STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

REVIEW OF THE PUBLIC SERVICE COMPANIES' RESPONSE TO 2011 STORMS	:	**DOCKET NO. 11-09-09**
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	:	**JUNE 11, 2012**
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BRIEF OF THE OFFICE OF CONSUMER COUNSEL

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I. INTRODUCTION

The Office of Consumer Counsel ("OCC") hereby submits its initial brief in the above-captioned matter, a review of the preparation and restoration efforts of Connecticut's public service companies to two 2011 storms, Tropical Storm Irene ("Storm Irene"), which struck the State of Connecticut of August 27-28, 2011, and the late October snowstorm ("October Storm") (together, the "2011 Storms"), which hit Connecticut on October 29, 2011. These two storms had substantial impacts on the utility customers represented by OCC, especially with regard to the loss of electricity. Many customers who had not experienced major power outages in decades faced two such outages approximately two months apart. This led to hardship, dangerous situations, fear, vulnerability, large economic losses, frustration, anger, and ultimately to questions about what went right in utility service restoration, what went wrong, and most of all, how restoration, preparation, plans, communications, and infrastructure must be improved. Many improvements are necessary to reduce the risks of further hardships and potential tragedies. OCC therefore commends the Public Utility Regulatory Authority ("PURA") for conducting a proceeding of considerable scope and depth.

PURA opened this proceeding on September 23, 2011, pursuant to CONN. GEN. STAT. § 16-11, to review the preparedness, service response, and communications of the Connecticut Light and Power Company ("CL&P") and The United Illuminating Company ("UI") (collectively, the "EDCs") in the aftermath of Storm Irene, which struck the state on August 27-28, 2011, and to report on the impact of the storm on the telecommunications, natural gas, and water public service company infrastructure. On November 4, 2011, PURA expanded the scope of this proceeding to include a review of the October Storm. On November 18, 2011, Consumer Counsel Elin Swanson Katz and Attorney General for the State of Connecticut George Jepsen moved to clarify that the scope of the proceeding would include an investigation, and not merely a report, as to the service outages experienced by customers of the non-electric public service companies. In response to that motion, on November 25, 2011, PURA issued a ruling ("Motion Ruling") that stated, in part, as follows:

> the Authority makes clear that this proceeding will be of broad scope and entail a full review and investigation of the outage, impacts and responses of all public service companies, video, voice and cellular providers, to both storms . . . the Authority notes that this proceeding and investigation pursuant to Conn. Gen. Stat. section 16-11 may entail remedial orders affecting public service company improvements, alterations, or changes in the manner of operations, as may be reasonabl[y] necessary in the public interest.

Motion Ruling at 2. Because of the broad scope of this proceeding and the breadth of OCC's mission on behalf of ratepayers pursuant to CONN.GEN.STAT. § 16-2a, this Brief covers a range of topics and makes a wide variety of recommendations.

A. <u>The 2011 Storms presented Connecticut's Utilities with Two Unprecedented Restoration Challenges in Quick Succession</u>.

As a result of Storm Irene, approximately 671,700 CL&P customers lost their electric service for up to 9 days, <u>see</u> Supplemental Response to EL-21, while more than 158,000 of UI's 325,000 customers lost service for up to 8 days. Testimony at Storm Irene Legislative Hearings

held on September 19, 2011. Less than two months later, the heavy snow falling on trees with foliage during the October Storm led to extensive tree damage and many downed wires and utility poles. As a result, an unprecedented 830,000 of CL&P's 1.2 million customers were left without power for up to eleven days (see CL&P's response to OCC-34, Attachment 1), and 52,000 of UI's customers were without power for up to five days. Witt Associates' *Connecticut October 2011 Snowstorm Restoration Report*, dated December 1, 2011 ("Witt Report") at 28. Thus, the 2011 Storms presented Connecticut's public service companies with unprecedented numbers of outages for storms occurring in relatively quick succession.

Storm Irene's greatest impact was in the coastal and eastern portions of the state, while the October Storm created extensive outages in the northern, central and western portions of the state. See Pre-Filed Testimony of John Goodfellow and Michael Townsley, filed by OCC on April 17, 2012 ("Townsley/Goodfellow PFT") at 6. UI's service territory was thus hit harder during Storm Irene than it was during the October Storm. However, 25 towns with wide geographical distribution experienced 81% to 100% outages during both storms. See id.

Both storms presented their own challenges. Irene led to numerous road closings due to both flooding and fallen trees. See id. The October Storm also caused extensive tree damage due to the weight of the snow on the leaf-covered trees, and the snow also made it difficult to negotiate the roads and to restore power to many areas until significant road clearing had taken place. See id. at 6-7.

The temperatures were another factor that differentiated the 2011 Storms. Storm Irene, striking in late August with highs averaging in the mid-70's to low 80's and lows from around mid-60's to low-70's, did not present life-threatening problems associated with very cold temperatures. See id. at 7. The October Storm was more dangerous. The day the storm hit,

temperatures were in the low 50's, with nighttime temperatures in some locations dipping into the 20's and 30's, and temperatures stayed in a lower range than average for several days. See id. This led large numbers of people without power to leave their homes to stay with relatives, at hotels and motels, or at town shelters. See id. However, many people either felt they had nowhere else to go, or were unable to escape their homes or streets due to downed trees and lines. Thus, the October Storm left large numbers of people in vulnerable situations for an extended period of time.

B. This Investigation Builds on Several Prior Investigative Reports

Prior to and during the pendency of the instant investigation, there was extensive review of the public service companies' efforts during Storm Irene and the October Storm by a variety of entities. See, e.g., Witt Report; the Two Storm Panel's *Report of the Two Storm Panel,* dated January 9, 2012 ("Two Storm Panel Report"); and the report issued by Davies Consulting Inc. ("Davies Consulting"), retained by CL&P, entitled *Connecticut Light and Power Company's Emergency Preparedness and Response to Storm Irene and the October Nor'easter* and dated February 27, 2012 ("Davies Report"). Also highly instructive for this investigation is the accounting of the problems the EDCs encountered in their response to a storm occurring on March 12-13, 2010, as detailed in the DPUC's final decision and the reports issued in Docket Number 10-03-08, *Investigation of the Service Response and Communications of The Connecticut Light and Power Company (CL&P) and The United Illuminating Company (UI) following the Outages from the Severe Weather over the Period of March 12 through March 14, 2010.* That docket provides a smaller-scale preview of some of the shortcomings of CL&P's response to the two 2011 storms. As more fully set forth below, it is unfortunate that CL&P did

not fully capitalize upon the "lessons learned" from that storm in order to better perform in its response to Storm Irene and the October Storm.

The instant docket included a review of storm response that was broad in scope, yet also incredibly detailed. The record includes over 725 interrogatories and 14 sets of pre-filed testimony, including four sets of pre-filed testimony submitted by OCC and its consultants. PURA also hired consultants to review the preparation and storm response of the EDCs, and issued a report with recommendations. See *Report on the Preparation for and Response to the August and October 2011 Storms by The Connecticut Light and Power and The United Illuminating Companies, by The Liberty Consulting Group*, dated April 16, 2012 (the "Liberty Report"). Seventeen hearing dates were held, leading to 3140 transcript pages. OCC was an active participant throughout the proceeding.

The primary focus of the hearings was storm preparation and response by the public service companies, and the principal review, among the public service companies, was of the EDCs. However, other subjects covered in this docket, and thus covered in OCC's pre-filed testimony and/or in this brief,[1] include the response of the telecommunications, gas, water, and cable companies; utility pole issues, including maintenance, replacement, and other shared ownership issues; whether there should be a single pole administrator in the respective EDC territories; and the failure of backup generation at wireless towers.

C. PURA Should Make Findings of Fact and Issue Certain Orders Now, Despite the Necessity of Future Dockets Related to the 2011 Storms.

Two events occurred during the pendency of this matter which will require further dockets before PURA related to this matter. First, on April 20, 2012, PURA approved the

[1] OCC filed extensive pre-filed testimony in this docket, and does not repeat herein all of the arguments and recommendations made therein. Rather, OCC incorporates by reference the positions in its pre-filed testimony as its positions in this brief.

application of Northeast Utilities and NStar to merge, subject to certain terms and conditions, many of which were contained in a March 13, 2012 Settlement Agreement ("Merger Settlement") among Northeast Utilities ("NU"), NStar, the Attorney General's Office, and OCC. ("NU/NStar Merger Decision"). Pursuant to the NU/NStar Merger Decision, certain proceedings will occur and certain proceedings that may otherwise have occurred will be delayed, including the following:

- CL&P will file a full distribution rate case with PURA that would cause new rates to go into effect on, but not prior to, December 1, 2014. Based on the usual rate case time frames, CL&P will presumably not file a full rate case until mid-2014. Merger Settlement at §§ 1.2, 1.3;

- There may be exogenous cost proceeding(s) before PURA where CL&P could seek recovery for significant expenses that have increased for reasons outside of its control. Merger Settlement at § 1.2.2;

- CL&P will file with PURA this summer (approximately mid-July) a plan to improve distribution system resiliency in the amount of $300 million, which plan is subject to PURA approval and subject to certain time frames for cost recovery. Merger Settlement at § 4.1; and

- CL&P will file with PURA a request for recovery of costs from the 2011 Storms, net of insurance proceeds, the storm reserve fund, and an agreed-upon $40 million write-down. The actual cost recovery by CL&P may not equal the full amount requested, despite the $40 million write-down. Merger Settlement at § 4.3.

In addition, CL&P has already agreed to file with PURA by September 1, 2012, an upgrade to its practices and policies for securing mutual aid in storms. Merger Settlement, § 4.2.

Second, Public Act 12-148 ("P.A. 12-148") was passed by the General Assembly, and requires, *inter alia*, that PURA hold a docket to "establish industry specific standards for acceptable performance by each utility in an emergency." P.A. 12-148, Sec. 3(b). In that docket, PURA must review many of the issues already reviewed in this docket, in whole or in part, including, without limitation, damage assessment, estimated restoration times, restoration

management, planning for at-risk customers, the need for mutual assistance, improvements to infrastructure, coordination efforts between the EDCs and other public service companies, and vegetation management. P.A. 12-148, Sec. 3(c)(2)-(5).

Thus, it is clear that this docket is just the beginning of a series of dockets that will investigate and attempt to remedy the situation Connecticut was faced with following the 2011 Storms. However, as further set forth herein and in OCC's testimony in this docket, there is a more than sufficient record in this docket upon which PURA should make a variety of findings for immediate implementation, rather than waiting for those issues to be settled at a future time. OCC is cognizant of the fact that the summer storm season is approaching, and believes that certain issues are both too important, and too well-documented, to warrant waiting for further review. As such, OCC requests herein a variety of PURA findings and orders to be issued in PURA's final decision in this matter, beginning with findings and orders related to conduct that rises to the level of imprudent management on the part of CL&P.

II. ARGUMENT

A. CL&P's Management of Storm Response Was Imprudent In Several Respects.

As more fully set forth herein, CL&P's and UI's response to both storms demonstrated areas that need improvement. However, with respect to CL&P's storm response, there were three particular areas where OCC believes CL&P's management practices rose to the level of imprudence, for which a penalty should be assessed. These areas relate to CL&P's communications during the restoration period, including: 1) CL&P's continued public insistence that it would meet a restoration time that it knew it was very unlikely to meet; 2) CL&P's implementation of a town liaison program that failed to consistently provide for the flow of information between towns and CL&P; and 3) CL&P's failure to apply the "lessons learned"

from a 2010 storm and implement technology to facilitate "real time" updating of information from crews into its operations management system. As stated in the pre-filed testimony of OCC consultants Miller, DeVito and Townsley ("Miller/DeVito/Townsley PFT"), customers are dependent upon the EDCs for reasonably accurate, honest, and forthcoming communications during an extended outage:

> During extended electrical outages, towns and individuals need to make serious decisions that involve the safety of people, property, and animals. The need for this information is especially acute in the case of life-support and other vulnerable customers. When information needed for decision making is not available or the available information is not helpful, customers can become frustrated and anxious.

Miller/DeVito/Townsley PFT at 11-12. Unfortunately, as more fully set forth below, CL&P unreasonably and imprudently failed to provide its customers with the information they needed to make informed decisions related to their health and welfare.

1. Standards for Determining Imprudence and Potential Remedies

OCC recognizes that there is a difference between management practices that need improvement and those that are imprudent and therefore subject to a penalty or a disallowance of imprudently-incurred costs. In Docket No. 08-02-06, DPUC Investigation into the Connecticut Light and Power Company's Billing Issues (the "CL&P Billing Investigation Decision"), the DPUC stated the following standard for reviewing utility management for prudency: "In deciding whether the actions of a utility are prudent, the Department applies the 'reasonable' person standard; that is, the standard of care a reasonable person would exercise under the same circumstances confronting the management of the utility at the time of the decision to take such actions." CL&P Billing Investigation Decision at 10.

When imprudent management leads to increased costs, those costs are generally disallowed. Id. at 10-11. In addition, The Department of Public Utility Control ("DPUC"),

PURA's predecessor agency, has also imposed imprudence penalties in the form of a reduction of allowed Return on Equity in a rate case. For example, in the most recent Connecticut Natural Gas Corporation ("CNG") rate case, the DPUC reduced CNG's ROE by 10 basis points due to imprudent management of its Maximum Daily Quantity billing practices, stating that:

> ROE adjustments such as the one implemented by the Department in this decision ensure that rates reflect prudent and efficient management. Conn. Gen. Stat. § 16-19e(a)(5). Additionally, similar adjustments have been upheld in other jurisdictions. See, In re Citizens Utilities Company, 171 Vt. 447, 769 A.2d 19 (2000); and Wisconsin Public Service Corp. v. Public Service Commission of Wisconsin, 156 Wis. 2d 611, 457 N.W.2d 502 (1990).

Final Decision dated June 30, 2009, Docket No. 08-12-06 at 94-95 and Footnote 14. The most recent rate case involving The Southern Connecticut Gas Company ("SCG") had a similar finding. See Final Decision dated July 17, 2009, Docket No. 08-12-07 at 168. Likewise, in United Water Connecticut, Inc.'s ("United's") most recent rate case, Docket No. 10-09-08, the DPUC found United imprudent due to its failure to train its Connecticut-based company employees regarding its record retention and management procedures, which failure hindered attempts to audit the company for the rate case. See Final Decision dated April 27, 2011, Docket No. 10-09-08 at 44, 83. The DPUC therefore penalized United by reducing its ROE by 50 basis points. Id.

In this docket, OCC seeks findings related to CL&P's imprudent management in several respects, as further set forth below. OCC will seek findings related to penalties or disallowance of costs for CL&P's imprudent conduct in future proceedings, including the storm cost recovery docket resulting from the Merger Settlement and any upcoming CL&P rate proceedings.

2. CL&P Was Imprudent in its Continued Public Insistence That It Would Meet a Restoration Deadline It Knew It Was Very Unlikely to Meet.

The first type of imprudent management alleged by OCC involves CL&P's misleading communication in the aftermath of the October Storm regarding its goal of restoring 99 percent of its customers by Sunday, November 6 at midnight. See, e.g., CL&P News Releases, Bulk Response to AG-101. As further set forth below, CL&P knew or should have known that this well-publicized goal was unreachable. However, CL&P unreasonably continued to publicize the "99 percent by Sunday at midnight" goal and failed to notify the public that its goal was not likely to be met, thereby misleading its customers.[2] CL&P's misleading conduct in this regard is an obvious breach of the standard of care it owes its customers as a public service company.

While CL&P had a variety of complicated models it was using to estimate restoration time (transcript ("Tr.") at 2721-2734), the testimony in the record suggests that the goal of restoring 99% of customers by Sunday at midnight did not truly emanate from any of those models, but was instead a goal generated by officers of Northeast Utilities Service Company ("NUSCO") and CL&P. The goal was provided on November 1 to Mr. Rod Kalbfleisch, Director, CL&P Operations and Area Commander for the day shift, by Mr. Hybsch, Vice President of Customer Operations for CL&P. Tr. at 1701, 2735. During the initial hearings in this matter, Mr. Hybsch testified that this goal was developed in a meeting he had with Ms. Van Luling, Vice President of Communications for NUSCO, and Mr. Leon Olivier, Executive Vice

[2] As such, OCC disagrees with the statement in the Liberty Report that CL&P's "Corporate Communications did effectively coordinate with other groups to gather and disseminate storm restoration information . . . In essence, the mechanics were in place and working well, however the message was not necessarily what customers, the public, and community leaders wanted to hear." Liberty Report at 112. Rather, as further set forth in this section, OCC submits that customers, the public, and community leaders wanted to hear CL&P's best available information, not a commitment that CL&P, and many of its customers, knew it could not keep.

President and Chief Operating Officer for NUSCO and Chief Executive Officer for CL&P, PSNH, WMECo and Yankee Gas. Tr. at 1701-02.

Thus, rather than the goal being generated up through command to company officers, it was generated at the officer level and given to the Area Commander to implement. The Area Commander characterized the goal as a "stretch goal to reach 99 percent by Sunday. There's no question about that." Tr. at 2750. Mr. Ahern, Vice President of Utility Services, also characterized the goal as a "stretch goal." Tr. at 2756. However, this characterization of the goal as a "stretch goal" was never conveyed to the public by CL&P or NUSCO.

CL&P admits that it did know sometime between 6 am and 11 am on the morning of Sunday, November 6, that it was not going to be able to restore power to 99 percent of its customers by Sunday at midnight. LFE-68; Tr. at 2654. As established during cross examination by OCC, CL&P's central division, which consisted of many heavily-hit towns such as West Hartford, Simsbury, Bloomfield, Farmington, Tolland, and South Windsor, still had 78,000 customers out of service as of Sunday at 8 am. Tr. at 2765-2772; EL-16. In order to achieve the goal of 99 percent by midnight, CL&P would have had to reduce the number of outages in the central division alone to from 78,000 to less than 4,000 in a matter of 16 hours. In the 24-hour period immediately preceding that, CL&P had restored 57,000 customers, which was more than they had managed in any other 24 hour period prior to that. Tr. at 2773. Even if CL&P were to achieve that same rate of restoration for the 16 hours from 8 am Sunday until midnight, they would fall far short of the goal. CL&P itself acknowledged there was simply no reasonable basis on Sunday morning to presume that it would be able to meet its goal, see Tr. at 2654, yet CL&P did not communicate that knowledge to its customers in a press conference until 5:30 or 6:00 pm that evening. See Tr. at 2653.

Moreover, the record demonstrates that CL&P knew well prior to the morning of Sunday, November 6, that it would not meet its goal. In Late Filed Exhibit 68, CL&P summarized a series of emails from Mr. Ahern as standing for the proposition that "up until the morning of November 6th, based on CL&P's plan to continue to obtain additional crews to support its restoration effort, CL&P continued to reasonably believe that it was possible to restore power to 99% by midnight on November 6th." LFE-68 (no pagination) (emphasis added). However, CL&P's characterization of Mr. Ahern's emails is incorrect. Mr. Ahern's daily emails reflect that, in fact, between November 2 and November 6, there was only one day, November 4, that he reported that the company was on pace to reach the goal of 99 percent by Sunday at midnight. On that same November 4, CL&P had reliable information from another internal source to indicate it was not on target in all districts.[3] Yet CL&P's A.M. Briefing Sheet for November 4 stated "We will continue our aggressive pace toward 99% restoration by Sunday at midnight . . .". Response to AG-120, Bulk Filing, November 4 A.M. Briefing Sheet at 2 (emphasis added). OCC maintains that there was no reasonable belief at CL&P on November 4 or later that the Sunday at midnight deadline would be met.

By the early morning of Saturday, November 5, Mr. Ahern was reporting internally that "CL&P's pace slowed somewhat so that it is now on the pace to 99% (under 12,000) on Monday morning." LFE-68. Similarly, CL&P's notes from its internal operations call on November 5 at 6:00 am contained a statement state that "[a] revised mid-point target was to meet 200,000 outages or less by this 8:00 am this morning. We were relatively close with 214,000 customers

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[3] On November 2, CL&P discovered that it had used understated "hours per trouble spot" metrics for its estimated restoration times ("ERT") in the Tolland AWC in the Central District and in the Southern District. LFE-68, Attachment 1 at 4-7. It revised those metrics on November 2, and by November 4 had recalculated its ERT for the Tolland AWC to Tuesday, November 8. Id. CL&P did not note in this document to what date it revised its Southern District ERT, but the "Number of days to complete work" column (on Table 4 of Attachment 1 to LFE-68) for many of the Southern District towns indicates more days than the 8.34 days indicated for Tolland.

still remaining without power. We have an aggressive target to meet by Sunday night." LFE-68, SP-01 at 6 (emphasis added). Yet the press release for the morning of November 5 did not describe the target as "aggressive"; rather, it contained a quote from Jeff Butler stating "I am confident we have the resources to get 99 percent of all customers back on by Sunday night." Response to AG-101, bulk filing at 00265. There is no evidence in the record to justify that confidence. Moreover, CL&P's Friday, November 4 A.M. Briefing Sheet has a question and answer section which appears to anticipate questions by the press and provide talking points. Response to AG-120, bulk filing. On page 3 of that Briefing Sheet, there is what appears to be an anticipated topic, "Your own crews are saying 99% by Sunday is not attainable." The bullets underneath state "Sometimes when you are out in the trenches working on restoration, it's difficult to see the big picture," and "We remain committed to our goal of 99% restoration by Sunday midnight."[4] Response to AG-120, bulk filing.

Thus, while CL&P was internally characterizing the goal as "aggressive" and estimating that 99 percent of customers would be restored by Monday morning, they continued to doggedly publicize confidence in their goal of Sunday at midnight. As Mary Glassman, First Selectman of the Town of Simsbury testified during cross examination by the Attorney General's Office:

> A. (Glassman) Based on our assessment of our town, we communicated from the beginning that we were concerned that our residents would see [the Sunday at midnight goal] as a promise, and we felt that that restoration projection could not be met in Simsbury given the extreme damage that was hit in our town. We reiterated that repeatedly, even as late as ten o'clock meeting on Saturday night, right, you know, 24 hours, a little more than 24 hours before the deadline was going to hit, and we asked for -- we asked for a clarification of that for Simsbury because we understood that certainly we were harder hit. We didn't want to hold them to that projection. We knew that was impossible to meet. We offered to, you know, have a clarification, a press conference, a press release saying that in some areas of the state that projection would not be able to be met and we were fine

[4] These statements are also contained in the A.M. Briefing Sheet for Saturday, November 5. Id.

with that. Our concern was to be able to communicate that projection was not accurate for our residents, but that was not successful.

Q. (Wertheimer) Not successful? How were your offers --

A. (Glassman) Well, we actually had a meeting ten o'clock the night before on Saturday night, and we offered to work with CL&P to revise the estimate just for Simsbury and some of the other Farmington Valley towns that were also hard hit, and the liaisons and staff said that they were holding to the 100 percent restoration projection.

Q. (Wertheimer) So throughout the event, would you -- I understand your skepticism about their projection, but their communication of their projection to you, was it communicated to you as an aspiration or as a guarantee?

A. (Glassman) It was communicated as they were confident they would meet their projection.

Tr. at 1865-66. Similarly, Steve Werbner, Town Manager of Tolland, testified as follows:

A. (Werbner) I would say it was a guarantee that it was going to be achieved. And similar to Simsbury, I said on a regular basis, based upon the damage that we had and the resources that were being allocated, there was no way that that could be achieved. And I asked our liaison to go back and see if there could be a reassessment in terms of the outage because we were concerned not only with the restoration, we were concerned with the school. And we had been out of school for five days by that Friday, and people were saying, tell us if you're going to be out of school the next week so we can leave and we can take our kids and not worry about being away and having to come back so we can plan a little bit our lives. And they kept insisting that by midnight on Sunday we would be fully restored. And it wasn't until Wednesday of the following week that we were able to have school.

Tr. at 1866-67. According to this testimony, like the rest of CL&P's customers, town leaders were not being told what CL&P management knew, which was that the 99 percent by Sunday at midnight was at best a "stretch goal" and an "aggressive target," and not a goal upon which towns should rely for their emergency planning.

If customers had access to the best information available to CL&P, they would have been better able to make decisions about whether to relocate temporarily to stay at shelters or with friends and family, whether to remain relocated rather than returning home Sunday or Monday,

or to ensure they had sufficient food, ice, gas, and other necessities to weather the storm at home until such time as their power was restored. Tr. at 1778-79, 1869, 1871. Businesses would have been better able to judge when they would be able to reopen, and avoid paying employees to show up for work when there was still no power. Tr. at 1872. And, towns and municipalities would have been better able to plan for how long their shelters would need to remain open, how long their schools would need to remain closed, and whether they could proceed with municipal elections that week. Tr. at 1735-36, 1867-1869. Since CL&P withheld its best information from its customers, many of those customers would have suffered monetary damages and practical inconveniences, and vulnerable customers such as those with health problems, the elderly and those with young infants would have been even more severely impacted. See, e.g. Miller/DeVito/Townsley PFT at 12, 20-21, 43-45.

Notably, while CL&P was providing misleading information to its customers regarding when their power would likely be restored, it was concurrently dedicating shareholder resources to polishing its image through public relations efforts. See Tr. at 1177-85. For example, emails provided by CL&P in response to AG-112 (at 321-22) demonstrate that CL&P's public relations firm provided pre-scripted Facebook messages in support of CL&P, to be posted by third parties in the midst of the storm, among other measures. See Tr. at 1177-80. According to Ms. van Luling, these pre-scripted messages were never utilized by CL&P. LFE-44. Nevertheless, OCC suggests that, rather than spending time considering such tactics to improve its image in the midst of the storm response, the best public relations move that CL&P could have made would have been to better manage the expectations of its customers by providing them with timely and accurate information.

During a time of crisis, with customers being without heat, lighting, and in many cases potable water for an extended period of time, CL&P's customers were counting on honest and forthcoming communications so that customers could prepare to sustain the outage. As noted by Matthew Galligan, Town Manager of the Town of South Windsor,

> I can plan for two weeks out. I'll go lock up my house, take the water down and I'll go south and get a hotel, or I'll do something, you know, to make that happen, or I'll make sure that I have enough gas for the generator, or I'll live -- they can make arrangements. But when they feel that it's going to be done within a short period of time, I'll weather it out. Once that deadline goes, you're done. The phone calls come in, people are frustrated. I bought enough food for this amount of time. You know, what am I going to do now? And then that becomes an issue. So we're big boys, we're adults. We can handle it, you know? But we just need truthful, accurate information, not -- not trying to get the corporate response out there to say in a public to ease, oh yeah, here it comes, here it comes. And it's not coming, don't do it. Don't say it. You know, be respectful. I mean, people are not children. They're not idiots, and they want accurate information.

Tr. at 1779-80. CL&P was the only source able to provide the information customers needed to ensure they were prepared. CL&P's continual insistence that it would meet a standard which it knew or should have known it could not meet violated the public trust, and therefore constitutes a clear breach of the "reasonable person" standard. CL&P's misleading conduct with respect to its "stretch goal" of 99 percent by Sunday at midnight led to customer damages too widespread and varied among customers to accurately quantify. As such, OCC requests that PURA issue a finding that CL&P was imprudent in its management of its communications with the public regarding estimated restoration times, and to issue a penalty therefor in future proceedings.

3. CL&P's Town Liaison Program Was Imprudently Designed, Implemented, and Managed, Resulting in Frustration, Increased Expenses and Enhanced Public Safety Concerns for the Affected Municipalities.

During the 2011 Storms, both electric utilities expanded the role of utility "liaisons" working with municipalities. See, e.g., CL&P and UI responses to Interrogatory AG-8. The liaison program places utility employees within municipalities' emergency control centers to

facilitate communication about restoration efforts. This system worked reasonably well for UI (Miller/DeVito/Townsley PFT at 11) and has the potential to provide significant benefits to CL&P and its customers, but, as further set forth herein, CL&P failed to implement it meaningfully or effectively. CL&P, however, touted this program as one of the cornerstones of its emergency response plans: "[CL&P puts a] heavy emphasis on our town liaison program. We believe that program served us very well, both in Irene and the nor'easter[.]" Tr. at 982-83 (W. Quinlan, Vice-President of Emergency Preparedness). It was and continues to be a key part of their communication system with municipalities. Tr. at 982.

During the 2011 Storms, it quickly became apparent that CL&P had failed to vest the liaisons with any ability to either receive or transmit meaningful information to the municipalities. As further set forth below, the liaisons often provided information that was incomplete, misleading, or just plain wrong. They also seemed to have little or no ability to report important information back to the utility from the municipalities. This resulted in frustration on both the part of the municipalities and the liaisons, as well as the members of the general public who relied on this information. The failed CL&P liaison program exacerbated hardships at the local level, and may have increased the hazards to municipalities and their residents, who made public safety decisions based on the information they were provided. CL&P's design, implementation, and management of its liaison program violated any standard of reasonableness, and was therefore imprudent.

a. CL&P Liaisons Communicated Incomplete or Incorrect Information from the Company to the Towns.

The town liaison program was designed to facilitate communication of information between CL&P and each of municipalities it serves. OCC agrees that having dedicated town/municipal liaisons as a point of contact during prolonged outages is an appealing approach.

Ideally, this concept can provide a single point of contact for communication and offer a conduit for information to be sent to a town and for issues from the town to be transmitted to the utility. Miller/DeVito/Townsley PFT at 50.

However, during the October Storm, CL&P's representatives acknowledged that many liaisons simply did not have useful information to communicate to the towns. Tr. at 1161-1162. The record is replete with examples of this from outraged municipal leaders, along with the hardships they suffered and additional expenses they incurred as a result of misinformation communicated by the liaisons, as further set forth below.

One of the areas of greatest frustration was inaccurate information as to CL&P's line crews: when crews would be in a town; how many crews would be there; and where the crews would be. For example, Mr. Werbner of Tolland discussed how Tolland secured portable lighting and put town crews onto a night shift after they were assured by their liaison that the town crews could work with a CL&P crew that evening: "And we said we'll put our crews on overnight, and we'll have them work throughout the evening. We went out and we got portable lighting for the – for the crews so they could work during the evening, and the liaison said, Okay." Tr. at 1750. The liaison then came back at 5:00 pm and said their crew could not work with them after all, because they have a cutoff point of 8:00 pm. "So we had to dismiss our crew that was going to work overtime, couldn't use the portable lights we had acquired, and I said you can't find another crew…[The liaison said] No, I'm sorry, we can't accommodate that." Tr. at 1750-1751.[5] Tolland thus ended up absorbing the cost of the lights and the overtime for the crew, and was unable to make progress that evening.

[5] This experience is a counter-example to CL&P's testimony that it allowed crews to work overtime where circumstances warranted it. Tr. at 1667.

Simsbury officials told of similar experiences. Mary Glassman, the Simsbury First Selectman, discussed receiving daily reports on the number of crews to expect – which seemed to always be wrong:

> I think the frustration was that when we asked the liaison how many crews will be assigned tomorrow, we'd be given a number. The next morning we would check in, and we would be -- we knew there weren't that many crews that were reported the day before. We'd ask our liaison, you said five crews, we only -- we only saw two crews, and the liaison said I don't -- you know, I don't understand, that's what they told me.

Tr. at 1764. The liaison's information was thus not useful, but in fact added to the town's confusion.[6]

There was also an inability to get accurate information on the number and scope of outages from the liaisons. Patrick Alair, Deputy Corporation Counsel for the Town of West Hartford, described how West Hartford officials obtained more accurate information on outages by having their police drive around town at night, rather than from their town liaison. Testimony of Patrick Alair, Deputy Corporation Counsel for the Town of West Hartford (Alair Testimony), at 2. Once again, a liaison was unable to provide essential information to town officials – information on who was out of power and who was not – that was reliable. This directly affected the health and safety of residents, many of whom left town or were in shelters, waiting for their power to come back on. If they returned to their homes after they were incorrectly told that their power was on, they could be placing themselves and their family in uncomfortable and potentially hazardous conditions.

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6 See also the results of OCC's municipal survey, in which town officials commented on the liaisons' lack of information. Miller/DeVito/Townsley PFT at 53.

Misinformation on the location of crews also impacted the credibility of the municipal officials themselves, because when they disseminated information about crews that then did not materialize, the town officers got blamed. Natalie Ketcham, Redding's First Selectman, described her town's experiences:

> We would be getting every day reports from our liaison that we were going to have two or three crews in town, and every day I would be out with a reverse 911 call to our citizens giving them a daily update as to what we could expect, and we trusted the information that was coming from the company. And day in, day out, by noon those crews hadn't yet arrived...If it was two crews and that's all they could manage, two crews was better than none, but there were days when we didn't even get those crews, and we had already gone out telling the public to expect those crews and we were working with them.

Tr. at 2956. The lack of credibility of the information thus accrued to the municipal officials, creating distrust not only of CL&P, but of the local government as well.

b. Liaisons Were Unable to Effectively Communicate Essential Information from the Municipalities to CL&P

Town liaisons also apparently lacked authority to provide feedback from the municipalities to the company, or channels were not set up within CL&P to effectively integrate that information. This again exacerbated the towns' frustrations and feelings of helplessness and is another indication that the town liaison program was ineffective, poorly structured, and imprudent.

First Selectman Glassman relayed how they discussed Simsbury's restoration priorities with the liaison every day, and the next day had to relay the exact same information: "We tried to say, you know, we gave you our priorities, we'll give them to you again, but they're the same priorities that we've had for 20 years, they haven't changed." Tr. at 1766. The liaison would convey the information to CL&P: "She would call it in, there were times when she was right on

the cell phone, this is what we need to do." Tr. at 1773. Nonetheless, Simsbury officials would have to provide the same information again the next day, to no avail.

Other towns and cities echoed this experience:

> Although the liaisons tried their best to help, there was a gap in the communication between Tolland and CL&P that reflected a communication gap between the town liaisons and CL&P operational managers generally. *Consequently, the information we provided to the liaison was not being received internally at CL&P* and the only information we received from the liaison was generic company policy rather than helpful real-time information."

Steve Werbner, Tolland Town Manager ("Werbner Testimony") at 3 (emphasis added).

Matthew Galligan, South Windsor's Town Manager, testified that his experience was so repetitive it was almost comical: "Every day, we sat in the EOC and relayed this information [to] the liaison, and every day we went there, the response was the same, and nothing changed....[A]bout the fourth day, I said, you know, this is like Groundhog Day, the movie. You know, I'm just saying the same thing over and over again but getting no response." Tr. at 1772-1773, and Testimony of Matthew Galligan, South Windsor Town Manager ("Galligan Testimony") at 9. See also Testimony of Rudy Marconi, Ridgefield First Selectman ("Marconi Testimony") at 2 ("It was apparent to the town personnel working at the EOC that communications between the CL&P liaison and the CL&P operational supervisors and units was usually difficult and, at times, simply impossible."). This sentiment was also frequently expressed in responses to OCC's municipal survey. Miller/DeVito/Townsley PFT at 56.

Obviously, any program that does not allow the company liaisons to communicate meaningfully with the company they are representing is wholly ineffectual and poorly designed. A prudently-designed town liaison program would have facilitated effective communications of the town's priorities to CL&P.

c. Many Liaisons Were Poorly Trained, and Experienced Liaisons Were Taken Off their Assignments During the Storm.

Although many towns noted that the town liaisons were "nice" and "tried hard," it is also clear that they were often poorly trained and unfamiliar with the town to which they were assigned. Ridgefield First Selectman Marconi was told by his town liaison that "he had not had a thorough briefing on CL&P's liaison program." Marconi Testimony at 3. In Ridgefield, Redding, and Newtown, the town officials had never met their liaisons before Storm Irene. Tr. at 3036.

In some instances, experienced liaisons were pulled out of their towns and replaced with new ones *in the midst of a storm event*. Simsbury had a very experienced liaison who had worked closely with the town and attended its public safety meetings over the years. He worked closely with the town during Storm Irene, but during the October Storm, a different liaison was assigned to the town who was unfamiliar with Simsbury, its staff, and its safety concerns. Glassman Testimony at 5. Newtown also had a brand new liaison for Storm Irene and then a different – and brand new – liaison for the October Storm. Tr. at 3037.

As stated in the direct testimony of OCC's consultants, "town/municipal liaisons need to be better informed about the towns they represent with respect to critical infrastructure and locations and the layout and operation of the electric grid." Miller/DeVito/Townsley PFT at 57. If liaisons have only had rudimentary training, or have never spent any meaningful time in the town prior to a storm event, they simply cannot be effective during the stress and chaos of a true emergency, such as that presented by the 2011 Storms. This is yet another example of the inefficacy of CL&P's town liaison program, causing it to lack credibility with the towns.

d. The Town Liaison Program Appeared to be a Mere "Shell."

The municipalities' experiences during the 2011 Storms demonstrate that CL&P's town liaison program was not a meaningful, thoughtful attempt to provide a line of communication between the electric company and the towns it serves. Rather, it was a shell program to which CL&P personnel who had other full-time jobs were assigned to unfamiliar towns, often it seems at random, with little or no training, and no pre-established communication channels, and with no information to convey to the towns. Even though the liaisons may have worked hard for the towns to which they were assigned, without proper tools, training, and information, their efforts were often futile.

Ridgefield's First Selectman Rudy Marconi precisely articulates this reality:

> The liaison, I had a feeling, was there more as a pacification, someone who could defray the questions and have us have the feeling that we were getting somewhere through the liaison, and it became clear that the liaison wasn't being given the information, that management just wasn't communicating amongst themselves.

Tr. at 2964.

In the event of an emergency with the scope and scale of the 2011 Storms, it is unreasonable and imprudent for CL&P to thrust untrained office workers into the EOCs of unfamiliar towns without any access to meaningful information or any avenue for two-way communication and then call that a "liaison program."

e. Although CL&P Has Begun to Revamp Its Town Liaison Program, To Date There Has Not Been Full Implementation of "Lessons Learned."

CL&P has met with the 149 towns impacted by the storms and, according to Mr. Quinlan, commenced formal liaison training and the assignment of liaisons to each town. Tr. at 983. The liaisons have also met with at least some of the towns individually, such as Simsbury, but in other towns, such as South Windsor, no meetings have occurred. Tr. at 1841-42. It is important that CL&P convey its new plans and programs to each of the municipalities within its territory

before the late summer storm season and seek input from the towns, if its programs are going to be effective and credible. Communication with each and every municipality is essential.

CL&P needs to demonstrate its good faith to the towns and regain their trust. South Windsor Town Manager Galligan's comment illustrates their frustration. After the initial "Lessons Learned" meeting with CL&P, he expected improved communication from the company:

> [T]hat day when we left, I thought I was getting [a] liaison, I thought we were going to talk about priorities, communication, everything. I have not had one person call me since then and that's December....This to me is a dog and pony show before this Commission to say, yes, we're going to work with municipalities but, yet, I haven't had one response and not one person talk to me about this. *And I think that's a disaster.*

Tr. at 1841-1842 (emphasis added).

f. OCC Requests that PURA Assess Penalties for CL&P's Imprudence in the Design, Implementation, and Management of Its Town Liaison Program and Order CL&P to Immediately Commence Regularly-Scheduled Emergency Management Meetings to Communicate with Every Municipality in Its Territory.

As detailed above, CL&P's town liaison program was fatally flawed in its design, uneven and inadequate in its implementation, and improperly managed in the 2011 Storms. Liaisons were poorly trained or not trained at all, and often were assigned to unfamiliar towns in the midst of storm events. Although the liaisons may have tried hard once assigned, they were not given accurate or up-to-date information about storm response, increasing the hardships and frustrations of municipal officials as they endeavored to made decisions about the health and safety of their residents with such information. There also seemed to be little or no ability to communicate information back to CL&P through the liaisons, resulting in a "Groundhog Day" feeling among the towns as they conveyed the same information to their liaison day after day, with little or no effect. The town liaison program was one of the cornerstones of CL&P's Emergency Response Plan and was a lifeline of communication for the towns. Yet CL&P's

actions in implementing the program were not only inadequate, they are yet more evidence of a persistent inability reluctance on the part of CL&P to provide essential, and accurate, information to its customers. CL&P should be penalized, in an amount determined by PURA in future proceedings, for its imprudence in providing a presumably expensive program to channel communications, and then providing little or no accurate information to flow through the channel to the towns, nor a means of receiving information from the towns.

In addition to an imprudence penalty, CL&P should be ordered to *immediately* commence regular meetings with its constituent towns, both to provide them with information on storm response *and* to receive information from the town officials. Any storm response plan can only be effective if the towns are aware of it, have had input into it, have practiced it, and believe in it. This cannot be accomplished if CL&P is not communicating with the towns – if it has not implemented the lessons it says it has learned.

4. CL&P Was Imprudent in Its Failure to Implement Recommendations 8.2.3.2 and 8.2.3.3 of the Jacobs CL&P Report Following the 2010 Storm.

Storm Irene and the October Storm are not CL&P's only recent experience with significant outages that led to a public outcry. In fact, sixteen months before Storm Irene, the EDCs dealt with many of the same issues. On March 12-14, 2010, a storm brought strong winds and heavy rain to various portions of Connecticut (the "2010 Storm"), resulting in numerous outages related to falling trees and other storm related conditions. The 2010 Storm caused over 100,000 CL&P customers and nearly 16,000 UI customers to be out of power at the peak of outages. See Final Decision dated December 1, 2010, Docket No. 10-03-08 at 2-3. Customers were not fully restored until March 16 in UI's service territory, and March 19 in CL&P's territory. See id. at 3. On March 16, 2010, Governor M. Jodi Rell filed a letter with the Department of Public Utility Control requesting that the Department conduct an investigation

into the service response and communications of CL&P and UI. See id. at 1. The Department initiated Docket No. 10-03-08 in response to the Governor's request and coordinated its investigation with the Department of Homeland Security. See id.

In Docket No. 10-03-08, the DPUC retained Jacobs Consultancy to act as an extension of its staff. Jacobs Consultancy issued a report entitled *Investigation of the Service Response and Communications of The Connecticut Light and Power Company Following the Outages from the Severe Weather over the Period of March 12 through March 14, 2010*, on October 26, 2010 ("Jacobs CL&P Report"). [7]

a. CL&P Disregarded the Jacobs CL&P Report Recommendation to Accelerate the Provision of Mobile Data Terminals in Line Trucks

In the Jacobs CL&P Report, it was noted that during the 2010 Storm, CL&P experienced a backlog of completed work assignments for entry into its Operations Management System ("OMS"), causing inefficiencies in closing out work orders. Jacobs CL&P Report at 9. This led to crews being assigned to work that was already completed. Id. Thus, Jacobs Consultancy made the following recommendation:

> 8.2.3.2 Consider accelerating programs intended to provide mobile data terminals in line trucks.

("Recommendation 8.2.3.2") Id. at 32. The DPUC ordered CL&P to implement this recommendation, along with all of the other recommendations contained in the Jacobs CL&P Report, in Order No. 1 of its December 1, 2010 Decision in Docket No. 10-03-08 (at 9). In Order No. 3 of that decision, the DPUC ordered that:

> At the time CL&P submits its updated emergency plan that is due June 1, 2011, it shall provide a final status report on its implementation of the CL&P Recommendations/CL&P Improvements. This report shall describe the current

[7] Jacobs Consultancy issued a separate report on the performance of UI.

> status of all CL&P Recommendations/CL&P Improvements that were not considered fully implemented in the Order No. 2 compliance filing of this Decision. For any CL&P Recommendations/CL&P Improvements that are not considered fully implemented, and those CL&P Recommendations/CL&P Improvements that are open-ended (e.g., improvements to annual training), CL&P shall describe future plans to complete full implementation.

Id.

On June 1, 2011 CL&P submitted its Compliance Report to Order No. 3 in Docket No. 10-03-08. In this compliance filing, while CL&P revised its Emergency Response Plan to address some of the concerns expressed in the Jacobs CL&P Report, the Company stated its decision not to accelerate providing mobile data terminals, ("MDTs"), computerized devices that connect with a central office and display mapping and pertinent information, to distribution line trucks:

> The Company has considered the procurement of mobile data terminals and has explored the capabilities of two-way data communications with its existing GPS devices. Although the Company recognizes the value of mobile data capabilities, this initiative is not currently funded and is not cost-effective at the present time.

CL&P's June 1, 2011, Compliance Filing to Order No. 3, Docket No. 10-03-08 at 2. Thus, despite the finding in the Jacobs CL&P Report (at 9) that CL&P's backlog of completed work orders was a significant problem in the restoration efforts after the 2010 storm, CL&P chose not to incorporate this "lesson learned" from the 2010 Storm. Instead, CL&P rejected Recommendation 8.2.3.2, contrary to the spirit of the DPUC's order to provide a schedule for implementation of Recommendations.

i. CL&P's failure to implement Recommendation 8.2.3.2 negatively impacted Its October Storm response.

Unfortunately, the significant inefficiency in closing outage work orders in the March 2010 storm due to the inability for crews to close work orders in real time was a foreshadowing of problems to come in 2011. The record in this docket establishes that, as in

the response to the 2010 Storm, CL&P's Operations Management System ("OMS") was backlogged during the October Storm response because crews were providing paper updates at the end of their shifts for manual entry into the OMS, rather than having the ability to enter data in real time. See Witt Report at 24 (noting the failure to implement Recommendation 8.2.3.2 and finding that, for the October Storm, "CL&P's information management processes did not support timely receipt, analysis, and use of vital information to provide situational awareness for operational decision-making and accurate internal communication with town liaisons and external communication to stakeholders."). CL&P's own consultant, Davies Consulting, found that CL&P's failure to have MDTs installed in its fleet vehicles forced CL&P to manually perform "crew dispatch, outage/restoration status updates, closing of outage tickets, and development of order-based/individual ETRs." Davies Report at 77. According to the Davies Report, having MDTs in trucks:

> allows the damage assessors to enter damage data immediately upon discovering the damage and in a consistent format. Without access to MDTs in trucks, crews tend to update all of their tickets at the end of the day instead of closing jobs as they complete repairs in the field. This was despite CL&P's repeated requests, toward the end of both storms, that crews and supervisors promptly phone-in or radio-in such updates as soon as repairs were completed in order to mitigate this concern. This results in inaccurate restoration status information throughout the day and creates bottlenecks at night when the system is updated and jobs completed during the day are closed.

Id., p. 77 (emphasis added).[8] Thus, had CL&P implemented Recommendation 8.2.3.2, it is likely that damage assessment and outage restoration updates would have been completed in a more timely manner, thereby better informing CL&P's estimated restoration times and the

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[8] CL&P executives stated during the hearings in this matter that CL&P had learned that it needed to more timely update information from the 2010 Storm, and that many of its crews were equipped to convey information in real time to be entered into the OMS, with either laptops and air cards, radios or phones. Tr. at 1110-11. When asked if they all use this technology for that purpose, the testimony was that many do. Id. This is directly contradictory to the statement in the Davies Report, cited above, that without MDTs, crews tended to just hand in paper tickets at the end of the day.

information it provides to its customers. CL&P's failure to incorporate the "lessons learned" from the 2010 Storm and implement Recommendation 8.2.3.2 was unreasonable and constitutes imprudent management, and OCC requests that PURA issue findings accordingly.

ii. CL&P has still not implemented the Davies Report Recommendation to provide MDTs in line trucks, despite the fact that the Davies Report reiterated the Recommendation.

Following the two 2011 storms, the Davies Report, like the Jacobs CL&P Report before it, recommended that MDTs should be fully implemented by CL&P:

> Trouble and line crews (including both CL&P and off-system) and damage assessment teams should have a direct link to OMS and procurement systems to streamline restoration, improve data sharing, enhance situational awareness and streamline the material ordering process.

Id. at 78. Davies' "Prioritized Matrix" classified this Recommendation as "high" value and recommended an implementation timeframe of "immediate." Id. at 79. However, at the time of the hearings, the Company testified that it was still not planning on implementing this recommendation. Tr. at 1245-46. In LFE-40, CL&P has now classified the status of the recommendation to provide MDTs to its crews as "In Progress," but has provided no specific information about its plans with respect to MDTs. LFE-40 at 18.

CL&P has dragged its feet for far too long on the deployment of MDTs in its line worker trucks. After three major storms that resulted in over 1.6 million storm related customer outages, and at least two consultant report recommendations, there should be no further delay in the deployment of MDTs. OCC therefore requests that, in addition to issuing findings related to CL&P's imprudence in its ongoing failure to implement Recommendation 8.2.3.2, PURA order CL&P to implement the Davies Report recommendation that MDTs be deployed for "trouble and

line crews (including both CL&P and off-system) and damage assessment teams" within thirty days of the issuance of the final decision in this docket.

b. *Further Evidence of CL&P's Imprudence is its Failure To Implement Recommendation 8.2.3.3, the "Stop Gap" Measure to Providing MDTs to Line Crews*

Following the 2010 Storm, Recommendation 8.2.3.3 from the Jacobs CL&P Report suggested laptop computers with air cards could provide a "stop gap" means of allowing for data from the field to be transmitted to the OMS in real time:

> 8.2.3.3 Until mobile data terminals are in most line trucks, provide more Supervisor of Distribution Lines (SDLs), Field Supervisor Lines (FSLs) with laptop or equivalent computers equipped with air cards to streamline the process of closing work order tickets and enhance the ability of the dispatcher and analysts to effectively and efficiently plan and direct the remaining work efforts.

Jacobs CL&P Report at 32. This recommendation was based on the following finding in the Jacobs CL&P Report:

> CL&P does not yet utilize MDTs in their line trucks; however, some of the SDLs [Supervisor of Distribution Lines] and FSLs [Field Supervisor Lines] had laptop computers with air card communication capabilities which were reported to greatly aid in closing completed restoration work orders. In areas that did not have such facilities there were reported issues with double assignments.

Id. at 67. Thus, another of the "lessons learned" from the 2010 Storm was that providing supervisors with laptops with air cards assisted in closing out restoration work orders, which could have prevented a backlog of information entry into CL&P's OMS.

This finding should have spurred action to, at least, provide laptops with air cards to all supervisors, and perhaps for all trucks. During the hearings in this matter the Company testified that very few CL&P "physical workers" are equipped with laptops with air cards. Tr. at 1108-1109. The Company testified that it was still committed to "significantly expand the use of laptops and air cards in the field for other supervisors and our damage assessment teams to

directly input data into our outage management system from the field." Tr. at 1245. However, CL&P simply has not made a prudent effort to timely implement the stop gap measure of widespread laptop use as a temporary alternative to MDTs. This recommendation was made by Jacobs Consultancy in October of 2010, ordered to be implemented by the DPUC in December of 2010, and CL&P agreed to implement a version of it in June of 2011, yet CL&P has not yet fully done so.

More generally, CL&P's failure to implement Jacobs CL&P Report Recommendation 8.2.3.3 prior to the 2011 storms fails the reasonable person standard and constitutes imprudent management. CL&P's continued failure to do so despite the intervention of two devastating storms for which its performance is currently being investigated warrants a specific order by PURA for implementation.

B. The Emergency Plans of Several Public Service Companies Need to be More Comprehensive and More Useful.

1. OCC Agrees with Most of the Recommendations in the Liberty Report Regarding the Emergency Response Plans of CL&P and UI, Except OCC Maintains that CL&P Should Have Additional Outage Classification Levels in its Plan.

OCC is generally supportive of the Recommendations regarding Emergency Response Plan ("ERP") improvements for CL&P and the less numerous Emergency Preparedness Plan ("EPP") recommendations for UI from the Liberty Report. OCC will highlight a few of such recommendations below. Within this Brief, except where noted, OCC agrees also with Liberty ERP/EPP recommendations not discussed below. OCC also requests that PURA issue orders to expand or modify the Companies' ERP/EPPs as requested herein.

OCC is particularly supportive of the Liberty Report recommendations that call for CL&P to be more proactive with training, drills, and communications. Recommendation II-CL&P-7 on page 23 of the Liberty Report notes that responsibilities for training and drills need

to be pushed up the chain of command to the CL&P Emergency Management Group ("EMG"), as is usually done by utilities, rather than using CL&P's current practice of moving that responsibility down to the district level. See also Liberty Report at 13 ("pushing the responsibility down to the lowest level of the organization is contrary to the usual practice in utilities"), 21 (Conclusion # 9). Overall, the Liberty Report finds that CL&P's ERP Plan "does not place an adequate stress on training and drills," id. at 23, (Recommendation II-CL&P-7), and "allows too much leeway for the district and division to skip drills." Id. (Conclusion # 14).

OCC agrees with the Liberty Report that the ERP should be revised to provide for centralized training and drills led by the EMG, a more aggressive approach to drills, and more emphasis on the training process. Id. at 23-24 (Recommendations II-CL&P-7, II-CL&P-11). One good thing that can come from the Storms is that they provided experiences and challenges that will better enable CL&P to craft drills and training exercises. Successful development of such drills and training exercises will in turn make for a better response and better communications during an event that affects all or most of the service territory. OCC anticipates that the experiences from the Storms can also be used, after some adjustments, to craft drills and training exercises for situations where there is significant damage to only a certain portion of CL&P's territory. In addition, OCC agrees with Liberty that the leadership and management of drills and training should come from the executive level of CL&P, not the district level, and there should no longer be language in the ERP that permits discretion on drills. Id. at 23-24 (Recommendations II-CL&P-7, II-CL&P-11).

OCC also agrees with Liberty that there needs to be more consistent emphasis at CL&P regarding the use of, and compliance with, the ERP. See Liberty Report at 24 (Recommendation II-CL&P-12). Liberty noted, based on some interviews with CL&P personnel, there is not

universal "buy-in" as to the ERP. See id. at 18-19, see also id. at 22 (Conclusion 15). Comments from CL&P employees included "did not use the plan during either storm," "[p]lan does not have good specificity … people not working according to plan," and "plan is OK on paper – when you get into details it is very nebulous, not a lot of substance – they are not trained on it." Id. There clearly needs to be universal buy-in by CL&P and a renewed emphasis on the part of management that the plan must be followed during an emergency. See id. at 24 (Recommendation II-CL&P-12). The ERP then needs to be amended and updated as often as necessary to maximize its usefulness.[9]

OCC would also like to note its support for Recommendation II-CL&P-6, which seeks for CL&P to add to its ERP a segment that deals with post-storm or post-incident activities. See Liberty Report at 23. Liberty is correct that there needs to be planning and organization after service is restored for repairing temporary fixes, performing additional tree trimming, and removing hazardous trees and limbs. Id.

OCC respectfully differs with the Liberty Report regarding the sufficiency of CL&P Emergency Classification Levels. See Liberty Report at 11-12. The Liberty Report notes an error in the CL&P Emergency Classification Levels, in that an outage affecting between 80,000 and 100,000 customers is not covered in any level, and OCC agrees with that aspect. Id. at 12. However, Liberty accepts, as consistent with "standard utility practice," CL&P's highest classification level being an outage that affects 100,000 or more customers. See id. OCC disagrees, based on the evidence in this record, that having "100,000-plus" as the highest outage classification level at CL&P is sufficient, since the 2011 Storms each involved over 600,000 outages at CL&P.

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[9] Section 6(b) of P.A. 12-148 requires that emergency plans be updated every two years.

Unlike the Liberty Report, the Witt Report found that "CL&P's classification of service outage events provides an inadequate planning scenario to prepare the company for the capability needs, resource coordination, and communication challenges" of a major storm, Witt Report at 15, because "[t]he Plan's maximum Level V (100,000-plus, or 8 percent of all CL&P customers) does not represent [a] viable worst case outage scenario." Id. Based on this finding, Witt Report Recommendation A.1 states that CL&P should review and revise the classification of service outage events … to address outages involving well more than half of all CL&P customers." Id. at. 16. OCC agrees and suggests that there should be at least two additional classifications. For example, CL&P could add classification levels of 100,000 -300,000 customers out-of-service, 300,000 – 700,000 out-of-service, and 700,000 – plus out of service. At the 100,000 – 300,000 level, CL&P's four statewide divisions (Eastern, Southern, Central, and Western) might not all be severely impacted, and there presumably could be some sharing of resources from other divisions. Such sharing would be more limited at the 300,000 to 700,000 level and more limited still (or even non-existent, at first) at the 700,000 plus outage level. As the EDCs presumably learned from the storms, as the number of outages grows, key aspects of the restoration change due to the differing statewide or regional implications. For example, communications with the public and governmental officials may be different at each of the three additional outage levels suggested above; internal sharing of resources is more complicated at higher outage levels; provisioning of replacement poles and other replacement equipment would be more difficult with more outages; and, given the realistic chance that a storm that creates many Connecticut outages also has multi-state effects, accessing mutual aid would likely be more difficult as outage figures climb, as we see with the 2011 storms. Although OCC recognizes that these outage classification levels are not an exact science, OCC nevertheless

recommends that CL&P add at least two more outage classification levels to break down the current 100,000-plus maximum level into sections.

Finally, Liberty has a conclusion and a related recommendation directed to UI, recommending that UI's EPP be updated more frequently in between the required regulatory EPP updates. See Liberty Report at 25 (Conclusion 1, Recommendation II-UI-1). Due to the timing of the Storms, UI did not have a final, updated EPP in place, but instead used an interim plan, with the 2006 EPP still in use as to some areas. Id. at 25. Liberty further found that the 2006 EPP was "very outdated and afforded little if any guidance in 2011." Id. These Liberty findings support the common sense recommendation that UI make more of an effort to formally update the EPP in the interim period between mandated regulatory filings. See id. (Recommendation II-UI-1).

2. The EDCs' Emergency Plans Should Be Amended To Place a Higher Priority on Make Safe and Road Clearance.

Another issue of significant importance that has been discussed extensively on the record in this docket is the priority to be given to post-storm make safe operations in towns. With the extensive number of trees and wires down in both storms, but particularly with the October Storm, many town roads became impassable. The Miller/DeVito/Townsley PFT sums up the tension that developed between town leaders and the EDCs as follows:

> In general the EDCs' storm restoration efforts are geared primarily to restoring the largest number of customers as quickly as possible with deference to 911 priority calls and some town pre-designated critical infrastructure priorities. The towns, for the most part, are concerned about public access to roadways for first responders such as police, fire, and medical personnel immediately after the storm hits. In addition, the towns are concerned about electric service to their emergency operations centers and public shelters.

Miller/DeVito/Townsley PFT at 55. In fact, various town leaders provided extensive testimony during the course of this proceeding regarding what they viewed as the failure by CL&P, in

particular, to assist them in making their roads safe as a first priority. CL&P, however, has expressed disagreement with the concept that make safe and road clearance for every street should be the first priority, and refers to its emergency plan as providing that clearing major roads is a first priority, but not "a hundred percent clearing of every road in every town." Tr. at 1715-1716. According to CL&P, there is no bright line test for when it stops dedicating crews to make safe alone and starts moving them to restoration efforts, but rather it is a matter of their judgment. Tr. at 1716-1717.

This concept is understandably troubling to town leaders. South Windsor Town Manager Matthew Galligan testified that twice they had to risk their crews going through downed wires not knowing if those wires were energized. Tr. at 1735. Simsbury First Selectman Mary Glassman testified that they had problems with vigilante line cutters - - residents who were trapped on their streets and therefore cut downed lines themselves. Tr. at 1737. Simsbury also had a four –year-old resident with respiratory problems whom they could not access with emergency crews. Id. Thus, significant safety issues arise when lines are down and roads are blocked for any period of time, let alone the extended periods of time experience by some towns following the October Storm.

The record clearly states that CL&P shifted resources from make safe and road clearance on Wednesday, November 2. See AG-120, bulk filing, A.M. Briefing Sheet, Wednesday, November 2, 2011 at 1. Mr. Werbner, Town Manager of Tolland, testified that they had 25 roads that still were not passable for emergency equipment or school buses up until the seventh day after the storm. Tr. at 1751. When they finally were given a crew dedicated to make safe and road clearance, "it [only] took a crew five to six hours to clear those 25 roads and make them passable for us." Tr. at 1749. Mr. Galligan of South Windsor testified that it was 7 or 8 days

before progress was made on make safe and road clearance operations, when crews from Ontario and Ohio came in. Tr. at 1731-32. In OCC's view, it is unacceptable for CL&P to transition crews from make safe to non-priority restoration on the 4th day after the storm, leaving many roads impassable until the 7th or 8th day after the storm.

What is perhaps most troubling to OCC is that the evidence demonstrates that some towns were fully restored, or nearly so, before CL&P began make safe operations in earnest in other towns. In LFE-68SP01, the notes from CL&P operations calls for the October Storm reflect that on Thursday, Nov. 3 at 6:00 pm, Willimantic was at 99% and the Stamford restoration effort was "closed," while roads were still being cleared in Southbury, Woodbury, Bethany and Torrington. LFE-68SP01 at 2-3. By Friday, November 4 at 6 am, there were only three towns in the Danielson/Willimantic area left to reach 99%. Id. at 4. By the 1 pm call on that day, 754,227 total customers had been restored, with approximately 300,000 left to go. Yet on that same call, it was reported that they were "implementing cut, clear make safe in Vernon, Stafford and South Windsor." Id. at 4-5.

OCC agrees with town leaders that the first priorities should be make safe and road clearance, in conjunction with restoration of critical infrastructure. It is vital that towns be able to reach residents with emergency vehicles, and that residents not be trapped in their homes for days at a time with no resources at their disposal. OCC notes that UI has already agreed to prioritize make safe and road clearance, and shifted its priorities in this regard after Storm Irene and for the October Storm. Tr. at 2022-25. UI's effort to shift its priorities in this regard demonstrated positive results in the survey administered by OCC's consultants, with the help of the Connecticut Conference of Municipalities ("CCM").[10] CL&P, however, has not agreed that

[10] Miller/DeVito/Townsley PFT at 54.

make safe and road clearance should be a priority over restoration of large numbers of customers. Tr. at 1128-31; LFE-40.

Currently, the EDCs are participating in a working group with the towns and the Department of Emergency Management and Homeland Security ("DEMHS") with the goal of resolving this issue. Tr. at 2849-50. However, this is not an issue that should remain unresolved as the summer storm season approaches. Therefore, OCC requests that PURA order the EDCs to modify their emergency plans to provide that the make safe and road clearance procedures, alongside restoration of critical infrastructure, are the two top priorities in restoration, ahead of the general restoration of power to non-critical infrastructure customers. Emergency plans should be further modified to ensure that resources are shifted among towns and districts to ensure some towns are not left crippled with road closures while others are nearly fully restored. If the above-mentioned working group develops a different recommendation, they can request a reopener of the instant proceeding for PURA to consider that recommendation and to decide whether to issue orders relevant thereto.

Finally, while OCC believes that the burden is on the EDCs to work with the towns to ensure that these priorities are met, it should be incumbent upon town leaders to educate their residents about the need for this type of prioritization, so that residents understand that their power may be out longer so that the town streets can be made passable and safe and critical infrastructure can be reenergized.

3. The Provisions of Emergency Plans of Public Service Companies that Deal with Pole Replacement Should be Very Detailed, given the Importance and Burden of this Work.

Pole replacement is time-consuming work, and it involves a heavy load on labor and equipment resources. CL&P's, UI's, and Verizon's responses to OCC-332 provide information

on the inventory of spare poles, the necessary equipment (such as digger derricks) for pole setting, pole trailers, and dump trucks, and estimates for worker hours required to replace poles. The estimates for a low difficulty pole replacement ranged, among respondents, from 8 to 18 worker hours, while the estimates for an average difficulty replacement ranged from 12 to 32 worker hours and the estimates for a high difficulty replacement ranged from 20 to 75 workers hours. Id.

Given the work required to replace a pole, OCC maintains that the State of Connecticut needs to have a strong pole network under which most poles will be expected to remain standing in significant storms. However, no reasonably-priced pole system will eliminate the possibility of pole failures in a major storm. Thus, OCC recommends that any public service company that is performing pole replacement must include, in its emergency plans, detailed provisions that deal with provisioning, vehicles and worker crews for pole replacement.

4. CL&P's Transmission Infrastructure Failures Highlight the Need for Better Emergency Response Planning for Transmission as well as Infrastructure Updating.

Transmission system failures played a role in the number and length of customer outages in the 2011 Storms. This is especially true for CL&P, which had 37 transmission line losses during the October Storm. OCC-26 CL&P RV-01. In its response to interrogatory OCC-345, CL&P estimates that 58,618 customer outages were due to transmission outages, but CL&P provides no information on what methodology it employed to determine what portion of the customer outages were due solely to transmission system failures, making it impossible to evaluate how reliable that estimate may be.

In this proceeding there were several factors brought to light that contributed to the length and number of transmission outages.

a. CL&P did no pre-storm planning for transmission system restoration priorities.

CL&P should be ordered to develop its transmission restoration priorities and include same in its ERP. In response to interrogatories OCC-345 and OCC-346, CL&P acknowledged that transmission system restoration priority categories for transmission system outages did not exist prior to October 29, 2011. The Davies Report at page 96 echoes OCC's concern about this lack of planning. Subsequent to the October Storm, five levels of restoration priorities have been established for transmission line interruptions. Response to Interrogatory OCC-230. The Davies report at page 96 contains two startling and important findings: 1) "There is no formal Emergency Response Plan, based on ICS (Incident Command Structure) principles, with predefined storm event triggers for transmission;" and 2) transmission does not have a predefined damage assessment process." Additionally, the Davies Report at page 99 made numerous recommendations regarding formalizing a transmission line restoration prioritization framework, with which OCC agrees. The five transmission restoration priorities created on the evening of October 29, and delineated in OCC-346, make no mention that any consideration was being given to critical customers being served at the transmission level such as hospitals, emergency shelters, police stations and nursing homes, in the establishment of transmission restoration priorities. It is very concerning that infrastructure so crucial to public health and safety was not incorporated into CL&P's transmission system restoration priority-setting even after the October Storm.

b. The CL&P Area Incident Commander was Not Involved in Setting Transmission Restoration Priorities, Once They were Finally Set.

In its response to Interrogatory OCC-346, CL&P indicates that the Incident Commander was not involved in the establishment of the restoration priorities established on October 29, 2011. This indicates the limitations placed on the Incident Commander's authority to have input on restoration efforts affecting significant numbers of CL&P's customers. The Davies Report at page 96 also found that CL&P's Transmission Group's emergency response team was not fully activated and did not staff the command center until after the first actual CL&P transmission interruption. Moreover, CL&P's disclosure in OCC-346 that "there were no notes or records for the creation of these [transmission restoration] priorities" is a demonstration of CL&P's lack of understanding or implementation of the National Incident Management System (NIMS) protocols for record-keeping during a major emergency incident. This action and the overall lack of preplanning by CL&P in regards to transmission system storm restoration must be remedied.

c. During the October Storm, There Was Substantial Damage to Older Portions of CL&P's Transmission System, Raising Concerns about the State of the Transmission Infrastructure.

In the October Storm, the range of the age of the transmission component failures was generally between 45 and 87 years.[11] Response to OCC-230, Attachment 2. The mean and median age of the component failures was over 50 years. See id. Two components that failed were 87 years old. See id. The predominant age of the failed transmission components was 45 years or older, indicating that the age of these infrastructure components represent a significant risk management challenge for CL&P going forward and that customers may experience diminishing reliability in the future.

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[11] While one static wire component failed that was four years old, the remaining components ranged in age from 45-87 years. Response to OCC-230, Attachment 2.

In fact, the record in this proceeding shows that the transmission failures in the October Storm were more severe than in 1985's Hurricane Gloria. Responses to OCC-26, OCC-26 RV-01, and OCC-230 Attachment 2. CL&P estimated that approximately 58,000 customers were out of service as a result of transmission system outages in the October Storm. Some of these outages lasted for nearly four days. Late Filed Exhibit 57 discussed transmission damage and failures during (category 3) Hurricane Gloria, and. LFE-57 lists far fewer transmission failures and does not mention transmission outages lasting up to four days. This outcome suggests that the resilience of a substantial portion of the CL&P transmission system could be declining.

d. The FERC/NERC Transmission Report Also Raises Concerns About the Resilience of the Transmission System.

On June 1, the Federal Energy Regulatory Commission ("FERC") and the North American Electric Reliability Corporation ("NERC") issued a joint report entitled *Report on Transmission Facility Outages during the Northeast Snowstorm of October 29-30* (the "FERC/NERC Report"), based on their inquiries on the October Storm's impact on transmission and the bulk power system ("BPS"). The FERC/NERC Report:

> (1) presents staff's assessment of the October snowstorm event, including its impacts on transmission facilities and the BPS, and the causes of transmission facility outages;
> (2) discusses the applicability of the transmission vegetation management reliability standard to the event; and
> (3) provides a number of recommendations to industry that, if implemented, could improve utilities' performance and enhance transmission grid reliability during the next large snowstorm or similar event.

(FERC/NERC Report. P. 4.) According to FERC and NERC, approximately 130,000 customers in New York and New England lost power due to transmission system outages from the October Storm. FERC/NERC Report at 8. In this proceeding, CL&P estimates that 58,000 customers lost power because of transmission outages in its service territory alone. Response to OCC-345.

While the Report shows that ten utilities experienced transmission outages, half of all the transmission outages were in Connecticut. FERC/NERC Report at 22. While most of the transmission outages lasted for less than two days and no more than five days,

> NU informed staff that its restoration of transmission facilities would have happened somewhat faster, albeit minimally, if the company had obtained more outside assistance faster, pre-staged some crews and had access to additional damage assessment facilities . . . .

Id. at 27. Given the critical nature of CL&P's transmission system to the reliability of all the customers it serves and especially those facilities critical to the public's safety in emergency situations, PURA should adopt the following findings and directives:

- Find that CL&P/NU did not appropriately plan and train for major transmission system outages.
- Find that the level of coordination between the CL&P Area Commander and those responsible for transmission system restoration was inadequate.
- Find that no evidence exists to establish that CL&P appropriately prioritized customers critical to the public's safety and served at transmission level voltages or directly from transmission substations in the establishment of priorities for the restoration of the transmission system.
- Direct CL&P to:
    - Amend its ERP to include NIMS based ICS protocols for the restoration of the CL&P transmission system, and to fully integrate the management of the Incident Command function for the restoration of the distribution and transmission systems on a state-wide basis under a single Incident Commander.
    - Develop, and submit for approval, formal forensic testing protocols to better monitor risks associated with an aging infrastructure. The protocols should address both failed transmission system components (even storm related) and proactively employ statistical sampling techniques to sample critical aging infrastructure to ensure the can meet their original design and performance recommendations. Goodfellow/Townsley PFT at 59-60.

- Implement vegetation management standards for 115 kv transmission lines.[12]

5. CL&P and UI Should Be Ordered to Develop a Means of Providing Towns and Relevant Agencies With The Contact Information and Location of Medically Fragile Customers, and Amend their Emergency Plans Accordingly.

In preparing for future significant storm and outage situations, the medically-fragile customer base needs to be carefully considered and prioritized. As further set forth in OCC's pre-filed testimony in this matter, there are improvements that should be made to the EDCs current practices in order to meet the needs of medically fragile customers during an outage. Miller/DeVito/Townsley PFT at 45-48. First, the EDCs should store more than one form of contact for each such customer. Id. at 46-47. Second, the EDCs' certification process for becoming part of their life support customer programs should offer the customer the option to waive their HIPAA privacy rights so that their contact information can be shared with local emergency responders and other relevant agencies who can provide them with assistance. Id. at 47. When offering this option to life support customers, the EDCs should provide a detailed explanation that if those customers choose *not* to grant permission to share their information, and the EDC's are unable to contact them during a major outage, first responders and relevant agencies will not be notified by the EDCs to check on them.

In Late Filed Exhibit 40, CL&P reported that this recommendation is "Under Review." UI responded in Late Filed Exhibit 72 that it "would agree to analyze this recommendation further to determine its effectiveness." However, OCC can see no reason for not implementing this recommendation presently, and the EDCs have provided none. Thus, OCC urges PURA to

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[12] CL&P's transmission lines are mostly 115 kv. Per the FERC/ NERC Report, no state or federal standards apply to vegetation management for lines under 200kv. The federal standards do not apply unless a regional operator has designated the lines. No regional operator, including ISO-NE has made such a designation. FERC/NERC Report at 37.

order the EDCs to amend their emergency plans to require inclusion of a means to provide town first responders and/or relevant state agencies with the contact information and location of medically fragile customers when advisable due to a prolonged outage.

6. The Emergency Plans for AT&T and Verizon Should Be Connecticut Specific and Should Require Annual, Live Drills.

Neither AT&T nor Verizon has an emergency plan that is specific to Connecticut. AT&T filed a national emergency preparedness plan in Docket No. 11-05-22. See AT&T Response to TE-8. As the name suggests, AT&T's plan is a national plan, not a Connecticut-specific plan. Tr. at 241-242. Verizon filed its Northeast Area Preparedness Plan in Docket No. 11-05-22. Verizon Response to OCC-1. The Plan does not have a section that is specific to Connecticut. Tr. at 331.

In addition, AT&T and Verizon rely on table-top exercises rather than live emergency drills in Connecticut. AT&T conducts table-top exercises as part of its emergency planning, which are "a virtual exercise where a scenario is laid out at the beginning of the exercise … that's walked through and learnings are discussed." Tr. at 246. One of these table-top exercises was conducted by AT&T in Connecticut in 2011, but there is no company requirement for an annual table-top drill in Connecticut. Tr. at 247. AT&T also did not perform a live, physical emergency storm drill involving the movement of equipment in Connecticut in 2010 or 2011. Tr. at 248. Verizon similarly relies on table-top exercises rather than physical drills, which tabletop exercises deal with "different areas in the northeast." Verizon Response to OCC-1; Tr. at 332.

OCC also notes that AT&T has an employee managing installation and maintenance operations for Connecticut who is only in Connecticut approximately one week per month. Tr. at 244-45. This AT&T management employee was not present in Connecticut during the

October Storm. Tr. at 155. Given that AT&T's infrastructure covers almost our entire state, OCC maintains that effective storm restoration may require greater management focus on Connecticut and physical presence in the State in the aftermath of a major storm.

OCC respectfully recommends that PURA require AT&T and Verizon to develop and submit Connecticut-specific emergency plans containing, among other things, relevant Connecticut locations and listing Connecticut-based employees with their responsibilities and contact information. OCC also recommends that PURA direct AT&T and Verizon to develop emergency preparation exercises that are specific to Connecticut and required annually for every Connecticut employee.

C. EDC Line Worker Staffing Levels Require Further Evaluation and Tracking by PURA

CL&P has demonstrated a troubling pattern in recent years which may have affected its initial response to the 2011 Storms - - its line worker retention. While UI's line worker count has increased from 89 in 2006 to 99 as of June 2011, CL&P's has decreased from 744 in 2006 to 704 as of June 2011. Responses to Interrogatory OCC-184. CL&P's line worker count peaked during that time period at 774 in 2008. However, since 2008, CL&P's line worker staffing level has dropped nearly 10%. See Exhibit ___(TCG 2-7) of the Direct Testimony of Thomas Coonan and Michael Townsley filed by OCC on April 24, 2012 ("Coonan/Townsley PFT"); response to OCC-213.

CL&P attempts to rely on a 2008 DPUC decision in Docket No. 07-06-63 to justify its current in-house staffing level, but that decision did not order or authorize a reduction in staffing levels. See Final Decision, *DPUC Report to Connecticut General Assembly on Electric*

Distribution Company Staffing Levels, Public Notification Processes and Service Restoration Response Time Relating to Electric Service Outages, April 2, 2008 at 8.

CL&P's decrease in the level of line workers since 2008 is of heightened concern given that a large number of additional CL&P line workers will be eligible to retire in five years or less, Response to OCC-179, and because of the relatively low number of apprentices ready to become fully qualified line workers. Response to OCC-174. In responses to discovery in this proceeding, CL&P was not clear regarding its plans to address this issue. See, e.g., Response to OCC-172. CL&P has claimed that it has supplemented its in-house line worker staffing with contractors. However, when asked to demonstrate if contractor resources have offset the decline in line worker staffing levels, CL&P was unable to provide data prior to 2009, and data provided since that date was insufficient and incomplete. Response to OCC-185. On the other hand, UI provided several years of data regarding contractor hours. Response to OCC-185.

OCC fully understands that CL&P cannot afford to have in house line workers on staff if there is insufficient work to keep them productively occupied in normal operation conditions. However, CL&P witness Mr. Kenneth Bowes testified that CL&P currently has approximately 400 contract line workers "on the property today." Tr. at 1304. Thus, it appears that CL&P has sufficient work at present to justify more in-house line worker resources.

By allowing attrition in line worker staffing since the 2008 rate case, CL&P may have diminished its capacity to respond to storms using its in-house line worker staff resources. Given how long it took CL&P to complete make safe and road clearance operations in many towns after the October Storm (see Section II.B.2 of this brief), CL&P may also have put first responders and the general public at greater risk. If CL&P had on staff the approximately 70 line workers that it has allowed to attrit since its last rate case, it is quite possible that more towns

could have had their make safe and road clearance priorities addressed much sooner than seven or eight days after the storm.[13]

Therefore, with respect to line worker issues, OCC recommends that:

- PURA conduct a review of CL&P's line worker staffing levels to determine why its in-house line worker staffing levels have declined from the 2008 level and if the continued decline in staffing levels for line workers are in the best interest of customers in emergency restoration events. See Coonan/Townsley PFT at 29.

- In the DPUC's Decision in Docket No. 03-07-02, CL&P was required to file annual compliance reports on its line worker staffing levels, including hires, retirements and terminations. The last compliance report in that docket was for the year ended December 31, 2007. PURA should reinstitute for CL&P the annual reporting requirement for line worker attrition that was in effect prior to 2008. CL&P should also report to PURA annually on the use of contract line workers and the associated contract labor hours expended in a format similar to that required in Docket No. 03-07-02. PURA should also require UI to provide this type of compliance report. This information should permit PURA and other interested parties to have more complete and timely knowledge of in-house and contractor staffing levels at the companies. See id.

- PURA should require UI and CL&P to periodically provide a five-year forecast for line worker staffing levels which includes both in-house and contractor line resources. This will enable PURA and other interested stakeholders to understand how the utilities intend to manage line worker staffing levels as the potential for in house line worker retirements increases. See id.

- PURA should also direct CL&P and UI to conduct periodic studies and related analyses to help it determine and justify whether their levels of in-house and contract line workers are sufficient to provide reliable service and respond to severe storms. See id.

D. CL&P's Historic Distribution O&M Expense Demonstrates a Troubling Trend That May Have Negatively Impacted Storm Response, and Requires Tracking.

In this proceeding, in order to review the asset management strategies of UI and CL&P, OCC consultants examined trends over time for transmission and distribution plant investment,

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[13] Since the total restoration effort for the October Storm required in excess of 1800 crews, we can agree with the findings of the Liberty Report (at page 164) that "CL&P's normal lineman staffing....was not a major factor in the length of to the restoration time." However that statement does not address the issue that many towns had to wait several days for CL&P crews to conduct meaningful cut, clear and make safe operations for public safety and to facilitate emergency response access.

operations and maintenance ("O&M") expenses and administrative and general ("A&G") costs as compared to other utilities in the northeast region. See Coonan/Townsley PFT at 6-9. OCC's consultants performed this review of O&M expenses and capital expenditures to understand the allocation of available resources to support key company functions. Mr. Coonan and Mr. Townsley utilized the Companies' FERC Form 1 data to compare the EDC's spending level changes between 2001 and 2010. Coonan/Townsley PFT at 6. The information contained in CL&P's response to OCC-344 corroborated the expense levels used by the OCC Witnesses in their exhibits and pre-filed testimony.

Coonan and Townsley found that over the period 2001 – 2010, the peer group's distribution O&M expense increased by 62%, while CL&P's distribution O&M only increased by 6 %.[14] Coonan/Townsley PFT at 7. In its response to interrogatory OCC-344, CL&P was provided the opportunity to explain distribution O&M variances year to year that were greater than 10%; although there were many variances greater than 10%, CL&P chose not to explain those variances. See Response to OCC-344.

At the May 3, 2012 hearing, while cross examining OCC's witnesses, CL&P indicated that some portion of its decline in distribution O&M spending between 2009 and 2010 was due to a deferral mechanism approved by the DPUC Docket No. 09-12-05 in 2010 in establishing a multi-year rate plan. Tr. at 2576-2578. While the balance sheet in CL&P's FERC Form 1 does indicate that CL&P used a deferral mechanism to defer expenses in 2010, it is not clear in the FERC Form 1 what those expenses were. Moreover, a review of CL&P's response to OCC-344 demonstrates that the expense value utilized by OCC's consultants for 2010 distribution O&M is consistent with what CL&P filed in its FERC Form 1 Income Statement, which makes no

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[14] During the same time period, UI's Distribution O&M increased by 52%, which more in line with the peer group. Id.

mention of any deferred amount. Additionally, CL&P made no mention of a deferral mechanism in its response to OCC-344.

Nonetheless, even if the 2010 expense was adjusted upward for the inclusion of the entire deferral amount ($31.7 million), CL&P's increase in O&M between 2001 and 2010 would still only be 37%. This remains far less than the peer group's increase of 62%.

Notably, while CL&P was underspending as compared to its peers with respect to distribution O&M expenses, CL&P was significantly overspending as compared to its peers in another area. More specifically, peer group aggregate Administrative and General ("A&G") salaries were reduced by 16% within the peer group, whereas CL&P's A&G salary levels increased by 153%.[15] Coonan/Townsley PFT at 7-8. Thus, while CL&P was lagging far behind the control group with respect to its O&M spending, it was increasing its A&G salary levels significantly as compared to the control group.

OCC recommends that CL&P and UI be ordered to file a benchmarking analysis of O&M expenses for comparable companies in the northeast region in their next rate proceedings. See Coonan/Townsley PFT at 9-10. OCC recommends that, in future rate cases for CL&P and UI, PURA order a detailed study of aggregate A&G salaries and a further analysis that provides a detailed explanation of the increases in these expense levels since 2001. See id. OCC also recommends that as a result of this proceeding, PURA institute a detailed annual reporting of distribution O&M expenses by subaccount from each of the EDCs. See id. at 9. This annual compliance report should compare the allowed expenses by subaccount in each company's last rate case to that which has occurred in each calendar year. Subaccounts with variances (+ or -) above 10% should require an explanation of what caused such variances.

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[15] UI's A&G Salary spending increased by 42%, also a significant increase over the peer group.

E. **OCC's Recommendations Regarding Vegetation Management Should Be Incorporated into Subsequent Dockets, Where the EDCs' Proposals will be Further Evaluated. Until then, PURA Should Not Approve Significant Cost Increases for Vegetation Management.**

As other storm studies have discussed, a review of the EDCs' vegetation management programs reveals that changes are warranted. See, e.g., Two Storm Panel Report at 13-14. OCC notes that this topic will be a primary subject of CL&P's upcoming system hardening docket, as well as the P.A. 12-148 storm standards docket for both utilities. Moreover, there is currently pending at PURA a docket wholly dedicated to reviewing the EDCs' vegetation management practices. See Docket No. 12-01-10, *PURA Investigation into the Tree Trimming Practices of Connecticut's Utility Companies*. Thus, it is clear that the issue of vegetation management will be subject to further review by PURA. OCC believes that such further review is warranted, and that significant increases for vegetation management should not be approved until PURA has fully studied the costs and benefits of the EDCs plans.[16]

Generally speaking, the EDCs vegetation management proposals "include increasing tree-conductor clearances, eliminating branches overhanging primary conductors, shortening the preventive maintenance cycle period, and increasing emphasis on reducing risks posed by hazard trees." Goodfellow/Townsley PFT at 15-16. OCC supports some changes to the EDCs' vegetation management policies, including certain aspects of the companies' proposals, as further set forth below. OCC believes that additional spending geared to compliance with a defined plan and intended to achieve a targeted increase in routine and storm-related reliability would be warranted (following a more full review, as set forth above); additional spending not tied to plans, goals, and metrics would not.

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16 UI submitted its latest vegetation management proposal as a late-filed exhibit, thus, it was not thoroughly reviewed in this docket. See LFE-81.

The 2011 Storms were extremely rare events. There is a limit to the extent to which risks to the overhead distribution system posed by trees can reasonably or practically be reduced under such serious storm conditions, given that in major storms entire trees or major sections of tall trees may fall. See Goodfellow/Townsley PFT at 16. Spending more money to do additional tree work that results in obtaining more line clearance and removing more trees is not a complete solution to the problems resulting from major and catastrophic storm conditions similar to or more severe than Storm Irene and the October Storm. Id.

1. OCC Believes Proposals Regarding Tree Clearance Require Further Study.

CL&P's current vegetation management specifications establish clearance requirements of 8 feet horizontally (or the previously established tree line) and 10 feet below conductors for both routine and Enhanced Tree Trimming (ETT). Response to AG-13. CL&P has proposed to increase clearance above conductors from 15 feet to the elimination of all overhanging branches in some cases. See id. UI has proposed increasing horizontal clearances from 6 to 10 feet and from 5 to 8 feet below conductors. Response to AG-17. UI has also proposed increasing clearances above conductors from 12 to 15 feet. See id.

OCC is skeptical of the benefits of the proposals to completely eliminate branches above conductors. So-called "ground to sky" or "blue sky" clearance is rarely practical or achievable, and generally occurs only on the most critical line segments, where an interruption in service would affect a large number of customers. See Goodfellow/Townsley PFT at 19. Moreover, simply cutting up to blue sky may negatively impact reliability by creating more hazard trees:

> the structural form of the crowns of trees along a distribution line needs to be considered. These 'edge trees' typically have asymmetrical crown forms, with branches reaching toward the light in the opening created by the line and roadway. The result is that a high percentage of an edge tree's foliage occurs in close proximity to the overhead line. If too many leaves (which are the source of food production for the tree) are removed, the tree will decline and possibly die.

If taken to excess, the aggressive elimination of branches may create future hazard trees.

Id. Thus, OCC suggests a more measured and considered approach to vegetation management, based on more frequent visual inspection and branch reduction, rather than elimination, where appropriate. See id.

As to horizontal clearance, while the OCC witnesses believe that increasing the physical distance between trees and lines provides some benefit by reducing the likelihood of a line strike, clearances on both the CL&P and UI distribution systems cannot be made wide enough to eliminate the risk posed by tree or branch failure. See Goodfellow & Townsley PFT at 17. OCC's vegetation experts also found that:

- tree-conductor clearance distances are lost with each growing season following pruning;
- pruning cuts are wounds to the tree that may create areas of decay and structural weakness; and
- when widening clearance distances, it is important to minimize the need for large-diameter cuts by retaining structurally sound large diameter stems and branches.

See id. at 17. OCC's witnesses found that increasing the amount of tree clearance would likely result in some improvement in reliability year- over- year, but the impact on the system's performance under major or catastrophic storm conditions, such as the 2011 Storms, when tree and large branch failure occurs, is less certain. See id. at 17-18. Moreover, the cost of CL&P's proposed "Enhanced Tree Trimming" is approximately $30,000 per mile (CL&P Response to OCC-120), as compared to a little more than $5,000 per mile for standard tree trimming - - a six fold increase. Therefore, OCC recommends the following:

- PURA should order the EDCs to file a detailed study on the performance of circuits that had previously received "ETT" or "blue sky" treatment to determine the performance of this approach relative to a peer group which received routine vegetation maintenance. The study should consider performance during the two major storms of 2011 as well as other less severe

events, and should be submitted in all of the upcoming dockets in which vegetation management is reviewed; and

- Due to the very high cost, PURA should not approve significant increases in spending for ETT-type vegetation management until this study is thoroughly reviewed.

2. OCC Agrees with Proposals to Shorten the Preventative Maintenance Cycle Period, but Some Flexibility Should Remain Based on Conditions.

UI has proposed shortening the scheduled preventive maintenance cycle for single phase from the current interval of eight years to four years with an "on condition" maintenance trigger of two outages over eighteen months. UI Response to AG-17. CL&P has proposed moving from a five to four-year preventive maintenance cycle period. CL&P Response to AG-17. OCC supports the EDCs' respective proposals in this area. In supporting UI's and CL&P's proposed shortening of the normal trim cycle, OCC's consultants also recommended that the EDCs' approach to scheduling vegetation maintenance work be modified to allow some flexibility, rather than following a strict cycle approach. See Goodfellow & Townsley PFT at 56.

3. OCC Believes the EDCs should Increase Their Emphasis on Hazard Trees.

The dominant risk to reliability on well-maintained transmission and distribution systems is from tree failures that occur beyond the corridor or in areas that are not being actively maintained. See Goodfellow/Townsley PFT at 23-24. Identification and mitigation of tree failure is an important component of a successful vegetation management program. Id. OCC believes that an effective hazard tree program would improve reliability both under routine and severe weather conditions, by identifying and mitigating the risk of failure of trees that are clearly predisposed to fail. Id. at 24. OCC also recommends that the conventional definition of a hazard tree should be expanded to include consideration of individual branches. The concept is

to identify and eliminate risk, whether it is due to failure of the entire tree or individual branches, rather than simply focusing on clearance. See Goodfellow & Townsley PFT at 24.

4. Mid-Cycle Tree Trimming Should Not be Permitted to Lapse.

CL&P's level of mid-cycle tree trimming has decreased dramatically in recent years, culminating in complete elimination in 2011:

Year	2004	2005	2006	2007	2008	2009	2010	2011
Mid-cycle miles trimmed	796	315	106	94	161	42	47	0

(Source: LF-050)

CL&P claims that no mid-cycle work was performed in 2011 because the funds that were budgeted for mid-cycle work were needed to pay for increased cost of police traffic calls and emergency call outs. See LF-050. However, increased costs for those issues should not have been allowed to obliterate CL&P's entire mid-cycle vegetation management program. Mid-cycle vegetation management provides the primary opportunity for identification of new or worsening hazard trees or fast-growing species in between trim cycles, and thus has a direct impact on reliability. CL&P's claim that it did not have sufficient money for a program that directly impacts reliability is specious, particularly in light of its increased discretionary spending on A&G salaries, as noted in Section II.D. herein. Expenses for mid-cycle vegetation management were included in the revenue requirement levels set in CL&P's last rate proceeding, Docket No. 09-12-05 (Final Decision dated June 30, 2010, at 36), and the company should have cut other discretionary expense items to ensure that mid-cycle tree trimming continued as planned. OCC therefore requests that PURA order CL&P to immediately recommence its mid-cycle vegetation

management program at the amount budgeted in the last rate case, and suggests that this issue be further studied in future dockets concerning vegetation management.

F. OCC Has Identified Some Preliminary Concerns Regarding UI's Storm Restoration Costs which will Warrant Further Review in UI's Next Rate Case. PURA Should Set Some Guidelines for UI and CL&P Storm Cost Recovery to Prevent Double-Counting.

In this proceeding, OCC retained Larkin & Associates, PLLC ("Larkin") to supplement OCC's existing staff expertise in the area of evaluation of expenses related to storm readiness, storm restoration, storm damage, tree trimming and system reliability. As part of its engagement, Larkin initiated a preliminary review of the restoration costs associated with Storm Irene and the October Storm in 2011 for UI and CL&P. OCC filed numerous interrogatories requesting detailed information on the EDCs' storm restoration costs. Numerous interrogatory responses were designated as extreme bulk responses with detailed back-up and source documents, some of which were only available for review on-site at the EDCs' offices.

Per the terms of the Merger Settlement, CL&P's storm restoration costs will now be reviewed in a separate PURA proceeding, and not in this proceeding. Therefore, neither OCC staff nor its consultants conducted an in-depth review of documentation regarding CL&P's storm restoration costs in this proceeding. OCC reserves its right to review the detailed documentation requested in this proceeding in CL&P's upcoming storm cost proceeding.

In a September 28, 2011 filing in Docket No. 08-07-04, UI petitioned PURA to defer the storm restoration costs for future recovery until the Company's next rate case proceeding. As such, OCC is not making any specific recommendations in these proceedings as to the prudency of UI's storm restoration costs nor the appropriate level to be recovered from ratepayers, but is simply pointing out the following issues of concern.

Three professionals from Larkin conducted an on-site review of documentation at UI's offices in New Haven, Connecticut, from April 16 through 18, 2012. Specifically, Larkin reviewed UI's responses to OCC-67 and OCC-68, which requested copies of supporting documentation for all costs incurred in the restoration of service for Storm Irene and the October Storm, respectively.

The documentation provided by UI and examined by Larkin during the on-site review included invoices related to service crews, outside work crews, mutual assistance, food services, emergency assistance, tree service, payroll, fuel, police fees, materials, fleet, and lodging. During the on-site review, Larkin noted a number of items that were questionable as to whether they should be allowed to be deferred. Larkin submitted 73 Audit Data Requests (LFE-77) to UI to obtain clarification regarding the documentation that was reviewed. Some of the specific areas of concern included contractor costs, UI labor costs, catering costs, equipment costs, and fuel costs.

One concern with outside contractor costs is the lack of description of the work that was performed. Many of the timesheets submitted by the outside contractors to UI for both storms did not contain detailed descriptions of the work that was performed, just the number of hours per person per day. UI was asked in Audit Data Request Nos. 26-30 (LFE-77) whether the contactors provided other documentation supporting the hours and work that was billed. UI's responses stated that the contactors did not provide any support other than the invoices and time sheets.

Another concern is the limited contractual terms for rates of outside contractors, including mutual aid contractors, who billed UI for their assistance at their double-time rate for the entire duration of the storm effort, according to the time sheets. OCC-45 asked the Company

to "provide all annual or/or long term contracts with outside vendors for standby storm services that would establish rates for storm work and provide for crew availability. If none, explain why not." UI's response stated that:

> UI does not typically maintain contracts for storm restoration services. UI's reliance on its normal contractor staff and associated alliances as well as Mutual Assistance from Electric Utilities has been adequate to meet resource needs to respond to events that require such assistance.
>
> One exception was for staging site services with Base Logistics ("Base") between 2009-2011. During both Irene and the October snow storm this function was performed adequately by UI staff and therefore the outside vendor's services were not required. Base's previous contract can be found in Attachment OCC-45-1. UI will be renegotiating this event for larger scale events.

UI Response to OCC-45. Similarly, UI's response to LFE-77, Audit Data Request No. 2 stated:

> Attachment 2-1 provides a copy of the Edison Electric Group (EEI) Suggested Governing Principles Covering Emergency Assistance Arrangements Between Edison Electric Institute Members. This document is the mutual assistance agreement which UI has with other utilities.
>
> a. The agreement does not establish uniform rates at which a utility will provide assistance. However, section 9 of this agreement does provide guidance on costs and expenses that the Requesting Company (UI, in this case) shall reimburse the Responding Company (Mutual Assistance Company) as a result of furnishing emergency assistance.

See also UI's Response to OCC-44, stating that "[t]here were no contracts in effect during the years 2008-2011. UI has been a member of the North East Mutual Assistance Group (NEMAG) since its inception in 2008; however the group does not operate under a formal contract."

Another example of costs that appear to be questionable and warrant further review are aspects of UI's internal labor costs. During the on-site review, UI provided a schedule for each storm identifying the amount of internal labor that was attributed to the storm restoration effort. No copies of time sheets or supporting information containing descriptions of the work performed were provided. UI already recovers labor expenses as part of its rates. Without

detailed information and descriptions of the work performed, it is not known what incremental portion above the current labor level pertains to the storm restoration effort. LFE-77 Audit Data Request Nos. 7 and 58 asked for supporting documentation for the internal labor costs relating to the storms. UI's responses provided hours worked and rate by employee number, but did not contain any descriptions of the work performed.

There are potential double-counting issues with some other UI costs as well. For example, because a large portion of the costs associated with Company trucks and equipment are built into the base revenue requirement, PURA will have to be careful that any such costs that are listed as incremental storm costs will not result in a double-counting. The same issue could apply to pension and other employee costs that may be recovered in base revenue requirements set in UI's last rate case.

OCC recommends that in future storm expense recovery proceedings, both UI and CL&P provide detailed exhibits delineating between internal payroll, pensions, benefits and truck and equipment costs included in base rates and those which are incremental and being requested to be recovered as incremental storm costs. It is incumbent upon each EDC to provide documentation that proves that the storm restoration costs being charged are truly incremental or over and above what is already included in rates.

OCC reserves the right to make additional recommendations regarding recovery of storm restoration costs in UI's next rate case and CL&P's storm cost proceeding.

G. PURA Should Approve the Concept of Having a Single Pole Administrator in Each of the EDC Service Territories. The Details Should be Further Developed through Working Groups, but Without Delay.

Governor Malloy's Two Storm Panel recognized the need for central pole administration in the Two Storm Panel Report. Recommendation 74 on page 36 of the Two Storm Panel Report states that "PURA should develop a new position of pole administrator to manage utility pole

rights-of-ways, aging of utility pole infrastructure as reported by pole custodians, and other issues associated with the reliability of utility pole infrastructure." This Recommendation was based on certain findings, including that "utility poles are owned by electric utility companies, jointly owned by utilities and telecommunications companies and by other third party entities," and that "[s]tandards for maintenance, tree trimming, and replacement [of poles] vary from town to town and utility to utility" with a note that such "[s]tandards used by telecommunications companies are of particular concern." Id. at 35. Thus, The Two Storm Panel Report, after a comprehensive review of the evidence then available, takes a clear position that the current status of pole infrastructure and the management of poles in the right-of-way is inadequate, and that a pole administrator is needed to improve the situation.

Moreover, the Witt Report states, at page 3, that:

> State and local government planning and preparedness should address major power disruption more comprehensively and inclusively, including coordination with utility providers and procedures for damage assessment teams in power and/or utility outage events.

Having a single pole administrator would plainly enhance such coordination and would be an essential part of a comprehensive solution to storm preparedness shortcomings.

1. PURA Has the Authority to Appoint and Approve a Single Pole Administrator for One or More Regions of the State.

OCC is confident that PURA has the legal authority to appoint a single pole administrator, such as an EDC, in a utility service territory or other region of the State. All or substantially all of the utility poles in the State are owned by entities that are "public service companies" for purposes of CONN. GEN. STAT. § 16-1, with some owned jointly by an EDC and a telephone company and others owned by just one of same. See The Southern New England Telephone Company, d/b/a/ AT&T Connecticut's ("AT&T") Response to OCC-7, OCC-334,

and AG-22; CL&P Response to AG-22; UI Response to OCC-339; Verizon Response to OCC-7. The law gives PURA ample authority to regulate the use of public service company property, including the manner of its operation, to promote public safety or other public interests. Specifically, CONN. GEN. STAT. § 16-11 requires PURA to:

> keep fully informed as to the condition of the plant, equipment and manner of operation of all public service companies in respect to their adequacy and suitability to accomplish the duties imposed upon such companies by law and in respect to their relation to the safety of the public and of the employees of such companies. The department may order such reasonable improvements, repairs or alterations in such plant or equipment, or such changes in the manner of operation as may be reasonably necessary in the public interest.

In the midst of storm restoration it is essential to public safety for (i) communications between utilities and municipalities, and (ii) inter-utility communications, to be well-coordinated for purposes of "make safe" and road clearance. See Section II.D, *supra*; Testimony of First Selectmen Llodra (Town of Newtown), Ketcham (Town of Redding) and Brennan (Town of Wilton) filed May 3, 2012, at 3-4; Testimony of First Selectman Marconi (Town of Ridgefield), filed April 30, 2012 at 3-5; Testimony of William J. Vallee (OCC) filed April 9, 2012 ("Vallee Testimony") at 8. Thus, pursuant to § 16-11, PURA has the ability to promote safety by regulating the "manner of operation" of utilities, including their communications regarding pole and wire restoration, through a pole administrator selected for the purposes of achieving such coordination.

It would also be quite beneficial during non-storm periods for there to be effective communications and performance as to tree trimming, pole maintenance, repairs, and replacements, development of a uniform and comprehensive pole database, and pole attachments. Indeed, UI confirmed in its testimony that by acting as a pole administrator in its service territory, it could promote greater efficiencies by, among other things, (i) having a single

point of contact, (ii) having a single entity performing inspections, maintenance and repair of poles both during storms and on "blue sky" days, and (iii) having a single entity performing tree trimming in both the electric and communication areas. Testimony of Joseph D. Thomas (UI) ("Thomas Testimony") at 3-4. Given the public interests at stake, including the economic, safety, organizational, and communications benefits of effective pole administration during non-storm periods, PURA again has the authority to appoint a pole administrator pursuant to the "manner of operation" language of § 16-11.

In addition to the ample authority provided to PURA under § 16-11, CONN. GEN. STAT. § 16-243 states that PURA "shall have exclusive jurisdiction and direction over...the kind, quality and finish of all materials, wires, poles, conductors and fixtures" used to transmit electricity. Also, CONN. GEN. STAT. § 16-247h gives PURA authority over, among other things, utility poles used by telecommunication providers, and states that PURA "*shall* adopt regulations, in accordance with chapter 54, governing such use of the public right-of-way, including, without limitation, design and construction standards and specifications to protect the public safety." (Emphasis added). PURA thus has not just the authority, but in fact the obligation, to regulate utility poles and the public rights of way.

PURA, from the early stages of this proceeding, decided to pursue pole administration issues, as a "thorough investigation of the storm outages and response will also include the issue of pole performance," including "ownership, maintenance and age." PURA December 14, 2011 Ruling on OCC/AG Motion. Since the December 2011 ruling, PURA has developed a substantial record on the pole administration issue by accepting testimony and conducting hearings. However, some details would still need to be worked out, including such matters as giving the pole administrator the authority to (i) compel attachers to timely perform their work,

and (ii) allow the pole administrator or its agents to perform that work, if necessary, and to be promptly reimbursed by attachers for the resulting expense. Testimony of Kenneth Bowes (CL&P) ("Bowes Testimony") at 7. Nevertheless, PURA should have confidence that it can order in this proceeding that a timeline be set for public service companies and other interested parties to develop the details of having a single pole administrator in each EDC service territory, with such details to be filed in a re-opener of this proceeding and considered for approval or modification by PURA. Pursuant to § 16-247h, a separate regulation docket will need to occur as well to create standards for a pole administrator to follow.

2. The Evidence in the Record Supports PURA Approval of the EDCs as the Pole Administrator in their Respective Territories, Subject to Certain Conditions and Caveats.

a. The Record Demonstrates that the Status Quo is Inadequate and that a Pole Administrator is Necessary.

i. The Two Storm Panel Report highlights issues that could be solved through a pole administrator.

As discussed above, the Two Storm Panel Report, at Recommendation 74 (page 36) supports development of a pole administrator to manage utility pole rights-of-ways, aging of utility pole infrastructure, and other pole reliability issues. This Recommendation was based on findings, including that the inconsistency of ownership arrangements, maintenance standards, tree trimming standards, and pole replacement standards among public service companies is of concern. Id. at 35.

Communications problems regarding downed utility poles and wires were also discussed in the portion of the Two Storm Panel Report that deals with Geographical Information Systems ("GIS") issues. See Two Storm Panel Report at 30-31. The Panel noted that witnesses highlighted a major concern as to the absence of a "common platform to share information about

storm assessments" as well as the lack of "sharing of GIS mapping data between towns, utilities and state agencies." Id. at 30. These findings led the Panel to recommend that:

> 64) Electric utilities should be required to develop extensible GIS applications--incorporating information from smart meters/smart grids and mobile data terminals as required by PURA--to facilitate the real-time sharing of data on service outages. [and]
>
> 65) Utilities should dispatch to local [Emergency Operation Centers ("EOCs")]: circuit maps, piping maps, organizational flow charts, escalation paths, and up-to-date information on service outages within 120 minutes of the opening of an EOC.

Id. at 31.

Should the EDCs be appointed as pole administrator in their respective territories, as discussed further below, OCC anticipates that the EDCs could meet these goals of the Two Storm Panel by implementing and utilizing a sophisticated, open-access GIS mapping system to coordinate and disseminate information on pole and line condition, drawing on data from the public, municipalities, and industry members to facilitate restoration efforts during an outage. Vallee Testimony at 36. This could most effectively be accomplished through broadband connections to a central GIS collection area where interactive maps could be quickly prepared and distributed that identify downed poles, blocked roads, and other outage problems. Id. at 27.

ii. None of the public service companies at present retains a unified pole database that contains all relevant information. Having an entity with the responsibilities of a pole administrator may help resolve this situation.

The inadequacies of the pole databases retained to date by public service companies also demonstrate the need for better-coordinated pole administration. During the course of this proceeding, it became apparent that neither the EDCs nor the telephone companies maintains a unified, comprehensive pole database that contains complete information about each pole, such as the exact location, the pole size, the identification number, the inspection history, the age, a

list of all the equipment on the pole, the identification of attachers and their attachments, and the name of the custodian. This information is key information to have at hand for storm recovery and for everyday maintenance and repair.

Specifically, when asked about its pole database, AT&T stated that it contained pole numbers, placement dates, attachers, and the custodian. Tr. at 366-67. It is not GIS-based. Id. In addition, AT&T stated that a separate database has pole inspection information, and "what we do is we pull the data from the pole database to get the pole information by town, and then that is used through our inspection process. It is tracked in a separate database on the completion of those pole inspections." Id. So, AT&T does not have a unified database for pole information. As to inspection history, when asked for numbers of poles inspected for the last 10 years, AT&T was only able to provide numbers for the past three years. AT&T Response to AG-23; LFE-7 and Tr. at 226-28). In addition, when asked how many internal pole inspections, e.g., drillings and borings, were done in 2010 and 2011, AT&T stated that it did not track that information. See LFE-8.

According to Verizon, its pole database contains pole number, location, attachments, year placed, job numbers for placement and removal, Verizon's equity interest, size and class of pole. LFE-13. It does not identify the custodian, nor is there any mention of the database containing inspection history. See id.

UI stated that its GIS system has some pole information in it, including height, class, and inspection data. Tr. at 366. Separately, UI has a pole management system, which tracks attachers, installation and replacement data. Tr. at 365. So, UI also does not have a unified database for relevant pole information.

CL&P did not maintain information on the age of its poles up until 2005, but has now started keeping that information for new work orders. Tr. at 436-437; 439-440. CL&P provided a sample of the pole data in its GIS database, along with a sample of its separate pole inspection data, but the company stated that it is "[c]urrently reviewing various processes for aggregating this information and cannot provide a sample of what it may look like when combined." LFE-17. Also, the company stated that its GIS database does not have all the pole attachment information, and that it maintains another system, a third-party attachment database. Tr. at. 779 - 80.

With the appointment of a pole administrator, such administrator would presumably be able to accomplish its tasks more effectively through a unified database containing all relevant pole information. OCC anticipates that such a unified database would be a priority for a pole administrator, and so the database improvements may be developed more quickly through central pole administration than they would under the present "shared responsibility" approach. OCC respectfully recommends that database improvements, including the possibility of unification, be one of the details discussed in a process following this docket to further develop central pole administration standards.

iii. Several municipalities provided poignant testimony regarding the need for improved pole administration for storm restoration.

The Connecticut Conference of Municipalities opined in this proceeding that restoration was needlessly delayed by a lack of coordination among utility companies as to pole ownership and maintenance. Galligan Testimony at 7. Mr. Galligan, in his capacity as the Town Manager for the Town of South Windsor, witnessed "[c]onfusion over pole repair and replacement obligations [that] made the process of trying to replace poles to get equipment running again more difficult and slower than it otherwise would be." Id. Similarly, Mary Glassman, First

Selectman of Simsbury, lamented the confusion about pole ownership and the effect on restoration, stating that there were "a couple of frustrating things, again, with poles. Well, I think AT&T owns that pole, or, no, I think it's CL&P. Well, somebody has got to know who owns the pole, and you've got to replace it to get the line up." Tr. at 1774. Steven R. Werbner, the Town Manager of Tolland, also testified as to his town's pole replacement difficulties. Tolland needed a pole replaced to provide power to its town garage and fueling system, but it was not a CL&P pole and a replacement was not readily available. Tr. at 1831-32. To resolve the issue, Tolland actually had to make its own efforts to secure a replacement pole, which was then installed by CL&P. Id. at 1832.

These firsthand accounts from representatives of towns that suffered severe effects from the 2011 Storms should be given considerable weight toward a finding that the confusion about pole ownership and responsibility is unacceptable and improved pole administration is essential.

iv. Central Pole Administration Would Also Provide Public Benefits During Non-Storm Periods.

In addition to benefits of coordination and communication during storm restoration, it is anticipated that having a pole administrator would also provide significant benefits during non-storm periods, including by:

- Implementing and enforcing standards for maintenance and replacement of poles, ensuring the integrity of utility poles, and the hardening of the infrastructure;
- creating a single point of contact between utilities, municipalities and others for non-storm pole work;
- ensuring nondiscriminatory access to the poles with fair and reasonable application procedures and prices, that encourage competition and expanded access to services for all residents, businesses, and municipalities.

See Thomas Testimony at 3-4. Both of the EDCs mentioned that they would be well-positioned to serve as the pole "traffic cop" if appointed as the pole administrator in their respective

territories, and in this role would be able to "(i) eliminate double poles and (ii) facilitate repairs and replacements of existing equipment and new pole attachments." See Bowes Testimony at 3; Thomas Testimony at 4.

b. OCC is Supportive of the Concept of the EDCs Serving as the Pole Administrator in their Respective Territories, but the Details Still Need Development.

As the OCC recommended at a hearing in this Docket, Tr. at 2193, et seq., PURA should issue an order here that would accept CL&P and UI becoming the pole administrators in their respective service territories, with certain details to be worked out in subsequent proceedings. OCC does note that as to one aspect of UI's proposal, being the proposal to become the sole "owner" of the poles in its territory, (see Thomas Testimony at 3), OCC does not believe that it is necessary for UI to purchase the poles that it does not own in order to perform pole administration duties. As to this issue, UI helpfully clarified at the May 1 hearing that with appropriate cost recovery and allocation to cost causers, UI is not conditioning its willingness to function as a pole administrator on achieving ownership of the poles. Tr. at 2322-23 (Thomas).

The related subject of UI possibly performing some telecommunications-related work in its capacity as a pole administrator also arose at the hearing. See Tr. at 2288. UI claims that it can and has "shift[ed] fiberoptic cables," but that it does not have experience shifting more specialized technical equipment. Id. OCC is not certain of all the legalities and license requirements that might be necessary for UI to perform telecommunications-related work on a regular basis as a pole administrator, and at this point OCC suspects that unlike tree trimming and pole maintenance, it may not create efficiencies for UI to try to duplicate the telecommunications companies' expertise in this area. However, the record is thin on this subject and such issues would have to be discussed in a working group process.

OCC maintains that a prompt decision in this Docket affirming acceptance of the basic concepts in the EDC proposals is likely the best resolution to the pole administration issues and problems being investigated. OCC respectfully suggests that such decision should also specify that a working group, including PURA officials, OCC, and all affected parties, should be immediately formed to develop and consider questions and issues, with clear timeframes for resolution. Tr. at 2193. It is essential that this process be implemented quickly to improve the efficiency of operations in the public rights-of-way, provide assurance to all attachers that a streamlined and equitable management structure is in place, and prepare for any future emergencies requiring extensive restoration efforts. CL&P testified at the May 1 hearing in support of the need for action on a pole administration decision, followed by deliberation as to the details. See, e.g., Tr. at 2333 (Mr. Bowes stating that along with future meetings, there be "a clear deadline for action to take place" and Mr. Gaunt stating that "it's important to the company, as well, that we draw this to some finality.")

EDC pole administration would serve the public interest, providing greater security for Connecticut's power and telecommunication services and promoting economic opportunity, through the following actions:

1. Implementing and enforcing standards for maintenance and replacement of poles, ensuring the integrity of utility poles, and guiding any hardening of the infrastructure (see Thomas Testimony at 3);
2. Facilitating the development and sharing of information on utility poles during storm and blue sky conditions through a single point of contact (see Thomas Testimony at 3, Bowes Testimony at 3);
3. Coordinating restoration resources during outages with respect to pole and attachment repair and replacement (see Thomas Testimony at 3-4);

4. Administering an efficient and orderly process for pole attachments and reattachments that provides fair and timely access for all legitimate attachers (see Thomas Testimony at 4-5, Bowes Testimony at 3-4).

With regard to storm communications, CL&P noted at the hearings that "[i]f CL&P were to assume the role of single pole administrator, we would provide a clear communication path for any state agency, any town or any other third-party attacher to know specifically who to go to for an answer about pole-related damage during a storm. It would make that unequivocal 'who is responsible for that?' And that would be CL&P." Tr. at 2277. This testimony alone, in the wake of the difficulties experienced during the 2011 Storms, provides an excellent and succinct argument for moving toward EDC pole administration.

There are essential management needs that the OCC believes the EDCs are uniquely qualified to provide to the state, while also providing benefits that will accrue to their own operations and those of the LECs and all attachers. As UI noted,

> UI believes that its proposal would address many stakeholder concerns, including the overall desire to have a single point of contact for pole-related issues and greater efficiency in the current process. As described in greater detail in this testimony, UI would support measures to increase transparency and accountability through the development, with PURA, of reporting/performance metrics to be filed in connection with UI's annual maintenance report.

Thomas Testimony at 3. Because the EDCs are already so central to the maintenance and management of the poles today, they will have the skills to streamline pole management and handle pole administration issues. Mention has already been made of the EDCs' expressed willingness to serve as the pole "traffic cop" to "(i) eliminate double poles and (ii) facilitate repairs and replacements of existing equipment and new pole attachments." See Bowes PFT at 3; Thomas Testimony at 4. The EDCs are also best positioned to administer the state's utility poles because they are responsible for the electric lines, which create the highest level of

technical danger on the poles, and since the EDCs have substantial economic incentives to perform these tasks effectively. Perhaps most importantly, the EDCs have each expressly indicated that they will accept responsibility when pole-related commitments within their control are not met. See Thomas Testimony at 4; Bowes Testimony at 3. This shows that the EDCs are ready to make a reliable and valuable commitment to solve the pole administration problem.

Both EDCs accurately pointed out that since they are not in the telecommunications business, they are a neutral party as to the claims of telecommunications competitors about the difficulty and delay in attaching equipment to poles. See Bowes Testimony at 4, Thomas Testimony at 5. There are claims in the evidentiary record about such difficulties. For example, in the Direct Testimony of Charles B. Stockdale on behalf of Fiber Technologies Networks, L.L.C., filed April 9, 2012, at page 20, it states that "Fibertech as a private company, we would prefer in an ideal world to have the Pole Owners administer their own infrastructure in a responsible, equal, and orderly manner for the benefit of all affected parties including telecommunications service providers like Fibertech. Unfortunately, in the real world, that has simply not happened in Connecticut." As to a more specific issue, Antonio Iadarola, P.E., Director of Public Works for the City of Danbury, stated in his testimony that "Danbury has experienced difficulty negotiating a Pole Attachment Agreement with AT&T which is necessary for Danbury to complete a traffic signalization project. Danbury ... is unable to complete a contract with AT&T. The presence of a single pole administrator would be invaluable in such a situation." This testimony supports the proposition that attachers face lengthy, cumbersome, and expensive proceedings that are frankly not responsive to the demands imposed by the current competitive telecommunications market. Danbury is correct that a neutral, effective single pole administrator like an EDC would ameliorate this situation. Indeed, it is gratifying to see that

after over a decade of the OCC's advocating in favor of the concept of a "pole administrator," the 2011 Storms and other events have prompted PURA and others, including the electric utilities, to acknowledge the need for promptly implementing such an approach in this state.

The Connecticut Academy of Science and Engineering ("CASE") has confirmed that pole administration issues have been barriers to entrance into, and expansion in, the Connecticut broadband market. In the December 30, 2011 report prepared by CASE entitled *Guidelines for the Development of a Strategic Plan for Accessibility to and Adoption of Broadband Services in Connecticut* ("Case Report"), a copy of which is LFE-78 in this proceeding, CASE identifies that there are

> Two hurdles faced by companies wanting to enter or expand in the broadband market include pole attachment and cell tower siting processes. In 2008, the Department of Public Utility Control (DPUC, now PURA) established fixed time intervals for pole owners to issue licenses to third party attachers, regulated the completion of make-ready work, and imposed other limitations on the pole owners' management of telecommunication infrastructure. However, telecommunications providers continue to face obstacles in trying to deploy facilities and fiber on poles. For example, pole owners have 90 days to issue licenses to third party attachers. However, deadlines are often not met and recourse is rarely taken. In addition, if a customer wants service in less than 90 days, accommodations are rarely made.

CASE Report at xv (Executive Summary) (internal citations omitted). Given the importance of broadband access and competition to the State of Connecticut, this situation warrants a prompt solution.

OCC also anticipates that pole administration by the EDCs would ameliorate the towns' difficulties by greatly enhancing the EDCs' town liaison programs, giving the liaison access to comprehensive pole information in the town they are assisting. A more robust and transparent new software platform would be a natural, central element in the new pole administration process, and, assuming that is developed, would increase the value and volume of the knowledge

of the liaisons. See Tr. at 2197-98; 2228-29. By creating a central repository for pole-related data that interfaces with the EDCs' GIS data sources and by developing broadband capabilities, the EDCs would be able to independently verify location data via an interface to municipal maps, then communicate that information to the town through the liaison. See id. Information could also flow in the other direction for mutual benefit, with the town officials (such as police and fire crews) providing data that could be imported into the EDC database. The liaisons and PURA could also obtain electronic real-time access to other data in the system, including the status of pole attachment applications, while streamlining the restoration process by automatically providing e-mail alerts to attachers and notifying them via e-mail of the work they need to complete and the time frame. See id. Moreover, the pole administrator could develop a comprehensive audit function showing which pole owner or attacher made data changes, which should stimulate better and faster compliance with the make ready process, especially in emergency restoration situations, since all parties, including the liaison, would have instant access to the actual status of pole restoration. See id.

Should the EDCs be appointed as pole administrators in their respective territories, PURA would still have an important oversight role. As OCC testified at the hearing, its proposal is to have PURA form a working group to provide a small number of staff to maintain a prompt and dedicated connection to Pole Owners and attachers with questions or complaints. Tr. at 2238-39. CL&P noted that it has no objection to the continuation of such a PURA mediation team for dispute resolution and monitoring purposes. See Bowes Testimony at 6.

Finally, questions have naturally arisen regarding reimbursement of costs incurred by EDCs that are apparently now covered by pole attachment rental rates and make-ready expenses charged to pole attachers. See Bowes Testimony at 7. These details and charges would need to

be developed further, but both EDCs expressed support for using cost causation principles to distribute responsibility for charges, rather than just charging electric ratepayers. Tr. at 2278-79. OCC agrees that cost causation principles should be the primary method of determining responsibility for incremental EDC charges for pole administration functions.

OCC is therefore enthusiastic about the fact that the EDCs have "stepped up" and shown their willingness to take responsibility for the pole administration function.

H. In Order to Facilitate Outage Restoration and in the Interest of the PURA and Customers Receiving Accurate Information about AT&T Outages, AT&T Must Develop a More Accurate System for Estimating the Number of Outages.

A telephone company cannot adequately conduct outage restoration activities during and after a major storm and craft accurate communications regarding same unless the telephone company develops a means of accurately estimating the number of customers experiencing an outage at a given time. However, when AT&T is asked about its figures on storm-related outages, it consistently notes that the company relies on reporting from wireline customers to identify those who are out of service. See, e.g., AT&T Response to OCC-2. As another example, when AT&T was asked for more specific details about the number of wireline services that were out of service at any time during the days for each of the storm periods, AT&T responds that it "[d]oes not have that data as there is subscriber lag time in reporting a service outage," again indicating that it is relying on customer reports for its data. See AT&T Response to OCC-265.

AT&T does not even seem to be using the customer outage reporting data that it claims to be relying on in ways that lead to reliable outage figures. According to AT&T, it had approximately 71,000 calls to its repair call center for the Storm Irene period of 08/27/11 through 09/06/11, and it had approximately 82,000 of such calls during the October Storm period of

10/29/11 through 11/13/11. AT&T Response[17] to CSU-12 and CSU-43. Based on publicly-available figures from the latest Federal Communications Commission ("FCC") report, AT&T has approximately 1.2 million switched access wirelines in Connecticut.[18] If the above number of calls to the repair center were used to calculate outage percentages, then AT&T would have had approximately 6% of its lines out of service during the Storm Irene period and approximately 6.8% of its lines out of service during the October Storm period. However, during this proceeding, AT&T claimed more than once that it had less than 2 percent of its customers out of service in either storm, based on the number of reported outages. Tr. at 276. In a late-filed response, AT&T stated that "[d]uring both storms' peak, access line outages were under 2% of AT&T's total access lines." LFE-5. Unless the 2%/6+% discrepancy is a result of many customers developing a hobby of making repeated calls to AT&T's call repair center, the above figures cannot be reconciled.

As a matter of common sense, OCC maintains that the number of outage reporting calls is almost certainly not a plausible method of estimating the number of AT&T wireline outages. There are a number of well-known reasons why customers may not report outages, not least of which is that the customer might have no reasonable means to contact the AT&T call center in the aftermath of the storm without the use of a wireline phone. Another reason for not reporting an outage is that customers who are busy managing their lives and marshaling their resources in the aftermath of a major storm might think that AT&T has system outage information, is already aware that there are outages, and thus there is no reason to report it. Indeed, customers would be correct in thinking that a telecommunications company knows when certain equipment has failed

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17 The stated number of calls represents the sum of the calls in the row labeled "Total Calls w/IVRU" in Attachment A in the noted CSU responses.

18 FCC report entitled, Local Telephone Competition: Status as of December 31, 2010, Table 8.

and there are outages. For example, AT&T provisions access lines through network central offices and through remote terminals ("RTs"). LFE-5. AT&T acknowledges that it knows when RTs are out of service. Tr. at 176. When AT&T restores service to an RT, all customers with lines out-of-service solely because the RT failed will be back in service, regardless of whether the customer called the repair center.

In addition, there are presumably customers who had a telephone outage, but abandoned a call reporting the outage before completion because of delays in AT&T's call response system. See AT&T Responses to CSU-12 and -43, Attachment A (abandoned calls). Some customers also did not complete outage reports out of fear of being charged for repairs. For examples, the AT&T Response to OCC-84 deals with issues escalated to AT&T's Executive Response Unit. Attachment A of such response includes the case of a customer from Derby who called the repair center but did not report her outage because she interpreted an automated message on AT&T's response system to mean that there would be an up-front charge of $60 to restore service. She also stated that she could not talk to a person. In addition, a customer from Stonington interpreted the system message to mean that there would be a $60 charge for service restoration, and this customer also complained that he had a rotary phone, which is not supported by AT&T's response system. See Tr. at 282-89.

In contrast to AT&T's reactive, antiquated, and plainly inadequate approach of relying on customer reports, Cox Communications, a competitive local exchange company, reports that it does not rely on customers' outage reports to know that there are outages. Instead, Cox determines how many outages there are on its lines by looking at information available through its switching system. Tr. at 753-54.

OCC believes that AT&T could derive a more accurate approximation of the number of outages on its system by using information available through its equipment and infrastructure as a supplement to customer calls to the repair center. Developing such an approximation would require AT&T to take more care in developing a good estimate of how many access lines are serviced by each of its RTs. AT&T knows when RTs go down and knows "how many services and what types of services were provisioned through those RTs" (Tr. at 176), however, AT&T also noted in LFE-5 that it does not track the "[s]pecific number of access lines that are provisioned by RTs," and admitted in LFE-11 that it does not track information about the number of access lines associated with out-of-power RTs. It seems to OCC that if AT&T knows "how many services and what types of services were provisioned through those RTs" it ought to be able to know and track how many lines are served through those same RTs.

AT&T states that it has 6,171 RTs (Tr. at 219), 9% of which were without power during Irene, and 16.5% of which power in the October Storm. AT&T Response to OCC-267. Tr. at 251. AT&T estimates that 30 to 35% of switched access lines are served through RTs. Tr. at 787-89. With an estimated 1.2 million total switched access lines in Connecticut, applying the lower figure of 30% would yield 360,000 AT&T lines estimated to be served through RTs. This is a significant number of lines to be at risk for an outage due to power failures in RTs, yet AT&T does not track this information. LFE-5; LFE-11.

OCC respectfully recommends that PURA require AT&T to develop and include in its future reports better estimates of outages based on information regarding equipment and infrastructure failures, including RT failures, rather than relying solely on the lower number of outage-reporting calls to the repair center. AT&T knows of the RT failures but does not at this point use that information to develop better outage estimates. By tracking of the number of

outages caused by out-of-power RTs and other equipment failures, AT&T management would be able to access better information to manage its storm recovery. AT&T also would then be able to provide communications about the number of outages that have a basis in reality, and PURA, state officials, and the public would have the benefits of accurate information from AT&T about outages and restoration.

I. The Joint Line Agreements between EDCs and Telephone Companies Need to be Updated, and the Proposed Updated Agreements Should be Reviewed and Revised as Necessary by PURA Prior to Approval.

The EDCs and the telephone companies have long been parties to agreements that define, among other things, their respective responsibilities and cost sharing for utility pole maintenance and replacement. These agreements include

(i) The Joint Line Agreement between AT&T and CL&P ("AT&T/CL&P Agreement"), which consists of an agreement dating back to 1990, plus associated intercompany operating procedures ("IOPs") with dates in 1991, 1994, 1995 and 1999. AT&T Response to OCC-280; CL&P Response to OCC-280;

(ii) The Joint Line Agreement between AT&T and UI ("AT&T/UI Agreement"), which dates back to 1990, with IOPs from 1991, 1995 and 1997. LFE-14; and

(iii) As between CL&P and Verizon, "The Agreement Between The Connecticut Light and Power Company And The New York Telephone Company Covering The Joint Use Of Poles," ("Verizon/CL&P Agreement"), which has been in effect since 1956.

These agreements have not been adequately updated, nor are they sufficiently enforced. OCC is particularly concerned that electric ratepayers have been receiving too much of the cost responsibility and an insufficient sharing of the revenues. OCC has suggestions below that will

help to prevent such imbalances from occurring and that will streamline the reimbursement process among the EDCs and the telephone companies. Updated and actively-enforced agreements between the EDCs and the telephone companies will clarify pole responsibilities, which is of primary importance for this proceeding, and will also reduce needless disputes. In addition, if the EDCs are appointed as the pole administrators in their respective territories, as discussed in Section II.G of this Brief, that will further clarify responsibilities but may not obviate the need for updated agreements.

1. Most Utility Poles are Jointly Owned by CL&P and AT&T, UI and AT&T, or CL&P and Verizon, with Shared Custodianship.

As shown in the table below, the utility poles in most of the state are jointly owned by AT&T and either CL&P or UI. In the CL&P franchise territory (excluding Greenwich), AT&T and CL&P jointly own most of the poles. In Greenwich, CL&P jointly owns most poles with Verizon. In UI territory, AT&T and UI jointly own most of the poles.

For each jointly-owned pole, one joint owner is designated as the pole custodian. See CL&P Response to OCC-280. The custodian's general responsibilities include such duties as inspections, replacements, attachment approvals, etc. Id. The companies each also have a number of solely-owned poles.

The following information on numbers of poles was presented in this proceeding:

	Custodial Poles/Maintained Poles	Jointly-Owned Poles	Solely-Owned Poles
AT&T - As of 11/8/11 See AT&T Response to OCC-7.	371,498 jointly owned	799,702	17,011
- As of 02/16/12 See AT&T Response to OCC-334.	300,700 (jointly-owned with CL&P) 56,259 (jointly-owned with UI) Unspecified number (jointly-owned with "other owners")	637,076 (with CL&P) 129,385 (with UI)	
- See AT&T 12/02/11 Response to AG-22.	388,407		
CL&P See CL&P Response to AG-22.	425,972 (Response to AG-22)		
UI – As of 2/13/12 See UI Response to OCC-339.	73,641	128,323 (with AT&T) 13 (with CL&P) (UI also notes that: AT&T is custodian of 54,682)	10,763
Verizon See Verizon Response to OCC-7.		12,208 (with CL&P)	354

Although the above numbers do not present a complete picture and have some inconsistencies (e.g., UI states that it jointly owns 128,323 with AT&T, whereas AT&T states that it jointly owns 129,385 with UI), OCC believes, based on the overall similarity of the figures, that the figures are a good approximation as to the ownership and custodianship status of the poles in the state.

2. The Joint Ownership Agreements Have Not been Consistently Updated as Necessary.

The pole owners have agreements underlying their joint ownership, including the AT&T/CL&P Agreement, the AT&T/UI Agreement, and the Verizon/CL&P Agreement.

None of the joint ownership agreements appears to have been updated in this century. The AT&T/CL&P Agreement includes a base agreement dating back to 1990, plus associated intercompany operating procedures ("IOPs") with dates in 1991, 1994, 1995 and 1999. AT&T Response to OCC-280; CL&P Response to OCC-280. The AT&T/UI Agreement dates back to 1990, with IOPs from 1991, 1995 and 1997. LFE-14. The Verizon/CL&P Agreement has been in effect since 1956, and no associated IOPs were filed with the agreement.

a. The AT&T/CL&P Agreement and the Verizon/CL&P Agreement set inadequate compensation for pole replacements based on outdated costs.

In IOP 60.03 for the AT&T/CL&P Agreement and IOP 60.04 for the AT&T/UI Agreement, $325 is the reciprocal charge for new installation and replacement of poles. CL&P Response to OCC-280, Attachment B; LFE-14-1 at 24. Thus, for example, during the Storms, if the non-custodial joint owner replaced a pole, the custodial joint owner would only have to pay $325 to the other owner. Asked if $325 covered current costs, CL&P responded, "I believe in 1990 it covered the cost. Today it would not cover the total cost of a pole installation." Tr. at 427. AT&T also stated that the $325 charge does not cover the current cost. Id. In an attempt to defend the current charge, CL&P states, "[i]f the balance of poles is neutral between the two companies and we each bill each other the equal amount, it's really irrelevant what the per unit cost is, and that's what we try to maintain, an equivalent number of poles for each company being – being billed." Id.

However, OCC notes that there are a number of examples of imbalances between joint owners related to the reciprocal flat charge arrangement. For example, CL&P stated that in mid-2008, because of delays in emergency pole setting by AT&T, CL&P set a policy that CL&P would set AT&T custodial poles if a firm commitment could not be obtained from AT&T within one hour from the time called, or when AT&T is not on-site within two hours. CL&P Response to OCC-302. Although CL&P also stated that AT&T's response activity has improved in the years since then (id.), it remains true that whenever CL&P replaces AT&T custodial poles, AT&T receives a benefit under the contract in having CL&P replace the poles for a charge of only $325, and so there remains a substantial risk of imbalances developing. In addition, under IOP 30.03 of the AT&T/CL&P Agreement, in the case of car accidents, which are a frequent cause of pole replacements, even the $325 is not charged.

Similarly, the Verizon/CL&P Agreement does not have a fixed reciprocal payment for pole replacement. It references a Pole Valuation Schedule that may be revised from time to time (see LFE 13 at Appendix VII), but the attached Exhibit C valuation schedule is dated "Feb. 1, 1955" and shows a value of $90 for a new pole in the column labeled "40," which is presumably for a 40 foot pole. Current values are not reflected in the schedule. According to CL&P and Verizon, the schedule valuations are not used today for billing purposes. Tr. at 2165. However, no other valuation schedule was produced. The OCC believes that, at a minimum, the parties should be working with a current valuation schedule that is as an addendum to their agreement and it should be updated regularly.

OCC recommends that PURA require that the joint agreements be updated such that: (i) pole replacement charges will be reflective of actual costs; and (ii) the public service companies will issue bills to each other reflecting those actual costs each time work is done on the other's

behalf. This will best prevent an imbalance in accounts among the public service companies, and OCC notes that with modern electronic billing and accounting, the time and expense burden of sending out bills for pole replacements should be minimal. The need for more accurate and updated pole replacement charges will be heightened in the event that the EDCs are appointed as pole administrators in their respective territories, as discussed in Section II.G of this Brief. PURA should further require that the updated agreements be submitted to PURA for review prior to approval (with the updated agreements resolving this issue and other issues discussed in this section of OCC's Brief).

b. PURA Should Clarify that Lodging, Food, and Staging Costs of Out-of-State Tree Crews Hired by the EDCs, when Recoverable from Ratepayers as Prudent, are to be Equitably Shared with the Telephone Companies. PURA Should Also Streamline the Reimbursement Process.

The EDCs and the telephone companies should also equitably share expenses related to out-of-state tree crews, which is insufficiently done at present. Regarding storm-related tree work, pursuant to IOP 80.07 of the AT&T/CL&P Agreement and IOP 080 section 1.07 of the AT&T/UI Agreement, the associated costs are split so that the EDC pays 70% and the AT&T pays 30% of the total costs. According to UI, AT&T is contesting whether they should share the meals, lodging and staging elements of the tree-related costs for the 2011 Storms. UI Response to OCC-328; Tr. at 389-90. UI states that the contested costs were incurred due to the storms and crews were brought in to this area to assist with the tree work, and therefore the tree work costs are part of the restoration process for which reimbursement should flow from AT&T. Tr. at 389-90. If the parties cannot agree, then UI is hoping to have the matter resolved at PURA. Id.

CL&P describes a lengthy process with AT&T regarding reimbursement for storm-related tree work. CL&P states that it reviews the storm-related tree work and presents the costs

to AT&T; AT&T then reviews to "see if it's appropriate to pay in their eyes," a dialogue always ensues, and finally there is an invoice and payment. Tr. at 434-35. CL&P notes that this process takes "months." Id.

OCC respectfully recommends that PURA streamline the reimbursement process among public service companies. To accomplish this, PURA should require that the agreements among public service companies state that all reasonable and prudent costs of tree work related to storm restoration, including meals, lodging, and staging elements, shall be shared in accordance with the applicable percentages. Moreover, any public service company disputing the reasonableness and prudence of a charge should be required to do so within thirty (30) days of receipt of an invoice, with the dispute submitted to PURA if not resolved within sixty (60) days. Should a shared cost item later be found imprudent in a subsequent rate case, which would presumably occur long after the invoice process, the public service companies should then reserve the ability under their agreements to adjust the accounting.

c. PURA Should Require Sharing of Pole Maintenance Expenses for All Poles.

Section 1.06 in the AT&T/CL&P Agreement states that the pole custodian is to bill the other joint owner for its share of maintenance expenses. However, CL&P stated that the companies do not share maintenance expenses, and AT&T agreed. Tr. at 410. An imbalance exists in this arrangement because CL&P does more preventive maintenance, including treating the poles with preservatives, see CL&P Response to AG-24, and AT&T does not perform such treatments. See AT&T Response to AG-24. This imbalance already disadvantages electric ratepayers, and, should the EDCs become pole administrators in their respective territories, there will be a heightened need to charge the telephone companies for an equitable share of pole maintenance charges. OCC therefore respectfully recommends that PURA require the public

service companies to comply with the existing provision in their agreements to send invoices for maintenance expenses. This would seem to be only way to prevent sizable imbalances from developing in maintenance accounts.

d. The Verizon/CL&P Agreement Should be Updated to Provide to CL&P an Equitable Share of the Rental Fees, Including Providing to CL&P such Fees on Poles for Which CL&P is the Custodian.

The Verizon/CL&P Agreement contains an additional shortcoming, in that for jointly-used poles that have attachments in the telecommunications space that belong to third-party companies, e.g., cable and communications companies, the agreement specifies that the telephone company shall retain all rentals. See Verizon/CL&P Agreement, Article VII, Section B. When asked about this provision, CL&P stated that "[i]f we are a joint owner or Verizon is the sole owner, they would retain those rental fees." Tr. at 2155-56. Further clarifying, CL&P stated that the only rental fees from these attachments that CL&P retains in the Verizon territory are from its solely-owned poles, and the Verizon/CL&P agreement is different from the AT&T/CL&P agreement in this respect. Tr. at 2155-56. OCC believes that, in fairness to electric ratepayers, CL&P and Verizon should each retain the telecommunications/cable attachment revenues on their respective custodial poles, and CL&P's share of rental fees should not be limited to those from the small number of solely-owned poles.

J. PURA Should Actively Continue to Consider the Need for Back-up Generation at Cellular Telecommunications Towers in Future Studies and Proceedings.

In the aftermath of the 2011 Storms, many customers sought to rely on cellular telephones for communication with utilities, municipal officials, police, fire, and ambulance services, family members, etc. However, the Two Storm Panel Report found that "back up generation and backhaul (the physical telephone line that connects cellular towers and transmits the calls) capabilities for cell towers [are] inconsistent. Different standards are used by different

companies, and there is no state standard currently applicable to all cell towers." Two Storm Panel Report at 35. This finding let to the Two Storm Panel's Recommendation # 73, seeking to have the Connecticut Siting Council "require continuity of service plans for any cellular tower to be erected," and to "issue clear and uniform standards for issues including, but not limited to, generators, battery backups, backhaul capacity, [and] response times for existing cellular towers." Id. at 36.

Like the Two Storm Panel's investigation, PURA's investigation in this proceeding explored the topic of the storm-related reliability of cellular towers and the potential benefits of back-up generation. Questions about these issues were asked in interrogatories and in the May 21st hearing. In the midst of this investigation, the Connecticut Legislature also took an interest in the cellular tower reliability issue and passed Senate Bill 23, now Public Act 12-148. Section 8 thereof requires cellular telephone providers to submit a report by October 1, 2012, to the Connecticut Siting Council and the Department of Emergency Services and Public Protection concerning each provider's ability to provide backup generation at a tower or antenna and the provider's plans with regard to same. After those reports are filed, the Connecticut Siting Council, DEEP, the Department of Emergency Services and Public Protection, and PURA are required by the Public Act to do a study on the feasibility of requiring backup power for telecommunications towers and antennas.

OCC views Public Act 12-148 as the Legislature "occupying the field" as to the timing and structure of any potential back-up generation requirements for cellular towers. OCC therefore does not have a recommendation that the decision in this proceeding create such a requirement. However, OCC does respectfully suggest that the study referred to in the previous paragraph should be both prompt and thorough, as cellular telecommunications are at times the

only convenient way to convey an emergency message or other time-sensitive safety or outage information.

III. CONCLUSION

It is now time for action. The 2011 Storms have led to numerous investigations, hearings, studies and panels. The culmination of these almost ten months of effort is in this docket and the orders that PURA will issue. Connecticut's citizens can finally see that change will happen, and that the next major storm event – inevitable, if not predictable – will not be a repeat of past mistakes.

The record establishes that CL&P needs direct orders to change its communication practices and technology during storm response. As such, OCC respectfully requests that PURA make specific findings of fact regarding CL&P's imprudent management, as set forth above. OCC further requests that PURA issue the specific orders pertaining to Connecticut's public service companies requested by OCC in the instant brief, with specific compliance dates and mechanisms for enforcement, rather than leaving public service companies to "investigate" and then fail to implement critical changes, much like CL&P's failure to implement Recommendations 8.2.3.2 and 8.2.3.3 of the Jacobs Report.

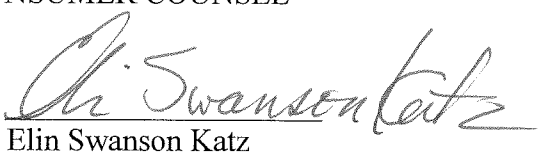
Without the necessary and appropriate exercise of PURA's authority to issue specific orders for improvements in this docket, Connecticut residents, municipalities, businesses, hospitals, schools, and other entities who rely on utility companies for safe and reliable provision of an essential life service – remain vulnerable. Perhaps most telling are the words of municipal officials as they testified before PURA this spring, six months after the last storm, when asked if Connecticut is much better prepared for a major storm event than it was last fall. Their answer: no. Tr. at 1849-1851. In the words of Tolland Town Manager Steve Werbner, "[M]ore than

ever we've reinforced to our town crews, and I think they understand it, that we're basically on our own." Tr. at 1851.

Fortunately, PURA can finally assure Mr. Werbner and the rest of Connecticut's residents that they are not alone.

Respectfully submitted,

ELIN SWANSON KATZ
CONSUMER COUNSEL

By: 
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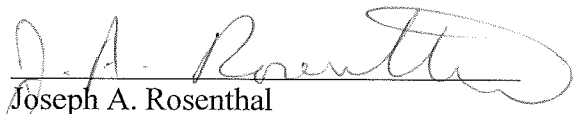
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