STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 25-2607-INV

Investigation into the City of Burlington Electric Department's operations and management practices	

PREFILED TESTIMONY OF DARWIN PERRIER ON BEHALF OF THE VERMONT DEPARTMENT OF PUBLIC SERVICE

Summary: Mr. Perrier's testimony introduces the document "Burlington Electric Department ("BED") Management and Business Process Audit" ("Audit") prepared by ARC Business Solutions Inc. on behalf of the Vermont Department of Public Service and provides a summary of the process undertaken by ARC to conduct the audit resulting in the Audit and the Audit's key findings recommendations.

Mr. Perrier Sponsors the Following Exhibits:

Exhibit DPS-DP-1	Resume of Darwin Perrier
Exhibit DPS-DP-2	Burlington Electric Department ("BED") Management and Business Process Audit

Introduction

Q1. Please state your name, current employer, business address, and position.

A1. My name is Darwin Perrier. I am a Certified Professional Consultant and Vice President of the Utility Consulting Division at ARC Business Solutions Inc. ("ARC"), 67 Merchants Row, Suite 14, Rutland, Vermont, 05701.

Q2. Please describe your background and qualifications.

A2. I received my Bachelor of Science specializing in Computing Science with a Business Minor ("BSc Spec") in 1991 from the University of Alberta. I have been working in the IT and consulting fields since 1984 and was one of the founders of ARC Business Solutions Inc. We have been working in the Utility Sector since ARC was formed in 1998, and I have been leading the division the entire time. I am typically engaged with oversight in all our utility projects, and for key projects I often have direct engagement and a role on the team. I have been an expert witness in many other utility regulatory matters and had substantial input into many regulations in multiple markets. ARC has been working in Vermont continuously since 2015 and has been engaged by multiple utilities in New England. We have had over 25 similar engagements to this one, have worked for over 30 utilities on over 300 projects with more than 1 million consulting hours. A copy of my resume is attached as Exhibit DPS-DP-1.

Q3. Have you previously testified at the Vermont Public Utility Commission?

A3. No, I have not testified before the Vermont Public Utility Commission ("Commission") in Vermont before.

Q4. What is the purpose of your testimony?

A4. ARC was engaged by the Vermont Department of Public Service ("Department") on April 22, 2026, to conduct a management and business process audit of the City of Burlington Electric Department ("BED") as part of the Commission's investigation in Case No. 25-2607-INV. My testimony presents the Audit entitled "Burlington Electric Department (BED) Management and Business Process Audit", which was prepared under my direction. The Audit describes the analysis undertaken by ARC that assesses BED's past and recent business processes and regulatory compliance before the Commission and recommends business process improvements and monitoring metrics which may improve the efficiency and effectiveness of the organization.

Q5. Please describe the work ARC performed to develop the Audit.

A5. We started the work on May 26, 2026, with a kick-off with both BED and the Vermont Department of Public Service ("DPS") being in attendance at the BED Offices.

We have resourced the team with a number of experts, each with an expert domain and myself being involved in all domains, as well as our Audit expert, Lothar Snellen. The experts and their domains of expertise are:

Richard McKeel – As a project manager was responsible for the schedule and cost and organized the Audit

Tom LeSage – Engaged the team and Contracted the work

Lothar Snellen – Audit approach, execution and Controls in general

Megan Gill – Regulatory Quality Controls

Jeff Belak – Financial Quality Controls

Dave Peters – Operational Quality Controls and Cross Functional Management Systems

Rob Cowitz – IT Business Systems and Data

Darwin Perrier – Overall and Transformational Projects

We followed a predefined process that is defined in the audit Audit, beginning with a series of interviews and data collection with both DPS and BED, followed by analysis (including root cause), validation and recommendations.

The Audit contains eight major sections:

- Executive Summary
- Background and Context
- Audit Scope and Methodology
- Findings in each domain
- Root cause analysis
- Implementation Roadmap
- Performance Benchmarks
- And appendices

Q6. Please summarize your assessment of the Audit's findings.

A6. BED has had significant historical issues. We have looked at the defined cases and investigated related areas within the domains. We have found six root causes across four categories – People, Process, Governance and Culture. These root causes stretch across the domains, as do the corrective actions. All four domains are lacking in controls and have single points of failure, often resting with individuals instead of a process. Where there are processes, they are not complete or not documented. If these resources are not available, or leave the organization, retire or pass away, the processes are prone to failure. Processes do not have formalized ownership. There is not an active risk register with complete mitigation and contingency plans. The problems BED has experienced are reinforced by a situation described in the Audit whereby the Commission issued a specific directive in March of 2022 and this directive for remedial activities and this order were not assigned an owner and never implemented.

Q7. Please summarize your assessment of the Audit's recommendations.

A7. We have broken our recommendations into quick hits and future fiscal year items, with Key Performance Indicators ("KPIs") to monitor their progress. The primary fix is to build that missing control layer — written authorization and disclosure policies, a centralized compliance register with named owners, independent pre-filing review, Delegation Of Authority ("DOA")/ Responsible, Accountable, Consulting and Inform ("RACI") matrices, a risk register, cross-training and succession planning, and improved and documented processes. BED has started some of the improvements, prior to or along with the activities of this audit. Recommendations are phased (90 days / FY2027 / FY2028), each with a named owner and a verifiable completion measure, backed by 6-month progress filings and an 18-month independent follow-up to make sure the fixes are sustainable.

Q8. Do you have any statements about BED's forthrightness in providing information requested by ARC while performing the audit or willingness to accept the findings and recommendations contained within the Audit?

A8. We were very impressed with BED's dedication to this initiative, including starting the interview process immediately following the kickoff. We had expected a lapse in time for BED to prepare, but they were willing to start right away. They provided us with timely information and demonstrated a commitment to this audit and indicated their support for our recommendations.

Q9. Does this conclude your testimony at this time?

A9. Yes, it does.