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of New Hampshire**

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A Northeast Utilities Company

Matthew J. Fossum
Counsel

By Hand Delivery

January 4, 2013

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429



RE: Response of Public Service Company of New Hampshire to the Report of the New Hampshire Public Utilities Commission on the October 2011 Snowstorm

Dear Ms. Howland:

Public Service Company of New Hampshire ("PSNH"), as the state's largest utility, recognizes the important reasons for the New Hampshire Public Utilities Commission's ("Commission") review of the preparation for, and response to, the October 2011 Snowstorm (the "Storm") by the state's utilities. The Storm was one of the most destructive in the history of the state and, as such, an understanding of the actions taken in response to it by the state's utilities is important. Nevertheless, PSNH has concerns about the report issued by the Commission on November 20, 2012 (the "Report") regarding the utilities' response to the Storm. Initially, PSNH notes that there was no opportunity for any utility to review or comment upon the Report, or the conclusions in it, prior to its issuance. Therefore, to the extent that PSNH, or any other utility, has questions about the Report or the information underlying it, those questions have not been addressed. In this letter, PSNH offers some general observations, and, in the enclosed submission, offers specific comments on particular findings in the Report.

First, and with respect to PSNH in particular, PSNH notes that on October 26, 2012, it submitted a petition to the Commission to revise the accounting of costs relative to PSNH's Major Storm Cost Reserve. That petition has been docketed by the Commission as DE 12-320.¹ As part of that request, PSNH has also sought to implement a methodology for determining when to pre-stage crews in the face of a potential storm based upon meteorological data particular to PSNH's service territory provided by an expert forecasting service. By making this request, PSNH believes that it has taken a proactive approach to storm preparation and response and that

¹ See Report p. 11, at footnote 13, noting PSNH's filing in Docket No. DE 12-320.

many of the actions called for in the Report are already being addressed through the Company's request in Docket No. DE 12-320.²

More generally, and as to the Storm itself as described in the Report, on page 2 of the Report, the Commission described the Storm in this way:

Snowfall amounts in New Hampshire varied widely depending on location and elevation; the seacoast north to the Lakes Region received 12-24 inches, while some higher elevation locations received more than two feet of heavy, wet snow. Over 22 inches of snow fell in Concord, setting a city record for a single snow storm in the month of October.

In numerous locations in the Report, the Commission references the forecasts available from both mass media outlets, and expert entities from which one or more utilities had received targeted weather information. In none of the forecasts included in the Report are there predictions of snowfall amounts in New Hampshire greater than 12 inches.³ In that the greatest amounts of snow predicted by expert forecasting services indicated that the expected snowfall amounts were significantly less than what actually arrived, PSNH questions the usefulness of basing particular recommendations, conclusions, or requirements on the events of this Storm. It is not clear to what degree the Report takes into account that the information available from those with expertise in storm prediction in the days leading to the Storm substantially underestimated the Storm, nor to what degree any utility's response would have changed had more accurate information been available.⁴

Aside from the Storm, and as a further general concern, PSNH notes that the Report contains various requirements and directives, both for individual companies and for classes of companies. Relative to some of the individual mandates, at least as concerns PSNH, PSNH notes that this investigation and Report were not part of any formal proceeding or docket before the Commission. Accordingly, there is some question about whether PSNH has been afforded due process when being required by the Commission to expend additional resources and incur additional costs in complying with new or amended obligations. Notwithstanding this, PSNH is willing to work further with the Commission and its staff to resolve any differences in facts or viewpoints associated with the Report to ensure an effective plan and continued strong working relationships for any future statewide storm restoration efforts.

² See, e.g., Report at p. 7-8, Section III. B. 1, 2, 3, 4, 6, 8 and 9; p. 8-9, Section III.C. 1 and 2; p. 12-13, Section III.E.2.

³ See, e.g., Report at p. 5, Section III.A.2 ("Though the precise scale of the impact of the October 2011 Snowstorm may have been difficult to predict, it was clear by early Friday, October 28 that New Hampshire was going to see at least 4 inches of heavy wet snow . . ."); p. 8, Section III.C.4 ("on Thursday October 27 at 1:35 p.m. UES's forecast estimated 8-12 inches of snow for the Capital Region of UES.") p. 22, Section IV.A.2, map showing amounts up to 10 inches and predicting 4-6 inches for Concord; p. 23-24, Section IV.A.3, various utility-specific forecasts showing amounts ranging from 4 to 12 inches.

⁴ In fact, the Commission acknowledges the uniqueness of this Storm and its damage at p. 6, Section III.B.3 by noting "None of the utilities had historical data to enable them to predict system damage due to the unusual circumstances of the October 2011 Snowstorm."

As an example of the above, in Appendix D to the Report, the Commission sets out various recommendations arising out of the December 2008 Ice Storm, and the utilities' implementation of those recommendations. In item 1.4, the Commission notes that after the December 2008 Ice Storm it recommended that utilities expand emergency readiness drills to include in-house and external personnel and to conduct drills "preferably twice annually". The Report notes that PSNH opposed including external personnel because it could not compel their participation in drills, and that it opposed twice yearly drills due to their cost. Despite PSNH's objection, in the Report the Commission orders that PSNH "must conduct drills as recommended in 1.4". PSNH is not aware of any analysis or findings in the Report, or in any docket or proceeding of the Commission, supporting the imposition of this specific requirement. PSNH questions whether the Commission may require PSNH to undertake this obligation and incur the related costs without providing a proper process. Instead, PSNH believes that further discussion is warranted to improve understanding about PSNH's alternative efforts in ensuring effective coordination with external personnel that may be more effective, and less costly, than the apparent method the Commission seeks to impose.

Despite the above, in compliance with the Report PSNH will: provide updates to its Emergency Response Plan on or by March 31, 2013⁵; review plans relating to its Geographic Information System and Outage Management System⁶; work with other electric utilities on resource sharing plans⁷; and update information on its outside contracts on or by April 1, 2013.⁸

Similarly, and with respect to the wider mandates contained in the Report, PSNH offers the following. First, the Report notes that the Puc 300 rules will be revised in Docket No. DRM 12-271 to consider emergency response.⁹ Item 1.2 of Appendix D states that rulemaking on the Puc 300 rules is underway and should be complete by July 1, 2013. As of January 4, 2013, however, Docket No. DRM 12-271 is not listed on the Commission's Docketbook on its website and PSNH is not aware of any actions taken relative to this docket. As such, it is not clear what items relating to emergency response, or other matters, will be included in the proposed revisions to the Puc 300 rules.

Second, and of more immediate concern, the Report contains numerous directives for all or many utilities in New Hampshire. For example, on page 13, at Section III.E.5 under Corrective Actions Regarding Utility Restoration Response, the Report requires that:

In the event a utility decides to release crews from New Hampshire to an operating affiliate in another state prior to restoration of all New Hampshire customers, it shall notify the Commission within 2 hours of its decision. That decision shall be documented in writing and signed by a senior level management employee. The utility shall further provide the Commission written

⁵ Report at p. 7, Section III.B.1.

⁶ Report at p. 10, Section III.D.1 and 2; see also comments in attached document relating to both systems.

⁷ Report at p. 13, Section III.E.6.

⁸ Report at p. 51, Appendix D, items 4.1 and 4.2

⁹ Report at p.7, Section III.B.7. *See also*, p. 13, Section III.E.4 ("The Commission will establish through rulemaking specific reporting data requirements consistent for all utilities during major storms that allow for meaningful Commission review of resource acquisitions and restoration efficiency, including allocation of resources among affiliates in other states.")

documentation within 14 days of the decision that includes justification for the release of crews and demonstrates that the release of crews did not unduly delay restoration of power to New Hampshire customers.

In that this directive applies to all utilities, it is one of general applicability, and may only be imposed by rule.¹⁰ There are similar such requirements throughout the Report. It is not clear to what degree the Commission will expect utilities to comply with such mandates, nor what the consequences may be should any utility fail to comply. Respectfully, PSNH submits that the Commission does not have the authority to amend the decision making processes of the state's utilities in the manner contemplated unless and until the requirements for a rulemaking have been followed, and cannot require compliance until that time. In addition, as noted below, PSNH is concerned that if every state adopts a similar regulatory constraint on their in-state utilities, New Hampshire could be severely harmed. As such, PSNH believes that the Commission should reconsider this mandate and its unintended consequences.

The Report also indicates at various points that earlier procurement of resources is either advisable or necessary.¹¹ While PSNH agrees that procuring more resources earlier in the storm response process would likely improve restoration times, it is not clear that requiring procurement of such resources is, in the long-term, in the best interest of New Hampshire's customers. To the extent that utilities in New Hampshire and elsewhere compete for resources earlier in a storm response out of concern about the consequences of failing to do so in a particular manner or timeframe, the cost of obtaining such resources will likely rise significantly. Further, it is possible that if neighboring states impose similar requirements, utilities there will become more reluctant to release resources to mutual aid due to growing concerns about being found to have inadequately prepared for their own restoration needs. Such decisions could ultimately make additional resources more difficult to obtain and could degrade, rather than enhance, the response to storm-related damage.

In addition to the above general concerns, PSNH offers comments on specific findings in the report in the enclosed document. PSNH desires to work collaboratively with the Commission and others to ensure that there is a prompt, efficient and appropriate response by utilities to difficulties created for the public by extreme weather conditions. Further, PSNH fully intends to constructively participate in any rulemaking begun by the Commission. PSNH appreciates the opportunity to respond to the Commission's Report and stands ready to assist the Commission in ensuring that all customers have safe and reliable service.

¹⁰ See RSA 541-A:1, XV defining "rule", in part, as "each regulation, standard, form as defined in paragraph VII-a, or other statement of general applicability adopted by an agency". See also, *Public Service Company of New Hampshire*, Order No. 24,814 (Dec. 28, 2007) at 11 ("We concur with the general consensus stated at hearing that the Commission's imposition of reporting requirements for competitive energy suppliers is a requirement of general applicability which should be conducted as a rulemaking pursuant to RSA 541-A."). Further, PSNH is not aware of any statute that on its face demands such actions. See *Rural Telephone Companies*, Order No. 25,277 (Oct. 21, 2011) at 20.

¹¹ See, e.g., Report at p. 5, Section III.A.4 ("Early acquisition of contractor crews is crucial to reducing outage duration; the more widespread the storm and the later a utility seeks additional resources, the more difficult it is to obtain the resources needed."); p. 11, Section III.E.4 ("Early requests for mutual assistance are critical to having additional resources arrive as quickly as possible and in sufficient quantities."); p. 13, Section III.E.3 ("Each utility shall develop early resource procurement plans and incorporate those plans into their ERPs.").

Please contact me with any questions you may have, and thank you for your assistance in this matter. Please note that one hard copy original of this submission is being delivered to the Commission, but that additional hard copies will not follow unless requested.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Matthew J. Fossum', with a long horizontal line extending to the right.

Matthew J. Fossum

Enclosure

Cc: Tom Frantz, Steve Mullen, Randy Knepper, Lynn Fabrizio, Susan Chamberlin, Rorie Hollenberg (electronic only)

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

COMMENTS ON THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION'S REPORT ON THE OCTOBER 2011 SNOWSTORM

INTRODUCTION

Public Service Company of New Hampshire ("PSNH" or the "Company") provides the below comments on the New Hampshire Public Utilities Commission's (the "Commission") November 20, 2012 report (the "Report") on the response by New Hampshire utilities to the October 2011 snowstorm (the "Storm"). The comments are listed by section of the Report to correct inaccuracies and/or to indicate PSNH's disagreement with some of the conclusions reached in the Report.

COMMENTS BY SECTION

I. Overview

1. P. 2, footnote 6:

"PSNH never reported to the Commission an exact peak number of outages. In a press release issued on October 30, 2011, PSNH reported a peak number of 'approximately 237,000' customers out of power. In its post-storm self-assessment report released on November 30, 2011, PSNH reported a peak of 237,000 customers. The November 30, 2011 press release accompanying the self-assessment reported 'more than 237,000 PSNH customers without power at the peak of the storm.'"

PSNH Comment:

PSNH is not aware of any rule or other requirement to report an "exact peak" for customers without power during a major storm. Moreover, the number of customers without power is an estimate based on device operations and other system outage data available at a specific point in time and changes continually. PSNH clearly communicated a level of peak outages of at least 237,000 customers. Based on the hourly reports prepared by PSNH during the Storm, there was one hour in which the number of customers without power reached its peak during the event and this information was continually reported to the State's Emergency Operations Center ("EOC") and the Commission Staff. Therefore, PSNH does not agree that it did not provide accurate information on the peak number of outages.

II. Purpose and Scope of Review

2. P. 4, footnote 8

“A crew generally consists of two people with a truck and equipment. Line crews are responsible for switching and repair of equipment and hardware, and the final energizing of the line; digger crews are responsible for replacing utility poles; tree crews are responsible for removing and disposing of downed trees.”

PSNH Comment:

Neither PSNH nor its contractors are responsible for removing and disposing of downed trees which are the property of the landowner. The primary responsibility of the Company and its contractors is to make the area safe so that state or local crews or landowners can remove the trees or limbs that have been damaged.

III. Findings and Corrective Actions

3. P. 5, Item 2

“Though the precise scale of the impact of the October 2011 Snowstorm may have been difficult to predict, it was clear by early Friday, October 28 that New Hampshire was going to see at least 4 inches of heavy wet snow that, because of foliage, would result in wide-scale and prolonged power outages.”

PSNH Comment:

This statement reinforces PSNH’s point that there continued to be a great divergence in the forecasts issued prior to Friday, October 28. Earlier forecasts did not provide a clear indication that the anticipated amount and density of the snow was likely to result in widespread outages. Although PSNH monitored the weather throughout the week, there were no official forecasts indicating that a significant storm would materialize until that day. Late Thursday, October 27, some forecasts began to include accumulations that could be as much as 6 to 10 inches of snow, however it was not until Friday morning, October 28, that the forecasts aligned and it became evident that a storm event was likely. A National Weather Service Winter Storm Watch was issued for all of New Hampshire with the exception of Coos County at 4:07 AM Friday. A Winter Storm Warning was issued by the National Weather Service Friday at 4:15 PM for Cheshire and Hillsborough Counties and Saturday, 1:37 AM for the remainder of the State. It was not until Friday that it became clear that some areas of New Hampshire were going to receive snowfall in excess of two feet with significant amounts of heavy, wet snow in southern areas of the state.

Telvent Weather Services, a provider of detailed weather forecasts to PSNH, included the following analysis in its Storm Summary Report:

“The primary challenge with the forecast for this particular Nor’easter was that a vast majority of the operational forecast models poorly forecasted the development of the area of low pressure off the New England coast in the week leading up to this storm. An additional and significant wrinkle in the forecast was determining how much of the moisture from dissipated Hurricane Rina would be ingested into this storm system. In the end, the large availability of both tropical moisture, and the unseasonably cool air that was tapped into were quite anomalous given the time of the year, so few long range forecast analogs existed to anticipate such a large scale high impact event with a long lead time. At the 4-6 day out range, the consensus was for the storm system to remain well offshore, yielding impacts from a rain/snow mix to some light snowfall accumulation across the Mid Atlantic through New England and Telvent-DTN’s forecasts at this range reflected this consensus.

Early on the Thursday the 27th, the consensus shifted slightly westward, which lead our forecasters to begin including light accumulations of 2 to 4 inches across a large swath of the Northeast US. Late in the afternoon of the 27th, forecast solutions began to pull the storm system considerably closer to the coast, and increased the strength of the area of low pressure. This trend continued and became stronger with the data coming in during the evening of the 27th. Given the increased confidence in the storm moving up the east coast, our forecasters increased snowfall totals to the 6 to 10 inch range late in the evening of the 27th.”

Once the severity of the storm became clear, PSNH issued a weather advisory at 8:32 AM on Friday, October 28 to all PSNH Advisory Level Recipients and began planning for the event throughout the day. A Level I Emergency Planning Advisory was issued at 1:54 PM Friday to all PSNH Advisory Level Recipients and was followed up by a conference call within the Emergency Response Organization to further review the current forecast and anticipated impact to the service territory. Subsequent conference calls were initiated to review strategy and further review additional response measures. A Level II Advisory was issued at 8:58 PM Saturday, October 29. As indicated in the above quotes from the Report, little to no advance warning emerged from the forecasts.

4. P. 6, Item 3

“NHEC, GSEC and PSNH lack accurate prediction modeling tools and generally rely on past experience when estimating system damage, which in major events can contribute to delay in seeking outside crews and completing system restoration. None of the utilities had historical data to enable them to predict system damage due to the unusual circumstances of the October 2011 Snowstorm.”

PSNH Comment:

PSNH relies on predictive tools, but those tools are necessarily based upon historic experiences. As noted by the State Climatologist when commenting on the October 2011 storm, "This year's October snowstorm is unprecedented with respect to our records". Given the magnitude of the Storm, predictive models had no historical data to rely upon to estimate the impact of the Storm, especially at a time when leaves were still on the trees.

5. P. 6, Item 7

"PSNH typically does not pre-stage external crews prior to the onset of major storm events because 1) its ERP does not provide for pre-staging; 2) management is reluctant to incur pre-staging costs due to a perceived risk of non-recovery or lag in recovery of those costs; and 3) PSNH generally elects to go through its parent company for resource procurement and allocation decisions, thereby handicapping its own ability to pre-stage resources in a timely manner."

PSNH Comment:

PSNH has procedures in place to prepare its existing crews and resources before a pending storm. Prior to the Storm, PSNH decided to double its normal line crew resources by using private contractors and other utility crews. PSNH obtained 35 local contractor crews, 25 Hydro Quebec crews and 30 Advanced Power crews from Tennessee to support its own 86 crews that were available. In addition, 95 tree trimming crews were pre-staged, and 12 service crews were strategically placed throughout the State. On Saturday, October 29, PSNH decided to obtain an additional 135 crews above the already secured 90 crews. Field Meter Services scheduled 126 "wire down" guards to report to their designated Area Work Center ("AWC") assignments at 7:00 AM on Sunday. PSNH also asked employees to cancel vacations.

The Company held discussions with the NU Emergency Preparedness Manager to procure additional line crew assistance from its affiliates, CL&P and WMECO on Friday, October 28. Due to the magnitude of the Storm encompassing the entire Northeast, PSNH's affiliates were not able to provide any additional resources. During Saturday and Sunday, PSNH continued to work to obtain additional outside resources from as far away as Ohio, Illinois and Colorado. Ultimately, PSNH had 666 crews working around the clock to restore power to customers. Additionally, PSNH reached out to private electricians to support restoration of single services and procured additional outside resources for guarding downed wires.

6. P. 7, Item 3

"Each utility shall establish clear ERP Event Level tables, including maximum system-wide duration of outages, minimum and maximum percentage of customers without power per event level, and normalized number of troubles. Event Levels should be

consistent among all four electric utilities and should include at least five levels of event magnitude.”

PSNH Comment:

It is not clear what is meant by the use of “ERP Event Level tables” or how the information would be useful in order to expedite resource acquisition – or service restoration – during a severe weather event. Additionally, determination of the “maximum system-wide duration of outages” is not possible to define pre-event, and would be illogical to try to do so since it is impossible to predict which trees or limbs will be damaged during the event and what distribution system facilities will be damaged. Only when the magnitude of the damage to the electric system is known can any meaningful expected outage duration be determined based upon the number and location of resources available and the extent of the damage. PSNH does note, however, that its filing in Docket No. DE 12-320 contains various event level tables, intended to be consistent with those used by Unitil Energy Systems (“UES”), for PSNH to use when addressing future storms.

7. P. 8, Findings – Item 2, Corrective Actions Items 1 and 2

2. *“PSNH received forecast updates from its forecast provider that reflect only the current day and a 2-to-3 day extended outlook, which do not provide enough detailed information to accurately predict storm damage potential.”*

1. *“PSNH should add at least two additional intervals to the weather forecast services it currently receives.”*

2. *“Each utility shall evaluate the services it uses for accuracy and service territory detail, and obtain the forecasts most appropriate for its service territories.”*

PSNH Comment:

At the time of the Storm PSNH was using a forecast provided by Telvent that was not as detailed as that in use by UES. However, PSNH also relied upon other sources for forecast information prior to the Storm and the forecasts available from these other sources were similar for the State of New Hampshire. As noted above, the forecast models did not provide a clear indication of the magnitude of the pending storm until the morning of Friday, October 28. As part of the Company’s efforts to continually improve service restoration performance, the Telvent contract with Northeast Utilities was modified in July, 2012 to include the Energy Event Index (“EEI”) for PSNH. The EEI provides a detailed zonal analysis of the 72-hour forecast and applies the parameters of the five-level EEI to the forecast, which now includes details on wind speed, wind gusts, ice accretion, snow amount and characteristics (wet vs. dry) and confidence levels. There may be times when this 72-hour “look ahead” does not provide sufficient advance notice and additional decision tools may be used to determine the best course of action prior to a severe weather event. The forecast that PSNH now receives is in line with that used by UES for storm preparations.

8. P.9, Item 2

“PSNH underestimated the magnitude and effects of the October 2011 Snowstorm, and did not obtain sufficient crews early enough, thereby delaying restoration by at least a day, if not several days, in some communities.”

PSNH Comment:

PSNH strongly disagrees with this statement. The Company must rely, as other utilities do, on the quality and accuracy of weather forecasts available in the public realm or from its outside vendor, Telvent, to assess the potential impact of any pending weather event. PSNH did not underestimate the magnitude of the Storm given the weather forecasts that were issued through Thursday, October 27. As noted above, once the forecasts for Friday, October 28 were issued and it became clear that a significant storm was imminent, PSNH took all actions available to it to prepare for the Storm, including pre-staging of crews as discussed above.

9. P.9, Item 4

“Municipalities are natural partners with utilities, with capabilities of assisting in damage assessment and the conveyance of restoration information to local residents. However, as in past storms, municipalities were not used to the extent they could have been by PSNH and NHEC to help identify damage.”

PSNH Comment:

PSNH disagrees with the statement that municipalities were not used to the extent they could have been. The Company works closely with town and local officials. Municipalities are employed in a coordinated fashion to ensure public safety first and are provided information via one-on-one contact with their PSNH Community Relations Manager or Municipal Liaison so that appropriate municipal functions can be carried out. The priorities defined by municipal customers are then channeled by their liaisons to the Incident Commander so that municipal priorities are fulfilled. Additionally, municipalities are able to use the “web-EOC” function via the Internet to communicate road closures, downed wires and other important issues directly to the PSNH EOC. That information is then used by the Company to coordinate actions to ensure public safety. Aside from reporting this type of information, PSNH does not plan to rely on municipal damage assessment to coordinate restoration activities due to the complex nature of the damage assessment process and the extensive training that would be necessary for a municipal employee to fulfill that role.

10. P.9, Item 5

“Damage assessment crews are not properly equipped to relay information to the office efficiently and effectively. Damage assessment performance can be improved through the utilization of electronic tools, such as digital cameras and smart phones, to relay images and data from the field to regional area work centers and emergency operation centers in real time. The use of such devices is of critical importance for utilities, particularly

PSNH and NHEC with their large geographic territories. Relying on paper forms that are submitted at the end of a shift is not efficient and must be replaced by wireless technology.”

PSNH Comment:

PSNH agrees that the use of technology can greatly expedite the process of damage assessment and has developed a pilot program that will be instituted during the first quarter of 2013 to accomplish this goal. The program will be undergoing evaluation over the next few months and, if the results are acceptable, will be expanded to all of PSNH's AWCs.

11. P.9, Item 6

“Unlike UES and GSEC, PSNH and NHEC did not hold daily municipal conference calls with town officials that inform the municipalities of daily action plans for restoration, where crews are going to be located, areas of restoration focus and priorities. Nor did PSNH and NHEC’s emergency response efforts incorporate mechanisms to facilitate outreach to municipalities regarding coordination and prioritization of restoration efforts.”

PSNH Comment:

PSNH went beyond simply holding conference calls and, as outlined in the Emergency Response Plan (“ERP”), the Company continually initiated face-to-face and personal communications with community officials. PSNH dispatched Community Relations Managers along with trained staff members to serve as Municipal and Government Liaisons to work with local town officials and legislators out to the individual AWCs throughout the service territory. These individuals were deployed to provide direct and regular updates to community officials and to collect information regarding municipal priorities that was used in preparing PSNH’s work plans. These regular, direct and personal communications were very well received and appreciated by the impacted communities. Also, it should be noted that PSNH serves over 200 communities whereas UES serves far fewer. Where it might be efficient for UES to hold a conference call with a few municipalities, it is not feasible or efficient for PSNH to do so. The targeted approach used by PSNH is intended to provide a high level of customer service while being responsive to each community’s specific needs.

12. P.9, Item 7

“PSNH does not yet have a functioning Geographic Information System (GIS) that fully geo-locates the company’s electrical equipment and facilities to enable office and field personnel to identify outage locations with more precision and improve restoration efforts. This is a fundamental component of an Outage Management System (OMS) that

would enable PSNH to identify and communicate outage locations to the public with precision. PSNH is not scheduled to fully deploy GIS until December 31, 2014.”

PSNH Comment:

PSNH’s Geographic Information System (“GIS”) project has been underway since early 2011 and the main project vendor, Ramtech, has been achieving very aggressive goals that have been established for data conversion and GIS application development services. Ramtech, in conjunction with internal Northeast Utilities IT resources, has developed that GIS platform to meet the functional requirements of the High Level Design submitted to the Commission on July 1, 2011. Based upon the work performed to date, the GIS will serve as the foundation for an Outage Management System (“OMS”), as well as an engineering and reliability analysis tool. PSNH has accelerated the project schedule to complete all tasks and be fully functional no later than December 31, 2013. The semi-annual GIS Report containing the revised schedule was filed with the Commission on December 11, 2012. PSNH is participating in the selection and acquisition of a state of the art NU Enterprise OMS. In the first quarter of 2013, PSNH will be in a position to discuss with the Commission’s staff more detail on the new OMS.

13. P.11, Item 5

“For PSNH and UES, who each have affiliates in neighboring states, the potential exists that resources could be allocated in a manner that results in the New Hampshire territories being disadvantaged, particularly given the political pressures exerted on the region’s utilities after recent storm restoration problems.”

PSNH Comment:

This is a speculative statement for which the converse is just as valid. Past experience has demonstrated that when a significant storm has impacted northern New England or New Hampshire, PSNH’s sister utilities within the Northeast Utilities system have rapidly dispatched crew resources to assist PSNH’s restoration activities.

14. P.11, Item 6

“PSNH data show that outages peaked approximately 24 hours after the outage peaks reported by the other three companies, suggesting a delay in the logging of damage assessment results into the outage management system (OMS). This reflects inadequacies in PSNH’s OMS, including inefficiencies in PSNH’s recording and integration of damage assessment results.”

PSNH Comment:

This statement in the Report implies that all New Hampshire utilities should have experienced peak outages at the same time. This assumption is not, and is unlikely to ever be, correct as electric system damage varies widely among geographic areas and may be delayed as trees and limbs continue to fail during and after a storm. The data provided by PSNH is based upon its Outage Assessment Report, which is used to provide initial damage estimates and has no connection to field damage assessment activities. To estimate the number of customers without power, PSNH reviews customer calls and then calculates the probability of whether an entire circuit, or section of a circuit, is without power. The timing of any reported peak of PSNH customer outages is directly related to the volume of customers reporting outages, and where no system problems exist that prevent customers from logging an outage. The Report also seems to suggest that the Storm produced damage over a narrow window of time. Heavy wet snow, like that experienced during this Storm, can continue to produce damage for many hours as trees continue to fall, and wind exacerbates the falling of snow laden tree branches. Furthermore, PSNH has modified its procedures during the ramp up of a restoration event to “Cut and Clear” – or make safe – roads in hard-hit areas. This process may result in additional outages to correct and “make safe” the area due to de-energizing and grounding a circuit for safety reasons. Public safety must be paramount at the outset of a storm event, with restoration to follow. This “Cut and Clear” approach has been deemed appropriate for use on all events since the 2008 Ice Storm, and was implemented for the Storm. This activity may limit restoration progress and customer outage counts may not decrease rapidly until this public safety-related activity nears completion.

15. P.11, Item 7

“PSNH did not begin to reduce its outage levels until hours later than the other three companies. This delay grows from its failure to pre-stage crews prior to the onset of the storm and its failure to ensure the immediate availability of crews in New Hampshire at the onset of the storm.”

P.12, Item 11

“PSNH was slow to deploy its own internal line crews, and, as a result, did not reach its maximum usage of internal crews until approximately 42 hours after the onset of the storm.”

PSNH Comment:

PSNH’s line crews and other company resources were on alert and ready to repair damage to the system at the close of business on Friday, October 28 and were available for dispatch on Saturday. Damage to PSNH’s system began later on Saturday, October 30, and by that time PSNH understood that the Storm would likely require a multi-day restoration effort. PSNH began repairing damage to the system by deploying

approximately 25 percent of the 86 available crews on Saturday evening and 75 percent on Sunday morning. This is consistent with Company practice of placing most crews in the field during daylight hours to maximize crew effectiveness and safety. Please also refer to PSNH's response to item 5, above, regarding the pre-staging of crew resources.

16. P.12, Item 13

"As reported to the Commission during the storm restoration period, PSNH apparently did not cancel line crew vacations. This resulted in the availability of only 41 internal line crews as of 7 a.m. on Sunday morning, October 30. It took PSNH an additional 28 hours to reach its peak level of 84 internal line crews at 11 a.m. on Monday, October 31. During that period, no crews requested by PSNH through its parent company were available to work in New Hampshire."

PSNH Comment:

The statement that PSNH did not cancel vacations is not correct. Please also refer to PSNH's response to item 15, above, regarding crew availability, and item 5, above, regarding the pre-staging of crew resources.

17. P. 14, Items 4, 5 and 6

4. *"Though they are a natural partner in emergency response, municipalities were not used effectively by PSNH and NHEC during the October 2011 Snowstorm. Based on feedback received by the Commission, municipalities were given little information regarding restoration plans and, therefore, were unable to respond to residents' questions or to plan for their own community's needs, such as whether to open emergency shelters."*

5. *"Utilities should ensure that procedures are in place during emergency events through which municipalities can provide utilities with feedback on restoration priorities."*

6. *"PSNH's communications with municipal officials as well as the public at large were inadequate, because they failed to provide information sufficient to permit officials and customers to properly plan based on the anticipated length of the power outages."*

PSNH Comment:

PSNH has taken significant steps since the 2008 Ice Storm to improve its communications channels and information flow to and from municipal customers and officials. The Company works closely with town and local officials. Municipalities are employed in a coordinated fashion to ensure public safety first and are provided

information via one-on-one contact with their PSNH Community Relations Manager or Municipal Liaison so that appropriate municipal functions can be carried out. The priorities defined by municipal customers are then channeled by the liaison to the Incident Commander so that municipal priorities are fulfilled. Additionally, municipalities are able to use the “web-EOC” function via the internet to communicate road closures, downed wires and other important issues directly to the PSNH EOC. That information is then used by the Company to coordinate actions to ensure public safety. Aside from reporting this type of information, PSNH does not plan to rely on municipal damage assessment in order to coordinate restoration activities due to the complex nature of the damage assessment process and the extensive training that would be necessary for a municipal employee to fulfill that role. PSNH is also working to improve its service restoration estimates, but significant progress in this area will only be achieved once the OMS is completed.