

DPS1.Q44. Please describe GMP’s blanket capital project prioritization processes. If such processes have not been prepared by GMP, please so state. If GMP has prepared such processes, please provide the following information:

- a. A detailed description of the process;**
- b. Contemporaneous documentation of the process;**
- c. The scoring and/or ranking scheme.**

DPS1.A44.

Four departments currently use capital blankets – Generation, IT, Facilities, and T&D.

With respect to the Generation Blanket, please see Response DPS1.Q45.

The IT blanket is categorized as “Required” and used for smaller or emergent procurements that cannot be accurately predicted at the time of the rate filing but are necessary for continuity and improvement of operations during the period. Due to GMP’s extended use of technology systems to automate many of its work processes, including at the front lines of our service delivery, we experience a certain level of failure among the technology components and devices we use to operate. The blanket allows us to appropriately manage short-term needs as they arise so that we can keep our workforce properly equipped to deliver services to our customers in the manner that they expect it. Prioritization of IT blanket work is fluid as we balance the emergent needs with the needs that can be planned within the short timeframes we have between procurement and implementation. Due to the rapid innovation that occurs among the technologies we rely upon, we can take advantage of pricing improvements or performance improvements through short cycle procurements. Generally, longer procurement cycles produce less effective results from a cost and performance perspective. We do not maintain a formal project prioritization process underneath the capital blanket, relying more on our knowledge of areas of potential equipment failures based on our past experience with the various technologies we’ve deployed.

The facilities capital blanket is used similarly to the IT blanket in that it provides a way for GMP to make smaller, more emergent capital purchases during the year that are not able to be forecasted during the capital planning process. The Facilities blanket is based on a five-year average of blanket actuals in order to reflect the level of required budget needed over time.

Regarding T&D blankets, as described in the testimony of John R. Fiske, page 20, starting on line 16, the T&D blankets include (1) Distribution Equipment Purchases, (2) Distribution Lines (3) Distribution Substations, and (4)

Transmission Lines and Transmission Substations categories. This response addresses prioritization of these blanket capital projects.

The Distribution Equipment Purchase blanket is for transformers, meters, and regulators and capacitors. This equipment is necessary for proper customer service and reliability. These expenditures are to install new or replace failed or deteriorated equipment to maintain system capability and reliability. Since there are no alternatives to having this equipment, the blanket capital Distribution Equipment Purchases are rated as “Required.” (Please refer to Brian Otley’s testimony, at 17 starting on line 5 for an explanation of project rating.)

The blankets within Distribution Substations and Transmission Lines and Transmission Substations are to cover unforeseen failures or other safety or reliability risks associated in these areas. Therefore, GMP scores or ranks these projects as “Required” as the projects typically involve replacing or repairing failed or deteriorated equipment that needs to be addressed immediately.

The Distribution Line blanket and Distribution Line projects are described in John Fiske’s testimony, starting on page 23, line 19 and ending on page 24, line 21. The priority of Distribution Line projects is driven by the category under which the project falls, but all are “Required” projects. For category 1 projects, Responder (Outage Management System), ArcGIS (ESRI Global Information System) and Business Intelligence systems are utilized to prioritize distribution line reconstruction and rebuild projects for improving safety, efficiency, and reliability. The Responder system is utilized to collect customer and system information, the ArcGIS is utilized to create and maintain asset data used in Responder, and Business Intelligence is utilized to query the Responder data to generate reports to aid in the identification of circuits with the worst performance as well as customers who have experienced a high number of outages over a short period of time. These reports help GMP decide which projects should be undertaken. Category 1 project prioritization and ranking for Distribution Line Blanket projects is explained in the Company’s 4.900 Electricity Outage Reporting beginning on page 19. Refer to Attachment GMP.DPS1.Q44.1 – VT PUC Rule 4.900 2017 Electricity Outage Reporting. For category 2 projects, customer-requested projects, GMP prioritizes these projects based upon when the job is ready for construction, and customer has paid. For Category 3 projects, state and municipality initiated road or bridge construction, GMP prioritizes these projects based upon when the job is ready for construction, which is driven by the road or bridge construction schedule. For Category 4 projects, third party reconstruction, GMP prioritizes these projects based upon when the job is ready for construction, which is driven by the third-party attachment tariff.

Person/s Responsible for Response: John Fiske; Brian Otley
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