

MONTANA-DAKOTA UTILITIES CO.
Before the North Dakota Public Service Commission
Case No. PU-22-194
Rebuttal Testimony
of
Eric P. Martuscelli

1 **Q. Please state your name and business address.**

2 A. My name is Eric P. Martuscelli, and my business address is 8113
3 West Grandridge Boulevard, Kennewick, Washington 99336.

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

5 A. I am the Vice President of Field Operations for Montana-Dakota
6 Utilities Co. ("Montana-Dakota" or "Company"), Great Plains Natural Gas
7 Co. ("Great Plains"), Cascade Natural Gas Corporation ("Cascade"), and
8 Intermountain Gas Company ("Intermountain"). Collectively, "MDU Utilities
9 Group".

10 **Q. Are you the same Eric P. Martuscelli that previously offered direct**
11 **testimony in this proceeding?**

12 A. Yes, I am.

13 **Q. What is the purpose of your rebuttal testimony?**

14 A. The purpose of my testimony is to address certain analysis
15 and recommendations proposed by Dr. Marie Fagan, London
16 Economics International LLC testifying on behalf of the North
17 Dakota Public Service Commission Advocacy Staff.

1 **Q. Please summarize Dr. Fagan’s recommendations you will**
2 **address.**

3 A. Dr. Fagan on page 10 of her direct testimony has
4 recommended that the North Dakota Public Service Commission
5 (Commission) disallow \$40,000 related to Montana-Dakota’s
6 employees’ personal use of Company vehicles.

7 **Q. Please explain when and why Montana-Dakota allows the**
8 **personal use Company vehicles.**

9 A. First, Montana-Dakota’s employees are charged with
10 providing its utility customers and communities safe and reliable
11 service 24 hours per day, every day of the year. As a result,
12 Montana-Dakota assigns fleet vehicles to designated employees
13 based on one or more of the following requirements:

- 14 • The employee has a continuous need for immediate availability
15 of a vehicle during emergencies;
- 16 • The employee travels extensively on a daily basis, while
17 performing assigned duties; and
- 18 • The employee work assignment requires a vehicle on a regular
19 day-to-day basis.

20 Under these circumstances, Montana-Dakota deems these
21 assignments to be beneficial to customers and the vehicle is
22 permitted to be used to commute to and from work. Resulting
23 commute mileage is required to be deemed “personal use” and

1 recorded as such, based on requirements from the Internal
2 Revenue Service (IRS). Montana-Dakota encourages employees to
3 plan their day as efficiently as possible, i.e., to start their workday
4 from their place of residence and travel directly to their first
5 business destination or to end their workday in a similar manner,
6 leaving their final business destination and ending their day at their
7 place of residence. In either of the preceding scenarios, this
8 mileage would be considered business mileage. If neither scenario
9 is practical, the resulting mileage to and from the office is required
10 to be deemed “personal use” and recorded as such, based on
11 requirements from the Internal Revenue Service (IRS).

12 **Q. Do you agree that the Commission should disallow \$40,000**
13 **based on Dr. Fagan’s testimony?**

14 A. No. Disallowing this expense would likely result in Montana-
15 Dakota eliminating many individual fleet vehicle assignments,
16 negatively impacting a timely response to emergencies. Take, for
17 example, our local leadership positions. Both the local District
18 Manager and Supervisor positions are assigned fleet vehicles and
19 regularly record personal mileage during a normal workday,
20 because they generally start their day at the office and end their
21 day at the office. Both positions regularly respond to emergencies
22 outside of normal business hours and not having an assigned fleet
23 vehicle at their place of residence would delay their ability to

1 respond to an emergency in a timely manner as they would then be
2 required to drive to the local office to pick up a company vehicle
3 before being able to respond. This example alone would affect
4 approximately 25 managers and supervisors across our ND electric
5 territory. MDU believes our current fleet assignment strategy is the
6 right balance between emergency response, operational efficiency,
7 and IRS requirements. Dr. Fagan's recommendation to disallow
8 \$40,000 should be rejected.

9 **Q. Does this conclude your rebuttal testimony?**

10 A. Yes.