



October 20, 2009

BY OVERNIGHT and E-MAIL

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

**RE: UES Status Report on the December 2008 Ice Storm
Self-Assessment**

Dear Director Howland:

Enclosed on behalf of Unitil Energy Systems, Inc. ("UES" or "Company"), please find an original and six copies of the Company's Status Report on its implementation of the "December 2008 Ice Storm Self Assessment Report" ("Self Assessment"). On March 29, 2009, Unitil released its Self-Assessment of the Company's response to the December 2008 Ice Storm. The Self Assessment identified 28 detailed recommendations for improving the Company's storm response and restoration processes ("Recommendations"). The enclosed Status Report provides a review of the actions taken to date to implement the Recommendations.

Please do not hesitate to contact me if you have any questions concerning this filing.

Thank you for your consideration in this matter.

Sincerely,

/s/ Gary Epler

Gary Epler
Attorney for Unitil Energy Systems, Inc.

Enclosure

cc: Lynn Fabrizio, Staff Counsel
Thomas Frantz, Director, Electric Division
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STATUS REPORT
on
UNITIL'S STORM RESPONSE AND RESTORATION PROCESS

OCTOBER 20, 2009

Executive Summary

Introduction

Unitil Energy Systems, Inc. (“Unitil” or “the Company”) submits this Status Report to the New Hampshire Public Utilities Commission (the “Commission”) on its implementation of the “December 2008 Ice Storm Self Assessment Report” (“Self Assessment”). The Self Assessment identified 28 recommendations for improving the Company’s storm response and restoration processes (“Recommendations”). The Status Report details the actions taken to date to implement the Recommendations.

Approximately 85 percent of the identified work associated with the Recommendations has been completed, including all work associated with 26 of the Recommendations. The majority of the outstanding work is focused on the installation of an Outage Management System (“OMS”), which is on schedule for beta testing by year’s end (December 31, 2009). The progress to date places the Company ahead of its original schedule and ensures that Unitil is prepared to respond to a future major event.

The centerpiece of Unitil’s storm response and restoration processes is the Company’s revised Emergency Response Plan (“ERP”). Unitil adopted the National Incident Management System (“NIMS”) as the template for revising its ERP. A component of the NIMS framework is the Incident Command System (“ICS”). Unitil’s approach to storm response and restoration is now closely aligned with an ICS organizational structure. Many of the recommendations have been implemented under the NIMS framework, as indicated in the Company’s revised ERP.

Although it was not a specific recommendation, Unitil has incorporated safety and environmental awareness within all of the revised policies, plans, and procedures. The Company’s primary goal during any restoration effort is to ensure the safety of the public, our employees, and supporting resources.

Status of Recommendations

The Status Report is divided into six major categories: *Storm Preparedness; Power Restoration; Customer Communications; Public Communications; Storm Readiness; and Post - Storm Activities*. Under each category, Unitil provides a description of the pertinent Recommendations and actions taken by the Company to implement each of those Recommendations.

1. *Storm Preparedness (Recommendation Nos. 1-2)*

Unitil has completed Recommendation Nos. 1 and 2 regarding the acquisition of crews and resources and the implementation of a dedicated storm room. Steps taken will ensure greater access to mutual aid groups and outside contractors, and will align Unitil's emergency operations centers with an ICS organization structure.

2. *Power Restoration (Recommendation Nos. 3-10)*

Unitil has completed five of the six recommendations regarding power restoration. Unitil has contracted for a new OMS which is scheduled to be installed by December, 2009 and performance tested in the first quarter of 2010. The Company has also trained employees and retained extended resources to support a two-phased damage assessment process.

3. *Customer Communications (Recommendation Nos. 11-16)*

Unitil has completed all six recommendations addressing Customer Communications. These steps include enhancements to the Call Center and interactive voice response ("IVR") system, and development of a robust and proactive critical care customer outreach program.

4. *Public Communications (Recommendation Nos. 17-22)*

Unitil has completed five of the six recommendations addressing Public Communications, including enhancements to its communications protocols under the ICS organization. Unitil has substantially completed the development of an Outage Center web page and is exploring non-traditional social media opportunities.

5. *Storm Readiness (Recommendation Nos. 23-27)*

Unitil has completed all five recommendations pertaining to Storm Readiness, including development of a single, system-wide electric operations ERP. In September, 2009, Unitil conducted its first annual system-wide storm drill to test the revised ERP, including participation by external agencies.

6. *Post-Storm Activities (Recommendation No. 28)*

Unitil has completed its Post-Storm Activities, including a review and assessment of its tree trimming policy.

Conclusion

Unitil is confident in its ability to respond effectively and efficiently to a storm event, regardless of the scale, given the implementation of the Recommendations and the increased level of training and preparedness its personnel has undergone during the past several months. We welcome the comments or questions of the Commission's Staff concerning this status report. Unitil's management and staff are available upon request to meet and respond to any inquiries.

STATUS REPORT ON UNTIL'S STORM RESPONSE AND RESTORATION PROCESS
OCTOBER 15, 2009

Category	No.	Recommendation	Status	Actions Taken
Storm Preparedness	1	<u>Recruitment of Crews-</u> Develop a strategy to obtain crews that anticipates a future storm or outage event of the magnitude of the 2008 Ice Storm	Complete	<ul style="list-style-type: none"> • Joined the Edison Electric Institute ("EEI") RestorePower service – May 2009 • Established contracts/agreements with local tree crews • Established contracts/agreements with local line contractors to provide standby, on-call and emergency services • Established three contracts/agreements with major vendors to provided services during inclement conditions • Continued to develop relationships and define processes with Northeast Mutual Aid Group ("NEMAG") and other regional mutual aid groups ("RMAGs") • Added Northeast Public Power Association ("NEPPA") to the resource pool
	2	<u>Storm Rooms-</u> Modify the Kensington and Concord facilities to incorporate a dedicated storm room with communication capabilities and restoration equipment to manage a large outage and outside crews	Complete	<ul style="list-style-type: none"> • Modified Kensington and Concord facilities to include designated storm room configuration in support of the ICS organization • Improved and enhanced IT and communication capabilities • Established dedicated Municipal Rooms for local emergency response officials/agency coordination

Power Restoration	3	<u>Damage Assessment Staffing and Training</u> Identify and train additional personnel to perform damage assessment including Northern Utilities personnel	Complete	<ul style="list-style-type: none"> • Identified and trained internal personnel to perform damage assessment • Developed a Storm Response Unit (SRU) for regional events that defines a list of trained and qualified personnel • Established contracts/agreements with three local contractors for external damage assessment resources
	4	<u>Damage Assessment Forms and Compilation-</u> Improve damage assessment forms and develop a spreadsheet to tally damage assessments by circuits for accurate estimated times of restoration ("ETRs") and crew needs	Complete	<ul style="list-style-type: none"> • Developed quantitative tools and processes to estimate crew-hour repair times from the damage assessment results • Included damage assessment result in determining ETRs given the available resources • Developed forms for capturing key information on resources requirements and ETRs • Created a procedure detailing the process/responsibilities of damage assessment personnel
	5	<u>Storm Room Staffing-</u> Develop an outage staffing policy that governs work and rest times.	Complete	<ul style="list-style-type: none"> • Developed a process within the ERP that establishes shifts and schedules prior to the impact of a forecasted event. • Developed detailed and manageable roles and responsibilities within the new ERP • Developed the Storm Assignment Listing ("SAL") that ensures every employee has an assignment during a restoration effort.
	6	<u>Restoration Processes and Reporting-</u> Review all processes and data reporting requirements and develop an information system plan to automate processes, reducing reliance on paper based information flows	Complete	<ul style="list-style-type: none"> • Changed significantly information processes internally and externally, leveraging all available means of communications. This includes dedicated phone numbers, dedicated mailboxes, fax, web environment, system conference calls, municipals conference calls and cell phones

	7	<p><u>Field Communications-</u> Evaluate options to improve field communications reliability in a sustained power outage</p>	Complete	<ul style="list-style-type: none"> • Switched Unitil's mobile phone carrier to a contractor that has a more reliable service during storms and better coverage in general. In addition, the Company is evaluating the transition to radio-over-IP to provide additional options. • Utilize aircards and additional computers for the System Emergency Operations Center ("S-EOC"), the regional emergency operations centers ("R-EOCs") and field operations • Established an option for acquiring additional mobile and satellite phones, as needed
	8	<p><u>OMS Acquisition, Development, and Staffing-</u> Acquire and integrate OMS and designate a staff member to oversee the operation and maintenance of the OMS system and train personnel to maintain OMS during an outage</p>	Partially Complete	<ul style="list-style-type: none"> • Purchased an OMS from ABB Group and is in the process of installing the application • Installation of the OMS is scheduled for December 2009 • Identifying personnel at the Regional and System levels for operations and maintenance of the OMS
	9	<p><u>Crew Logistics Support-</u> Develop and approach to manage the number of crews required to responds to the 2008 Ice Storm, including all crew logistics activities</p>	Complete	<ul style="list-style-type: none"> • Revised the ERP which now provides processes that are flexible and easily scaled to the event and its severity. In support of the new procedures, the Company has developed a Logistics Procedure manual, describing all aspects of managing outside crews and logistical activities for training and support of SAL personnel • Designated SAL personnel to the different aspects of logistics

	10	<p><u>Inventory Management and Stock Rooms-</u></p> <p>Join Mutual Emergency Materials Support Organization (MEMS), identify and train staff that can serve in second jobs as stock room clerks and stock delivery personnel. Connect stock rooms to back up generation</p>	Complete	<ul style="list-style-type: none"> • Joined MEMS for material management mutual aid in June 2009 • Modified R-EOC generator connections to include storm stock rooms • Identified and trained SAL personnel as stock room clerks/stock delivery
Customer Communication	11	<p><u>Call Center Management Communications and Coordination-</u></p> <p>Conduct twice-daily (or more frequent as circumstance dictate) conference calls among operations, public communications and the call center and pass intelligence on immediately to Customer Service Representatives ("CSRs").</p>	Complete	<ul style="list-style-type: none"> • Revised ERP ensures communications protocols exist to provide accurate and timely information to the Call Center, Media and others. Established within the ERP is multiple means of communication including: frequent and daily system-wide conference calls, public service announcements ("PSAs") issued every four hours, internal employee e-mails describing the restoration status and message board information for the customer representatives
	12	<p><u>Call Center Training and Staffing-</u></p> <p>Improve training of CSRs and train Hampton staff members serving in second jobs on restoration processes and priorities. Train a contingent of corporate staff to answer calls and establish telecommunications links to allow them to receive calls in Hampton</p>	Complete	<ul style="list-style-type: none"> • Conducted additional CSR training for Customer Service Management Team who will communicate specific restoration communications with customers • Established and trained SAL personnel who will act as customer service representatives during major events. The Hampton Training Room has been permanently equipped with hardware to quickly manage overflow requirements.

	13	<u>Call Center Facility-</u> Evaluate modifications to the call center facility to improve CSR performance during an event	Complete	<ul style="list-style-type: none"> • Acquired additional LCD screens and positioned them at the Call Center to provide consistent and current outage information • Programmed LCD screens to provide real time outage numbers from the OMS when available
	14	<u>IVR Capabilities-</u> Streamline IVR selections to shorten time required for customers to report and outage with IVR call back features and community specific information	Complete	<ul style="list-style-type: none"> • Modified IVR scripts to shorten the time customers need to report an outage • Programming IVR to provide restoration progress by area once the OMS is operational
	15	<u>Call Center Capacity and Reliability-</u> Install additional lines, study the potential value of overflow IVR and call center operations. Redirect overflow calls to virtual CSRs and pursue a monitoring system through Siemens	Complete	<ul style="list-style-type: none"> • Installed an additional 72 lines since the outage where 48 are available for customers reporting outages and 24 for gas emergencies. • Established contract with Siemens to initiate its Network Operations Center (NOC) monitoring services to determine line availability • Established contract with Milsoft for Call Center outage overflow service
	16	<u>Estimated Bills-</u> Reflect customer needs/expectations after an extended outage in any decision to issue estimated bills	Complete	<ul style="list-style-type: none"> • Established new policies for storm restoration efforts that offer the option of paying the estimated bill or paying the actual bill following the next meter read. The Company is also working with the Consumer Division of the DPU to find the best, overall solution

Public Communications	17	<u>Reliable, Consistent Communications-</u> Establish a process and policy to ensure communications are based on a common source of reliable information including data and briefings	Complete	<ul style="list-style-type: none"> • Developed communications and information processes that are standardized and uniform in their content • Established a single point of accountability • Established system conference calls to ensure information coordination • Trained Media and SAL personnel serving in communications roles
	18	<u>Communications Protocols-</u> Communicate applicable protocols for communications with Unitil to each constituency, conduct conference calls with public safety officials, elected officials, and media	Complete	<ul style="list-style-type: none"> • Defined internal communications protocols under ICS • Defined external communications protocols for emergency/elected officials, including points of contact during a restoration <ul style="list-style-type: none"> ○ Daily conference calls with municipal leaders ○ Dedicated municipal rooms staffed 24/7 in each EOC ○ Liaison Officer to ensure elected officials and regulators are routinely updated ○ Established a Chief Information Officer and staff to update media and interested constituents
	19	<u>Emergency Information Center-</u> Obtain input from elected officials, local officials, and media on Unitil's Emergency Information Center (EIC) approach	Complete	<ul style="list-style-type: none"> • Hold daily municipal conferences to obtain input and provide information on the new ICS organization via the revised ERP • Identified personnel to participate at state EOCs

	20	<p><u>Web and Non-Traditional Public Communications-</u> Develop an outage web page highlighted on Unitil’s website that supports information needs of the customers and constituencies including media. Include a FAQ section and provide damage reporting, restoration progress, and process of restoring power</p>	Substantially Complete	<ul style="list-style-type: none"> Developed an outage center web page, providing restoration information, FAQs, and the ability to report an outage using an online outage report form
	21	<p><u>Customer Education on the Restoration Process-</u> Develop customer education materials that describe the protocols and procedures Unitil uses to restore power after a major outage</p>	Complete	<ul style="list-style-type: none"> Developed customer outage/restoration process; Information available on the web page, pamphlets and monthly bill inserts
	22	<p><u>Communication Roles in the ERP-</u> Revise the ERP to clarify roles and responsibilities of communications personnel, and conduct training</p>	Complete	<ul style="list-style-type: none"> Clarified roles/responsibilities of communication roles in the revised ERP Conducted communications training to test the revised communications protocols
Storm Readiness	23	<p><u>Emergency Response Planning- Leadership and Organization-</u> Designate a senior individual with emergency restoration experience to assume responsibility of emergency planning.</p>	Complete	<ul style="list-style-type: none"> Designated a senior individual to manage emergency planning and implementation of the ICS during a restoration effort Communicated the need/importance of emergency planning throughout the Company via the SAL, tabletop exercises, and drills

	24	<u>ERP Adequacy-</u> Develop a single set of ERP's to include: outage details, clear roles and responsibilities, centralized vs. field responsibilities, activation trigger points, communications and logistics information	Complete	<ul style="list-style-type: none"> Replaced regional ERPs with a single electric operations ERP
	25	<u>ERP Updates-</u> Review and modify ERP annually, review and revise contact information quarterly, and revise based on regulatory directives and input from internal/external stakeholders	Complete	<ul style="list-style-type: none"> Assigned responsibility for managing/revising/updating the ERP and contact lists
	26	<u>Mock Drill and Preparedness Conference Calls-</u> Conduct a mock drill to test the execution of the ERP and conduct pre-storm season conference calls with city and town officials	Complete	<ul style="list-style-type: none"> Held first annual system-wide storm drill in September 2009 to test the revised ERP. The drill included participation with external agencies
	27	<u>Staffing and Training-</u> Formalize "second job" process by identifying all second jobs and training individuals on roles	Complete	<ul style="list-style-type: none"> Formalized storm roles in the ERP and trained SAL personnel accordingly
Post-Storm Activities	28	<u>Tree Trimming-</u> Revisit trimming cycles to ensure they are in industry standards and regulatory directives and communicate policies to communities and customers	Complete	<ul style="list-style-type: none"> Reviewed current tree-trimming policy and compared it to industry standards Continuing to make revisions to the policy using real time data

