 tomorrow on whether or not we're going to secure resources,
8 that forecast is two or three days away, but we won't get those
9 resources that are in New England now if we don't start to make
10 those decisions, you know, in the next 24 hours. So that's the
11 reality of the situation that utilities in New England are in
12 right now.

13 MS. CHAMBERLIN: I appreciate there's been a movement
14 in that direction, and my question goes to as the costs go
15 higher and higher, it begs the question as to is there a cost-
16 effective alternative. So something that might not have been
17 cost effective, like burying the lines under underground, now
18 suddenly becomes cost effective because pre-staging has become
19 so expensive. Or maybe a microgrid is a better option, but --
20 because pre-staging has become so expensive. So I was looking
21 for data on the cost benefit and so that you can make that
22 comparison.

23 MR. PURINGTON: So this is Joe again. So there's no
24 silver bullet, right? Every system is designed a little bit
25 differently. If you talk about the 43 -- what was it, thousand

1 miles of distribution on our system, we do know that bundled
2 Hendrix construction is a much tighter construction. It
3 reduces the zone of impact for branches and trees. My
4 experience and a lot of folks in this room have seen trees that
5 have leaned up right hard against Hendrix construction that's
6 still standing. There's no outage to customers. There are
7 benefits to being able to mitigate the number of customers or
8 the number of tree-related outages by installing covered
9 conductor or Hendrix construction. That's undeniable. How you
10 quantify that over time is, I think, where people start to
11 struggle with. It's hard to quantify what doesn't happen. And
12 you can see it because there's a variety of causes of outages
13 that impact the system. So when we talk about the automation
14 and the reliability investments that we make, and I made this
15 comment the other day, but who would have thought 2022 year to
16 date we've had 450 plus car/pole accidents impacting 188,000
17 customers. You know, those numbers are continuing to grow, and
18 that is -- from a company perspective, I don't know how we
19 would stop that unless we start installing concrete poles. And
20 that's very costly from a plant installation perspective. But
21 I think as we think about pre-staging and getting ready for
22 storms, the expectation is the lights go on very fast after a
23 storm even in Maine. And I think we will -- if we don't pre-
24 stage appropriately, we'll get criticized.

25 MS. CHAMBERLIN: And I'm looking for information as

1 to how to quantify are we spending, you know, ten million on
2 pre-staging and getting four hours earlier to get the power on?
3 I mean, it is there some way to analyze is the cost worth the
4 benefit?

5 MR. PURINGTON: Yeah, so every storm's going to be
6 different and it's going to depend on the damage that -- let's
7 say we don't pre-stage and the other utilities in New England
8 pre-stage, but they don't get hit and we do. In that case, we
9 wouldn't have benefited from pre-staging, but most likely when
10 all the other New England utilities are pre-staging, if we
11 don't pre-stage and we get hit, we'll be sitting before you
12 explaining to you why we didn't pre-stage and why we weren't
13 prepared to respond. So what we're proposing in this rate case
14 is some pre-staging criteria, and there's a little bit of
15 science behind it. We get weather reports from DTN three times
16 a day. They categorize the severity level of a storm,
17 potential storm impact and the confidence level of that storm.
18 And in other states, my previous state, in New Hampshire the
19 pre-staging was allocated and approved for any forecast that
20 was a high-level occurrence, high-level probability, level
21 three, and it's on a one to five scale with three being a
22 potentially high-impact storm with a high confidence. The
23 Commission in New Hampshire allowed us to pre-stage costs, and
24 we would file the weather reports to justify the pre-staging on
25 the event. And not every high-confidence level-three event did

1 we pre-stage for. It depends on what the event was. But
2 again, it just gave the Commissioners, the Office of the Public
3 Advocate, and the utilities an understanding of what was the
4 expectation so that it would not be questioned in the event
5 that there was a storm and the utility wasn't prepared because
6 the utility had the mechanism in place for approval.

7 MS. CHAMBERLIN: Okay. So turning to some data
8 requests, I'm looking at OPA 10-21. And part of the question
9 asks does CMP track the date and hour of peak demand at the
10 substation level. And the answer is that CMP does not
11 currently track the date and hour of peak demand, but this will
12 be tracked in the future. And I'm wondering is additional
13 equipment needed to track it in the future? What will change
14 to make that possible?

15 MR. SADLER: This is Matt, and I submitted that --
16 the answer to the data request. But I -- there are others here
17 who helped me with the data, and I think they can probably
18 answer that question a little better.

19 MS. CULLEN: And this is Kimberly Cullen. Can you
20 repeat the question, please?

21 MS. CHAMBERLIN: Sure. I was just looking at OPA
22 10-21, and the question was regarding the date and hour of peak
23 demand at a substation. and CMP said that -- the answer is CMP
24 does not currently track the date and hour of peak demand, but
25 this will be tracked in the future. So I'm wondering is there

1 a need for new equipment or is something changing that makes it
2 possible to track it in the future?

3 MS. CULLEN: So for the 80 percent of circuits, going
4 back to an earlier discussion, we have -- 80 percent of our
5 circuits have SCADA where we are able to gather the peak day
6 and time of that circuit peak. For the remaining 20 percent we
7 will not be able to do that until that line sensor program is
8 implemented.

9 MS. CHAMBERLIN: So that applies to the substation,
10 the substation level?

11 MS. CULLEN: The substation level, that's correct.

12 MS. CHAMBERLIN: And then 10-22 asked that -- asked
13 the same question regarding a peak demand at the feeder level,
14 and we get the same answer. Is the answer the same?

15 MS. CULLEN: That is correct, yeah.

16 MS. CHAMBERLIN: Okay. So it's just a question of
17 getting the SCADA on the 20 percent of lines that don't have
18 it?

19 MS. CULLEN: That's correct.

20 MS. CHAMBERLIN: All right. And then I have a bunch
21 of questions on pole attachments which I will hold, and that's
22 what I have.

23 MR. BRYANT: Any questions? Okay. How much -- what
24 time estimates do you have for the remaining two panels?

25 MS. CHAMBERLIN: Not much for veg management. And

1 what's the other one? Grid mod, I don't know, maybe 20 minutes
2 or so for grid mod.

3 MR. BRYANT: Okay. Let me ask a few questions now
4 based on some of your questions of this panel. Pre-staging,
5 does the company see any changes in the labor market, that is,
6 qualified people who are able to respond to storm restoration?
7 Are there changes being seen in the labor market in that area.
8 Given what you've told us today about pre-staging, there must
9 be a lot of demand for vegetation management, lineworker type
10 people given the situation.

11 MR. PURINGTON: Yeah, so this is Joe again. So there
12 are companies that make their living responding to storms
13 across the U.S., many storm response companies, whether it be
14 line crews, logistics. From a veg management perspective, you
15 know, there's no real veg management crews that, you know,
16 follow storms or companies that do that. They're usually
17 drawing from, you know, internal companies that are working on
18 utilities, you know, in the New England or New York area
19 locally. You know, one of the things that we're also looking
20 at, you know, for us is communicating with the electricians in
21 the state of Maine and seeing if they're willing to help us out
22 in storms and doing housing connections, you know,
23 reattachments to the point of demarcation on a house so that
24 when our line crews finish coming through an area, that instead
25 of driving away because we're trying to, you know, continue to

1 pick up more customers, that they're actually able to restore
2 those customers in a block. So in that effort, you really
3 start to what we call cut the tail off the end of the storm
4 meaning that at certain points in storm restoration, you get
5 down to where you only have singles. And in that process, my
6 experience in the past has been is that tail gets, you know,
7 shortened and you cut off a day or so of the restoration effort
8 on large-scale events when you have the ability to utilize
9 other contractors that are not traditional line or veg M crews
10 to do that effort for you.

11 MR. BRYANT: Couple things there. I'm not sure you
12 answer my question, except that you acknowledged that there are
13 firms out there that make a living helping utilities restore
14 from storms. But are you seeing any increase in the number of
15 people available --

16 MR. PURINGTON: No.

17 MR. BRYANT: -- to help for storms?

18 MR. PURINGTON: No. And that's why these companies -
19 - you know, we're having to fly resources in from, you know,
20 the Midwest to facilitate resources. I mean, there are
21 companies that are securing bucket trucks to fly resources in,
22 and that gets to the point of, you know, trying to cut cost and
23 save time on storm restoration because now a company's not
24 driving, you know, a bucket truck from the Midwest. They are
25 flying their crews in to -- and utilize the utility's bucket

1 trucks to restore power. There's a give and take to that.
2 There's -- you know, there's good and bad. You have the
3 additional resources from a bucket perspective, but, you know,
4 obviously there's cost embedded in that. But there's also cost
5 embedded when you have those crews drive their own buckets into
6 the state from far away as well. There's a pressure on
7 resources for line crews.

8 MR. BRYANT: CMP sends crews in response to outages
9 outside of its territory, correct?

10 MR. PURINGTON: Yes.

11 MR. BRYANT: And you receive compensation for that,
12 right?

13 MR. PURINGTON: Yes.

14 MR. BRYANT: Are -- is CMP -- are CMP's crews
15 traveling further now than they used to?

16 MR. PURINGTON: I wouldn't say they're traveling
17 further now. You know, typically, you know, unless it's a
18 major event like the hurricane we saw a few years ago down in
19 Florida where we sent a few crews. At least -- I wasn't here
20 at that time. I was in New Hampshire. We sent a few crews
21 down there. Nova Scotia. It has to be a really large storm.
22 One thing that we do find is that utilities love to have other
23 utility crews come in to work for them just for their work
24 ethic. They love to see any Maine crews come. That's a common
25 feedback that we get just because our folks just work really

1 hard to get the lights on whenever they have the opportunity to
2 do that, whether it's for our own customers or for, you know,
3 other utility customers.

4 MR. BRYANT: Do you send coolers of fresh lobster as
5 you travel --

6 MR. PURINGTON: No, no.

7 MR. BRYANT: You might want to do that.

8 MS. THERRIAULT: Can I -- this is Kerri. Can I add
9 to that?

10 MR. BRYANT: Yes.

11 MS. THERRIAULT: And to what Joe said, the difference
12 in Central Maine Power crews, many times what the utilities are
13 seeing is that our crews can perform all types of work.
14 They're not specialized. So it doesn't matter if it's
15 transmission, distribution, or underground, they're all
16 qualified to do that work which is beneficial to those
17 companies that we're providing support to.

18 MR. BRYANT: Are other utilities -- do other
19 utilities have more specialized crews who can only do
20 distribution or only do transmission?

21 MS. THERRIAULT: Yes.

22 MR. BRYANT: These are larger utilities.

23 MS. THERRIAULT: Our sister utilities in some cases
24 are set up that way.

25 MR. BRYANT: You have sister utilities in Connecticut

1 that are smaller, correct?

2 MS. THERRIAULT: Yes.

3 MR. BRYANT: Are they set up that way?

4 MS. THERRIAULT: They do have underground crews and
5 overhead crews. Their underground crews are specialized only
6 to do underground work.

7 MR. BRYANT: Okay.

8 MR. PURINGTON: And again, I'll just -- this is Joe
9 again. I'll add there is a difference for the -- when we --
10 when Kerri talks about underground, those are underground crews
11 that are working on Networks which are much different. Like
12 the city of Portland, we have a small network of 76
13 transformers.

14 MR. BRYANT: Right.

15 MR. PURINGTON: Those are the underground crews. Our
16 crews do residential underground. But she is right, there's a
17 difference. There will be residential underground crews versus
18 transmission versus distribution.

19 MR. BRYANT: Okay. And then the other question was
20 you mentioned that you don't really see vegetation management
21 crews as being part of the available pool of resources to help
22 a utility restore.

23 MR. PURINGTON: I'm sorry --

24 MR. BRYANT: Did I get that right?

25 MR. PURINGTON: Yeah. No, no, I'm sorry if that came

1 across that way. Vegetation management crews are part of the
2 storm restoration effort. They're shared through the MAG
3 process, just like line crews are. My point is -- my point was
4 that unlike storm restoration crews, line crews, there are
5 companies that specialize in line crews only for storm
6 restoration. You don't see so -- you don't see that so much on
7 vegetation management crews.

8 MR. BRYANT: Okay. When you said MAG, did you mean N
9 A M A G?

10 MR. PURINGTON: NAMAG, yeah, the North Atlantic
11 Mutual Aid Group.

12 MR. BRYANT: And it's the case, is it not, that the
13 vegetation management crews that CMP has under contract include
14 provisions in that contract that you can use them for storm
15 restoration in your territory?

16 MR. PURINGTON: That is correct. When we get ready
17 for storms, any of the contractors that we have on system we
18 will not release. And that's part of the issue with all of the
19 New England states is that, depending on the storm, if we --
20 how the NAMAG process works, depending on the storm and our
21 resources that we have accumulated on our own, if we don't feel
22 we have the necessary resources, we'll put in a request to
23 NAMAG for additional resources prior to an event starting. The
24 way that it works is that all the utilities will hold their on-
25 system contractors just like we do until the storm passes, and

1 then they'll get allocated through the MAG process, if that
2 utility is not impacted, and they'll release them to the
3 process to get allocated to the impacted utilities.

4 MR. BRYANT: Okay. All right, thanks.

5 MR. SIMMONS: So, Eric, I had a couple follow ups as
6 well. So you had mentioned that, you know, you have to make
7 your decisions on contracting -- pre-staging for storm several
8 days ahead. And I just wanted to clarify when you say that, is
9 that making the call on the right of first refusal or is that
10 always also getting additional crews working on other systems
11 or these -- have all contractors?

12 MR. PURINGTON: It can be -- dependent on the storm,
13 it can be any of those.

14 MR. SIMMONS: And so when you discuss pre-staging in
15 relation to your proposed change to the storm mechanism here,
16 how does it -- how does the right of first refusal cost go into
17 the pre-staging cost if they're already working on your system?

18 MR. PURINGTON: Yeah, so we do not have any right of
19 first refusal contracts at CMP. So we don't have them. Other
20 utilities in New England do and New York which puts the
21 pressure on because some of those right of first refusal
22 agreements are compensated agreements, meaning that they're
23 paying those crews to be available, whether or not they need
24 them. And then they have to pay -- you know, that doesn't
25 include them working for them. So if they come on system, they

1 get charged, but they're just paying a fee to have them
2 available. And that, of course, when you start to chew up
3 those resources, you have to go to a wider search to get
4 additional resources.

5 MR. SIMMONS: But for the contractors that are doing
6 work on your system, whether it's new connections or anything
7 else, you keep them on this system doing that work and then
8 move them over to storm --

9 MR. PURINGTON: Yes.

10 MR. SIMMONS: -- as you need to, that's --

11 MR. PURINGTON: That's correct.

12 MR. SIMMONS: -- today?

13 MR. PURINGTON: Yeah.

14 MR. SIMMONS: Okay. And then I had -- excuse me.
15 And then you had also mentioned that the other Northeast
16 states, several of them have metrics with penalties associated
17 for every storm response, that -- and that's driving your
18 decision in securing crews ahead of time and pre-staging if
19 resources aren't available other (indiscernible). Does it make
20 sense then -- should the Commission consider implementing storm
21 recovery metrics (indiscernible) this case if we also agree to
22 -- the Commission agrees to your pre-staging proposal?

23 MR. PURINGTON: So I think, you know, this is my
24 opinion. It's a slippery slope because what you do when you
25 start to establish storm response metrics is you set the

1 expectation for response. And utilities will plan for worst-
2 case scenarios all the time. And, therefore, those pre-staging
3 costs, you'll make decisions where you may not have pre-staged
4 as much based on instinct and past performance of storms and a
5 lot of other data that you're considering for that particular
6 event to go into a failsafe mode.

7 MR. SIMMONS: Okay.

8 MR. BRYANT: Are you or anybody on the panel aware of
9 utilities in the Northeast whose regulator has imposed outage
10 response metrics of any sort?

11 MR. PURINGTON: Yes. Connecticut.

12 MR. BRYANT: Connecticut is you one of your sister
13 utilities:

14 MR. PURINGTON: No. Yes.

15 MR. BRYANT: (Indiscernible) be possible to provide a
16 copy of the order or rule, whatever it is, that imposes those
17 metrics?

18 MS. ANCEL: This is Charlotte Ancel. Yes.

19 MR. BRYANT: And also I asked a question a moment ago
20 about the use of CMP crews by other utilities to restore
21 outages in their territories. You get compensation for that.
22 That compensation comes into the company is used a credit
23 against revenue requirement, correct?

24 MR. COHEN: This is Peter Cohen. Yes, that's
25 correct.

1 MR. BRYANT: Okay, I think we can excuse -- we can
2 retire this panel for the moment, and we'll pick up with grid
3 modernization.

4 (Discussions off the record.

5 MR. BRYANT: Okay. So we have the grid mod panel.
6 And so for the purposes of being able to keep track of who's
7 speaking, can we start with the person next to Jared and just
8 say your name as you go down so our -- so Pam can put a name
9 with a face.

10 MS. KING: Sure. Rita King.

11 MR. MADER: James Mader.

12 MR. BOCHENEK: Scott Bochenek.

13 MR. MANNING: Robert Manning.

14 MR. ALONSO: Miguel Alonso.

15 MR. SULLIVAN: Sean Sullivan.

16 MR. HINKLEY: Peter Hinkley.

17 MR. BRYANT: Pam, was that too fast for you?

18 (No audible reply.)

19 MR. HINKLEY: Hinkley, H I N K L E Y.

20 (Indiscernible)

21 MR. HINKLEY: Oh, no, I don't think I was sworn in
22 either.

23 MR. BRYANT: NO, no. Boy, there's just -- they just
24 keep comments. So just for the -- can you, again, state your
25 name and title for the record, please?

1 MR. HINKLEY: Sure, -- Peter Hinkley --

2 MR. BRYANT: Into the microphone.

3 MR. HINKLEY: Peter Hinkley, manager, smartgrids
4 innovation for Avangrid.

5 MR. BRYANT: Okay, please raise your right hand. Do
6 you swear or solemnly affirm that the testimony you give today
7 and throughout this proceeding is and will be who we wholly
8 truthful?

9 MR. HINKLEY: Yes, I do.

10 MR. BRYANT: Okay, thank you. Okay, Susan?

11 MS. CHAMBERLIN: Thank you. Good afternoon,
12 everyone. I'm going to start with a follow up to OPA 2-18.
13 And the question asked for the assumptions, studies, and
14 calculations used to size the Woolrich substation battery
15 system, BESS. And CMP provided an attachment. That was
16 related to size. Are there any other cost benefit studies,
17 workpapers, or analysis of this project?

18 MR. MADER: Jim Mader. We have -- there was nothing
19 specific like a BCA or anything like that, but we do have --
20 and I can refer you to one of the other questions we answer
21 that has a little more detail (indiscernible) answer for you.

22 MS. CHAMBERLIN: Okay. So you've provided all the
23 supporting data that you have and you'll direct me to the next
24 study that you just referenced?

25 MR. MADER: Yes, correct.

1 MS. CHAMBERLIN: All right. So I guess is that --
2 that must be an ODR, that we will have the -- CMP will provide
3 the additional data regarding the Woolrich substation BESS.

4 MR. MADER: And just for clarification, sorry. So we
5 provided the size. You wanted the actual cost estimates as
6 well or is there anything --

7 MS. CHAMBERLIN: I was looking for a cost benefit
8 analysis.

9 MR. MADER: Yeah, no, I'm sorry then, we have not
10 done a CBA yet. These are pilot projects.

11 MS. CHAMBERLIN: Okay. And any additional
12 workpapers? And you were -- you had some analysis or some
13 detail about the project?

14 MR. MADER: Yeah, actually there's a project summary
15 document that we could send you as well which will give you a
16 little insight.

17 MS. CHAMBERLIN: Okay. So you'll follow up and
18 provide whatever documentation you have.

19 MR. MADER: Absolutely.

20 MS. CHAMBERLIN: All right.

21 MR. BRYANT: Okay. So could you please state the ODR
22 to make sure we have it correctly?

23 MS. CHAMBERLIN: Sure. Of course. Yes, please
24 provide any other studies, workpapers, or analysis of the
25 Woolwich substation BESS that have not already been provided.

1 And please identify additional studies that have been provided
2 by, you know, DR number.

3 MR. BRYANT: Okay.

4 MS. TRACY: Is that number 13?

5 MR. BRYANT: That is number 13, yes.

6 MS. CHAMBERLIN: And do you have a project completion
7 date for the Woolrich battery?

8 MR. MADER: Yeah, Jim Mader. Yeah, we're looking at
9 2025.

10 MS. CHAMBERLIN: So if the Commission approves this
11 project -- so between now and 2025, you would expect it to be
12 operational?

13 MR. MADER: Yeah, that's the plan.

14 MS. CHAMBERLIN: And regarding the trap corner BESS,
15 the budget is 10.4 million. Is that correct?

16 MR. MADER: Sorry, Jim Mader. Yes.

17 MS. CHAMBERLIN: And do you have any cost benefit
18 analysis, studies, reports supporting this project that you
19 have not yet provided?

20 MR. MADER: Jim Mader. No, we do not.

21 MS. CHAMBERLIN: So you're asking the Commission to
22 approve the project based on the information provided in this
23 testimony to date?

24 MR. MADER: Jim Mader. Yeah, so we scope these out,
25 we scope these out at what we felt was an appropriate level,

1 understanding that we would need to work with other
2 stakeholders to kind of, you know, refine and hone in on the
3 actual size and, you know, costing of the project itself. So
4 we try to develop projects that gives (sic) every -- gives all
5 the stakeholders a good view as to what the projects are trying
6 to achieve, but we also recognize that there's additional
7 detail that we need to work through and work through with
8 various stakeholders as part of anticipating.

9 MS. CHAMBERLIN: And what type of review are you
10 anticipating? Are you -- do you expect to have another docket
11 opened?

12 MR. MADER: Jim Mader. I don't think we're looking
13 for another docket. We're just looking to work with others to
14 define the scope for -- so, for example, we came up with an
15 indicative pricing for the project. We did not do detailed
16 engineering. We recognized that the size will probably be --
17 the size will definitely need to be refined once we go through
18 detailed engineering. We also recognize that there's a -- we
19 try to display some really good use cases full of project.
20 We're trying to develop and understand how good battery storage
21 and micro (indiscernible) can be used to back customers up.
22 But we also recognize that there's some, you know, additional
23 detail that we need to work through to really go scope and
24 refine that project.

25 MS. CHAMBERLIN: So the use cases, are those models,

1 is that what you mean?

2 MR. MADER: Yeah, the modeled uses of what's the
3 storage will do. So in Woolwich example, it's going to be peak
4 shaving of the station itself. So the use case is the peak
5 shave. But there are other things you can prove out with
6 storage as well, and we can do time of use shifting of solar.
7 With storage there's a bunch of other use cases that we'd like
8 to do with these pilots, and we'd like to work with
9 stakeholders to define those and better understand all the
10 different and unique things the storage can do for our system.

11 MS. CHAMBERLIN: And would you anticipate providing
12 more technical analysis and data to the stakeholders?

13 MR. MADER: Yeah, yes. And working through that
14 jointly, absolutely.

15 MS. KING: And this is Rita King. If I can just add
16 to that. So we did propose the two energy storage as pilots,
17 recognizing that it's an emerging technology where we may not
18 have a lot of specific data for CMP's territory. And so I
19 think developing something like a cost benefit test is
20 something we wanted to do collaboratively with stakeholders.
21 It's a little bit difficult to calculate and monetize some of
22 the benefits that we envision with things like energy storage.
23 If you think about things like greenhouse gas reductions, if
24 you don't have a price for carbon, it's really difficult to
25 develop a benefit for the avoidance of carbon. So it's those

1 sorts of discussions that we were hoping to engage other
2 stakeholders in. We have done cost benefit analyses with
3 energy storage and some of the other jurisdictions that we have
4 sister companies. And so we do have a basis and a template for
5 where we would start that sort of analysis, but we did think it
6 was really important to engage the local Maine stakeholders to
7 understand where their priorities are and how we would want to
8 be somewhat consistent with some of the other emerging
9 technologies where you might do a cost benefit analysis.

10 And so I think, you know, as Jim mentioned, we did
11 develop these two energy storage projects for a number of use
12 cases that we thought would be beneficial for CMP to inform
13 some of the transformation of the system that we're seeing.
14 And we developed them to a detail level that we could at least
15 communicate the initiatives, but we did not develop them to --
16 we left some flexibility in order to be able to have that
17 stakeholder engagement as part of this process and then do that
18 analysis. And a cost benefit is one of those additional
19 elements that we would want to complete before making a final
20 decision to move forward with the pilots.

21 MS. CHAMBERLIN: So my challenge is that they're
22 filed here for preauthorization, and I'm looking at how much
23 data do we have to show that this is a project that's -- we
24 should invest in. And I'm just looking for the contours of how
25 developed the proposal is. And I think you've given me the

1 information that you have available today, correct?

2 MS. HEALY: May I ask a follow up here, Susan? So I
3 know in Examiners 10-1 where you were asked about state
4 stakeholder involvement in developing the various grid
5 modernization proposals with respect to energy storage, you
6 said you had not consulted any stakeholders in developing the
7 proposal. And I think that's consistent with what I heard
8 earlier. Now I understand that you would engage stakeholders
9 with respect to the two storage proposals, and I guess I'd like
10 to drill down a little bit more. Specifically which
11 stakeholders would you be engaging and when will you be doing
12 that and how would we get that information in time to make
13 decisions about this case? So three parts, you know, who
14 you're going to engage, when, and will we have the information
15 in time to make a decision in this case?

16 MS. KING: So specific to these proposals, we have
17 not engaged stakeholders. We have done stakeholder engagement
18 in the past with some other storage activities. And so we will
19 look to Efficiency Maine Trust and we will look at the list of
20 stakeholders there in that case as well as --

21 MS. HEALY: I'm sorry, what do you mean by the list
22 of stakeholders there?

23 MS. KING: We've had discussions when we were -- when
24 we had put in a petition for Casco Bay. We did have a number
25 of discussions there, and so we would go back and re-engage

1 those stakeholders to have those discussions. And I guess when
2 we would do that is when we had indication from the Commission
3 that the storage proposals was something that they would like
4 us to continue to pursue. So we can set that timeline, we can
5 talk about what makes sense and how we can accomplish that
6 within the bounds of this proceeding.

7 MS. ANCEL: And if I may, Charlotte Ancel. Just
8 building off Rita -- so Rita's response. So the list would be
9 a certainly Efficiency Maine Trust, CES, MREA, CCSA, the
10 Governor's office, other stakeholders that would be interested.
11 We certainly could continue that engagement in the next quarter
12 such that we could stay -- if the Commission and the parties
13 were looking for some type of indication or further progress on
14 it and come back in as part of our rebuttal and provide a
15 further update to the extent that that's helpful to your
16 question.

17 MS. HEALY: I guess I'm a little confused about the
18 timeline because, you know, assuming that this case is fully
19 litigated, the Commission decision wouldn't be issued until
20 next summer which would be the -- the sort of -- that would be
21 the -- I guess the preauthorization or the indication you're
22 looking for. And so would you be engaging stakeholders? Not
23 -- you -- I think you mentioned first quarter, Charlotte, and
24 what I heard from -- I'm sorry, is it Rita -- was that, you
25 know, it wouldn't be until you had that sort of

1 preauthorization. So I guess I'm unclear on the timeline, and,
2 moreover, I'm sort of unclear on how the Commission can make a
3 decision next summer on this when there hasn't been stakeholder
4 input to date, although you've expressed a desire to engage
5 stakeholders, and we're unclear on when we might understand the
6 results of that engagement. And probably -- I mean, I'm
7 speculating, but we that information may not be there by next
8 summer when the Commission has to make a decision.

9 MS. ANCEL: This is Charlotte. Just to start, I am -
10 - I'm taking from your question and from Susan's line of
11 questioning, and I would expect -- I see that Ian's on video
12 and Eben is on video. It's -- I mean, we are intuiting that
13 the Commission would be interested in and the parties would be
14 interested in having more information sooner. So not -- in
15 terms of being able to make a ruling on the project. And so to
16 the extent that it's helpful, we could convene those
17 conversations and, you know, and look to include them -- the
18 benefit of them in the rebuttal testimony to the extent that
19 it's helpful to the Commission and the parties.

20 MS. HEALY: Certainly I'm not in a position to
21 testify or comment on what should go in your rebuttal testimony
22 at that, but --

23 MS. ANCEL: Understood.

24 MS. HEALY: Pat, you had a question?

25 MR. SCULLY: Has the company explored alternative

1 funding sources for these kinds of pilot projects? And to what
2 extent is funding available, to your knowledge, that might
3 avoid or reduce the impact on distribution ratepayers?

4 MR. MADER: Jim Mader. Yeah, so we have been
5 engaging all the various offerings recently by the DOE. We
6 have a team together that's looking at, you know, what we're --
7 specifics of where we could, you know, utilize this storage
8 projects and actually get some DOE funding. We don't have a
9 specific funding request in yet, but we intend to look and find
10 -- hopefully find something that would make sense.

11 MR. SCULLY: And can you explain why you state in the
12 testimony that it's necessary, once one of these pilots is
13 built, that it be owned and operated by the utility as opposed
14 to being owned and operated by somebody else, like whoever
15 actually built it? I mean, given that there are other DERs and
16 other facilities that are helping to contribute to reducing
17 distribution system costs that are maintained and operated by
18 non-utility players.

19 MR. MADER: Sure. Jim Mader again. So first and
20 foremost, we're looking -- these are what we consider pilots,
21 right? We're trying to learn from them. So one of the biggest
22 things that we're trying to understand and develop is local
23 knowledge in CMP for storage. You know, how to plan for
24 storage, how to develop storage, how to engineer storage, how
25 to build storage, and more importantly how to operate storage

1 for our internal crews. There's all kinds of factors that we
2 need to understand in order to efficiently utilize storage on
3 our system. And we also recognize that storage is the wave of
4 the future. It's the way for us to help initiate more DER on
5 our system, and we all know DERs are not going away. We all
6 understand storage is the way things are moving. So we really
7 want to understand how to do that. And by having a third party
8 own that, it's very difficult to be able to understand all
9 those different aspects of developing the storage project on
10 our system. So we've proposed these two projects. They're not
11 large projects, but we feel that they'll give us a good
12 indication of what it takes to develop and manage storage on
13 our system so --

14 MS. KING: And Rita King. I'll also say that while
15 we think it's beneficial and necessary for these two pilot
16 projects to be CMP owned, we don't necessarily think that
17 that's true for every first-of-the-month storage project. So
18 from an efficiency perspective and to Jim's point, for our
19 resources and our ECCs to be able to learn how to operate
20 storage and also for our planners to get the data that they
21 need in order to think about how storage can be integrated into
22 the system from a planning perspective, for these two projects,
23 we do think it's necessary for CMP ownership. However, that's
24 not necessarily -- I think, you know, to your point, third
25 party owned storage can be an asset. We just need to make sure

1 that we can collaborate with that third party owner and ensure
2 that contracts that we have in place with that third party
3 owner are ensuring the reliability of our system. So those
4 sort of performance requirements that become sometimes a little
5 more complicating with that -- with third party ownership but
6 certainly not something that is not workable.

7 MR. SCULLY: So in the longer term, as these
8 technologies are developed, do you anticipate an interest in
9 CMP owning and operating BESS systems or essentially turning
10 that over to participants in the market?

11 MS. KING: This is Rita King again. I think in the
12 longer term, if we think about the levels of storage that we're
13 likely going to need for the transformation of the system, you
14 know, when we think about renewable generation proliferating
15 and we've got electric vehicles, we're going to need storage in
16 order to be able to maintain safe, reliable service. And I do
17 think we'll see some hybrids. So I think, you know, some of
18 this -- some of the BESS systems that are more integrated into
19 our systems, maybe they're helping with bulk substations.
20 Those to me would make more sense for CMP to own those, but we
21 certainly can also work with storage systems that are owned by
22 third parties. Again, as long as we've got the contracts in
23 place for operational requirements for those systems to operate
24 when we need them to operate.

25 MR. SCULLY: And I take it it's the company's

1 position that Maine law doesn't preclude it from owning battery
2 electric storage systems?

3 MS. KING: This is Rita King. That's correct.

4 MR. SCULLY: Okay. Would the company consider pumped
5 hydro facilities to be generation?

6 MS. KING: I believe we responded to an ODR. Sorry,
7 to DR --

8 MS. TRACY: I think -- objection. I think that calls
9 for legal conclusion so --

10 MS. HEALY: I think you were referencing Examiners
11 10-33.

12 MR. SCULLY: It did ask that question essentially?

13 MS. HEALY: It asked a similar question.

14 MR. SCULLY: Was there a similar objection?

15 MS. HEALY: There was not an objection to Examiners
16 10-33.

17 MR. SCULLY: Thank you. I'll read the answer. Thank
18 you. I'm done.

19 MR. BRYANT: Okay, I see that, Barbara, you have your
20 hand raised. If you have a question following up on what we've
21 just been talking about, go ahead. Otherwise I'd like to ask
22 you to wait because this panel is not going to go away after
23 today. I see you nodding. So go ahead and ask a follow up.

24 MS. ALEXANDER: I was just going to say has the
25 company -- has Avangrid proposed and had approved any other

1 storage projects for any of its distribution utilities in the
2 U.S.?

3 MR. MADER: Jim Mader again. Yes, we have. We have
4 four demo projects operating up in New York. We have a fifth
5 project that we just recently are in the process of finalizing
6 engineering and going out for bid on. That project is very
7 similar to the Trap Falls project, as a matter of fact and we
8 have some projects that were -- we have a program in
9 Connecticut that we're working jointly with the Green Bank and
10 Eversource to provide storage behind the meter for customers.
11 So probably a long answer, but yes, we do about the projects.

12 MS. ALEXANDER: And so as an oral data request, could
13 you please identify what additional information you would
14 propose to learn about your Maine proposals here that you
15 cannot otherwise obtain in the other projects that you have
16 approved and underway?

17 MR. MADER: Yes.

18 MS. ALEXANDER: Yes. And then just one comment.

19 MR. BRYANT: Hold on, Barbara.

20 MS. ALEXANDER: If you're going to -- huh?

21 MR. BRYANT: Hold on. I just want to make sure we
22 get your question down.

23 MS. ALEXANDER: Ah, yes.

24 MR. BRYANT: You have it? Okay, go ahead.

25 MS. ALEXANDER: With regard to engaging stakeholders,

1 by filing this proposal in this rate case, I guess I would have
2 to say that everyone who's intervening and participating in
3 this rate case is now a stakeholder, and hopefully you will
4 engage all entities with an interest in light of the proposal
5 to raise rates to pay for these projects. Thank you.

6 MR. BRYANT: Is that a question?

7 MS. ALEXANDER: No.

8 MS. TRACY: Can I just follow up on the ODR? Is that
9 ODR 14?

10 MS. TAYLOR: Yes.

11 MS. TRACY: Thank you.

12 MR. BRYANT: Okay, Susan?

13 MS. CHAMBERLIN: Thank you. So I'm looking at GM
14 page 33, and there are two charts that list the various
15 projects. And Table --

16 MR. BURNES: Hey, Susan, I just want to -- Eric, I
17 have quite a few questions on this that I had put a time
18 estimate in. Do you want questions on the BESS and all that to
19 happen now or do you want to try to reserve this for OPA and
20 we'll do that on another date?

21 MR. BRYANT: The latter. I've allowed some follow
22 ups, but I -- but this panel will be back and we will have lots
23 of questions for them. And, in fact, I was going to ask --
24 when they do come back, I was going to ask EMT to go first with
25 its questions since you had the largest number of minutes

1 reserved.

2 MR. BURNES: Okay. Thanks.

3 MR. BRYANT: Okay. So yeah, thank you for the
4 question, but yeah, we'll put that off for either Wednesday or
5 Thursday.

6 MS. CHAMBERLIN: Okay. So I'm back at looking at the
7 charts on page 33. And Table 1 includes the grid mod
8 enhancement program. It's the third line. And it has -- under
9 2022, it has almost \$2 million listed. And has this money
10 already been spent?

11 MR. ALONSO: This is Miguel Alonso. No, it has not.

12 MS. CHAMBERLIN: So all of these costs are forward-
13 looking costs?

14 MR. ALONSO: This is Miguel Alonso. Yes.

15 MS. CHAMBERLIN: All right. And so none of them are
16 included in the historic test year or in the rate base being
17 proposed in this proceeding? These are all forward-looking?

18 MR. ALONSO: That's correct.

19 MS. CHAMBERLIN: So if this project were approved,
20 these costs would be an additional rate increase to what the
21 customers would already be experiencing had -- when the
22 Commission makes its decision?

23 MR. ALONSO: Sorry, could you give us a second before
24 I answer that question?

25 MR. COHEN: Hi, it's Peter Cohen. So these -- this

1 capital spending is in the forecast that the company provided.
2 So it would be impacting the rate increases for each of the
3 rate years. It is not in history. So it wasn't in the
4 historic test year, it's in the forecast period.

5 MS. CHAMBERLIN: Okay. Thank you. And so this
6 particular project, similar to the discussion we had earlier,
7 CMP does not anticipate further prudence analysis regarding the
8 wisdom of the project, but the prudent analysis or the annual
9 review would consider how the dollars were spent. Is that an
10 accurate summary?

11 MS. ANCEL: This is this is Charlotte Ancel. So,
12 again, it's the company's view that the Commission's ability to
13 assess prudence is ongoing so for as long as, and perhaps even
14 after, an asset is fully depreciated through customer rates.
15 That said, for purposes of orderly regulatory administration,
16 it is our expectation that these investments are going in for
17 review from -- ultimate review consideration and approval by
18 the Commission to say, yes, these are investments that make
19 sense to serve Maine customers.

20 MS. CHAMBERLIN: And the entire project is forecast
21 to be used and useful in 2026. Is that correct?

22 MR. ALONSO: This is Miguel Alonso. Yes, our current
23 plan is to have the project completed by 2026.

24 MS. CHAMBERLIN: So looking at GM 23, the testimony
25 says the grid modernization enhancement plan project will

1 result in a complete distribution model, including network load
2 and DER characteristics. So does it follow that CMP does not
3 currently have a complete distribution model with these
4 characteristics?

5 MR. ALONSO: This is Miguel Alonso. One of the main
6 deliverables that this project is going to serve are -- can be
7 summarized in two ways. One is providing information that we
8 currently don't have, and that's filling in the gaps and
9 there's quite an extensive information about the need of this
10 project in the report done by Electric Power Engineers that we
11 attach as GM 4, to fill in those gaps that this -- in data that
12 we currently don't have. One example would be the phase
13 information carried by each conductor, and another example
14 would be ensuring the allocation of customer to transformer.
15 So those are elements that the GMEP project will provide.
16 That's information that we don't have.

17 In addition to that, there's also information that we
18 currently do have, but this project is going to ensure that we
19 have it accurately. And that's one of the two ways in which we
20 are splitting the main deliverables of this project.

21 MS. CHAMBERLIN: So the Table 2 costs, I'm still on
22 GM 33, if the Commission says, look, I just want to do a
23 historic test year, I don't want to do anything forward-
24 looking, Table 2 would just be exed out?

25 MR. COHEN: (Indiscernible) Cohen. Are you speaking

1 about the inclusion of capital spending in the rate year
2 forecast?

3 MS. CHAMBERLIN: Yes, I'm looking at these three
4 different projects, transportation electrification, energy
5 storage, and active network management in Table 2, and it
6 describes them as cost recovery on an incremental basis by
7 year. And if the Commission says, no, I just -- we just don't
8 want to do that, we want to do a historic test year, so that
9 table would essentially be exed out.

10 MR. COHEN: So direct answer to your question is
11 there was no spending in the historic test year previously for
12 this project. So it wouldn't be included. And this is one of
13 our concerns as a company with using that historic viewpoint.
14 It leaves out projects that might be important for the future
15 because it's just based -- the inclusion of capital spending on
16 what's happened in the past. And as an example, nothing's
17 happened in the past. So this wouldn't exist.

18 MS. CHAMBERLIN: And the company is unwilling to
19 invest in these without the assurance of recovery, the --
20 you're not confident that these would be found prudent without
21 pre-approval?

22 MR. COHEN: This is Peter Cohen. I don't know if
23 that's a fair characterization given the fact that in 2022 the
24 company will be spending I believe it's \$80 million more than
25 the amount provided for in rates and capital. In 2021 it was a

1 similar number. So to say that we are unwilling to invest
2 capital to benefit our customers because we want to have it
3 approved, I don't think that's consistent with our behavior.

4 MS. CHAMBERLIN: Is it consistent with these three
5 projects, though?

6 MR. COHEN: This is Peter Cohen. I can't say -- I
7 don't agree with you. So I guess I see the company's conduct
8 that's occurred over the past several years in terms of capital
9 investments above and beyond the level put into rates, even
10 when it produced returns, earnings, that were far below levels
11 used to set rates. And I think we've demonstrated through our
12 conduct and I -- this is the forward-looking project. We've
13 included it in the rate case.

14 MS. CHAMBERLIN: So if the Commission -- they
15 expressed no opinion on the value of these particular projects
16 but they say we're sticking with the historic test year, would
17 CMP then take this back and consider whether or not to invest
18 in them regardless?

19 MR. COHEN: I think to the extent that the decision
20 was to just use historical spending levels, the company would
21 use that as an input, but it would still need to make decisions
22 based on what is necessary to provide safe, adequate, and
23 reliable service to its customers. And if that meant that it
24 had to spend more again this time, more than what was included
25 in rates, it would have to do that, just like it has done. And

1 then that's why we have the next rate case, I guess.

2 MS. CHAMBERLIN: So you would not -- you are agreeing
3 that it's -- remains the company's burden to provide safe and
4 reliable service at cost-effective rates whether it's a
5 forward-looking test year or a historic test year?

6 MR. COHEN: I wouldn't characterize it as a burden as
7 much as responsibility.

8 MS. CHAMBERLIN: That's fine. It's -- legalese we
9 call it a burden, but I'll go with responsibility.

10 MR. COHEN: I'm the only non-lawyer here.

11 MS. CHAMBERLIN: That's fine.

12 MR. PURINGTON: I mean -- this is Joe again, and I'll
13 just go back to, you know, the premise of the capital
14 investments that we proposed and the methodology along with the
15 capital trackers that we've asked for. And this is -- really
16 what we're saying is looking back to Peter's point about what
17 we spent gives us no view of what the anticipated future needs
18 of the grid are. I mean, the grid is evolving much faster than
19 anybody would like to think at this point, and we really need
20 to have the tools, the accuracy of system data to ensure that
21 we're operating the grid safely, reliably. And of course, we
22 want to make these decisions in a cost-affordable method, but
23 it doesn't mean that these investments aren't needed. And I
24 think that's the -- you know, that's the position that we find
25 ourselves in, is looking at the model of us investing, you

1 know, \$80 million a year over what's in base rates can't --
2 it's not sustainable from a cash flow perspective for the
3 company. It's just that simple. So we talked about this
4 earlier in the afternoon, about the reason why we proposed a
5 forward-looking rate plan, to give us some confidence also, but
6 also knowing that it is a provider of price predictability for
7 our customers.

8 MS. CHAMBERLIN: I have no further questions.

9 MR. BRYANT: Okay. Yeah, and you said you just have
10 a couple of minutes for the vegetation management panel?

11 MS. CHAMBERLIN: Yeah, not very much.

12 MR. BRYANT: Yeah. Okay, well, why don't we switch
13 out and bring the vegetation management panel forward? At the
14 end of today, I think we'll have everybody sworn in.

15 MR. DES ROSIERS: I believe there is Mr. Ransom on
16 this panel who I don't believe has been sworn in yet today.

17 MR. BRYANT: I think that's right. I don't -- I have
18 not made a mark next to his name so -- so for the purposes of
19 keeping track of who's sitting and where, could we do the same
20 thing with this panel we did with the last one (indiscernible)
21 and identifying just by name the four of you down the row.

22 MS. THERRIAULT: Kerri Therriault.

23 MS. MANENDE: Katie Manende.

24 MR. RANSOM: Bill Ransom, senior director, electric
25 network management in support of CMP.

1 MR. DESROSIERS: Adam Desrosiers.

2 MR. BRYANT: And Mr. Ransom, you've not been sworn in
3 this proceeding. So I ask you to raise your right hand.

4 MR. RANSOM: Certainly.

5 MR. BRYANT: Do you swear or solemnly affirm that the
6 testimony you give today and throughout this proceeding is and
7 will be wholly truthful?

8 MR. RANSOM: Yes, I do.

9 MR. BRYANT: Thank you. And I remind the others you
10 are under oath from earlier. Go ahead, Susan.

11 MS. CHAMBERLIN: Good afternoon. So my questions are
12 primarily focused on changing the five-year trim cycle to a
13 six-year trim cycle. Is this change -- is CMP proposing a
14 permanent change?

15 MS. THERRIAULT: This is Kerri. Yes, we are.

16 MS. CHAMBERLIN: So generally the results from the
17 five-year cycle have been positive, correct?

18 MS. THERRIAULT: Yes, they have.

19 MS. CHAMBERLIN: And it has improved reliability?

20 MS. THERRIAULT: Yes, it has.

21 MS. CHAMBERLIN: And now there's a significant cost
22 increase in maintaining the five-year cycle. Is that a fair
23 characterization?

24 MS. MANENDE: Yes, that is correct. This is Katie.

25 MS. CHAMBERLIN: So my understanding is the purpose

1 is to keep the funding at a similar level by changing it to six
2 years and using -- and redirecting some of that money to
3 different programs. Is that fair?

4 MS. MANENDE: Yes, that's correct.

5 MS. CHAMBERLIN: All right. So can you describe the
6 new programs that you were proposing to keep the reliability at
7 least at similar levels?

8 MS. MANENDE: Yes. So by moving to a six-year
9 program, we would be adding two additional programs to our
10 suite. The first would be an enhanced trim. So a ground-to-
11 sky model over a 20-year period, and that would be to -- so
12 I'll back up. Our current specification does an overhead
13 clearance of 15 feet in overhead tree canopy. Ground to sky
14 would move to a complete removal of that overhead, and that is
15 one of the leading causes of outages on our system what would
16 be considered outside of our right-of-way. The other program
17 would be not necessarily a new program. It would just be
18 additional funding toward our hazard tree program which would
19 be going towards tree removals outside of our current
20 specification, our current trim zone.

21 MS. CHAMBERLIN: And did I get that correctly, that
22 the cost of the six-year program, the cost of the new proposal,
23 is the same?

24 MS. MANENDE: Yeah, yeah, that's correct.

25 MS. CHAMBERLIN: All right. And do you -- what type

1 of records do you keep regarding the impact of such a change?

2 How will you assess whether it has been successful?

3 MR. RANSOM: I can take that one. So really we -- in
4 making this move, we did it primarily to improve the customer
5 experience, the reliability results. And so we'll continue to
6 track that going forward. But to get to this point where we're
7 saying that we're going to spend the same amount of dollars but
8 we're going to give higher customer benefits, what we did was
9 we looked at the historical performance of the system and we
10 looked at each year of trim and the impact on the reliability
11 performance of those circuits. So we took -- for all the
12 entire 21, 22,000 miles of CMP circuitry, we looked at each -
13 we categorized each circuits into buckets for years of trim,
14 those that were one year from being trimmed, two, three, four,
15 five, and we looked at the impact of customers interrupted per
16 mile of those circuits by year. And we came up with the annual
17 reliability impact on customers, around and a half a million
18 customers impacted by tree-caused interruptions. We did the
19 same analysis and we added a sixth year. What would happen if
20 we extended -- we took the entire system and, instead of
21 dividing it by five, divide by six, look back at the historical
22 performance, how much interruption will we add to that? And it
23 was approximately 50,000 customers approximately. We have it
24 in testimony, but approximately that amount of increased
25 interruptions.

1 But then we looked at, you know, what would happen if
2 we did ground-to-sky clearance on our backbone, our three
3 phase, and what type of annual improvement will we see. We
4 also looked at what type of annual improvement would we see if
5 we increase the removal of hazard trees on the systems, and
6 those two combined were about 120,000 customers of reduced
7 interruptions. And so when you look at the overall impact, it
8 was roughly, again, around 50,000 customers interrupted per
9 year reduction in stretching out the trim cycle but adding
10 those two additional programs. And so what we would do is we
11 would monitor that going forward to -- you know, to validate
12 the projections that we made based on historical performance.

13 MR. PURINGTON: And this is Joe. Just to add a
14 little bit to that, Bill. So if you think about the enhanced
15 trimming or the ground to sky, we start that at the substation
16 and move out to the first protective device and we start doing
17 that on all of our circuits through the first wave. So that's
18 the -- you know, the greatest number of customers that are
19 impacted by a tree-caused outage are closer to the substation.
20 So that's how you get your reduction in numbers of customers
21 impacted by taking away the source of the location of the
22 greatest number of customers that could be impacted by a tree.
23 My personal experience, I've seen the results of doing an
24 enhanced tree trimming program and the benefits that customers
25 receive from that type of program, whether it be wind storms or

1 especially snowstorms where the snow is wet and heavy.

2 MS. CHAMBERLIN: You know, overall, my concern is
3 simply that when it's switched from six to five, there's just a
4 lot of support for that, a lot of data for that. And it has
5 been successful. And so the concern is that by changing --
6 going back to six, we're going to lose the gains that we've
7 made. And can you just address that?

8 MR. PURINGTON: This is Joe again. So I'll say that
9 if it does not prove to be beneficial, we would propose going
10 back to five. We would like to have a five-year trim cycle and
11 those programs to really make a difference. But again, like
12 everything else we've proposed in this rate case, we have tried
13 to find a balance of what can incrementally move the needle on
14 reliability and continue to keep customer impacts minimal.

15 MS. CHAMBERLIN: Do you want to say anything else?
16 No.

17 MS. MANENDE: I was just going to say, you know, when
18 the five-year cycle was implemented, you know, the focus was
19 the encroachment, the overgrowth that was persistent along the
20 conductors. We've done a very good job over the last almost 15
21 years now of managing that, and we're at a point in our program
22 that, you know, what formerly were the issue, so those branch
23 encroachments coming in and causing tree-caused outages, are
24 very minimal. And the trees and overhead limbs that are
25 causing our outages are coming from an area that we aren't

1 currently managing. So that -- outside of our specification
2 zone. So by doing the shift to a six in order to do the
3 enhanced tree trim ground to sky and do additional focus on
4 that hazard tree program, we're focusing our efforts on the
5 known causes of the bulk of our outages on the system.

6 MS. CHAMBERLIN: Thank you. That's all I have.

7 MR. DAVIDSON: Eric, can I ask a follow up? So
8 earlier in testimony, I heard the company say that it was
9 keeping its DLI program on a five-year cycle but moving the
10 cycle trim to six. And I know in the past you've tried to
11 coincide the two so that you're inspecting clearly trimmed
12 areas. Is the company -- did the company do any analysis or
13 are you concerned that by keeping the five year for the DLI
14 program but going to a six year of the cycle trim, it's going
15 to detrimentally impact the DLI program?

16 MS. THERRIAULT: This is Kerri. No, we do not feel
17 it will be a detriment to the program.

18 MR. DAVIDSON: And why?

19 MS. THERRIAULT: So as Katie stated, when the trim
20 cycle started, we were looking at encroaching trees. We've
21 addressed those encroaching trees, and we believe that the
22 five-year cycle for DLI will not be impacted. However, what
23 the DLI program will give us is that it will identify any
24 hazard trees that may cause an outage during that program that
25 perhaps that circuit isn't on the cycle for. So we believe the

1 two will actually complement one another.

2 MR. DAVIDSON: Yeah. So actually I was going to
3 follow up on that. So will you then be coordinating sort of
4 the opposite way now that you're going to do the cycle trim --
5 the DLI 1st and then the cycle trim after you do the DLI? Is
6 there still going to be coordination between the two programs,
7 in other words?

8 MR. PURINGTON: Yeah. So this is Joe. So I would
9 envision that we would still do the same process. We'd trim
10 the circuit, and then we'd go out and inspect the circuit.
11 Obviously the difference between a five and six-year cycle
12 doesn't line up necessarily perfectly. But, again, to Katie's
13 point and Kerri's point about the encroachment, the reason why
14 we did that at first was because when the line inspectors were
15 going out and inspecting the circuits before they were trimmed,
16 they couldn't necessarily see everything that needed to be
17 looked at on the cross arm, on the phases because they were
18 encroached. Now that we have those windows opened up after a
19 couple of years of cycle trim, much easier to do. So the risk
20 of that happening is much lower. And, again, you know, what
21 we're trying to do with these programs is, you know, maximize,
22 you know, the money spent and get the most efficient and cost-
23 effective process while we improve reliability on the system.
24 So we keep doing the same things, we're going to keep getting
25 the same results and, you know, we need to continue to try to

1 find ways to be innovative and improve what we're doing for our
2 customers. And this is an example of that.

3 MR. RANSOM: This is Bill. Just to add it to Joe's
4 comments, the DLI is looking at one-fifth of the system every
5 year. We're trimming one-sixth of the system. So the
6 coordination is going to be -- we're still going through our
7 inspections. We're going to inspect a fifth of the system
8 every year. The coordination is going to be the DLI inspectors
9 are going to have to know which miles were just trimmed.
10 Approximately 3,600 miles were just trimmed last year. They
11 should look a certain way. They were just trimmed. The rest
12 of the circuit, they're going to trim, they're going to look at
13 the facilities, they're going to look at the vegetation,
14 everything, and they're going to report back where do we have
15 some cycle busters or some problems or where do we need some
16 hot spot?

17 So really we're not diminishing the DLI. It's just
18 the coordination so that when folks go out there to look at the
19 circuits, they've got to know which ones were just trimmed.
20 They should be perfect. Not perfect, but in very good shape.
21 Then for the rest of the system, where do we need to report
22 back to operations with some remedial work? So I really don't
23 see too much impact in leaving the DLI at five years.

24 MR. SIMMONS: Yeah, I had a follow up on an earlier
25 question about the cost of the program, and I think I heard

1 that the cost of the two programs was the same. But I just
2 want to clarify that not compared to what's in rates today,
3 it's considerably more than what's in rates today?

4 MS. MANENDE: Correct. So in my previous comment I'm
5 referencing that the offset from going from a five to a six,
6 that money that wouldn't be used in what was formerly known as
7 a five-year cycle would be dedicated towards the ground to sky
8 and the enhanced hazard tree.

9 MR. DAVIDSON: Yeah, I just had one more follow up.
10 So is the company proposing or has it examined changing its
11 trimming specifications in line with going from a five year to
12 the six year? And let me maybe be more specific. So if the --
13 the specs have always been eight feet on each side, and that
14 was based on a Williams study that was done years ago that said
15 the average growth rate of vegetation in Maine is a foot and a
16 half a year. Hence, that's how you get eight feet for five
17 years. So if it's going to be six years, is the company going
18 out to, like, ten feet to accommodate that extra growth so that
19 the vegetation doesn't grow into the lines over this six-year
20 time period?

21 MS. MANENDE: This is Katie. To answer your
22 question, we are not proposing a change in spec in the width of
23 going from eight to a ten. We do not believe that there is any
24 risk in not going and expanding that trim zone.

25 MR. DAVIDSON: Did the company do any analysis to

1 sort of examine that question or --

2 MS. MANENDE: There was a study done and it is in --
3 filed in a DR.

4 MR. DAVIDSON: Oh, it is?

5 MS. MANENDE: In terms of evaluating where the trim
6 was and its level of encroachment on the wires at a certain
7 point in time. Yes.

8 MR. DAVIDSON: So there's nothing else other than
9 that, though?

10 MR. RANSOM: Well, to Katie's point, we've done
11 surveys of the system in the past. And we've determined that
12 with an eight foot to the side clearance, that when you come
13 back in that fifth year, minimal, if any, contact. We are
14 adding a year to that. So there might be some -- there will be
15 some -- a little bit of encroachment. We're making up for that
16 by getting rid of the canopy which is where all the
17 interruptions are coming from. But we do -- you know, when --
18 in in making these adjustments, we're really looking at the
19 value, what's the customer value going to be making the
20 adjustment. The value is there in doing the ground to sky on
21 the three phase. Will there be some benefit to going from
22 eight feet to ten feet on the entire system? Certainly. The
23 cost, though, to do that on a system wide basis to pick up
24 another 25 percent of side clearance would be -- would not give
25 us value. Our outages right now are coming from outside of the

1 right-of-way. So it's proven that the studies that were done
2 in the past, you know, eight feet is the is the distance for
3 CMP, it's proved itself. Now it's how do we control the cost
4 but add value. And we do that with a removal of the canopy and
5 removal of more hazard trees.

6 MR. PURINGTON: And this is Joe again. I'd also add
7 if you think about the outages that we incur, encroachments are
8 slow, it's slow to happen. You know, if we start to see a
9 problem area, we'll be able to address it with our daily
10 reliability call and make those adjustments. The stuff that
11 falls from overhead can be any day, any given -- sunny day,
12 windy day, rainy day, snowy day. It doesn't matter. It can
13 fall at any point in time. So taking away the objects that
14 fall above our lines onto them be a huge benefit to
15 reliability.

16 MS. THERRIAULT: Can I add to that, Joe? This is
17 Kerri. He spoke about the daily reliability call. I think
18 it's important to note that any tree-related outage, we do a
19 patrol of the circuit following that outage. So we would
20 identify any hazards along that circuit as well.

21 MS. MANENDE: This is Katie. I'd also like to add,
22 you know, the team of vegetation management arborists are
23 constantly doing patrols of circuits. So they're very aware of
24 their individual service territories and are closely monitoring
25 in areas that might have a little bit tighter clearance for

1 whatever reason and are prepared to go out and do any necessary
2 trimming to prevent an outage.

3 MR. BRYANT: So following up on the whole idea of the
4 cutting the ground to sky and eliminating the canopy, Bill, you
5 said that a lot of outages occur from stuff falling from the
6 canopy. Has the company attempted to attempted to quantify the
7 reduction in outages from trimming that canopy?

8 MR. RANSOM: Well, in our testimony we certainly did.
9 Again, ground the sky is a good approach, but it's expensive.
10 So we've limited it to the three-phase systems.

11 MR. BRYANT: I know that, yes.

12 MR. RANSOM: And we've identified in our testimony
13 the amount of customers that are interrupted annually on the
14 three phase. And although the three phase is only 16 percent
15 of the system, 61 percent of the customers impacted from trees
16 were due to trees on a three phase. So that is why we're
17 giving our focus to these two new programs on three phase.
18 Now, in terms of, you know, how much of -- have we quantified
19 how much of the trees are falling in like Joe -- falling from
20 above like Joe mentioned, we did in our testimony. And we've
21 identified the improvement based on -- I don't have the numbers
22 at my fingertips right now, but it's in testimony as far as
23 quantifying -- again, looking at -- about 96 percent of all the
24 interruptions are from outside the trimming zone. And of that,
25 at least 60 percent of those are coming from above. So we use

1 that historical data, at least five years of data, to say,
2 okay, well, if we attack -- can't attack everything. Can't
3 attack single phase and two phase, but let's go for the three
4 phase. In testimony, we show reduction annually of around
5 65,000 customers impacted.

6 MR. DES ROSIERS: And Mr. Ransom is -- it's referring
7 to the response to OPA 05-12 sets forth that analysis and
8 calculation, Attachment 1.

9 MR. BRYANT: Okay. Thanks. Well, we've just got a
10 few minutes left. Let me -- I have just one question I can
11 eliminate from my list in that time. Turn to page 36 of the
12 testimony. So the question at the bottom, the main concern
13 with respect to going from a five year to a six year, and your
14 answer essentially is cost. And you make a statement on page
15 -- on line 20 to 21 that pay rates have not kept pace with the
16 required skill set and non-tree industry wages that have
17 increased competition for resources. So -- and I understand
18 that -- I understand what happened with your vendor. That was
19 explained very clearly in your testimony and what happened in
20 Alfred and how you've adjusted with that. But I guess my
21 question is more general. The increased wages that come along
22 with decreased labor supply appears to be impacting everybody,
23 not just utilities. Hear in the press all the time there's
24 labor shortages. There is (indiscernible) people willing to do
25 certain jobs. Can you comment generally on that with regard to

1 your vegetation management? And I was speaking -- and I know
2 it, I know it affects the contractors because that's you're
3 your testimony talked about. Also curious how it effects in-
4 house employees, I mean CMP employees. So that's kind of a
5 large question. If you can answer it in four minutes --

6 MR. PURINGTON: Yeah, this is Joe. So are you
7 specifically looking at a group like craft workers or
8 professional engineers or just the company in general?

9 MR. BRYANT: Well, this is -- I'll have more
10 questions about labor tomorrow. This is really more about the
11 vegetation management side because this panel is here right
12 now.

13 MR. PURINGTON: Okay.

14 MS. MANENDE: So I'll start with your latter. If
15 you're asking specifically about labor and staffing with our
16 vegetation management department internally, we are fully
17 staffed and our -- actually our group has been together a long
18 period of time with a high level of experience, and our three
19 newest members have joined us purely because our previous folks
20 have retired after long careers with the company and within
21 vegetation management. Can you repeat the first part of your
22 question, though? I just want to make sure I understand it
23 clearly.

24 MR. BRYANT: Well, I was quoting the testimony where
25 you said that pay rates have not kept pace with required skill

1 set, and I was just -- I just was inviting general comment
2 about that, an elaboration really.

3 MR. PURINGTON: And, Katie, perhaps you can -- this
4 is Joe again -- just to elaborate on how many people are in the
5 vegetation management program to give folks an idea of the size
6 of your organization. How many arborists?

7 MS. MANENDE: Yeah. So we have ten licensed
8 professional arborists as a part of the Central Maine Power
9 staff. To speak to the testimony, so for -- I guess a specific
10 example that I can give you on non-industry tree wages that
11 have increased competition for resources. So, for example, all
12 of these -- all of the foremen have a CDL. So they could elect
13 to get out of the tree industry and go drive an oil truck or
14 drive any kind of commercial vehicle that requires a CDL
15 license, and that's a competing resource on -- I think crews in
16 general, but, you know, specific vegetation management crew.
17 The work that these contractors are doing is highly laborious.
18 So some may get into the industry and find that it -- they're
19 just not cut out for the work and they elect to pursue other
20 careers. To -- what a lot of our vendors and contractors are
21 doing to help kind of mitigate that challenge for them is
22 increasing their level of mechanized equipment which allows
23 them to increase their production but not necessarily rely on
24 an increased labor pool.

25 MR. BRYANT: I think I have to stop there because we

1 want to end at 5:00 and pick up -- not sure when. So let's go
2 off the record.

3 CONFERENCE ADJOURNED (November 8, 2022, 5:00 p.m.)

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C E R T I F I C A T E

I hereby certify that this is a true and accurate transcript of the proceedings which have been electronically recorded in this matter on the aforementioned hearing date.

A handwritten signature in cursive script, reading "D. Noelle Forrest", is positioned above a horizontal line.

D. Noelle Forrest, Transcriber

Table 9: Cost of Joint Owned or CCI-Owned Pole Replacements

CCI Pole Sets - Past and Projected Estimated Costs 2019-2026					
	Poles Set	Pole Set Cost*	Material**	Total Material	Total Yearly Cost
2019	420	\$ 442,260	\$ 850	\$ 357,000	\$ 799,260
2020	6,386	\$ 6,724,458	\$ 876	\$ 5,590,943	\$ 12,315,401
2021	6,699	\$ 7,054,047	\$ 902	\$ 6,040,924	\$ 13,094,971
2022YTD	3,576	\$ 11,872,570	\$ 929	\$ 3,321,453	\$ 15,194,023
2023***	2,500	\$ 8,300,175	\$ 957	\$ 2,391,706	\$ 10,691,881
2024***	2,500	\$ 8,300,175	\$ 985	\$ 2,463,457	\$ 10,763,632
2025***	2,500	\$ 8,300,175	\$ 1,015	\$ 2,537,361	\$ 10,837,536
2026***	2,500	\$ 8,300,175	\$ 1,045	\$ 2,613,482	\$ 10,913,657
Totals	27,081	\$ 59,294,035		\$ 25,316,326	\$ 84,610,362

*Average blended Pole set cost \$1053 (2019 through 2021) \$3320 (2022 through 2026)

**850.00 Base-line Pole cost assuming 3% material price increase per year

***This is the number of pole sets estimated to complete with additional CCI carve out funding