

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

November 6, 2013 - 10:12 a.m.  
Concord, New Hampshire

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RE: DRM 13-090 RULEMAKING:  
Puc 300 - Rules for Electric Service.  
(Hearing to receive public comments)

PRESENT: Chairman Amy L. Ignatius, Presiding  
Commissioner Robert R. Scott  
Commissioner Michael D. Harrington

Clare Howard-Pike, Clerk

APPEARANCES: (No appearances taken)

Court Reporter: Steven E. Patnaude, LCR No. 52

ORIGINAL

# **I N D E X**

## **PAGE NO.**

### **STATEMENTS BY:**

Mr. Fossum	5, 71
Mr. Coit (responding to question)	17
Ms. Knowlton	27, 32
Mr. Carney	27
Mr. Hewitt	34
Mr. Eisfeller (responding to question)	42
Mr. Dean	54
Ms. Amidon	58, 65, 73
Mr. Phillips	59
Ms. Chamberlin	65
Ms. Mackey (responding to question)	69

### **QUESTIONS/COMMENTS BY:**

Chairman Ignatius	8, 11, 18, 39, 41, 55, 62
Cmsr. Scott	10, 24, 53, 70
Cmsr. Harrington	12, 17, 25

**P R O C E E D I N G**

CHAIRMAN IGNATIUS: Welcome, everyone.

This is a public hearing in our rulemaking process for the Puc Chapter 300 rules regarding electric service. And, I trust that people have seen the Initial Proposal dated September 9th, 2013, and that that's what you'll be commenting on today. We are working our way through the required administrative rules process. And, so, these have been posted through the Rulemaking Register. We're now at the phase of a public hearing, taking comment and revise the rule, as appropriate, for submission for the final review at the Joint Legislative Committee on Administrative Rules. We don't need to take appearances, because this is a rulemaking public hearing. I do see that there's a sign-in sheet, which I appreciate, from people who want to speak, and a few who don't say that they intend to speak.

Are there any people who didn't get a chance to sign the sheet?

(No verbal response)

CHAIRMAN IGNATIUS: Doesn't look like there are. We can go through them in the order signed up or any other order, if there's a preferred way that you'd like to do it. I'm open to any recommendations?

1 MR. FOSSUM: Commissioner? See if I can  
2 get this to work for the reporter.

3 CHAIRMAN IGNATIUS: Mr. Fossum.

4 MR. FOSSUM: Thank you. Matthew Fossum,  
5 for PSNH. And, the utilities, at least those on this side  
6 of the room, Liberty and Unitil and PSNH, have met  
7 previously and had some discussions on these rules. And,  
8 for purposes of today, it was our intention that I would  
9 speak first to some sort of general utility concerns, and  
10 then offer some PSNH-specific concerns. And, then, the  
11 other companies would have an opportunity to discuss other  
12 concerns that they may have or to elaborate on anything  
13 else that would be an issue for them. So, that was our  
14 intention, is, essentially, I would go first to offer some  
15 general observations, and then some specifics. And, the  
16 other companies would over specifics of concern to them.

17 CHAIRMAN IGNATIUS: And, then, any other  
18 parties who aren't part of the utility group, we just  
19 would pick up as we go?

20 MR. FOSSUM: Yes.

21 CHAIRMAN IGNATIUS: If there are any  
22 other parties who aren't utilities. Is that acceptable to  
23 everyone? That's fine with us.

24 (No verbal response)

1 CHAIRMAN IGNATIUS: All right. Then,  
2 Mr. Fossum, why don't you begin. And, to the extent, when  
3 you have a comment that relates to a particular rule, just  
4 give us the citation number, give us a chance to find it.  
5 There may be some things that are more overreaching.  
6 Sometimes we find with rules that page numbers are  
7 different, depending on how you printed it. So, we can  
8 try with page numbers and see if they're lining up with  
9 the different versions we have. But, certainly, the rule  
10 citation itself will get us to the right place.

11 MR. FOSSUM: Thank you. I will do that.  
12 And, just to reiterate, as I said, we, the utilities, have  
13 had a chance to review these rules and have some initial  
14 discussions about concerns that we have with the rules,  
15 areas where the existing rules or proposed changes are not  
16 of any particular concern to us. And, so, to the extent  
17 that we have some comments today, it is as a result of us  
18 having actually taken some real time to go over these  
19 issues.

20 I also want to be clear that the general  
21 observations I will be offering are in the nature of  
22 concerns with the rules. They're not intended to say that  
23 the companies have a joint or unified position on any  
24 particular rule or a particular proposed change or other

1 change that may be made to the rule. Just so that it's  
2 clear that I'm not sort of pushing any other company into  
3 a position they may not feel entirely comfortable taking.

4 And, the last preface comment that I  
5 would make is that my comments this morning are -- they  
6 are intended to be somewhat general in nature, rather than  
7 specific recommendations on rules, because it's my  
8 understanding that there's a tech session to follow, where  
9 some specifics could be discussed more thoroughly. And,  
10 there's an opportunity for written comments that closes  
11 next week. And, so, to the extent that other issues may  
12 arise in the course of this hearing or at the tech  
13 session, that we would address them, I think, more in  
14 depth through those written comments.

15 CHAIRMAN IGNATIUS: What is the date for  
16 written comments?

17 MR. FOSSUM: The 13th.

18 MS. AMIDON: Yes. November 13th.

19 CHAIRMAN IGNATIUS: Thank you.

20 MS. AMIDON: A week from today.

21 MR. FOSSUM: And, so, with that, I'll  
22 just -- I'll start off on, I guess, a positive note.  
23 There's -- as a general matter, there is a proposed change  
24 to Rule 303.02, regarding "Master Metering". And, as a

1       general matter, I understand that the utilities are in  
2       favor of the proposed change that is in that rule. So,  
3       that was my only comment on that.

4               Moving ahead to Section 305 of the  
5       rules, which concerns meters, and specifically entitled  
6       "Meter Accuracy and Testing". And, it begins on Page 8 of  
7       the copy that I have. And, I understand that there are a  
8       number of changes to this section that the companies would  
9       like to see. Specifically, the rule uses in a number of  
10      places the term "watt-hour meters", but the term  
11      "watt-hour meters" is not defined. So, potential changes  
12      to the definitions or the reading of those rules would be  
13      preferred. In addition, there are certain requirements  
14      for testing of meters, particularly on their delivery to  
15      the company. And, there are certain changes that we  
16      believe might be appropriate for those meters  
17      specifically, at the moment, I'm looking at what is  
18      305.02(h), requiring testing of "5 percent of meters".  
19      And, for example, that particular -- it may be the case  
20      where very few meters are delivered at any particular  
21      time, so, testing 5 percent of them would not be terribly  
22      helpful. And, so, we're open to discussing various  
23      changes that may be made to that section with the Staff  
24      and other parties in the tech session.

1                   CHAIRMAN IGNATIUS: So, if I understand  
2     you right, it's not a concern so much with some testing  
3     sampling, but that it may just be an impractical way that  
4     it's written, if you only had --

5                   MR. FOSSUM: I think that's accurate,  
6     yes. No, we're not opposed to testing meters. Just that  
7     the circumstances under which they should do so should be,  
8     I think, made clearer. And, I have some comments later on  
9     behalf of PSNH specifically on that issue as well.

10                  On Section 306.06, which is on -- begins  
11     on Page 17 of my copy. So, presumably, it may not be  
12     terribly far from that in whatever versions you have.  
13     There are a number of concerns that have been expressed  
14     relative to the requirements of this section. For  
15     example, the notification right now is required to be by  
16     telephone only, and that cuts out a number of other  
17     effective means of communicating possible issues. So,  
18     some changes to those, to the contact method, may be  
19     appropriate there.

20                  In addition, there are some concerns  
21     with some of the reporting timeframes. Speaking on behalf  
22     of PSNH specifically at this moment, right now the rule,  
23     as drafted, requires notification within one hour of  
24     certain events. And, at present, PSNH would, in almost



1 every event, not be able to meet that, due to limitations  
2 on our system and its capabilities. So, some changes to  
3 those provisions we, as a company, and the group has  
4 expressed some interest in seeing some changes to those  
5 provisions as well.

6 Moving on to the specific items  
7 delineated in Part (b) of that section, --

8 CHAIRMAN IGNATIUS: Before you go on,  
9 I'm just -- I find that a startling statement. So, help  
10 me understand why, in almost every instance, you couldn't  
11 make a one-hour notification?

12 MR. FOSSUM: Well, my understanding is  
13 that right now, for example, the "one-hour notification"  
14 applies to the items that follow in Part (b). And, if  
15 there's an interruption of service, for example, looking  
16 at Item (3), an "interruption of service for more than  
17 five minutes", if that includes a single customer, we may  
18 not know about it within an hour. If it includes even a  
19 small group of customers, we may not know about it within  
20 an hour. Or, even if we know about it, we may not be able  
21 to get somebody physically present to wherever the trouble  
22 is to identify what that problem is and whether that's an  
23 interruption in the system, instead of something else.

24 In addition, I understand that, at least

1     for PSNH, right now we have -- our meters that are in  
2     place have certain capabilities, and that we'll be moving  
3     to meters with more capabilities, but we do not have a  
4     fully functioning AMI system that would alert the Company  
5     immediately of various interruptions, even down to the  
6     service level. So, at least for PSNH, that requires a  
7     person to go out and confirm certain items.

8                 So, that's, I mean, if we have a, you  
9     know, "involves aircraft, trains or boats" is, you know,  
10    covered in number (8). I mean, if a plane crashes, we  
11    would know about that, I would think, very quickly. But  
12    our concern was with some of the other items on the list  
13    more specifically.

14                CMSR. SCOTT: Would you be more  
15    comfortable with "within one hour of the utility becoming  
16    aware of these things"?

17                MR. FOSSUM: I would have to -- I would  
18    have to check with the people back at the Company, before  
19    I could say what it is that we would be realistically  
20    capable of providing with those sorts of notifications.  
21    That would be very helpful, "within one hour of the  
22    utility being able to confirm", certainly. But I would  
23    have to check with people back at the Company to  
24    understand exactly what the needs might be there.

1 CMSR. SCOTT: Thank you.

2 CHAIRMAN IGNATIUS: And, I just had one  
3 other thought, this I can throw out to Staff to think  
4 about, and later if you have comments on all this. Item  
5 (b)(3), requiring notification of "any accident or event",  
6 and I assume "event" could be high winds or something,  
7 that "interrupts service for more than five minutes",  
8 there's no requirement of a certain number of customers  
9 for five minutes. I would think that would be an awful  
10 lot of notifications. And, I'm not sure why we would need  
11 that level of notification. So, I guess I'd ask Staff to  
12 think about, is that really what you intended there or did  
13 some qualifier drop out, you know, a certain number of  
14 customers or certain number of -- certain kind of facility  
15 that's interrupted? Or, do you really mean any time any  
16 customer is out for five minutes?

17 MR. FOSSUM: Thank you, Commissioner.  
18 That was where I was going next, was that that would  
19 create a tremendous amount of reporting by the companies.  
20 The Staff would be in receipt of a tremendous number of  
21 reports that wouldn't necessarily be terribly informative  
22 or useful. So, the companies, I think, would like to see  
23 some revisions to that section and that list, to make it a  
24 more clear and more useful list for any reports that might

1 be required.

2 CMSR. HARRINGTON: And, kind of going  
3 along that same vein. There's a couple of them here where  
4 there's no timeframe given: "Interrupt service to a  
5 state, federal, or municipal facility", "Interrupt service  
6 to a hospital", etcetera. I mean, theoretically, it could  
7 be interrupted for 30 seconds and you're supposed to  
8 notify them. Would you have a minimum timeframe  
9 associated with that as well? It would seem to me that,  
10 you know, loss of power to a school for one minute is not  
11 really sufficient to start notifying people over.

12 MR. FOSSUM: And, I don't, as I sit  
13 here, have an exact recommendation on that. But, you're  
14 correct, some of those items, you know, if a school has  
15 power interrupted to it for some reason in the middle of  
16 July, when there's no students present, you know, are we  
17 -- is there a need for a report then? We have those kinds  
18 of concerns as well.

19 CMSR. HARRINGTON: Okay. Well, we'd  
20 appreciate your providing something more specific than as  
21 we go along in the process. Thank you.

22 MR. FOSSUM: In addition, through this  
23 section, throughout Section 306, I believe 306.06, yes,  
24 there's a requirement for filing the Form E-5E as the

1 notification, and it appears that there's -- that, based  
2 on my reading of the rule, it looks like, not only must  
3 Staff be notified, but then an E-5E has to be filed, and  
4 then, a little while later, a new report referencing that  
5 report has to be filed. And, then, at the end of a  
6 quarter, another report referencing that E-5E needs to be  
7 filed. And, so, we would just ask whether that was the  
8 intention, to have that kind of reporting. And,  
9 similarly, the notification requirements in that section  
10 require the companies to call or contact the Commission or  
11 its Staff or various representatives of its Staff more  
12 than once on a single incident. And, so, we think that  
13 that section could be revised to limit the number of  
14 reports that need to be made for a particular incidence.

15 Moving to Section 306:09, as a general  
16 matter, again, speaking more generally than just PSNH,  
17 there is some concern about the requirement for two drills  
18 as stated in the rule. And, a lot of that comes from the  
19 fact that drills can be a very expensive and  
20 time-consuming process. And, in addition, the rule  
21 requires the invitation to municipal officials, applicable  
22 state agencies, and Commission Staff. And, there's some  
23 general concern that perhaps some of those drills may  
24 become a bit unwieldy if there are too many outside

1 participants.

2                   There has been a proposal or a  
3 discussion about having fewer drills, and perhaps  
4 replacing one of the drills with targeted community  
5 outreach, which we believe would be more useful in  
6 understanding the concerns of various municipalities, and  
7 having the municipalities understand the utilities'  
8 processes for addressing their concerns.

9                   Staying in that section, there is a new  
10 table that is included, I guess it's over on Page 22 in my  
11 copy. And, there's been some discussion about potentially  
12 expanding that table to include information about trouble  
13 spots, so that there is an understanding of whether the  
14 outages are caused -- are widespread or more targeted.

15                   A few pages later on what is Page 24 in  
16 my copy, in Section 307.08, this is a section on  
17 "Reporting during Wide Scale Emergencies". But it's not  
18 clear what the term "wide scale emergency" means. So, we  
19 would ask that that be more clearly defined. And, there  
20 has been a concern about the regular reporting that would  
21 be required under Section 306.06, and whether that is or  
22 should be suspended during the reporting required for  
23 these wide scale emergencies. So, we'd be interested in  
24 discussing revisions along that line.

1                   Moving to what is the next page in my  
2                   copy, in Section 307.10, on "Tree-Trimming Standards".  
3                   Speaking generally for the companies here, I won't get  
4                   into a lot of detail. I know that different companies  
5                   have different concerns with those standards. PSNH  
6                   specifically has been moving its tree-trimming cycle  
7                   closer to a four-year timeframe, and so would continue to  
8                   do that. But there are other concerns with the rule. For  
9                   example, and this is not intended to be an exclusive list,  
10                  but, for example, the current rule does not have any  
11                  exception for if a landowner refuses consent for a utility  
12                  to trim on a landowner's property, and what that might  
13                  mean for the utility. So, as I said, the other companies,  
14                  I believe, have more targeted concerns, and I'll leave it  
15                  to them to discuss those targeted concerns.

16                 CHAIRMAN IGNATIUS: Should we do that  
17                 while we're in this section or do you want to finish your  
18                 generals, and then move to individual companies?

19                 MR. FOSSUM: As a -- on the general  
20                 items, I believe that was pretty much the last major item  
21                 that I had to offer. So, we can either discuss the tree  
22                 trimming while it's there, I have a few small, well, one  
23                 is small, one is not as small, PSNH-specific issues. So,  
24                 I guess I would leave it to you, if you would like to

1 discuss the tree trimming now, or when the other companies  
2 give you their --

3 CHAIRMAN IGNATIUS: Why don't you go  
4 ahead and finish up your list. And, then, we'll go back  
5 from the beginning for any of the specific issues that  
6 other companies have.

7 MR. FOSSUM: All right. For PSNH  
8 specifically, I have, as I said, one smaller item, and one  
9 larger item. The smaller item relates back to the meter  
10 testing requirements we discussed earlier in Section 305.  
11 And, PSNH would like to -- understands the current rules  
12 to require testing of all or nearly all demand meters.  
13 And, we believe the rules should be amended to make it  
14 more clear to allow for sample testing of those meters.

15 CHAIRMAN IGNATIUS: And, do you have an  
16 exact rule provision to look at?

17 MR. FOSSUM: 305.03. I'm sorry, I'm  
18 being told it's 02(g), 305.02(g).

19 CHAIRMAN IGNATIUS: Thank you.

20 MR. FOSSUM: And, the other issue  
21 actually is 305.02(j), regarding "instrument  
22 transformers". And, PSNH is not in favor of "field  
23 testing" those transformers. And, so, would like to see  
24 that issue reflected in the rule.



1 CMSR. HARRINGTON: Excuse me one second.  
2 Getting back to the 305.02(g), you're saying that, rather  
3 than each meter be tested on some time interval, that you  
4 would do a sampling? I'm trying to figure out what you're  
5 actually suggesting there.

6 MR. FOSSUM: My understanding of the  
7 rule that, as it's written, is that it doesn't -- it  
8 requires testing of every meter, of every one of those  
9 meters, rather than simply sample testing them to  
10 determine their accuracy. And, so, we don't believe that  
11 there's a need to test every single meter.

12 CMSR. HARRINGTON: Okay. And, when you  
13 say "sample" then, you're talking about at the time these  
14 are -- before they're put into service? If you were  
15 putting into service 20 of them, you'd sample some  
16 percentage of that or some sampling plan? I'm trying to  
17 get the correlation between the various demand meters and  
18 why a sampling plan would work.

19 MR. COIT: Sure. Mike Coit, from PSNH,  
20 to try to clarify that. What we're specifically referring  
21 to is the purchase of new meters from the manufacturer.  
22 And, given the current technology, it makes more sense to  
23 sample test the demand function, rather than 100 percent  
24 testing.

1 CMSR. HARRINGTON: Okay. So, you would  
2 be buying a lot from one manufacturer, and applying the  
3 sample plan to verifying their accuracy when you receive  
4 them?

5 MR. COIT: Correct.

6 CMSR. HARRINGTON: Okay. Now, I  
7 understand. Thank you.

8 CHAIRMAN IGNATIUS: So, the rule  
9 305.01(a), on Page 8, requires a utility to "inspect all  
10 meters", *etcetera*, "before installing the meter on a  
11 customer's premises." And, so, you'd also be looking to  
12 amend that. That it wouldn't be that everything prior to  
13 installation be inspected, but only a sample?

14 MR. COIT: I'm sorry, which? 305.01(a)?

15 CHAIRMAN IGNATIUS: Yes. And, I just --  
16 it was pointed out to me, this talks about "inspecting",  
17 rather than "testing". So, maybe my question makes no  
18 sense.

19 MR. COIT: That specifically is  
20 inspecting the current --

21 (Court reporter interruption.)

22 MR. COIT: I'm sorry. As I read that,  
23 it's specifically on the registry constant.

24 CHAIRMAN IGNATIUS: So, you wouldn't be

1 looking to change that to a sampling, that would remain  
2 as --

3 MR. COIT: No, no.

4 CHAIRMAN IGNATIUS: Okay. Thank you.  
5 And, then, Mr. Fossum, you were saying that, in Section  
6 (j), that must be 305.02(j), that you weren't in favor of  
7 "field testing", did you say that? But I can't find  
8 anything in (j) that talks about "field testing". So, I  
9 must have misunderstood.

10 MR. COIT: Well, if I may, it's more  
11 related to 305.01, what's currently identified as (h).  
12 And, there are a number of following clauses that are to  
13 be added. Some of those are, I think, best worked out in  
14 the technical session. But those are some of the  
15 requirements that we need to talk about some more.

16 CHAIRMAN IGNATIUS: All right. Thank  
17 you. All right. Mr. Fossum.

18 MR. FOSSUM: Thank you. And, like I  
19 say, I have one last item, but it is, from the Company's  
20 perspective, a significant one. There was, following the  
21 Initial Proposal, there was a proposed new Section 306.10,  
22 on "Physical and Cyber Security".

23 MS. AMIDON: If I may, madam Chairman, I  
24 can provide you a copy of that language, which Staff

1 distributed to the utilities before today's hearing. And,  
2 Staff was going to talk about it, but if I could give that  
3 to you now?

4 CHAIRMAN IGNATIUS: That would be great.  
5 Thank you.

6 MS. AMIDON: We did provide it to the  
7 utilities.

8 CHAIRMAN IGNATIUS: And, do other  
9 parties have copies?

10 MS. CHAMBERLIN: Do you have an extra?  
11 (Atty. Amidon distributing documents.)

12 CHAIRMAN IGNATIUS: Do we need to make  
13 any more before we go on?

14 MS. AMIDON: I don't believe so. I  
15 shared it with the -- well, I guess the regulated  
16 utilities.

17 CHAIRMAN IGNATIUS: Are we all good?  
18 (No verbal response)

19 CHAIRMAN IGNATIUS: All right.

20 MS. AMIDON: Thank you.

21 CHAIRMAN IGNATIUS: Then, go ahead,  
22 Mr. Fossum. Thank you, Ms. Amidon.

23 MR. FOSSUM: Thank you. Right now, PSNH  
24 is of the opinion that there are a number of issues with

1       this proposed rule that would need to be sorted out before  
2       it could be adopted. For example, the rule seems  
3       currently to be very broad and very vague, and appears to  
4       involve any breach of security at any facility or any  
5       threat to any cyber system.

6               And, so, one of the issues that was  
7       potentially brought to my attention is that, if somebody,  
8       for example, is, you know, spray paints a company wall,  
9       and we have to -- and, in the reporting in that rule, it  
10      covers things like vandalism. So, that potentially might  
11      be covered as a "reportable event" to the Commission. In  
12      addition, some small thing, like if somebody breaks a  
13      light bulb at one of our stations, that could potentially  
14      be covered as a "reportable event", and that seemed  
15      awfully vague to us.

16              It also, as written, would require  
17      notification to the Commission within two hours of certain  
18      events. And, if it's a small matter, that may not be  
19      possible, or, if it's one affecting the utility's cyber  
20      systems, which may be difficult to detect, two hours may  
21      be too tight a timeframe for the companies to adhere to in  
22      every instance.

23              So, as a general matter, PSNH is of the  
24      opinion that, if there is to be a rule, it should be more

1 limited to cover critical assets at facilities, and that  
2 any reportable breaches relative to them should be more  
3 clearly defined. And, I would note also that PSNH is  
4 currently subject to the mandatory Critical Infrastructure  
5 Protection, the CIP Program of NERC, which has very  
6 specific reporting requirements relative to various PSNH  
7 facilities and systems. Because of those, PSNH's  
8 recommendation would be that compliance with that would be  
9 sufficient for the Commission's concerns. And, if the  
10 wider concern is that the Commission is not receiving  
11 information through that existing program, we'd be willing  
12 to work with the Staff to understand what sort of  
13 notification they might need or want through that program.

14 Also, the Presidential Directive that is  
15 referenced in the rule currently is the Directive that  
16 requires the Executive Branch of the federal government to  
17 undertake certain activities. And, we don't understand  
18 that that applies to private industry or utilities  
19 specifically. So, it's not entirely clear to the Company  
20 what it would be required to do pursuant to that  
21 Directive.

22 And, the Public Law that's referenced is  
23 the USA Patriot Act, which is a large law, with a lot of  
24 requirements. And, it's not -- it's not clear to us what

1 part or portions of that are intended to apply here.

2 The rule, as written, also requires the  
3 utility to plan for and protect against threats to various  
4 systems and locations, including metering locations and  
5 other locations of electrical equipment. Which would seem  
6 to include just about everything on the entire utility  
7 system. And, as I said before, there's currently a  
8 requirement for a quarterly report that includes acts of  
9 vandalism, regardless of amount. And, includes items like  
10 "loss of control of equipment", which could, for example,  
11 happen in a storm, rather than as a result of any  
12 outsider's malicious intent.

13 So, with that all said, I want to make  
14 clear that PSNH takes the security of its facilities, both  
15 virtual and real, very, very seriously. It is a top  
16 priority for the Company. But we do not believe that the  
17 proposed rule effectively addresses those security issues.

18 What PSNH believes would be a more  
19 worthwhile undertaking is to begin a docket or an  
20 investigation or discussion among the companies, the  
21 Staff, and others, potentially, about these issues, which  
22 would allow the companies to educate the Staff about what  
23 it is that they do currently, and what they would be doing  
24 in the future. And, it would allow the Staff and the

1 Commission to educate the utilities about what specific  
2 information they might need or want. But, for right now,  
3 we don't believe that this rule is -- the proposed rule is  
4 a very useful rule, and that it should not currently be  
5 adopted.

6 And, the other item that --

7 CHAIRMAN IGNATIUS: Well, before you go  
8 on from -- is it still in this area, because I have  
9 potential questions?

10 MR. FOSSUM: Yes, it is. I have one  
11 final comment to make on it. Is that, if, indeed, the  
12 intent of the rule is to protect critical systems, the  
13 critical systems may include more than simply electric  
14 company systems. They may include systems of other  
15 companies; water, gas or others. And, so, potentially, a  
16 wider discussion is needed before a rule is put in place.

17 CHAIRMAN IGNATIUS: Thank you.  
18 Commissioner Scott, did you have questions?

19 CMSR. SCOTT: Thank you. I just wanted  
20 to point out and make sure I'm not misunderstanding. Many  
21 of your concerns I get and I understand, I think. The  
22 question of NERC CIP requirements, that only applies to  
23 the transmission and wholesale side of the house, not  
24 distribution, correct?



1                   MR. FOSSUM: And, Mr. -- yes, it applies  
2 to the bulk electric supply system. So, my understanding  
3 is that that is 100 kV and up, as well as  
4 transmission-related equipment, substations, and the like.  
5 So, it does not specifically apply to the distribution  
6 system. And, so, that's why we believe that a discussion  
7 may be necessary to understand exactly where those things  
8 may overlap, where they don't, and what information about  
9 the distribution system is really important to provide.

10                  CMSR. SCOTT: Okay. Thank you.

11                  CHAIRMAN IGNATIUS: Commissioner  
12 Harrington.

13                  CMSR. HARRINGTON: I just -- the only  
14 thing I wanted to say is that I think everyone  
15 understands, this is sort of a brave new world of cyber  
16 security that we're all entering here. This is an attempt  
17 to get something on the table here and a starting place.  
18 And, you know, feel free to bring in any comments and so  
19 forth. We expect a lot of people will be working on this  
20 to come up with something. As Commissioner Scott said,  
21 the problem right now is, you know, FERC jurisdiction  
22 through the CIP standard stops at that bulk power supply  
23 system and the transmission. So, what we need to apply to  
24 the distribution systems is sort of a work-in-progress.

1       So, would just hope that everybody here will work  
2       collectively to come up with something that's usable and  
3       useful on this effort. But don't assume that what we have  
4       here is the end-all/be-all for anything. It's a starting  
5       point.

6                       MR. FOSSUM: And, I think that's an  
7       accurate reflection, too, of at least PSNH's position on  
8       it, is that -- is that this discussion needs to be  
9       started. But we don't believe that this current rule, as  
10      proposed, is an effective means of implementing that, that  
11      very necessary decision.

12                     CHAIRMAN IGNATIUS: All right. Anything  
13      further, Mr. Fossum?

14                     MR. FOSSUM: No. Thank you.

15                     CHAIRMAN IGNATIUS: Thank you very much  
16      for giving that overview of general concerns, and then  
17      company-specific ones. Should we move then to the  
18      individual utilities' reactions to anything that's an  
19      issue of concern to them? I don't know if there's a  
20      requested -- a preferred order to go in or just go through  
21      the list? Ms. Knowlton.

22                     MS. KNOWLTON: Sure. We're happy to go  
23      next.

24                     CHAIRMAN IGNATIUS: You were next on the

1 list anyway.

2 MS. KNOWLTON: Sarah Knowlton. I'm here  
3 today for Granite State Electric Company, Liberty  
4 Utilities. Is this microphone on? You're okay?

5 MR. PATNAUDE: I'm okay.

6 MS. KNOWLTON: Thank you for the  
7 opportunity to provide some comments. The Company's  
8 greatest area of concern with the proposed rule relates to  
9 the tree-trimming provision. And, Jeff Carney, who is our  
10 Vegetation Supervisor, is here to my right, he's going to  
11 address that. And, when he's through with his comments,  
12 there are a few items that I want to bring to your  
13 attention.

14 So, with that, I'll let him address the  
15 tree-trimming standard that's proposed.

16 CHAIRMAN IGNATIUS: Thank you.

17 MR. CARNEY: Thank you. Again, my name  
18 is Jeff Carney. I'm the Vegetation Supervisor at Liberty  
19 Utilities. I was formerly the System Arborist at National  
20 Grid. I'm a Certified Arborist, a Utility Specialist, and  
21 a New Hampshire Licensed Forester. And, I have  
22 approximately 24 years in the utility vegetation  
23 management industry. Again, I'm here to provide comments  
24 on 307.10, "Tree Trimming Standards", as it's proposed.

1 The language was essentially taken from the 2009 Ice Storm  
2 After Action Report as a recommendation, associated with  
3 performance by the various companies and their vegetation  
4 management programs as they were at the time, with sort of  
5 leading down the path of improved performance. The rule,  
6 however, as written, if the intent of the proposed rule is  
7 to improve reliability through uniform statewide  
8 clearances and cycle lengths, the rule may not necessarily  
9 accomplish that objective.

10 Consider the following points about  
11 vegetation management, as this is very important to  
12 Liberty Utilities: Clearance to whatever specification  
13 does not necessarily result in improved reliability. Said  
14 another way, reliability is at least one step removed from  
15 clearance. There's no accepted industry standard  
16 supported by data that advocates a particular cycle length  
17 and clearance specification will produce a reliability  
18 benefit of "X". Utility best management practice is to  
19 prune for the maintenance cycle duration, not for a  
20 specific clearance between conductors and trees. Trees in  
21 close proximity to the electric overhead infrastructure  
22 are never in a constant state. They are dynamic living  
23 objects.

24 Cycle length and clearance should be

1 about managing the risk of the structural failure of a  
2 tree and branch and not managing for air space.  
3 Emphasizes risk identification and mitigation is an  
4 Industry Best Practice. The industry has traditionally  
5 focused on achieving clearance, therefore, the  
6 long-standing reference to the work as being "line  
7 clearance tree trimming". Leading utilities have begun to  
8 refocus their vegetation management efforts, recognizing  
9 the goals of safety and reliability. Moving away from  
10 simply focusing on achieving line clearance to that of  
11 managing for reliability is also an Industry Best  
12 Practice. Cycle length and clearance are complicated, and  
13 a one-size-fits-all approach may not be beneficial to all.

14 The cost implications to move from a  
15 well-established, well-funded five-year cycle at Liberty  
16 Utilities would require approximately an additional  
17 \$300,000 to \$350,000 annually to cover the cost to move  
18 from one cycle to another. And, essentially, the detail  
19 breaks down, our average REP/Veg. submittals year-to-date  
20 for the pruning portion of our program has been 780 to  
21 \$800,000. To move to a four-year cycle, the increase  
22 would essentially be \$915,000 to \$1.13 million, which  
23 includes the pruning costs and traffic control costs  
24 associated with the work. So, it's significant to us.

1 And, there may be no potential significant improvement in  
2 reliability by spending those additional funds.

3 Consideration should be given to --  
4 excuse me. Separating the three phase portions of  
5 circuits and putting them on a different cycle than the  
6 remainder of the circuit is difficult to manage and is not  
7 an Industry Best Practice. Ten to twenty years ago, this  
8 was a strategy, if you didn't have a sufficient budget, by  
9 default, it resulted in two cycles. We now know a  
10 well-funded end-to-end program is an Industry Best  
11 Practice, as put forth in our REP/Veg. plans annually.

12 Two separate -- two separate operations  
13 on a circuit would most certainly be confusing to  
14 municipalities and customers. It would also be more work  
15 for small towns with multiple designated scenic roads that  
16 require Planning Board approval at public hearings, as  
17 there would be a greater need for many more hearings  
18 annually. There could also be increased traffic control  
19 costs associated with that.

20 Ground to sky trimming should only be  
21 considered a tool of last resort to improve reliability.  
22 It's extremely expensive and resource intensive. The  
23 remaining trees may be left overexposed potentially  
24 resulting in sunscald and mortality. The practice has a

1 tendency to capture a lot of attention publicly and  
2 compromised esthetics may not be seen as an improvement.

3 If uniform cycle lengths and clearances  
4 are to form the basis of the rule, we would advocate and  
5 support the following proposed changes as follows, as it  
6 recognizes the landowner's rights and role in the outcome,  
7 accepted industry pruning standards, and recognize the  
8 benefits of trees in New Hampshire: 307.10 Tree-Pruning  
9 Standards. (a) With landowner's consent, the utility  
10 shall prune trees adjacent to all distribution circuits to  
11 the following minimum clearances on no more than a  
12 four-year cycle: 10 feet below the conductors, 8 feet to  
13 the side of the nearest conductor and 15 feet above the  
14 conductors, at the time of pruning. Utilities should  
15 consider identification and mitigation of elevated risk  
16 from tree exposure on circuits or sections of circuits  
17 that are significantly and/or continually experiencing  
18 tree-related interruptions.

19 Section (b) Utilities should not be  
20 required to prune to the clearance standards specified in  
21 subpart (a) of this section where: (1) the landowner has  
22 refused or restricted permission to prune; (2) a  
23 municipality or other local governing body, by ordinance  
24 or other official means, has refused or restricted

1 permission to prune; or (3) pruning to the standards  
2 specified in subpart (a) would be detrimental to the  
3 health of the tree, in which the utility shall adhere to  
4 the guidelines provided in the ANSI A300 or ANSI A300  
5 companion publications for pruning. Thank you.

6 CHAIRMAN IGNATIUS: Thank you. And, I  
7 think the court reporter would appreciate a copy of that,  
8 because he was going a mile a minute, but so were you.

9 MR. CARNEY: I'm sorry.

10 CHAIRMAN IGNATIUS: All right. That's  
11 helpful. Thank you. Anything else on vegetation issues,  
12 Mr. Carney?

13 MR. CARNEY: Not from me. Thank you.

14 CHAIRMAN IGNATIUS: All right. Ms.  
15 Knowlton.

16 MS. KNOWLTON: The other issue relating  
17 to vegetation management that concerns us, if the  
18 Commission is going to change a rule and there are cost  
19 implications, and, as Mr. Carney has indicated, they're  
20 very substantial for us, what the cost recovery mechanism  
21 for that would be. If there are going to be annual costs,  
22 you know, we need to ensure that we have a mechanism to  
23 recover those costs. And, it's not clear to me whether  
24 that would be part of the REP/VMP Annual Adjustment Factor



1 or otherwise. So, we would want clarity on that point.

2 CHAIRMAN IGNATIUS: One other thing on  
3 that that I wonder about, and Staff might want to  
4 consider, is many of the utilities, if not all, have  
5 specified cycles and tree trimming protocols. And, was  
6 the rule intended to be a requirement that those change or  
7 that the rule was there and -- for those companies that  
8 didn't have a specified tree trimming protocol in place?  
9 So, that's something to think about. And, if it's --  
10 whichever way you go, there may be some drafting that  
11 could help make that clear. Go ahead.

12 MS. KNOWLTON: A few other issues I  
13 wanted to touch on. There are a couple of rules, if  
14 adopted as proposed, where Granite State Electric Company  
15 would require a waiver from the Commission. And, I'll  
16 certainly address this in written comments on  
17 November 13th. But, as you may be aware, the electric  
18 company is not cutting over from National Grid until  
19 Memorial Day weekend 2014. So, there are some provisions  
20 in the proposed rules that we would not be able to  
21 accommodate until we cut over to our own systems. And,  
22 so, we will identify those for you in our written  
23 comments. And, I'm not going to go through those  
24 particular rules right now, because let's see where we end

1 up after the technical session. But I wanted to alert you  
2 to that possibility, that it would be a short-term waiver.

3 There is one proposed rule for which we  
4 may need a long-term waiver, and that's 311.01(c). And,  
5 that rule requires that the utility maintain for two years  
6 the voice recording of the customer call verifying  
7 authorization to go onto default service. And, right now,  
8 Granite State Electric Company, and this has been its  
9 practice for many years, only retains those conversations  
10 on a rolling 12-month basis. So, to add another year of  
11 voice recordings, again, there are significant costs  
12 associated with that, and it's not and has not been the  
13 practice at the Company. And, so, that would be a  
14 situation where we would need a long-term waiver, if that  
15 two years remains in the proposed rule.

16 That's all we have today.

17 CHAIRMAN IGNATIUS: Thank you. Is there  
18 someone who would like to be the next, the next utility  
19 speaker?

20 MR. HEWITT: Sure.

21 CHAIRMAN IGNATIUS: Mr. Hewitt.

22 MR. HEWITT: Good morning. My name is  
23 Bill Hewitt. I'm an attorney with Pierce Atwood. I'm  
24 appearing today on behalf of Unitil Energy Systems, or

1 "UES" or "the Company" as I'll refer to them from time to  
2 time today. Given the importance of this rulemaking to  
3 the Commission and to the Company, we have brought a  
4 number of representatives from the Company, who are  
5 subject matter experts on many of the issues that are  
6 covered in the Commission's proposed Chapter 300 rules.  
7 And I would just like to briefly introduce them to you, if  
8 I may. To my immediate right is Jonathan Everett, who is  
9 the Vice President of Information Technology and the  
10 Company's Chief Cyber Security Officer; to his right is  
11 Richard Francazio, Mr. Francazio is our Director of  
12 Business Continuity and Compliance; to his right is  
13 Raymond Letourneau, who is our Director of Electric  
14 Operations and Vice President of UES; and next is Sara  
15 Sankowich, who is our System Arborist; and next to  
16 Ms. Sankowich is Justin Eisfeller, who is our Director of  
17 Energy Measurement and Control, and is also a Vice  
18 President at UES. At any time, if you have questions,  
19 please feel free to raise them. We have, obviously, very  
20 capable people here who can provide you any technical  
21 information, should you need it.

22 Just as sort of a reminder and textual  
23 point. The Company serves about 75,000 distribution  
24 company -- distribution customers in the State of New

1 Hampshire; approximately 45 of those are along the  
2 Seacoast area and 30,000 are here in the greater Concord  
3 area. The Company certainly has a very strong commitment  
4 to safe and reliable distribution service to customers.  
5 And, we appreciate the opportunity to appear today before  
6 the Commission to provide these comments. We look forward  
7 to working with the Commission, Commission Staff, and the  
8 other utilities on these rules. And, we're certainly here  
9 and we're committed to work to achieve the Commission's  
10 regulatory objectives, and to do so in a cost-effective  
11 manner for New Hampshire ratepayers and our customers.

12 We will be providing written comments  
13 next Wednesday. And, today, really we just want to hit  
14 sort of the highlights on four subjects that are  
15 particularly important to the Company. Those four areas  
16 are Section 306.06, that we've already discussed a little  
17 bit this morning, relating to notifications of accidents  
18 and property damage; we'll have some comments on 306:09,  
19 which is the emergency response standards that are  
20 proposed; 307.10, which is tree trimming or "pruning", as  
21 we prefer to refer to that activity; and then Section  
22 306.10, the "Physical and Cyber Security Plans".

23 So, with that, I'd like to start off  
24 with Section 306.06, "Notifications of Accidents and

1     Property Damage". And, that's on, I believe, Page 18 of  
2     the version of the proposed rule that was issued on  
3     September 9. Certainly, the Company recognizes that the  
4     Commission has a keen interest in receiving notification  
5     from its utilities of certain events that occur day-to-day  
6     in the utilities' operations. UES is certainly willing to  
7     provide the Commission with more information than the  
8     Commission currently receives, concerning outages and  
9     other events, and we certainly want to be as helpful as we  
10    can in this regard.

11                    Serious injuries, fatalities,  
12    significant interruptions, those are among the events that  
13    the Company and the Commission should be in very close  
14    communication over. Pick up the phone, give a call, make  
15    sure that we're in close communication, and that there is  
16    a common understanding as to what's going on out in the  
17    field.

18                    The Commission's rule, however, as  
19    proposed, is really limited to telephonic communication.  
20    And, given where we are today with technology, the Company  
21    feels very strongly that there are certain types of  
22    communications, certain types of notifications to the  
23    Commission that can be effectively performed without the  
24    requirement of using a call tree, as is proposed in the

1 rule. And, this rulemaking process provides us all an  
2 opportunity to really understand the type of information  
3 that the Commission wants, how they want that information  
4 delivered, about which events they want it delivered, so  
5 that we are providing you the information that you need,  
6 we aren't providing you too much information, such that  
7 the important messages get lost in the fray or get lost  
8 under the weight of just a continuous series of  
9 communications or notices that may not be helpful to you.  
10 So, we look at this as an opportunity to be able to  
11 provide you exactly what you want in a way that can be  
12 helpful to you.

13 PSNH touched upon this issue, and we  
14 certainly agree that this also gives you an opportunity to  
15 sort of fine-tune what the reporting obligations are.  
16 And, whether it's most efficient to report on the same  
17 incident two or three times, or whether, you know,  
18 quarterly or monthly or some type of reporting format  
19 would be more helpful than us providing you essentially  
20 the same information in multiple formats.

21 And, we had these discussions with the  
22 other utilities about the use of electronic means for  
23 communication. And, we're certainly happy to work with  
24 your Staff during the technical session and come up with a

1 framework that we hope to be useful to you.

2 CHAIRMAN IGNATIUS: Let me ask you about  
3 the "reporting multiple times". Obviously, if it were  
4 that every day you had to tell us the same information we  
5 already knew, that would be a terrible rule. But isn't  
6 the point here that, initially, you make a report within  
7 an hour, the information may be limited at that point, and  
8 the subsequent reporting is as you develop more  
9 information?

10 MR. HEWITT: I think that's true. And,  
11 certainly, I don't want to be misunderstood to suggest  
12 that we should only be reporting on something once.  
13 Because, as you know, the information that we have matures  
14 over time, and, certainly, we know better what happened a  
15 week after an incident than an hour after an incident  
16 occurs.

17 I think we're really concerned more with  
18 providing information repeatedly, after it's understood  
19 what happened. And, so, -- and, this isn't a significant  
20 concern. Again, it's just one of those, let's make sure,  
21 since we're doing this, that we do it right and provide  
22 you with the meaningful information that you want.

23 Car alarms were a great thing when they  
24 first started out, but who pays any attention to a car

1 alarm today? And, we don't want our notifications coming  
2 into the Commission to be just another car alarm. Not  
3 that they would, but we want to make sure that our message  
4 is being heard and is being useful for the purposes that  
5 you intend.

6 In addition to the appropriate use of  
7 electronic communications, the Company also believes that  
8 the proposed rule would benefit from modifying some of the  
9 triggers for the various notifications, and a couple of  
10 these have already been touched upon today. 306.06,  
11 subpart (b), and that's again on Page 18, that requires  
12 notification within an hour after an accident or event  
13 that interrupts service for more than five minutes or  
14 interrupts service to more than 200 customers. I think  
15 we've touched on those. I think the Commissioners  
16 understand, and Commissioner Ignatius and Commissioner  
17 Harrington both put their fingers on a couple of those  
18 issues. So, you see what the concerns are. The outages  
19 for more than five minutes, obviously, we have a lot of  
20 outages for more than five minutes. And, we're not  
21 entirely confident that you really want to get a phone  
22 call or an e-mail every time we have an outage for five  
23 minutes to a single customer on our system.

24 There is some -- there is some



1 challenge, I think, in terms of identifying reporting  
2 triggers for the number of customers who may be subject to  
3 an outage. And, the proposed rule suggests 200 customers.  
4 We think that's probably too low of a number. During the  
5 year ending -- this is during the 12-month period ending  
6 September 30, 2013, the Company had about 250 outages that  
7 affected more than 200 customers. So, that's a lot of  
8 notification that you're going to want, or that the rule  
9 would require as it's proposed. And, probably, some of  
10 the challenge that you have, you have three, as far as the  
11 Liberty, PSNH and Unitil are concerned, you have three  
12 very -- a 200-customer outage is perhaps a different  
13 situation on each of those three systems. So, whether the  
14 Commission adopts some sort of threshold number, and that  
15 number applies to everyone, or may tailor it more in terms  
16 of percentage. "If you have "X" percentage of your total  
17 customers that experience an outage, we want to know about  
18 it." Those are sorts of things we can talk about in the  
19 technical session. Again, to make sure you're getting the  
20 right information, and you're not getting a deluge of  
21 notifications that you weren't expecting that you would  
22 get.

23 CHAIRMAN IGNATIUS: Mr. Hewitt, when you  
24 said that the Company had experienced I think you said

1 "250 instances where you had more than 200 customers out",  
2 does that include times of those wide-scale storm  
3 situations that are talked about a couple pages later?

4 MR. HEWITT: I'm going to ask Mr.  
5 Eisfeller to comment on that.

6 MR. EISFELLER: It does not.

7 CHAIRMAN IGNATIUS: Okay. So, those  
8 are, if you exclude the storm outages, you still had 250  
9 or so instances of 200 customers or more out?

10 MR. EISFELLER: Correct.

11 CHAIRMAN IGNATIUS: And, is that across  
12 the board, if you had one in every municipality? Or, is  
13 this some sort of localized, when you measure, is that  
14 just a total on the system, 200 people out?

15 MR. EISFELLER: That's total on the UES  
16 system.

17 CHAIRMAN IGNATIUS: All right.

18 MR. EISFELLER: Which includes our  
19 Seacoast and Capitol areas. It would include, you know,  
20 the minor storms. It would not include any of the major  
21 storms that we've had in the past years.

22 CHAIRMAN IGNATIUS: Okay. Thank you.

23 MR. HEWITT: The next provision within  
24 the rule that we'd like to comment on is one I think that

1 Commissioner Harrington identified, Section 306.06, sub  
2 (b)(6), which again is on Page 18 of the proposed rule.  
3 And, that would require Commission notification for  
4 "interruptions of service to a hospital, school or other  
5 facility in which the public at large could be affected."  
6 We're particularly concerned by the ambiguity of that last  
7 phrase. A "facility in which the public at large could be  
8 affected" is vague, and it's not clear to us as to what  
9 types of facilities are intended to be covered.  
10 Conceivably, the "public at large" could be affected by  
11 any outage that does not occur within someone's residence.  
12 For example, interruptions of service to a streetlight or  
13 traffic signal might fall within the scope of that  
14 notification requirement and would require a notification  
15 to the Commission. So, we would add 306.06(b)(6) as one  
16 of those provisions that we should discuss during the  
17 technical session, to make sure we're providing the type  
18 of information that the Commission desires.

19 The last issue on notification that we'd  
20 like to bring to your attention this morning is one of the  
21 catch-all notifications, which is in 306.06(c), still on  
22 Page 18 of your proposed rule. This is a catch-all that  
23 would require distribution utilities to "notify the  
24 Commission within one business day of any accident or

1 event that involves damage to property, facilities or  
2 service that does not meet the criteria of  
3 Section 306.06(b)", the preceding paragraph that has the  
4 multiple list of events that would trigger notification.  
5 This catch-all, in 306.06(c), if adopted, would require  
6 the distribution companies to notify the Commission of any  
7 and all accidents or events that involve property damage  
8 -- "that involve damage to property, facilities or  
9 service" period.

10 So, there's a vehicle accident that  
11 occurs, and a utility pole receives some very minor  
12 damage, but there's visible damage to the pole, but  
13 there's no service outage. The pole can remain in service  
14 without any concern for public safety. Under the rule as  
15 written, the utility would have an obligation to  
16 presumably report that property damage to the Commission  
17 under 306.06(c).

18 Even momentary interruptions that  
19 frequently occur on any normal, healthy operating  
20 distribution system, things such as voltage fluctuations  
21 or recloser operations, those occur frequently on systems.  
22 And, those also would conceivably cause a reporting  
23 obligation under this catch-all provision.

24 So, we look forward to working with the

1 Commission Staff and the other distribution companies  
2 during the technical sessions to develop a communication  
3 framework that leverage the efficiencies of modern  
4 technology, provides the Commission with notifications  
5 that are meaningful and appropriately tailored to the  
6 importance of the outage or the event that is being  
7 reported on.

8           The second subject that we'd like to  
9 discuss today briefly is in Section 306.09, that addresses  
10 "Emergency Response Standards and Electrical Outage  
11 Restoration". And, that's on Page 22 of my copy of the  
12 proposed rule. Unitil certainly agrees with the spirit of  
13 Section 306.09, that outages must be restored as quickly  
14 and safely as possible, and that a robust emergency  
15 response plan plays a very important role in emergency  
16 preparedness. 306.09, subpart (e) would require emergency  
17 response plans to provide for readiness drills to be  
18 conducted twice each year. Unitil's current ERP calls for  
19 one full company readiness drill per year. We found that  
20 such an exercise takes literally months of planning to  
21 build a scenario that simulates a major disaster. And,  
22 when developing the exercise, the Company employs the  
23 services of consultants that would normally support the  
24 Company during a real emergency, to ensure that the

1 consultants understand their respective roles. These  
2 consultants include our outage management vendor, media  
3 communications and logistics vendors. Our employees work  
4 closely with these vendors to ensure that the respective  
5 roles and responsibilities of all are clearly understood  
6 so that they can be properly discharged during an event.

7 All Unitil employees have storm  
8 assignments, and approximately 70 percent participate in  
9 this annual exercise. In effect, we stop all routine  
10 office work, and spend roughly six hours working through  
11 various changes in fact pattern for the disaster that's  
12 being simulated.

13 As part of that process, we invite  
14 regulators, elected officials, and municipal emergency  
15 response personnel to observe our preparation and our  
16 exercise. The Company follows the Instant Command System  
17 and our organizational design and response activities, and  
18 an After Action Report is generated that analyzes the  
19 Company's performance. The entire exercise is focused on  
20 keeping the Company personnel trained and ready to respond  
21 effectively to a major disaster scenario.

22 As you might expect, this level of  
23 emergency preparedness is not an inexpensive endeavor.  
24 Unitil estimates that these full company readiness drills

1 cost customers about \$135,000 per drill. And, while the  
2 proposed rule would require two readiness drills each  
3 year, the Company cautions that two full company-scale  
4 exercises may not be the most efficient use of customer  
5 dollars.

6 Unitil suggests instead a single  
7 company-wide readiness drill, similar to what we perform  
8 today, followed by an annual tabletop exercise that is  
9 designed to address performance issues that may have been  
10 identified in the After Action Report that flowed from the  
11 last full exercise. This follow approach would allow the  
12 Company to fine-tune its energy response processes in a  
13 timely and coordinated manner, without the expense of a  
14 full-blown company-wide exercise.

15 And, for these reasons, we encourage the  
16 Commission not to require two full-scale drills as  
17 suggested in the proposed rule, but to consider  
18 alternative approaches to emergency preparedness,  
19 including those that the Company has outlined today and  
20 that we may further develop in our written comments.

21 The third subject that we'd like to  
22 cover today involves tree trimming or tree pruning  
23 standards. And, I think there's -- I think there's close  
24 agreement, I think it would be fair to say, between Unitil

1 and the comments that were provided today by the folks  
2 from Liberty. The Company supports the Commission's  
3 effort to bring tree trimming uniformity among the state's  
4 distribution companies. And, we conceptually agree with  
5 the clearances that are proposed in the rule. We do have  
6 several suggested revisions to the proposal.

7 First, the Company recommends that the  
8 Commission use cycles that are defined in terms of years,  
9 not months. Pruning is an activity that's planned for a  
10 year, not based on months. And, you can -- and I see --

11 CHAIRMAN IGNATIUS: Does it make a  
12 difference?

13 MR. HEWITT: -- we're not clicking,  
14 Chairman Ignatius. So, let me understand that -- or, let  
15 me further explore that a little bit with you. So, if --  
16 say you have a five year pruning cycle. On year one, you  
17 prune in May. If you are doing this by months, and you  
18 take 60 months, you have to prune again in May on the year  
19 that you're going to trim. If you do it in terms of  
20 years, we wouldn't have to do that by May that year. We  
21 would have the flexibility to do that pruning during that  
22 year. So, that's why we would prefer to not talk in terms  
23 of "months", but in terms of the equivalent number of  
24 years.



1 CHAIRMAN IGNATIUS: Thank you.

2 MR. HEWITT: So, that's the first issue.  
3 The second issue is the Company suggests that the  
4 Commission not adopt a split cycle, where some portions of  
5 a circuit are trimmed on a four-year cycle, while other  
6 sections of the same circuit would be trimmed on a  
7 five-year cycle. Split cycles are confusing to customers.  
8 It also presents, we believe, unnecessarily challenges for  
9 the Company and for its contractors to try to administer.  
10 The Company believes that a single standard that's  
11 appropriately applied, that applies to all circuits, and  
12 equally, is the most straightforward and efficient  
13 approach to take on pruning.

14 Third, the proposed pruning rule appears  
15 to assume that the distribution companies have an  
16 unfettered right to prune any trees that are adjacent to  
17 the company's wires. That's not the case. Because these  
18 trees are owned privately or by municipalities, the  
19 company must obtain permission before undertaking any  
20 pruning activities. So, to the extent that those  
21 permissions are either withheld or limited by the owner,  
22 the utility should not be deemed out of compliance with  
23 the pruning regulations.

24 The fourth point on this subject is that

1 the distribution utilities should not be required to prune  
2 to the clearance standards established by the new rule, to  
3 the extent such pruning will be harmful to the health of  
4 the tree and is otherwise unnecessary. And, in that case,  
5 as with Liberty, we recommend that the Commission require  
6 the utilities to follow the pruning guidelines provided by  
7 the American National Standards Institute, or ANSI, in its  
8 A300 guidance, as well as the companion publication that's  
9 issued with the ANSI A300. We believe adherence to these  
10 standards will allow the distribution utilities to promote  
11 system reliability, while also preserving the health of  
12 the tree whenever possible.

13 Fifth under this issue of pruning,  
14 Unitil currently prunes its distribution circuits on a  
15 five-year cycle, with a mid-cycle review. We understand  
16 that the proposed rule has suggested a four-year pruning  
17 cycle. And, if that's what the Commission deems it wants,  
18 that's what the Company is willing to do, of course. But  
19 it is important that the Company receive timely cost  
20 recovery for these increased pruning efforts. If a  
21 four-year cycle is adopted by the Commission, we would be  
22 trimming approximately 25 percent more miles each year  
23 than under our current five-year program. The Company  
24 estimates that maintaining its current scope of pruning,

1 and changing the cycle to a four-year cycle, would present  
2 an added cost of just over \$500,000 per year in added  
3 pruning expense.

4 And, finally, while the Company, as I  
5 said, will comply with a four-year cycle, if that's what  
6 the Commission determines it wants, we do urge you to  
7 pause and to consider whether ratepayers will be receiving  
8 a material reliability benefit for this extra \$500,000 in  
9 annual pruning expense just on our Company's system. We  
10 believe that the current five-year cycle that we employ,  
11 with a mid-cycle review, goes far to promote system  
12 reliability, and provides our customers with a good value.  
13 So, we urge the Commission to weigh carefully whether more  
14 frequent pruning is, in fact, cost-effective to achieve  
15 the Commission's reliability goals. And, the Company will  
16 be proposing alternative language for Section 307.10, to  
17 address our concerns with the proposed rule. And, from  
18 what I heard from Liberty this morning, I think they're  
19 fairly close to what was read into the record earlier.

20 The fourth issue that we'd like to talk  
21 about and address this morning with you is Section 306.10,  
22 concerning "Physical and Cyber Security Plans". The  
23 Company certainly acknowledges the importance of  
24 identifying potential risk to its distribution system, as

1 well as taking reasonable and responsible measures to  
2 manage those risks and detect infiltrations.

3 We agree with PSNH that the Initial  
4 Proposal that was put out does need some work.  
5 Section 306.10, as proposed, needs to be, frankly, more  
6 appropriately tailored to electric distribution utilities.  
7 Among other reasons, the proposed rule seeks to apply  
8 standards of Homeland Security Presidential Directive-3  
9 and the Patriot Act. We have better standards available  
10 to us than that that are tailored to our industry. NERC  
11 has adopted physical and cyber security planning criteria  
12 specifically tailored to the industry. And, we urge the  
13 Commission to adopt the NERC security planning criteria.

14 And, again, we'll provide more detailed  
15 written comments next week on that, on that issue. But we  
16 believe that the NERC standards can supply useful guidance  
17 to the Commission on these important issues.

18 In closing, we appreciate the  
19 opportunity to come in here today and to comment on these  
20 rules. We appreciate Staff's efforts in putting these  
21 rules together. By commenting today, we're not being  
22 critical of Staff's efforts. We view this as a common  
23 goal. We all want to make the three people at the -- at  
24 this end of the room satisfied with the rule that they get

1 at the end of the day. So, anything we can do to achieve  
2 that, we're more than happy to put in the effort.

3 If you have no further questions for  
4 these people, we will have them for the tech session and  
5 we'll have them available to your Staff.

6 CHAIRMAN IGNATIUS: Thank you.

7 MR. HEWITT: With that, we thank you.

8 And, we'll --

9 CHAIRMAN IGNATIUS: Thank you, Mr.  
10 Hewitt. Commissioner Scott.

11 CMSR. SCOTT: I didn't have a question,  
12 I had more of a statement for all the utilities. On the  
13 cyber security and physical security front, the New  
14 England -- the six New England states have collectively  
15 just hired a consultant to help the individual state  
16 commissions kind of tease out issues that they want to  
17 address, as far as a cyber security strategy with the  
18 utilities. And, on that front, in the coming months,  
19 Staff and that consultant will be visiting and to have --  
20 to start more dialogue, not only just on reporting, but a  
21 myriad of issues, mitigation, resiliency, all those issues  
22 altogether. And, that's intended to help inform both the  
23 region and the individual commissions. So, I just want to  
24 make all the utilities, if you weren't aware of that,

1       that's coming soon to you.

2                       MR. HEWITT:   Thank you.

3                       CHAIRMAN IGNATIUS:   Mr. Dean, comments?

4                       MR. DEAN:   Thank you.   First of all, I  
5       have to say that the fact that I'm over here on this side  
6       of the room, just because I lost the musical chairs in the  
7       parking lot, and I lost it here.   But, I guess, in some  
8       ways, I think it's probably appropriate anyways.   I came  
9       -- you know, again, I guess, for the record, Mark Dean,  
10      representing New Hampshire Electric Cooperative.   I came  
11      today here without a number of staff members from the  
12      Co-op, because the Co-op is essentially satisfied with the  
13      Initial Proposal as presented.

14                      However, this morning, at least as I  
15      know understand it, at least the cyber security, the  
16      306.10 provisions, which are not written so as to apply to  
17      the Co-op, I believe it's the Staff's view that that was  
18      their intent, and that there may well be other parts of  
19      the rules where changes were made that, at least in my  
20      view, weren't written so as to apply to the Co-op.   So,  
21      the Co-op has not been involved in the various discussions  
22      that the other utilities have had together on some of  
23      these issues, tree trimming, *etcetera*, because we focused  
24      on the applicability provisions at Page 1 of the Initial

1       Proposal. And, that section was essentially created to  
2       show where the jurisdiction of the rules -- where they did  
3       and didn't apply to the Co-op. And, there were some  
4       changes, you know, made to reflect changes in the rules.  
5       But, you know, that's what we based our analysis on.

6                 And, so, I really got both a procedural  
7       and a substantive issue, which is (a) essentially, the  
8       Co-op has not been involved in analyzing the kind of  
9       details that you've heard from the other utilities,  
10      because there was, I think, a correct and reasonable  
11      assumption that those provisions were not intended to  
12      apply to the Co-op. And, then, there is a substantive  
13      issue which follows, which is one of the reasons that that  
14      assumption, I think, is both reasonable, just from the  
15      writing, is also from the laws, I don't think those  
16      provisions are provisions that the Commission has  
17      jurisdiction to create rules that would apply to the Co-op  
18      in this situation.

19                CHAIRMAN IGNATIUS: Can I ask you, --

20                MR. DEAN: Yes.

21                CHAIRMAN IGNATIUS: -- are you saying  
22      that the Items (1) through (5), 301.01(b)(1) through (5),  
23      do you take issue with those being applicable to the  
24      Co-op?

1 MR. DEAN: No. No.

2 CHAIRMAN IGNATIUS: Do you take issue  
3 with the language on proposed Rule 306.06 -- I'm sorry,  
4 306.10, on "Physical and Cyber Security", as applying to  
5 the Co-op? Not the specifics of those terms, but just  
6 that --

7 MR. DEAN: There is no language in there  
8 that makes it applicable to the Co-op, I guess is what I'm  
9 saying.

10 CHAIRMAN IGNATIUS: All right.

11 MR. DEAN: And, it has been suggested to  
12 me that that is the intent.

13 CHAIRMAN IGNATIUS: But, if 301.01 were  
14 amended to include 306.10 as being applicable to the  
15 Co-op, would you take issue with that?

16 MR. DEAN: Yes. I would have, I  
17 presume, since I haven't had the opportunity to have  
18 detailed discussions with the Co-op's cyber security, I'm  
19 sure that we would have many of the same concerns that the  
20 utilities have -- other utilities have. But I would also  
21 say that that is not a rule that the Commission has  
22 jurisdiction to impose on the Co-op under the statutory  
23 scheme.

24 CHAIRMAN IGNATIUS: And, is it your



1 understanding that other provisions of the rules in  
2 sections that aren't listed here in the 301.01(b)  
3 delineation are intended to apply to the Co-op?

4 MR. DEAN: Only from, I may have  
5 misheard, and I guess I'll wait for Staff to tell me, I've  
6 had no laundry list of "yes, these are the things which  
7 aren't in 301.01, which really should be in 301.01." So,  
8 it's hard for me to respond to that. I can certainly say,  
9 looking at the tree-trimming standards, that would be one  
10 that would jump out at me, again, I would say it's the  
11 same as cyber security, it would not fall within this  
12 Commission's jurisdiction to impose those rules on the  
13 Cooperative.

14 CHAIRMAN IGNATIUS: Well, I think it's  
15 important, whether it's today during the hearing, today  
16 during the tech session, or some follow-up meeting, for  
17 Staff to identify any that it thinks should apply and  
18 maybe inadvertently weren't included, and get clarity, so  
19 you know exactly what you should be responding to, and  
20 make your argument on why it is or isn't within our  
21 jurisdiction.

22 MR. DEAN: Appreciate that. And,  
23 that's, at this point, that's really all I can look for,  
24 because it's difficult to make arguments without knowing

1        what I'm making an argument about.

2                    MS. AMIDON:    And, madam Chairman, this  
3        is Suzanne -- for the record, Suzanne Amidon for the  
4        Commission Staff.    You know, Attorney Dean is correct.    In  
5        the Initial Proposal, only those items listed in (1)  
6        through (5) were called out as being applicable to the  
7        Co-op.    The tree-trimming standards are in that version,  
8        and they were not called out.    Although, my understanding  
9        is Staff intended, for the tree-trimming standards,  
10       whatever is adopted, to be uniform among all utilities,  
11       and including the Co-op.

12                   In addition, 306.10, which is the  
13       Staff's -- Staff sent this out as a recommendation before,  
14       I don't know, maybe a week ago before this hearing, we did  
15       not specify when we sent it out the applicability.    But,  
16       again, it was Staff's intent that it should be a standard  
17       that's applicable to the Co-op.    And, I just was also  
18       reminded that the standard that, I think it's the very  
19       last section of the rule at Page 41, Puc 311, that  
20       apparently was also intended to be applicable to the  
21       Co-op.    And, so, I do agree with Attorney Dean's statement  
22       that he's -- well, he didn't say this, but I think he has  
23       been disadvantaged, in that he had operated under an  
24       incorrect assumption that these provisions did not apply

1 to the Co-op. So, we are going to have to figure out a  
2 way to address that. And, it may require the Commission  
3 to take argument on the issue of jurisdiction at some  
4 point, depending on where this goes. But I just wanted to  
5 point out that I agree with him that he was  
6 disadvantaged and not being made strictly aware of those  
7 things.

8 CHAIRMAN IGNATIUS: All right. Thank  
9 you for that. Anything else, Mr. Dean?

10 MR. DEAN: No.

11 CHAIRMAN IGNATIUS: Thank you.  
12 Mr. Phillips.

13 MR. PHILLIPS: Thank you, madam Chair.  
14 For the record, it's Paul Phillips, from the law firm of  
15 Primmer, Piper, Eggleston & Cramer, in Manchester. And,  
16 I'm here on behalf of Northern New England Telephone  
17 Operations, LLC, d/b/a FairPoint Communications, and the  
18 five operating affiliates of TDS Telecom in New Hampshire.

19 I want to thank you for the opportunity  
20 to come before you. We've been asked, you know, "why are  
21 telephone companies interested in electric rules?" We're  
22 here for one purpose only, and that is to discuss the tree  
23 trimming section, which is Puc 307.10, on Page 25 of the  
24 draft.

1           As the Commissioners know, tree trimming  
2           currently is a contractual matter between the electric  
3           utilities and their joint pole owners, which, in most  
4           cases, are telephone companies. And, the joint ownership  
5           agreements or joint use agreements provide for  
6           intercompany operating procedures that set forth the  
7           standards, you know, the rules of the road, if you will,  
8           for tree trimming.

9           This is the first time that the PUC has  
10          proposed adopting rules for tree trimming. And, we're  
11          very concerned about that, because the schedule that's set  
12          forth and the pruning standards that are set forth are  
13          more aggressive than what the contracts now provide. And,  
14          so, the impact of the rule is going to have a significant  
15          -- is a significant financial hit for the telephone  
16          companies. We estimate, looking at the costs that the  
17          companies have been incurring, and the costs that we would  
18          incur under the more aggressive schedule, that tree  
19          trimming is likely to be a huge factor in our cost regime.  
20          And, in fact, when we do our calculations, under a  
21          four-year schedule, under these more aggressive standards,  
22          what we find, in some cases, in the case of the TDS  
23          companies, for example, is that the costs of tree trimming  
24          alone are likely to take up three months each year's worth

1 of basic revenue from our customers. Which is really an  
2 astronomical figure. We're looking at a tripling or a  
3 fourfold or even fivefold increase in tree trimming costs  
4 under the PUC's rule.

5 And, so, it may have been an unintended  
6 consequence of the proposal, it certainly seems that the  
7 Commission and the Staff did not contemplate that the  
8 telephone companies would take such a significant hit,  
9 because your fiscal impact statement doesn't suggest that  
10 we would, but it is a significant hit. And, at a time  
11 when the telephone companies are in a highly competitive  
12 environment, and are looking for ways to cut their costs  
13 any way they can, these tree trimming rules are really  
14 going to be a major problem for us.

15 So, our primary recommendation is that  
16 the PUC eliminate this provision of the rule, just drop  
17 307.10 entirely. Leave the matter for the contract  
18 system. Right now, the contracts allow the parties to  
19 freely negotiate the terms of tree trimming. We're  
20 concerned that having a four-year requirement in the rules  
21 simply tilts the leverage, if you will, in the contract  
22 negotiations toward the electric companies. There's  
23 little room for negotiation when you have a Puc Rule that  
24 requires a four-year cycle. We would much prefer to have

1       that be a contractual matter. And, the parties will reach  
2       an agreement based on their respective interests.

3               If the Commission is unwilling to drop  
4       the provision of the rule, for reasons that, you know, for  
5       good and sound reasons that you may have, we would ask  
6       that language be adopted in this provision, which we will  
7       submit with our written comments by next week, which would  
8       make clear that additional costs for tree trimming that  
9       arise from the operation of this rule are in excess of  
10      what the contracts require would be borne solely by the  
11      electric utility, and would not be passed on to any other  
12      party who's on that pole. And, this applies not only to,  
13      obviously, to the joint owners and joint users of the  
14      pole, but to other attachers who would have their costs  
15      passed on to them.

16              So, we're just very concerned about the  
17      unintended consequence, if you will, of the cost shifting  
18      that seems to be contemplated by this rule. And, we would  
19      ask the Commission to think very carefully about that as  
20      they go forward.

21              CHAIRMAN IGNATIUS: Can I ask you a  
22      couple questions? You may have said this and I just  
23      missed it. For some of your companies' facilities, you  
24      have joint poles, jointly opened poles?

1 MR. PHILLIPS: Yes.

2 CHAIRMAN IGNATIUS: And, the trimming  
3 would be done by the electric utility, with a charge to  
4 you for some portion of that cost than.

5 MR. PHILLIPS: In the typical IOP,  
6 Intercompany Operating Procedure, for standard  
7 maintenance, there's an allocation where the electric  
8 utility typically pays more than the telephone company.  
9 And, in a hazardous trimming situation, there's generally  
10 a 50/50 split.

11 CHAIRMAN IGNATIUS: Are there some  
12 facilities that you do your own trimming, through your own  
13 contractual arrangements, and it's not -- because it's not  
14 shared facilities with an electric utility?

15 MR. PHILLIPS: Yes. There are some  
16 situations like that.

17 CHAIRMAN IGNATIUS: For those, do you  
18 have a cycle of trimming standards that are set out?

19 MR. PHILLIPS: Yes. It's on an "as  
20 needed" basis. My understanding is that trimming for  
21 telephone facilities simply doesn't require the frequency  
22 that the electric cycle does. And, so, my understanding  
23 is, in practice, it's more on a seven-year cycle, or even  
24 higher than that. But, you know, as the Commission knows,

1 the telephone facilities sit lowest on the pole. And, so,  
2 this ground-to-sky clearance is not necessarily what the  
3 telephone companies are in need of. Our view is that  
4 there's, obviously, been a lot of discussion about tree  
5 trimming and storm recovery and such, and that's all very  
6 important from a policy standpoint. But, from the  
7 telephone company standpoint, the cost causer in that  
8 situation is the electric service, and not the telephone  
9 service. And, so, from a "cost causer pays" philosophy,  
10 those additional costs of the more aggressive cycling  
11 needs to be borne by the electric companies.

12 CHAIRMAN IGNATIUS: When you have other  
13 attachers on your own facilities, and you do trimming, do  
14 you assess any of those costs to the other attachers?

15 MR. PHILLIPS: Not typically, no.

16 CHAIRMAN IGNATIUS: And, when the  
17 electric utilities do the trimming on joint-owned poles,  
18 do you know if they assess any of the additional costs to  
19 other attachers or is it really just a division between  
20 the electric and the telephone utility?

21 MR. PHILLIPS: We don't believe they do.  
22 But they, obviously, would be able to answer that more  
23 ably than I am.

24 CHAIRMAN IGNATIUS: It may not be



1 material to these rules. But, I realize, the more I hear  
2 about poles, the less I know about poles. All right.  
3 Thank you. Other issues, Mr. Phillips?

4 MR. PHILLIPS: That's really the only  
5 issue that we have. And, we'll also take part in the  
6 technical session afterwards.

7 CHAIRMAN IGNATIUS: That's great. We  
8 appreciate your being here. Any other comments from  
9 utilities, before we turn it over to Staff for any  
10 responses? Oh, and the Consumer Advocate as well. Any  
11 comments, Ms. Chamberlin, from the OCA?

12 MS. CHAMBERLIN: No thank you, Chairman  
13 Ignatius. We're here to participate and we'll file  
14 written comments.

15 CHAIRMAN IGNATIUS: Thank you. Staff  
16 then, Ms. Amidon, do you have anything you want to address  
17 in general or any of the specific terms at this point?

18 MS. AMIDON: Well, yes. Yes. First,  
19 I'd like to say with me today is Tom Frantz, the Director  
20 of the Electric Division; Amanda Noonan, who is the  
21 Director of the Consumer Affairs Division; and Randy  
22 Knepper, who is the Director of Safety Division. Who all  
23 participated in analyzing the issues that they felt needed  
24 to be brought to the Commission, and which ended up in the

1 Initial Proposal, which the Commission approved.

2 I do have a couple of proposed  
3 modifications, which I wanted put on the record. I don't  
4 think that these modifications would be of concern to the  
5 utilities. For example, I'll begin with proposal to  
6 define "wide scale emergency". I'll provide a copy to the  
7 Commission and to the Clerk and the Court Reporter, and  
8 then I think I have copies for the counsel for the  
9 utilities. If you recall, one of the comments was there  
10 was no definition of "wide scale emergencies". And, so,  
11 in an attempt to address that, we came up with some  
12 language, whether that's acceptable or something that can  
13 be discussed with the -- at the technical session, you  
14 know, that's what we propose to do.

15 (Atty. Amidon distributing documents.)

16 MS. AMIDON: So, that's the first thing.  
17 And, obviously, we haven't had a chance for the utilities  
18 to comment on it. So, we'll propose it at the technical  
19 session, but we wanted to make sure that it was on the  
20 record for purposes of today's discussion. We already  
21 provided the Commission with a copy of the proposed  
22 security standard.

23 The third point is there are standards,  
24 such as ANSI and IEEE standards that are referenced in the

1 rules. And, Mr. Knepper, who is an engineer, went through  
2 the rules and have provided updates to those standards.  
3 And, I also sent notification of the proposal to update  
4 those standards to the electric utilities, and received no  
5 comments. So, unless we hear otherwise at the technical  
6 session, there's no objection to updating the standards.

7 Also, a proposed change that Mr. Knepper  
8 made related to the accident reporting, from one hour to  
9 two hours. But, my guess is, based on the public comment  
10 that we've heard this morning, that Staff will be looking  
11 at the accident reporting section in its entirety. So,  
12 whether that remains at one hour or goes to two hours, as  
13 we would otherwise propose, I guess, is subject to  
14 discussion at the technical session.

15 And, finally, there was a provision in  
16 the rules, 307.09, which requires periodic reporting of  
17 certain reliability standards, such as SAIDI and CAIDI.  
18 And, Staff, after the Initial Proposal was adopted,  
19 reviewed that section and determined that, when there was  
20 a wide scale emergency outage, it would be helpful to have  
21 those SAIDI and SAIFI and other reliability impacts  
22 separate from the impacts during a period, you know,  
23 without the wide scale outage data. And, so, I have a  
24 proposed language for that. It would be a new 307.09(d).

1 And, I'll provide copies to the Commission and to the  
2 utilities and other parties.

3 (Atty. Amidon distributing documents.)

4 MS. AMIDON: So, those are -- that is  
5 what I have. As to whether or not anyone at my table has  
6 any comments that they would like to make at this point, I  
7 don't know. Any responsive comments? I'll leave it to  
8 Tom.

9 (No verbal response.)

10 MS. AMIDON: All right. So, having said  
11 that, Staff will address the other issues at the technical  
12 session. However, if you want to see if anybody has any  
13 comments on any of the material that I handed out?

14 CHAIRMAN IGNATIUS: On the provisions  
15 regarding the SAIDI and CAIDI, all the different ways that  
16 those are calculated, is it current practice -- am I right  
17 that the current practice is that you already exclude --  
18 the utilities already exclude the wide scale emergency  
19 data when they submit those? So, this would be putting  
20 the current practice into the rules. It wouldn't be  
21 changing how you -- how it's been done?

22 MS. AMIDON: It sounds like that what  
23 I'm hearing from Mr. Frantz is that you're right. They  
24 exclude it now. So, this would just be formalizing the

1 practice.

2 CHAIRMAN IGNATIUS: Thank you.

3 CMSR. HARRINGTON: I just had one  
4 comment.

5 CHAIRMAN IGNATIUS: Commissioner  
6 Harrington. Oh, I'm sorry. Mr. Fossum.

7 MR. FOSSUM: PSNH would -- has a  
8 clarification on that issue.

9 CHAIRMAN IGNATIUS: All right.

10 MS. MACKEY: We are currently excluding  
11 -- this is Karen Mackey. We're currently excluding events  
12 that are declared as major storms, under the existing  
13 definition of "major storms" for each of the utilities.  
14 But, in a -- an initial reading of what this "wide scale  
15 emergency" definition is, that would be different. So, we  
16 would actually be excluding more events under the proposal  
17 that we're being made aware of today.

18 CHAIRMAN IGNATIUS: All right. And,  
19 that would be a good thing to develop in the tech session.  
20 Thank you.

21 MS. MACKEY: Thank you.

22 CHAIRMAN IGNATIUS: Commissioner  
23 Harrington.

24 CMSR. HARRINGTON: Yes. I just want to

1 make a general comment to everybody. I know, when we make  
2 these rule changes, we all tend to look at the proposed  
3 changes and what's been added, and, you know, how to make  
4 them better or more just. I hope that people would also  
5 take a little bit of time and look at the existing rules,  
6 and make sure that they're all there and they're  
7 accomplishing something. And, we simply don't have rules  
8 that we're following because the last time we did the  
9 rules, they were there, and they were there the time  
10 before that. And, I'm not saying there are rules to that  
11 effect. But I would find it hard to believe there isn't  
12 something in there we can look at and say "this isn't  
13 really doing anything" or "it's out-of-date" or "it's just  
14 unnecessary" or "it's not worth the cost that the  
15 utilities have to bear to comply with the rules."

16 So, don't be afraid to suggest  
17 eliminating some things, and not just concentrating on  
18 whether or not the proposed new changes are good or bad.  
19 I hope everyone will look at that. Thank you.

20 CHAIRMAN IGNATIUS: Thank you.  
21 Commissioner Scott.

22 CMSR. SCOTT: Yes. Thank you. And,  
23 this is more for Staff. But, obviously, we heard a lot  
24 about accident reporting. I would just like to make sure

1 we're all thinking through, whether it's one hour or two  
2 hours, it occurs to me that it's not as clear to me what  
3 the trigger is for the one hour. Meaning, I mean,  
4 technically, right now, we're saying "it's no later than  
5 one hour after an accident or an event", but, obviously,  
6 there's a chain here of where the utility needs to know  
7 the event happened. So, I think that perhaps may help to  
8 flesh that out a little bit.

9 CHAIRMAN IGNATIUS: Thank you. I had no  
10 other names marked off as wanting to speak. Is there  
11 anybody else who is here who did want to comment on the  
12 rules, who hasn't already?

13 (No verbal response)

14 CHAIRMAN IGNATIUS: All right. Seeing  
15 no one. Is there anyone who has commented, but there's  
16 something else they wanted to mention, and want to put in  
17 front of us, rather than discussing during the tech  
18 session? Mr. Fossum.

19 MR. FOSSUM: Yes. I had one thing that  
20 I just wanted to mention, is that, as I recall or  
21 understand, the only other thing that remains on the  
22 schedule of which I'm aware for these rules presently is  
23 this deadline for submission, other than the tech session  
24 this -- well, what's left of this morning and into this

1       afternoon, is the submission of written comments by next  
2       Wednesday. And, in light of some of the comments today,  
3       it's not entirely clear to me that simply allowing for a  
4       tech session this afternoon, and the submission of written  
5       comments by next week would be sufficient to fully address  
6       some of those issues. So, I guess I would encourage the  
7       Commissioners to consider possibly including another  
8       technical session, perhaps another public hearing like  
9       this to -- once some of these issues have been more fully  
10      discussed. Because, as I say, it's not entirely clear to  
11      me that a helpful resolution on some of these issues may  
12      be reached today or through the submission of written  
13      comments by next week.

14                   CHAIRMAN IGNATIUS: We have a lot of  
15      leeway in how far to go in further proceedings. There are  
16      certain minimum requirements, and this hearing today meets  
17      one of those requirements. But we often do have  
18      additional written submissions beyond the one that's set  
19      out for next Wednesday, or further tech sessions. We  
20      could even have another public comment, although --  
21      comment hearing, although that's less commonly done.

22                   But I guess I'd suggest that all of you,  
23      as you work through what you've got, if it's narrowing  
24      down to just a few items and written materials will



1 suffice, that's fine. If you think additional tech  
2 sessions, meeting on particular issues, would be useful, I  
3 would encourage you to do as much of that as is  
4 productive. And, if there is a desire for another public  
5 comment proceeding in front of us, you can make that  
6 request. I'm not sure it's that much different than  
7 getting the written proposals, since we've gotten the  
8 chance to really explore what it is that you're concerned  
9 about. But, obviously, if you think it would really be  
10 helpful, and you can't do it through the written  
11 materials, you know, let us know, and we'll consider  
12 whether we can fit that in, as long as we can make the end  
13 dates under the administrative rules process. Ms. Amidon.

14 MS. AMIDON: Yes. And, that was a point  
15 I wanted to make. Pursuant to RSA 541-A, the rules  
16 continue, the current rules continue in effect, even  
17 though they would have otherwise expired on October 18th,  
18 2013, because the Commission adopted an Initial Proposal.  
19 Having said that now, the Commission now has, you know,  
20 will have to meet the deadline for JLCAR review. And, so,  
21 that does constrain our time at the end. However, it  
22 seems reasonable probably to conduct another technical  
23 session to work on, you know, drafting and conduct another  
24 technical session with the parties, assuming we can all

1 fit it into the schedule. So, thank you.

2 CHAIRMAN IGNATIUS: Thank you.

3 Obviously, people have been working hard at understanding  
4 both the intent of the rules and any drafting issues, and  
5 we appreciate that. These are hard to write. And,  
6 sometimes you know exactly what you mean to say, but  
7 getting it into the right format or writing it in a way  
8 that doesn't create sort of unintended results can be  
9 harder than you expect it to be. So, I appreciate  
10 everyone's work on it.

11 I hope the afternoon's tech session is  
12 constructive. And, we'll await the written comments and  
13 any recommended revision to the rules coming from Staff.  
14 So, thank you. We're adjourned.

15 **(Whereupon the hearing was adjourned at**  
16 **11:56 a.m.)**