

Executive Summary

1. Page ii, bullet #1:

“All of the utilities underestimated the severity of the storm and the extent of damage it would cause. Their response to the storm was generally slow. There were a number of lessons learned from the storm that could be used to improve the response to future storms.”

NHEC Response:

NHEC takes exception to the statement on the slow response; there are a number of statements made in the heart of the report that contradict this statement. One of which is stated in Chapter 3 on pages 3-19, in the last sentence: “This fact along with NHEC’s **excellent** response to the December 2008 ice storm, makes its position appear reasonable.”

This report should make mention of other factors that delayed the process such as road closures due to storm damage instead of having it appear the delay was due entirely to the lack of preparedness and/or slow response time on the part of the utilities.

Chapter 2 – Storm Restoration Performance

2. Page II-10, Material Supply, last sentence:

“Nor did any of the utilities experience any difficulties with meals or lodging for the crews.”

NHEC Response:

NHEC’s Data Response (February 19, 2009) to Question # 23, “Please describe any difficulties encountered in providing for hotel and meal accommodations for restoration workers when the public is competing for the same facilities due to power outages” was as follows:

“There were many challenges to providing adequate sleeping quarters and establishments that could feed the crews. Many of the establishments were in the affected areas and had no power themselves. While the utilities in New Hampshire and mutual aid utilities needed accommodations, much of the general public also were not able to sustain themselves at their own residences and went to the hotel/motels until their power was restored. This resulted in crews requiring overnight accommodations to travel additional distances from their assigned work locations.”

“All NHEC crews as well as mutual aid and contract crews were properly housed in hotels and fed during the entire event”.

Although this conveys the message that we did adequately provide for the crews in our care, there were many challenges to procuring essential items such as gas and fuel for vehicles, meals and housing within reasonable distances. It would be unreasonable to think that a storm of this magnitude would not impact the ability to provide housing, meals, fuel, gas and essential services.

3. Page II-47, second paragraph:

“The situation where the utility is responsible for the service drop is somewhat unusual among utilities. Typically the utility is responsible for installing the medium voltage equipment (above 1000 Volts) and the transformer which steps the voltage down from medium to low voltage. The customer is responsible for providing the connection between the transformer and their home and an electrician the customer hires normally takes care of this connection.”

NHEC Response:

NHEC does not believe this is an accurate statement. All utilities we are familiar with install the service drop (for overhead) from the transformer to the house and make the connection from the utility service wires to the members/customers conductors at the service mast. For underground installations the utility runs the conductors from the transformer to the members/customers meter equipment and connects directly to the line side of the customer’s meter. This is done to prevent electricians from accessing NHEC transformers that are typically energized with medium voltage. On larger underground installations the electricians do install the secondary conductors from the transformer to the customers equipment under the utilities supervision, but the dedicated transformer for the project is typically de-energized until all this work is complete.

4. Page II-69, 2nd paragraph:

“A call to the Northeast Public Power Association (NEPPA) for mutual aid was unsuccessful. NEPPA is an organization for electric cooperatives which is the counterpart of NEMAG for investor owned utilities. A utility will generally belong to one or the other depending upon the type of utility, co-op, municipal, or investor owned, but usually will not belong to both organizations. NEPPA is the organization that NHEC would look to for mutual aid.”

NHEC Response:

NHEC is also affiliated with NRECA (an organization consisting of over 1,000 co-ops nationwide) and regionally with the Northeast Association of Electric Co-ops; who responded to calls for assistance during this storm.

** NEPPA is an organization consisting of public power utilities consisting of municipalities & cooperatives.*

Chapter 3 – Emergency Planning and Preparedness

5. Page III-13, Part D, Findings and Conclusions:

Conclusion: “ *Both PSNH and National Grid had thorough Emergency Operations Plans and organizations during the ice storm but Unitil and NHEC did not.* ”

NHEC Response:

NHEC takes exception to this statement. NHEC does have a thorough plan and process already in place. NHEC’s plan is what enabled us to have an “excellent response” to the storm as noted earlier in the report. Going forward, NHEC feels our current plan will be enhanced by the recommendations in this report.

Chapter 5 – Operations, Maintenance & Vegetation Management

6. Page V-23, last paragraph:

Indicates that (NHEC) vegetation management cycles are 10 years for lines in ROW’s and seven years for road-side lines. Further, it states “NHEC’s trimming policy is superior to that of the other utilities since they use a ground to sky practice when clearing trees from their ROW; however, the seven and ten year cycles used by NHEC are longer than the cycles used by most utilities.

NHEC Response:

The statement that NHEC clears ROW on a 7-10 year cycle is true, but the report needs to reflect that NHEC has gone to a three (3) year cycle on all three phase circuits generated from all stations and metering points on the system based on our highest concentration of members and potential impact.

Further, the importance of this process was discussed during the investigation with NEI; how it is determined where it is to be done, and the impact the process has had during any type of event (especially the ice storm) and that it has been incorporated into the management cycle moving forward. This has a direct impact on the 7-10 year cycle when you look at SAIDI and CAIDI.

The fact that NHEC clears ROW ground to sky does have an impact on the management cycle as well as the financials. As indicated in the report, there needs to be a balance between financials and ROW clearing.

NHEC feels the “industry standard” as outlined does not apply to NHEC. NHEC’s ROW Vegetation Management is unique, our ROW’s have written easements giving us the right to clear and maintain a 30 foot width and complete the trimming we specify, ground to sky (or as high as possible with the available equipment), with arboricultural trimming practices. NHEC’s ROW department has established a ROW area that can reasonably sustain electric reliability to its members in a 7 to 10 year cycle. Remember, the other electric utilities do not have the benefit of written easements, they have to get permissions; and their clearances are minimized for both ground cutting and overhead

trimming, which sets the stage for lower cycle re-clearing and trimming practices. It is in this area where the NHEC can stretch the cycle time, with a budget that can balance between financials and maintaining a reliable electrical ROW Vegetation Management program.

NHEC has incorporated a 3 year re-clearing cycle on 3 phases into its maintenance program concentrated on where most members are served. This program will be completed this year, and the company will implement these lines in the 2010, 2011, 2012 bids, which began in 2007, again covering the 3 year, 3 phase circuits to the majority of the members.

Also included in NHEC's Vegetation Management plan are Danger tree removals, at about 90% outside the row. This has been a practice at NHEC in the ROW program for over 25 years. The old Rural Electric Association (REA) easements have language that allows NHEC to remove any dead, weak, leaning trees that are tall enough to strike the wires (outside the ROW) if they fall. This same language is present in our easements.

NHEC's ROW program strives to storm proof the ROW's while maximizing reliability and minimizing outages caused by trees. For the long term the program must be cost effective and use arboricultural utility re-clearing and trimming practices that gives full use of the easements to maintain NHEC's ROW Vegetation Management program, which provides proven member service reliability.

NHEC's ROW Vegetation Management works very well at this time, and the 3, 7 and 10 cycle re-clearing is a reliable member service practice for NHEC. In the future as budgets allow, some cycle reduction will be achieved.