

**STATE OF VERMONT  
PUBLIC UTILITY COMMISSION**

Case No. 23-3501-PET

Petition of Green Mountain Power for approval of its zero outages initiative as a strategic opportunity pursuant to 30 V.S.A. § 218d and GMP’s multi-year rate plan

**PREFILED DIRECT TESTIMONY OF  
WALTER (TJ) POOR  
ON BEHALF OF THE  
VERMONT DEPARTMENT OF PUBLIC SERVICE**

March 15, 2024

Summary: My testimony introduces the Vermont Department of Public Service’s (“Department”) witnesses that are testifying in this proceeding on behalf of the Department. Next, I describe Green Mountain Power Corporation’s (“GMP” or “Company”) Petition in this proceeding and how it fits within the current context of its Multi-Year Rate Plan (“MYRP”). Finally, I explain the Department’s positions and recommendations, known as **Option I** and **Option II**, with Option I serving as the Department’s primary recommendation and Option II serving as an alternative recommendation to Option I.

**Mr. Poor Sponsors the Following Exhibit:**

**Exhibit DPS-WP-1 ZOI Investment COS Effect GMP**

1 **Q1. Please state your name and occupation.**

2 A1. My name is Walter (TJ) Poor. I am the Director of Regulated Utility Planning for the  
3 Department.

4 **Q2. Please describe your educational background and experience.**

5 A2. I earned a Bachelor of Science in Sport Management from the University of Massachusetts-  
6 Amherst in 2000 and a Master of Science in Environmental Law (“MSEL”) from Vermont  
7 Law School. After receiving my MSEL, I worked for the Department for nearly ten years  
8 on a range of activities including comprehensive energy planning, energy efficiency policy  
9 and oversight, and economic evaluation of State energy policies and 30 V.S.A. § 248  
10 petitions. From 2015-2019, I was a Senior Power Supply Analyst at Vermont Public Power  
11 Supply Authority (“VPPSA”), where I completed comprehensive wholesale and retail  
12 power supply activities on behalf of VPPSA’s Membership. In 2019, I returned to the  
13 Department as the Director of Efficiency & Energy Resources where I oversaw the policy  
14 for, and regulation of, efficiency and distribution utilities, particularly as it pertains to their  
15 implementation of transformational programs. In December of 2021, I transitioned to my  
16 current position where I direct the Department’s Regulated Utility Planning division,  
17 conducting analyses on a broad range of utility, energy, and climate policy matters.

18 **Q3. Have you previously testified before the Vermont Public Utility Commission**  
19 **(“Commission”)?**

20 A3. Yes. I have testified before the Commission in numerous proceedings on behalf of the  
21 Department, including Case Nos. 7213, 7314, 7466, 7970, 19-3272-PET, 19-3529-PET,

1 21-0898-TF, 21-1107-PET/21-1109-PET (concurrently), 21-2436-PET, 22-0480-TF, 22-  
2 1136-NMP, 22-2296-TF, 22-4100-TF, 22-4668-PET, 23-0880-PET, and 23-1447-PET.

3 **Q4. What is the purpose of your testimony in this proceeding?**

4 A4. First, my testimony introduces the Department's witnesses testifying in this proceeding on  
5 behalf of the Department. Next, I will describe GMP's Petition in this proceeding and how  
6 it fits within the current context of its MYRP. Finally, I explain the Department's position  
7 and recommendation(s) in this proceeding, known as **Option I** and **Option II**, with Option  
8 I serving as the Department's primary recommendation and Option II serving as an  
9 alternative recommendation to Option I.

10 **Q5. What are the Department's initial thoughts on GMP's proposal to spend up to \$280**  
11 **million in addition to the currently allowed capital spending under its MYRP for its**  
12 **so-called Zero Outages Initiatives ("ZOI")?**

13 A5. As supported by the Department's witnesses, the Department generally agrees that  
14 increasing investments in cost-effective, grid-hardening infrastructure, such as  
15 undergrounding and spacer cables, as well as cost-effective battery storage investments can  
16 help improve reliability and resilience of the electric system. However, as explained  
17 below, the Department has concerns regarding GMP's significant monetary request in this  
18 petition, which arrived without a thorough cost-benefit analysis and without having  
19 undergone a transparent and collaborative planning process. Additionally, while the  
20 Department generally agrees that increased investment in infrastructure could potentially  
21 reduce customer outages, the Department questions whether the ZOI truly fits within  
22 GMP's MYRP Strategic Opportunity provision.

1 **Q6. Please introduce the Department’s witnesses.**

2 A6. Please refer to **Table 1** below:

**Table 1: Department Witnesses**

<b>Witness</b>	<b>Description of Testimony</b>
Anne Margolis	Ms. Margolis discusses the ZOI in the context of GMP’s Integrated Resource Plan (“IRP”), the State’s Comprehensive Energy Plan (“CEP”), and more thoroughly explains the Department’s primary recommendation, or <b>Option I</b> , in this proceeding.
Carol Flint	Ms. Flint recommends updates to GMP’s Service Quality Reporting Plan (“SQRP”) from an equity standpoint.
Bill Jordan	Mr. Jordan recommends updates to GMP’s SQRP from an engineering standpoint, including updates to GMP’s System Average Interruption Frequency Index and Customer Average Interruption Duration Index reporting requirements.
Kevin Mara of GDS Associates, Inc. (“GDS”)	Mr. Mara submits testimony discussing GMP’s engineering capital investments and recommends a set of interim metrics should the Commission adopt the Department’s second recommendation, or <b>Option II</b> , described below.
Steven Hunt of GDS	Mr. Hunt discusses and recommends certain accounting and rate solutions regarding the implementation of GMP’s ZOI.
Sean Foley (Department)/Jacob Thomas of GDS	Mr. Foley and Mr. Thomas submit joint testimony proposing a system of risks and rewards to ensure GMP consistently strives to meet its ZOI metrics, whether they be the Department’s proposed interim metrics for <b>Option II</b> or metrics developed through the Department’s recommended comprehensive planning process, <b>Option I</b> , and to ensure GMP ratepayers do not bear the cost burden of GMP’s bold ZOI monetary request.

1 **Q7. Please describe the context for GMP’s Petition.**

2 A7. GMP currently operates under a four-year MYRP authorized by the General Assembly in  
3 30 V.S.A. § 218d and approved by the Commission in Case No. 21-3707-PET. Under  
4 Section IV.A.6 of its MYRP, GMP may petition the Commission for approval for  
5 incremental plant-in-service additions to be included in rates when “unexpected  
6 circumstances or new strategic opportunities arise that provide material benefit to  
7 customers . . . . In its petition for relief, GMP will bear the burden of demonstrating that  
8 the proposed investments . . . are in customers’ best interests and will result in just and  
9 reasonable rates in the long run.”<sup>1</sup>

10 The Commission may approve or modify a MYRP if it finds that the MYRP or  
11 modifications will:

- 12 (1) establish a system of regulation in which . . . companies have clear incentives  
13 to provide least-cost energy service to their customers;
- 14 (2) provide just and reasonable rates for service to all classes of customers;
- 15 (3) deliver safe and reliable service;
- 16 (4) offer incentives for innovations and improved performance that advance state  
17 energy policy such as increasing reliance on Vermont-based renewable energy and  
18 decreasing the extent to which the financial success of distribution utilities between  
19 rate cases is linked to increased sales to end use customers and may be threatened  
20 by decreases in those sales;
- 21 (5) promote improved quality of service, reliability, and service choices;
- 22 (6) encourage innovation in the provision of service;
- 23 (7) establish a reasonably balanced system of risks and rewards that encourages the  
24 company to operate as efficiently as possible using sound management practices;  
25 and
- 26 (8) provide a reasonable opportunity, under sound and economical management, to  
27 earn a fair rate of return, provided such opportunity must be consistent with flexible

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<sup>1</sup> Case No. 21-3707-PET, GMP MYRP 2023-2026 of 9/14/22 at 11 (emphasis added).

1 design of alternative regulation and with the inclusion of effective financial  
2 incentives in such alternatives.<sup>2</sup>

3 **Q8. Please describe GMP's capital spending under the current MYRP.**

4 A8. The MYRP governs GMP's rates for the period from October 1, 2022, through September  
5 30, 2026. Under the current MYRP, GMP operates with an overall cap on capital spending  
6 that averages \$119 million per year over the four-year term of the plan, with the expectation  
7 that spending varies year to year. This capital spending cap was higher than that established  
8 in the previous MYRP, intended to, in part, incorporate climate resilience and home storage  
9 investments that were previously outside of the cap. The result is a capital spending amount  
10 that is roughly equal between the current MYRP and the previous one.

11 **Q9. How does GMP's proposal to use the Strategic Opportunity provision of the MYRP  
12 compare with the average annual capital spend under the rate plan?**

13 A9. As noted above, the average annual capital expenditure cap is currently set at \$119 million  
14 per year, for a total of \$476 million over four years. GMP's proposal for this "Strategic  
15 Opportunity" is for authorization of up to \$280 million, a nearly 60% requested increase  
16 made less than two years after the term of its current MYRP began. If the ZOI proposal  
17 were to be approved, and all was spent in the two remaining years of the current MYRP, it  
18 would represent more than doubling of the currently approved capital expenditures in those  
19 two years (on an average basis, although it is expected the final two years of the MYRP  
20 have slightly higher than average spending).

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<sup>2</sup> 30 V.S.A. § 218d(a)(1-8).

1 **Q10. Was the Strategic Opportunity provision of the MYRP intended to be used for this**  
2 **magnitude of investment?**

3 A10. The Commission’s Order in Case No. 21-3707-PET did not discuss the provision, and in  
4 my review, I found only limited references in testimony or discovery in Case No. 21-3707-  
5 PET or the precursor MYRP in Case No. 18-1633-PET.<sup>3</sup> GMP characterized the overall  
6 MYRP in Case No. 21-3707-PET as “limiting the number of exceptions, adding  
7 predictability by defining more clearly the circumstances that support an exception, and  
8 retaining flexibility to respond to *novel* opportunities.”<sup>4</sup>

9 **Q11. In your opinion, does GMP’s proposed ZOI fall under the MYRP’s Strategic**  
10 **Opportunity Exemption?**

11 A11. Climate resiliency has been included in GMP’s capital budget for years, so I cannot  
12 describe this additional investment as a “new” or “novel” opportunity. Likewise, a request  
13 for a 60% increase in capital spending does not seem “predictable,” particularly given the  
14 current MYRP’s short two-year tenure.<sup>5</sup> Thus, the appropriateness of labeling GMP’s  
15 proposed ZOI as a Strategic Opportunity available via the Company’s MYRP is  
16 questionable. Nonetheless and as previously stated, the Department generally agrees that  
17 there is a potential opportunity to increase investment in measures that advance resiliency  
18 and reliability if such investments can be (1) proven to be cost-effective and are (2) tied to

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<sup>3</sup> “A major strategic investment would be any significant capital opportunity that was not foreseeable at the time of the MYRP...[o]ne example of such a strategic investment might be the acquisition of a generating facility offered for sale.” Case No. 18-1633-PET, Discovery Response A:PSD:GMP.1.78.a. The acquisition of a generating facility due to a sale is vastly different than GMP’s proposed multi-phase, potentially \$1.5 billion+ ZOI, both of which GMP claims to be categorized as major strategic investments that fall under a supposedly “limited” exception to GMP’s MYRP. Case No 18-1633-PET, Otley PFT of 6/4/18 at 26; See **Exhibit DPS-AM-3**.

<sup>4</sup> Case No. 21-3707-PET, Castonguay PFT of 9/1/21 at 21 (emphasis added).

<sup>5</sup> “Rate adjustments under alternative regulation plans should be as pre-defined as possible....” Case No. 17-3232-PET, Allen PFT of 8/25/17 at 9.

1 performance metrics and compensation, as suggested by Mr. Foley and Mr. Thomas in  
2 their joint prefiled direct testimony submitted in this proceeding.

3 It is important to note that, in approving GMP's current MYRP, the Commission  
4 determined that the current capital spending allowance cap "strikes a reasonable balance  
5 and will allow GMP to maintain its system while moderating overall rate pressures."<sup>6</sup> This  
6 determination raises the question of whether GMP's ZOI proposal is of a magnitude that  
7 adversely impacts that balance. GMP has not provided enough information in the form of  
8 a cost-benefit analysis to make a determination one way or another.<sup>7</sup>

9 **Q12. What other concerns do you have regarding GMP's capital spending?**

10 A12. Another concern I have revolves around the transparency and collaboration in the  
11 development of GMP's capital spending plan, including the development of the ZOI. For  
12 a capital spending plan to be approved by the Commission, it should be developed in a  
13 manner that is both transparent and collaborative. This means the utility should engage  
14 with stakeholders, including ratepayers, regulatory bodies, and other interested parties in  
15 an open dialogue about the plan's objectives, costs, and expected outcomes. The  
16 Department considers the ZOI to be a major capital investment and maintains that GMP  
17 did not collaborate with the Department on this specific endeavor.

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<sup>6</sup> Case Nos. 21-3707-PET/22-0175-TF, Final Order of 8/31/22 at 13.

<sup>7</sup> "In its petition for relief, *GMP will bear the burden of demonstrating that the proposed investments, expenses, and revenue for unexpected circumstances or new strategic opportunities are in customers' best interests and will result in just and reasonable rates in the long run.*" Case No. 21-3703-PET, GMP: MYRP 2023-2026, 10/1/22 at p. 11 (emphasis added).

1 **Q13. Please detail the components of a transparent and collaborative capital spending plan.**

2 A13. A transparent and collaborative capital spending plan should include several key  
3 components:

4 1. Stakeholder Engagement: The utility should proactively involve all stakeholders, including  
5 ratepayers, regulatory authorities, and potentially affected communities, in the planning  
6 process. This involves public meetings, workshops, and forums to gather input and address  
7 concerns.

8 2. Clear Objectives and Rationale: The utility must clearly articulate the objectives of the  
9 capital spending plan, including how the investments will improve service reliability and  
10 customer satisfaction. The rationale for specific investments, especially those with  
11 significant cost implications, should be thoroughly explained.  
12

13 3. Cost-Benefit Analysis: A comprehensive cost-benefit analysis should be conducted and  
14 shared, demonstrating the economic impacts of the proposed investments. This analysis  
15 should consider the long-term benefits and costs to ratepayers and the utility.

16 4. Alternative Solutions: The plan should evaluate alternative approaches to achieving the  
17 same objectives, including technological innovations or demand-side management  
18 strategies, to ensure that the proposed spending is the most cost-effective solution.

19 5. Regulatory Compliance and Alignment with Policy Objectives: The plan must demonstrate  
20 compliance with existing regulatory requirements and alignment with state and federal  
21 energy policy objectives, including sustainability and carbon reduction goals.

22 6. Transparency in Financial Implications: The utility should openly disclose how the capital  
23 spending plan will affect its financial statements, rate base, and, ultimately, the rates  
24 charged to consumers. This includes a detailed explanation of the amortization of capital  
25 investments and the impact on future rate cases.

26 7. Performance Metrics and Accountability: The plan should establish clear metrics for  
27 evaluating the performance of the investments over time and mechanisms for holding the  
28 utility accountable for achieving the stated objectives.

29 **Q14. In your opinion, how important are these components for the approval of a capital  
30 spending plan, such as the ZOI, by the Commission?**

31 A14. These components are crucial for the Commission's approval of a capital spending plan.

32 They ensure that the plan is not only financially and economically sound but also considers

1 the interests and concerns of all stakeholders. Transparent and collaborative development  
2 processes build trust among stakeholders, facilitate regulatory approval, and ensure that  
3 utility investments are in the best interest of the public and aligned with policy objectives.  
4 These can be accomplished in a number of ways, for example through the IRP process  
5 described by Ms. Margolis. Not all of these components have been met with GMP's ZOI  
6 proposal.

7 **Q15. Is there anything else you would like to add regarding the importance of transparency**  
8 **and collaboration in utility capital spending plans?**

9 A15. Only that the importance of these principles cannot be overstated. They are foundational  
10 to the regulatory process and critical for ensuring that utility investments are prudent,  
11 necessary, and in the best interest of the ratepayers and the broader community. A  
12 transparent and collaborative approach not only aids in the regulatory approval process but  
13 also enhances the utility's credibility and public trust, which are invaluable assets in the  
14 complex landscape of utility regulation and infrastructure investment.

15 **Q16. Turning now to cost-effectiveness, would it be more cost-effective to implement the**  
16 **ZOI at a different rate of an investment than currently proposed by GMP?**

17 A16. It is unclear whether it would be more cost effective because GMP's plans for  
18 implementation are not yet fully developed, and GMP has not offered a cost-benefit  
19 analysis for the entirety of this first proposed phase or all phases of its ZOI.

20 **Q17. Could a rate of investment different than what GMP has proposed in this proceeding**  
21 **promise greater benefits?**

1 A17. Potentially. Moderating the rate of investment could have several benefits. First, a  
2 moderated pace would allow for the Commission, the Department, and GMP to establish  
3 and test metrics—some of which are new and innovative—to evaluate resilience. While  
4 GMP has been reporting a variety of metrics under its current MYRP, upgraded and ZOI-  
5 specific metrics are necessary to ensure that GMP’s proposed ZOI investments set the  
6 Company on a path toward accomplishing improved reliability and resilience. Moreover,  
7 ensuring ZOI-specific metrics are measurable will establish appropriate incentives and  
8 disincentives to encourage efficient planning and spending while providing a reasonable  
9 opportunity for GMP to earn a fair rate of return.

10 Second, a different rate of investment could lessen immediate rate pressure and  
11 continue to strike a reasonable balance between allowing GMP to maintain and improve  
12 its system and preserving the lowest costs possible for Vermonters facing various ever-  
13 increasing cost pressures.

14 Finally, a different rate of investment could allow time for GMP and State  
15 regulators to better align capital investments with GMP’s IRP, due in December of 2024,  
16 which could better articulate the decision-making framework and phases of the ZOI, as  
17 further described in the prefiled direct testimony of Department witness Ms. Margolis. If  
18 the ZOI framework and associated costs are more thoroughly depicted within the IRP and  
19 the subsequent MYRP for which work will need to begin in approximately one year, then  
20 the ZOI will be more accurately aligned with GMP’s projected capital expenditures.

21

1 **Q18. Do you have recommendations related to the magnitude or timing of the proposed**  
2 **investment?**

3 A18. Yes. As noted above, the Department offers a primary recommendation and an alternative,  
4 secondary recommendation for consideration. For its first and primary recommendation,  
5 or **Option I**, the Department recommends that GMP engage in a more meaningful and  
6 robust planning process before beginning its ZOI. In sum, the Department suggests GMP  
7 integrate its ZOI within its next IRP, which is due on December 10, 2024. This integration  
8 would include meaningful engagement with its customers, communities, and other  
9 stakeholders to decide how GMP will prioritize hardening, microgrid, and storage  
10 deployments under Phase I of the ZOI. Once this occurs, the Department recommends that  
11 the principles and methodologies developed during this engagement period be used to  
12 develop a ZOI Phase I master plan that identifies specific projects to be completed in Phase  
13 I along with cost estimates for each project. Within this IRP integration process, GMP  
14 should develop a suite of resilience and reliability performance-based metrics, which  
15 would not only allow the Commission, the Department, and GMP to understand how,  
16 where, and at what cost GMP will be making investments to achieve uninterrupted service  
17 but incent the Company to wisely spend this significant monetary request. This  
18 recommendation (1) closely follows the Department's *Guidance for Integrated Resource*  
19 *Plans*; (2) requires GMP to methodically and thoughtfully align the ZOI with its upcoming  
20 IRP; (3) ensures that GMP's capital spending pursuant to its MYRP strikes a reasonable  
21 balance and will allow GMP to maintain its system while moderating overall rate pressures  
22 on customers; (4) will allow time for GMP and stakeholders to develop meaningful

1 performance-based metrics; and (5) will provide the legwork for when GMP eventually  
2 begins planning its next MYRP capital budget, the result of which should be more inclusive  
3 and reflective of GMP’s planned capital expenditures.

4 In the alternative, also referred to as **Option II**, the Department recommends  
5 GMP’s preliminary Phase I investment be capped at \$50 million, which equates to a .75%  
6 rate increase for customers.<sup>8</sup> In addition to this cap, the Department recommends that the  
7 Commission approve and GMP adopt a set of interim resilience and reliability  
8 performance-based metrics as described in the prefiled direct testimony of Department  
9 witness Mr. Mara and summarized in **Table 2** below. This tightened level of investment  
10 for Phase I will allow GMP to begin its preliminary ZOI work while it incorporates the  
11 ZOI into its IRP, develops its permanent ZOI performance-based metrics, and finalizes its  
12 ZOI master plan, inclusive of cost-benefit analyses, as described in the Department’s  
13 primary recommendation and in Ms. Margolis’ prefiled direct testimony.

<b>Table 2: Department’s Proposed Interim Metrics for Option II</b>	
<b>1</b>	33% improvement in SAIDI/SAIFI for rural feeders over 2023 SAIDI/SAIFI
<b>2</b>	Forced Outage Rate per Hundred miles of Zone 1 Spacer Cable $\leq 3.0$
<b>3</b>	Storm costs, downward trend in rolling five-year average costs – less than \$13 million by 2030.
<b>4</b>	Battery Failure to Start Index $\leq 5\%$
<b>5</b>	Report CEMI-8 for all residential customers

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<sup>8</sup> Please see **Exhibit DPS-WP-1**, which was created in consultation with Department witness Mr. Sean Foley.

1                   Importantly, capping Phase I at \$50 million, or a less than one percent rate increase,  
2                   is crucial as GMP customers continue to battle the financial pressures associated with  
3                   increasing rates, as detailed in **Table 3** below.<sup>9</sup>

**Table 3: Recent GMP Rate Changes**<sup>10</sup>

Date	Increase/Decrease Amount	Reason
10/1/2022	Base Rate change of 2.34%	- Removed 1.34% Past Storm and Power Fixed Charge - Removed 0.19% Emerald Ash Borer Adjustor - Implemented Major Storm Restoration Fund Adjustor of 0.90% - Changed Current Energy/Major Storm Adjustor from -0.49% to 0.61%
3/5/2023	- Residential from \$1.00 to \$1.50 - Commercial from \$1.67 to \$3.00 - Industrial from \$55.50 to \$75.00	Electric Assistance Program revised via Case No. 22-5173-TF, to update eligibility threshold from 150% of the federal poverty level to 185% in accordance with a state statute passed by the legislature. At the same time, the per meter, per month fees were updated. Rate revenue impact estimated to be 0.3%.
4/1/2023	Current Energy/Major Storm Adjustor from 0.61% to 0.60%	Adjusted pursuant to MYRP.
7/1/2023	Current Energy/Major Storm Adjustor from 0.60% to 0.89%	Adjusted pursuant to MYRP.
10/1/2023	Base Rate change of 5.29%	- Current Energy/Major Storm Adjustor from 0.89% to 2.43% - Major Storm Restoration Fund Adjustor from 0.90% to 0.83%
Total Increase	8.38%	October 1, 2022 – October 1, 2023

<sup>9</sup> Throughout the past year and a half (10/1/22 through present), the Commission has received numerous public comments from Vermonters expressing concerns over GMP’s increasing rates and how those increasing rates strain household budgets and exacerbate financial hardships. Please refer to the various public comments filed in Case Nos. 22-0175-TF, 23-1852-TF, 24-0301-TF, and more.

<sup>10</sup> **Table 3** was created in consultation with Department witness Mr. Sean Foley.

1 **Q19. What other recommendations does the Department offer in this proceeding?**

2 A19. As indicated in both options above, the Department recommends the development and  
3 implementation of ZOI-specific, performance-based resilience and reliability metrics.  
4 Department witnesses Mr. Foley and Mr. Thomas, through their testimony, developed and  
5 recommend quadratic formulas and an associated schedule for each proposed interim  
6 performance metric accompanied by (1) defined minimum and targeted performance  
7 levels, and (2) a formula that can be used to determine the amount of disallowance, if any,  
8 for a specified performance measurement, regardless of whether the metric is developed  
9 later a part of **Option I** or existing as an interim metric within **Option II**.

10 Moreover, the Department, via Mr. Hunt's prefiled direct testimony, recommends  
11 that (1) incremental non-capital internal costs be excluded from rate recovery if GMP  
12 cannot provide measurable criteria and/or a baseline to demonstrate GMP is incurring such  
13 costs in excess of those included in existing rates and as a result of ZOI projects; (2) GMP  
14 utilize regulatory asset and liability accounts to record Department-recommended  
15 incentives and penalties based on performance-based outcomes; and (3) GMP include  
16 known and measurable cost savings as a credit to incremental ZOI project costs deferred  
17 as a regulatory asset for rate recovery.

18 Finally, and regardless of the options provided above, the Department recommends  
19 that GMP collaborate with the Department and update GMP's outdated SQRP, as further  
20 detailed in the prefiled direct testimonies of Department witnesses Ms. Flint and Mr.  
21 Jordan, within six months of the final order issued in this proceeding. The Department also

1 recommends that GMP revisit and update, if determined to be necessary by GMP and the  
2 Department, the SQRP every three years during the implementation of the ZOI.

3 **Q20. With regard to timing, do you anticipate any significant issues with beginning the ZOI**  
4 **only after a thorough, transparent, and collaborative planning process occurs?**

5 A20. **Option I** would delay the start of GMP resiliency investments by several months,  
6 coinciding with a winter season where construction activities are often lessened. However,  
7 full investigation and integration of the ZOI within its overall capital spending and  
8 construction plans, as well as engagement with the public, would most likely compensate  
9 for any delayed timing and better direct investments to where they are most necessary,  
10 equitable, and cost-effective. Additionally, **Option II** supports investment getting started  
11 with lessened ratepayer impact while GMP develops a more robust ZOI plan.

12 **Q21. Do you have any additional thoughts regarding GMP's proposed ZOI?**

13 A21. While GMP has articulated many potential benefits, the specific plan of its proposed ZOI  
14 remains nebulous. The Department recognizes that additional infrastructure investments  
15 may lead to ratepayer benefits, help deliver safe and reliable service to customers, and  
16 promote improved quality of service. However, it remains important, as the Commission  
17 noted in approving GMP's last MYRP, to "[contextualize] the level of capital spending  
18 within measurable performance outcomes such as storm resilience, service quality, and  
19 customer satisfaction" and ensure capital spending pursuant to the MYRP strikes a  
20 reasonable balance between maintaining a resilient and reliable system and ratepayer  
21 costs.<sup>11</sup> Approving the ZOI as is, without the additional planning frameworks and cost-

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<sup>11</sup> Case No. 21-3707-PET, Final Order of 8/31/22 at 12-13.

1 benefit analyses proposed by the Department, will not allow the Commission, the  
2 Department, or GMP to ensure spending levels support meaningful and appropriate  
3 performance outcomes. The recommendations offered by the Department, and the  
4 mechanisms offered to begin marrying performance relative to those recommendations,  
5 will establish a reasonably balanced system of risks and rewards that encourages GMP to  
6 operate as efficiently as possible, promotes worthwhile investments, and leads to just and  
7 reasonable rates for Vermonters.

8 **Q22. Does that conclude your testimony?**

9 A22. Yes, it does.