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July 24, 2009

Judge Daniel Caruso
Chairman, Connecticut Siting Council
Ten Franklin Square
New Britain, CT 06051

Re: DOCKET NO. 346 Implementation of Section 8 and Section 54 of
Public Act No. 07-242 - An Act Concerning Electricity and Energy Efficiency

Dear Judge Caruso:

Enclosed please find an original and 20 copies of The Connecticut Light and Power Company's Memorandum regarding the Connecticut Siting Council's White Paper, published May 28, 2009.

Very truly yours,



Robert S. Golden Jr.

cc: Service List

{W1725167}

WATERBURY

NEW HAVEN

SOUTHBURY

**STATE OF CONNECTICUT
CONNECTICUT SITING COUNCIL**

NORTHEAST UTILITIES SERVICE COMPANY, ON :
BEHALF OF THE CONNECTICUT LIGHT AND :
POWER COMPANY - IMPLEMENTATION OF : DOCKET NO. 346
SECTION 8 AND SECTION 54 OF PUBLIC ACT NO. :
07-242 AN ACT CONCERNING ELECTRICITY AND :
ENERGY EFFICIENCY :
:
:
: JULY 24, 2009

**THE CONNECTICUT LIGHT AND POWER COMPANY'S
MEMORANDUM REGARDING THE CONNECTICUT SITING COUNCIL'S
WHITE PAPER**

I. INTRODUCTION

Pursuant to Section 8 of Public Act 07-242, the Connecticut Siting Council ("Council") is required to initiate a contested case proceeding to investigate energy security with respect to the siting of electric generating and transmission facilities. On October 4, 2007, the Council issued a notice of public hearing for November 7, 2007 for the purpose of hearing evidence, among other things, on energy security, thus initiating the proceeding. On November 2, 2007, the Council canceled the hearing.

Additional hearings for this Docket were scheduled for November 18, 2008 and January 6, 2009, however, the hearings were rescheduled for June 29, 2009. Prior to the hearing, the Council requested that the parties to this Docket (The Connecticut Light and Power Company ("CL&P"), the United Illuminating Company, the Connecticut Municipal Electric Energy Cooperative, the Connecticut Energy Advisory Board, and the Department of Emergency Management and Homeland Security), and the intervenor (Joel N. Gordes, a representative of Environmental Energy Solutions) submit comments

as to the scope of the Council's proposed white paper concerning security of siting energy facilities (the "White Paper"). As the Council recognizes in its White Paper and from the General Scope and Range of Review Memorandum approved by the Council on January 22, 2009, CL&P as a transmission owner and operator in an integrated system is compelled by corporate policy and the rules of several regional and federal standard setting bodies to maintaining the most reliable system possible. [CL&P Exhibit 1] The Council published its White Paper on May 28, 2009. A duly noticed public hearing was held by the Council in Hearing Room One, Ten Franklin Square, New Britain, Connecticut, on June 29, 2009 at 1:00 p.m. for the purpose of allowing the parties and intervenor to comment on the White Paper.

II. DISCUSSION

A. Identifying physical security issues is an important Council goal.

Through its White Paper distributed on May 28, 2009, the Council narrowed the focus of the investigation to topics that relate to the physical threats to the facilities that the applicants propose for siting. The hearing touched on the broad universe of the daily operational challenges regulated electric utilities and unregulated electric generators face in the delivery of an uninterrupted supply of electric power to end users. While the Council does not regulate the operations of CL&P in Connecticut, since this is primarily the responsibility of the Department of Public Utility Control ("DPUC"), it does have to understand the role a proposed facility plays in reaching the goal of uninterrupted electric service. That objective is already being met by the requirements of the Public Utilities Standard Act (Conn. Gen. Stat. Chapter 277a), Council's regulation and specific facilities application guidelines.

Part of what the Council has learned in the investigation is that electric security is being met by a multilayered approach of national, regional and state authorities. On the state level the Council is not alone in its concern for electric security. There is also multiple layers of agencies with specific expertise to determine the priority they must give to the element of security as they carry out their oversight responsibilities. In addition to the DPUC's oversight, Connecticut's Department of Emergency Management and Homeland Security is tasked with the responsibility for comprehensive emergency planning. Access to electric power during and after an emergency is undoubtedly a serious concern. Therefore, it is logical that the Council focus on the issues of physical security as it relates to responding to an application to site a facility.

B. Physical security threats are appropriately addressed in the White Paper.

CL&P understood from the May 27, 2009 Notice of Hearing that the purpose of the hearing was to allow comments on the Council's White Paper that was issued on May 28, 2009. The Council's White Paper states:

“Security in this document will only relate to intentional physical threats to a facility. Threats can range from simple trespassing to vandalism to dedicated acts of sabotage. Siting security in this document does not relate to operational, reliability, and maintenance procedures asset connection requirements, or naturally-caused calamities (i.e. hurricanes or ice storms).”

CL&P urges the Council to remain focused on addressing issues raised in the White Paper relevant to intentional physical threats to energy facilities, and not the universe of energy security issues that are being addressed in various states, regional and federal forums. [CL&P Exhibit 2, pg. 2].

CL&P supports focusing on physical threats to energy facilities that the Council regulates because this element of energy security falls within the siting expertise of the Council. The Council's review of physical threats benefits applicants by assuring that those who apply for certificates from the Council will have their applications reviewed in the context of intentional physical threats rather than the full array of operationally oriented security issues that energy security in its broader sense entails. The Council's White Paper correctly recognized the issue of security for the electric grid is the focus of many bodies with oversight over the CL&P system when in its conclusion it said:

The Council understands the complexity of a dynamic system such as the electric grid and accepts and concurs with the layers of oversight that protect it by competent and responsive entities.

Operational, reliability, maintenance procedures, asset connection requirements and naturally caused calamities are concerns that are more than adequately and continually being addressed by the assortment of national and regional oversight described in detail in the White Paper.

Prior to an application being filed with the Council, CL&P security issues are incorporated in a facility's planning and design. Under Connecticut's Public Utilities Environmental Standards Act, CL&P has to justify the value of a project to the overall reliability of the grid (Conn. Gen. Stat. § 16-50l(a)(1)(A)) . The design must, without unnecessarily impacting the environment, recognize the site's vulnerability to interruption of service and design to minimize any potential threat to the facility's reliability. [CL&P Exhibit 2, pg. 5]. CL&P integrates the various aspects that can be viewed as electric security measures in all features of its design of a facility before it is presented to the Council. While the Council's White Paper appropriately avoids delving

into operational security issues, applications to the Council when filed, have factored in operational contingencies.

Moreover, CL&P is constantly assessing equipment needs. [Tr. pg. 45]. For example, the Asset Strategy group within CL&P concentrates on assessing the need and accessibility of spare equipment. [Tr. pg. 42 (Note that the transcript inadvertently refers to this group as the "SS" group)].

Crafting more rules by the Council will not serve to achieve the goal of a more secure electric system. The uniqueness of each energy project does not allow for the promulgation of a rigid set of guidelines. That is not to say that applicants do not benefit when they have a set of principles, such as those found on page 4 of the White Paper, to alert them to Council's security concerns relating to potential physical threats. [CL&P Exhibit 2, pg. 3-4].

Moreover, the Council already requires applicants to pay specific attention to security issues. In its Application Guide for an Electric Substation Facility, June 2007 (VII. G), and Application Guides for Terrestrial Electric Transmission line Facilities, August 2007 (Section VIII. M) (collectively the "Application Guides") are requirements to address safety and reliability information. The Guides' provisions both require the applicant to detail:

1. Provisions for emergency operations and shutdowns; and
2. Fire suppression technology.

C. Electric security is subject to multiple layers of oversight.

As the White Paper recognizes, CL&P's electric security is subject to many layers of oversight. The Council's White Paper provides an overview of a national and regional

regulatory scheme that subjects CL&P to a wide variety of constantly evolving regulation. The purpose of all this oversight is to enhance reliability by providing a secure regionally integrated power system of generation and transmission. Electricity is provided to Connecticut through connected generation and transmission facilities which, since deregulation of Connecticut's electric industry, are operated by different entities. Connecticut is also connected with facilities that serve all of New England and is interconnected to New York. Central to the operation of this complicated power system is the goal of uninterrupted service, or reliability, and the maintenance of a market based electric service to all of the region's customers.

As the Council recognizes in its White Paper and from the General Scope and Range of Review document issued and approved by the Council on January 22, 2009, CL&P as a transmission owner and operator in the integrated system is compelled by the rules of several regional and federal standard setting bodies, as noted in the White Paper, to maintaining the most reliable system possible. CL&P's transmission system must be secure from interruption to provide reliable service. Since transmission does not operate without generation, the coordination of security measures is a regional and national task. [CL&P Exhibit 2, pg. 2-4].

Importantly, this national and regional oversight is active and violations can result in severe penalties to an errant utility. As noted by Mr. McCracken, violation of NERC standards can result in fines of a million dollars a day per violation. Because these standards are ultimately overseen by the FERC, the consequences for a security program lapse can be very serious for CL&P. [Tr. pgs. 82-83].

III. POSSIBLE QUESTIONS THE COUNCIL MIGHT PURSUE WHEN REVIEWING AN APPLICATION

Council Member Tait asked the participants to pose questions that the Council might ask when reviewing an application. As Council Member Tait noted, the Council is reactive and does not select which projects need to be built to maintain a robust electric grid. Nonetheless, the Council must be satisfied that any proposed project is needed for system reliability before it applies its environmental analysis. The Council's regulations and Application Guides already require extensive discussion of need and reliability. Security is one element to maintaining a reliable grid. Therefore, the Council may want to inquire about how the physical threats related to locating a facility in a particular place are taken into account. While each project will have its own set of unique characteristics, CL&P believes the following questions would be helpful in the Council's analysis of a proposed project:


- What interface has the applicant had with local and state first responders?
- What other agencies has the applicant consulted with regarding security issues?
- Are there any programs that have been initiated for regular reviews with local first responders and other state and local authorities?
- What precautions has the applicant taken to prevent acts of vandalism?
- How soon could the facility be physically ready if a major component becomes inoperable? (Which components qualify would depend on the nature of the project)
- What emergency power and lighting etc are planned in the face of inoperability?
- What federal and regional regulations regarding security apply to the proposed facility?

VI. CONCLUSION

CL&P does not operate alone. The Council's White Paper does an excellent job in recognizing the interdependencies and numerous supervisory authorities that are required to provide the most reliable electric service possible. Since the August 2003 blackout, the last few years have brought more attention to all aspects of electric security. CL&P has always maintained an emphasis on reliability and its corollary - security. Security is an important part of maintaining the delivery of electricity without interruption – in other words a “reliable” system.

CL&P endorses the conclusion in the Council's White Paper that the electric grid is a complex and dynamic system with layers of defense-in-depth to protect it by competent and responsive entities. The recognition of this fact provides an important context to points made in the White Paper. CL&P appreciates the need for the Council to be assured when it reviews an application for a certificate that it has the necessary information to assess the potential for intentional physical threats to the facility. To that end CL&P pledges its cooperation.

Respectfully submitted,
The Connecticut Light and Power Company,

By 
Robert S. Golden
Its Attorney

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