

MONTANA-DAKOTA UTILITIES CO.

Before the North Dakota Public Service Commission

Case No. PU-22-194

Surrebuttal Testimony

of

Daryl Anderson

1 **Q. Would you please state your name and business address?**

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

4 **Q. What is your position with Montana-Dakota Utilities Co.?**

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 and  
8 rebuttal testimony in this proceeding?**

9 A. Yes, I am.

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

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

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

1 A. Dr. Fagan on page 4 lines 24 through 28 and page 5 lines 1  
2 through 20 of her surrebuttal testimony has recommended that the  
3 North Dakota Public Service Commission (Commission) disallow  
4 \$2,146,511 of rate base associated with the Outage Management  
5 System (OMS) and the \$443,150 of additional labor costs  
6 associated with supporting the OMS system.

7 Q. **Dr. Fagan has indicated that the OMS is not justified as the**  
8 **system is only for reporting. Do you agree?**

9 No, The Outage Management System goes well beyond the issue  
10 of reporting overall reliability numbers to the State of North Dakota, FERC,  
11 or association groups. As a reminder to previous testimony the  
12 investment in the OMS System along with an Electric Distribution  
13 Dispatcher is to provide improvements to the customer, Company, and  
14 employee in several ways, to recap some of the highlights:

- 15 • The OMS provides reliability/outage cause information in a  
16 database, tracked to the customer level, which provides the  
17 Company an ability to determine cost benefit information for  
18 reliability improvements.
- 19 • The OMS will provide for an increase in outage response by  
20 providing more accurate outage information to the Company  
21 First Responder by predicting where the outage is located on a  
22 mobile map software. This will lead to improvement in outage

- 1 response along with an increase in employee and customer  
2 safety.
- 3 • The OMS will provide an increase in safety and efficiency during  
4 Major Storm Events by deploying a map based real time storm  
5 toolset to Field Operations Crews and the oversight of a  
6 24/7/365 Electric Distribution System Operator.
  - 7 • The OMS/DMS with a 24/7/365 Electric Distribution Operator  
8 will provide for an increase in worker safety by providing a real  
9 time Distribution Operations map for Field Operations Crews  
10 which improves OSHA worker requirements. Crews currently  
11 have static maps that do not indicate real time switching or  
12 facility changes.
  - 13 • The OMS will provide more accurate and timely outage  
14 information including outage locations and Estimated Time of  
15 Restoration (ETR) to customers and media requests.
  - 16 • The 24/7/365 Electric Distribution System Operator will have an  
17 ability to respond to SCADA alarms to prevent reliability or  
18 inadequacy of service standard issues in a more real time  
19 environment.
  - 20 • The 24/7/365 Electric Distribution System Operator will have an  
21 ability to monitor where Company workers are located, by GPS,  
22 during outage and storm events to improve employee safety

1                    during emergency events. Lone worker safety at the Company  
2                    is a concern.

- 3                    • The OMS will provide an ability to automate outage information  
4                    to an IVR system to help support customer information needs  
5                    and provide outage restoration information in a more efficient  
6                    process.
- 7                    • The OMS outage database will provide for a dataset that will  
8                    allow for the reporting of reliability comparisons for individual  
9                    customers, circuits, stations, towns, transmission segments, etc.  
10                   to help determine capital or maintenance investments.

11                   This OMS project, including the deployment of the 24/7/365 Electric  
12                   Distribution System Operator is a fundamental change in Operations for  
13                   Montana-Dakota that goes far beyond annual reliability reporting  
14                   requirements. Montana-Dakota is one of very few utilities industry wide  
15                   that do not currently have an Outage Management System or Electric  
16                   Distribution Operator monitoring the Electric Distribution System. The  
17                   modern environment of the Electric Distribution Systems is fundamentally  
18                   changing with the additions of electric vehicle loads and distributed  
19                   generation concerns that requires prudent electric utilities to adapt. These  
20                   changes have led to more complications for system protection, safety, and  
21                   reliability and the requirement to monitor the Electric Distribution System  
22                   in a real time setting. This OMS project and 24/7/365 Electric System

1 Operator deployment at the Company is a fundamental part of that  
2 progression.

3 **Q. Dr. Fagan testified that Montana-Dakota is already reporting in**  
4 **compliance with North Dakota Administrative Rule 69-09-02-06. Do**  
5 **you agree?**

6 A. No. The State of North Dakota Administrative Rules 69-09-02-06 –  
7 Standards of Service requires a utility to follow IEEE 1366 Standards for  
8 reporting. Within the IEEE 1366 Standard and the State of North Dakota  
9 rules, there is a definition of a Major Event Day. The purpose of the IEEE  
10 1366 Standard Major Event Day calculation is to report reliability with a  
11 means of separating out major events from normal day reliability  
12 performance using a common methodology. This allows comparison of  
13 “normal day” reliability in a fair and comparable fashion between Electric  
14 Utilities of any size or unique regional considerations. The Major Event  
15 Day determination requires a daily calculation of SAIDI compared to a  
16 logarithmic dataset of historical outages. Major Event Day determinations,  
17 as defined in IEEE 1366, cannot be performed at Montana-Dakota without  
18 a database system that can be used to make the calculations to the IEEE  
19 reporting standard. This concern was indicated to the State of North  
20 Dakota Public Service Commission Staff at input meetings and in  
21 response communications to those recent changes within the PSC rules.

22 **Q. What economic benefit does the OMS provide?**

23 A. Montana-Dakota cannot point to any definitive short or long

1 hard or soft, savings that are identified with this addition. However, the  
2 gains from a safety, reliability, and operational standpoint are needed in  
3 general to operate in the changing environment and changing complexity  
4 of an Electric Distribution System. Certainly this will lead to efficiencies  
5 and a transfer of responsibilities from the various Field Operations  
6 Groups, however it is very difficult to estimate the future soft or hard  
7 savings and what it will lead to. In general, it will allow the Company more  
8 accurate information to make much better decisions on the prioritization of  
9 O&M and Capital Spending in the future, supported by real numbers, to  
10 provide for a much higher degree of reliability and safety for both utility  
11 customers and employees of the Company.

12 **Q. Does this conclude your testimony?**

13 A. Yes.