

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

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

2 A. My name is Daryl Anderson and my business address is 400 North
3 Fourth Street, Bismarck North Dakota 58501.

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

5 A. I am the Director of Electric Distribution Services for Montana-
6 Dakota Utilities Co. (Montana-Dakota).

7 **Q. Are you the same Daryl Anderson that previously offered direct
8 testimony in this proceeding?**

9 A. Yes, I am.

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

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

15 **Q. Please summarize Dr. Fagan's recommendations you will
16 address.**

17 A. Dr. Fagan on page 20 and 21 of her direct testimony has
18 recommended that the North Dakota Public Service Commission

1 (Commission) disallow in rates the Company's request to include
2 General Intangible Plant In Service related to the distribution
3 outage management system (OMS) as well as the related labor
4 costs to operate the system. Dr. Fagan's calculation suggest a
5 reduction to Montana-Dakota's labor request of \$443,150 and a
6 reduction to rate base of \$2,146,511.

7 **Q. Do you agree with Dr. Fagan's claim that your direct testimony**
8 **provided no clear operational targets?**

9 A. No. My direct testimony, beginning on page 7, presented
10 four high level targeted improvements that an OMS would bring to
11 Montana Dakota and its customers. In addition, eight additional
12 safety and reliability benefits related to the adoption of an Electric
13 Distribution Operator were also indicated on pages 9 and 10.

14 **Q. Please provide an overview of the operational targets and why**
15 **they support the OMS system.**

16 A. The first high-level expectation for an OMS indicated in
17 testimony was an outage database that is based on the Distribution
18 Network models with a resolution down to the individual customer
19 level. An OMS is the system needed at an electric utility to
20 fundamentally make and support clear performance or operational
21 targets related to SAIDI, SAIFI and CAIDI. The current paper and
22 spreadsheet-based outage data at Montana-Dakota is not capable
23 to make clear specific detailed operational targets or improvements

1 to reliability-based indices. Therefore, in absence of the system
2 being operational, additional targets cannot be defined. Once
3 operational, the Company can begin to measure the reliability-
4 based indices and establish further goals.

5 The second high-level expectation for an OMS, indicated in
6 previous testimony, was to provide for a Field Operations Outage
7 Management Toolset to help manage a large storm event such as
8 the 2022 spring ice storm in western North Dakota. This Toolset is
9 a map based software that would allow for a Field Operations group
10 to assess damage locations and customer follow-up projects using
11 a central map and database that all workers could see and interact
12 with. The goal of this toolset would be to create a more organized
13 and managed storm response that would provide additional safety
14 and communications to workers responding to storm events. In
15 addition, as part of this OMS development at the Company, the
16 central Electric Distribution Dispatcher would be in place to provide
17 additional operational safety and oversight during chaotic emergency
18 storm events.

19 **Q. Were there other business reasons to implement an OMS**
20 **system.**

21 A. Yes. In 2021 the Commission adopted changes to the
22 reporting rules in the Administrative Rules 69-09-02-06 – Standards
23 of Service. The change in the annual reporting rules for reliability

1 statistics included additional requirements within the IEEE 1366
2 Standard for reporting. At the time of this change, Montana-
3 Dakota indicated in comments to the Commission that following the
4 new rules would require a change to the reporting system at
5 Montana-Dakota, such as the addition of an Outage Management
6 System. In 2022, Case No. PU-22-175, the Company again
7 responded with comments to the Commission indicating the intent
8 to implement an OMS as the method to advance the Company's
9 ability to submit annual reliability data under the new rules. The
10 Company simply cannot follow the adopted rules without a major
11 change to the reliability reporting system. Within the Electric Utility
12 Industry, an Outage Management System is the standard for
13 outage management. Montana-Dakota is one of the very few
14 utilities that have not deployed this type of system. The
15 development of an OMS that includes the deployment of an Electric
16 Distribution Operator is the best long term choice for safety, system
17 reliability, and compliance reporting for Montana-Dakota.

18 **Q. Please reiterate your position regarding Dr. Fagan's**
19 **recommendation.**

20 A. Dr. Fagan's recommendation to disallow the Company's
21 request to include the software capital investment in rate base and
22 the associated labor and operating costs should be rejected. The
23 OMS will provide customer benefits in the form of safety and

1 reliability and will allow Company employees to operate much more
2 safely and efficiently. For these reasons, the Company's request is
3 reasonable and should be accepted.

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

5 A. Yes.