

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DRM 13-090

PUC 300 - Rules for Electric Service)
) Comments of Unitil Energy Systems, Inc.
) on Proposed Rules
)

Unitil Energy Systems, Inc. (“Unitil” or “the Company”) appreciates this opportunity to provide written comments on the Commission’s proposed Chapter 300 Rules for Electric Service. Unitil is New Hampshire’s second largest investor-owned electric distribution company. The Company owns and operates more than 2,000 miles of distribution and provides service to approximately 75,000 customers in the Concord area and greater Seacoast region.

Unitil is committed to providing safe and reliable electric service throughout its entire service territory. We look forward to working with the Commission and other stakeholders to revise the Commission’s Chapter 300 Rules to achieve the Commission’s distribution system safety and reliability objectives in an efficient and cost-effective manner. Our written Comments on the proposed Chapter 300 Rules focus on five subjects:

- Section 306.06: Notifications of Accidents and Property Damage;
- Section 306.09: Emergency Response Standards and Electrical Outage Restoration;
- Section 306.10: Physical and Cyber Security Plans;
- Section 307.10: Tree Trimming Standards; and
- Commission Staff’s proposed revisions to Sections 302 and 307 that were first provided during the public hearing.

COMMENTS ON PROPOSED RULES

I. Puc 306: Equipment and Facilities

A. Puc 306.06: Notifications of Accidents and Property Damage.

Puc 306.06, as proposed, would require distribution companies to provide telephonic notifications to the Commission after the occurrence of certain accidents or events involving the Company's distribution system. Select portions of the proposed rule are provided below:

Puc 306.06 Notification of Accidents and Property Damage.

* * * *

(b) A utility shall notify the commission by telephone as soon as possible, but no later than one hour after any accident or event that:

- (1) Involves serious injury or fatality;
- (2) Interrupts service to more than 200 customers;
- (3) Interrupts service for more than 5 minutes;
- (4) Interrupts service to a substation for more than 5 minutes;
- (5) Interrupts service to a state, federal, or municipal facility;
- (6) Interrupts service to a hospital, school or other facility in which the public at large could be affected;
- (7) Involves a breach of security or threat against the utility's facilities;
- (8) Involves aircraft, trains or boats;
- (9) Results in closure of a state highway;
- (10) Is likely to result in media coverage; or
- (11) Is likely to have consequences comparable to the severity of 1 through (10) above.

(c) A utility shall notify the commission by telephone, within one business day, of any accident or event that involves damage to property, facilities or service that does not meet the criteria of (b).

As proposed, Section 306.06(b) would require the Company to notify the Commission by phone within one hour after any accident or event that meets any

criteria in sub-parts 1 through 11. Unitil has several fundamental concerns with the proposed rule, which we explain in detail in these Comments. The Company also proposes an alternative version of Section 306.06 that we believe will achieve the Commission's objectives while also addressing Unitil's concerns with the proposed rule.

First, Unitil believes that the notification function should take advantage of electronic communications, where appropriate. Unitil believes that certain accidents, such as those that result in human fatality or serious injury or significant property damage should involve an oral telephonic communication between the utility and the Commission. For less significant events, such as minor outages, an electronic notification to the Commission should suffice. Of course, if the Commission would like to have a discussion with the Company concerning the subject matter of the electronic communication after it receives the electronic communication, the Company will have that conversation. In the first instance, however, we believe that electronic notification to the Commission of certain events should suffice and ultimately be much more efficient for the Company and informative for the Commission.

Second, two of the provisions in Section 306.06(b), if adopted would result in the Commission receiving numerous notifications from Unitil each day. Specifically, Section 306.06(b)(2) and (3) require notification to the Commission of any accident or event that interrupts service to more than 200 customers for any duration (306.06(b)(2)), or interrupts service for more than five minutes to one or more customers (306.06(b)(3)). Unitil takes seriously its obligations to restore service

safely and promptly after an outage, even for a single customer. But even with electronic notification, we question whether a notification to the Commission of every outage to a customer for longer than five minutes will provide helpful information to the Commission. It is not uncommon for the Company to experience multiple occurrences per day where a single customer or only a few customers' service is interrupted for five minutes or more. During the 12 months ending September 30, 2013, the Company had nearly 2,000 outages that involved at least a single customer. These brief and limited interruptions can be caused by, among other things, minor motor vehicle accidents, tree contact, and animal contact. While the Company could provide electronic notification to the Commission several times each day when a single customer is interrupted longer than five minutes, we're concerned that may be of limited use to the Commission, and may detract unnecessarily from more noteworthy outages that are reported to the Commission

Similarly, Section 306(b)(2) triggers a reporting obligation for outages involving more than 200 customers. During the 12 months ending September 30, 2013, the Company had approximately 250 outages that affected more than 200 customers (excluding major storm events). The Company is concerned that a 200-customer trigger is too low to provide the Commission with meaningful notification. Based on Unitil's experience, a 1,000-customer trigger would result in approximately five to six notifications per month, which seems to strike an appropriate balance between keeping the Commission informed, but not inundating the Commission with notifications. Based on the experience of other New Hampshire distribution companies, a one-size-fits-all approach at 1,000 customer outages may not be

optimal. Perhaps an approach based on the “lesser of” a discrete number of customer outages or a percentage of total customers (i.e., the lesser of 1,000 customer outages or 1.5% of the Utility’s total customers) would better address the diversity among the distribution companies. For the purpose of these Comments, Unitil has suggested a 1,000-customer trigger, but looks forward to discussing other alternatives during the technical sessions. Regardless of the approach that the Commission ultimately adopts, Unitil urges the Commission to consider a trigger that is significantly higher than 200 customers.

Third, the proposed Section 306.06(b)(6) should be clarified to avoid ambiguity. Section 306.06(b)(6) would require distribution utilities to notify the Commission when there is an accident or event that interrupts service to a hospital, school or “other facility in which the public at large could be affected.” Unitil believes that the phrase “other facility in which the public at large could be affected” is vague and should be clarified. Conceivably, “the public at large” “could be affected” by any outage that does not occur within a residence. For example, the interruption of service at a single grocery store or gas station could “affect the public at large.” In addition, depending on how “facility” is defined, Section 306.06(b)(6) could require Commission notification when service is interrupted to a traffic signal, a street light or area lighting at a municipal park or tennis court. For these reasons, Section 306.06(b)(6) should be clarified to more precisely articulate the scope of this notice requirement or consideration should be given to omitting this provision since larger events will already be notified under Section 306(b)(2).

Finally, Section 306.06(c) is a proposed “catch-all” provision that would require

distribution utilities to notify the Commission within one business day of “any accident or event that involves damage to property, facilities or service that does not meet the criteria of [Section 306.06(b)].” This “catch all” provision, if adopted, would require distribution companies to notify the Commission of any and all accidents or events that involve damage to property, facilities or service regardless of whether it has any effect on the utility’s ability to provide safe and reliable service. For example, notification to the Commission would be required if a vehicle accident were to cause minor damage to a utility pole, notwithstanding that there was no service outage and the pole could remain in service without concern for public safety. Even “momentary” interruptions, such as voltage fluctuations and recloser operations that are normal and frequent occurrences on any distribution system, would trigger a Commission notification. Objectively considered, none of these events that fall within the Section 306.06(c) “catch all” should trigger a notification to the Commission.

Unitil believes that the Commission should consider notifications from a blank slate. Rather than attempt to take the current Commission rule and modify it to meet today’s circumstances, we urge the Commission to consider a completely different structure that prioritizes notifications such that the most important issues are brought to the Commission by telephone contact, and more routine notifications are provided electronically. The Company’s proposed alternative for Section 306.06 is provided below:

Puc 306.06 Notification of Accidents and Significant Events

- (a) A utility shall notify the commission in the event of accidents and significant events in accordance with subparts (c)-(f), except during Wide Scale Emergencies as required by this Rule.
- (b) The commission shall provide a protocol roster to the utilities updated as necessary which:
 - 1. Lists Commission representatives with their after work-hours telephone contact numbers, email addresses and text contact information; and
 - 2. Lists the general Commission telephone number.
- (c) A utility shall notify the Commission by telephone, automated telephone notification or electronic means as soon as possible, but no later than one hour after becoming aware of an outage event that interrupts service to more than 1,000 customers for more than 5 minutes.
 - 1. The notification shall include:
 - i. The name of the utility;
 - ii. The name of the person initiating the notification and a telephone number for call back;
 - iii. A brief description of the event location;
 - iv. Estimated number of customers affected; and
 - v. Estimated duration of outage or service restoration time.
 - 2. Notification shall be to all Commission representatives on the protocol roster, described in (b) above through call blast, email or text.
- (d) A utility shall notify the Commission by telephone as soon as possible, but no later than one hour after becoming aware of an accident or event that:
 - 1. Results in serious injury or fatality;
 - 2. Involves a breach of security or threat against the utility's facilities addressed in section 306.10;
 - 3. Involves aircraft, trains or boats;
 - 4. Results in closure of a state highway; or
 - 5. Is not covered in subpart (c) but has been or is anticipated to be reported publicly via major commercial news outlets.
- (e) When an accident or event occurs as described in (d) above, the utility shall notify the Commission as follows:
 - 1. Attempt to contact the appropriate Commission representative listed on the protocol roster, described in (b) above, either at the commission telephone number during regular Commission hours or at their after-hours number outside of regular Commission hours;
 - 2. Proceed sequentially through the roster attempting to contact a Commission representative;
 - 3. If a utility is unable to reach a Commission representative after (2) above the utility shall notify the commission as follows:
 - i. Call the Commission general telephone listing, provided in the protocol roster, and leave a voice mail message:
 - 1. Identifying the utility and the name and return telephone number of the individual attempting to report; and
 - 2. Stating that an accident or event requiring notification has occurred and will be reported when the Commission next opens; and
 - ii. As soon as possible during regular Commission hours, contact the appropriate Commission representative listed on the protocol roster, described in (b) above, and proceed sequentially through the roster.

4. When the utility is first able to speak to a Commission representative listed on the protocol roster as required by this section, the utility shall notify the representative of the following:
 - i. The name of the utility;
 - ii. The name of the person making the report and the telephone number at which they can be called back;
 - iii. A brief description of the accident or event and location;
 - iv. A description of any known fatalities, personal injuries and damages;
 - v. Any other known information relevant to the cause of the accident or event and the extent of the damages; and
 - vi. The time at which:
 1. The accident or event occurred; and
 2. The utility was first notified of the accident or event;
- (f) Each utility shall report in writing any accident or event requiring notification pursuant to (d) above, by completing and submitting to the Commission:
1. Form E-5E, within 10 business days of notification of the accident or event; and
 2. If requested by the Commission, a more detailed written report, referencing the original E-5E report number, containing any additional supportive documentation not provided in the original E-5E report, within 60 days of notification of the accident or event.
- (g) If a utility is requested to file a report pursuant to Puc 306.02(f)(2) and the accident or event involves a utility's pole or anchors located within the public way, the utility shall include in its report whether the poles or anchors were licensed and whether the poles or anchors were properly located according to that license.

B. Puc 306.09: Emergency Response Standards and Electrical Outage Restoration.

Proposed Section 306.09 addresses emergency response standards and outage restoration. Subpart (e) to that section provides:

- (e) Each ERP shall provide that readiness drills be conducted twice a year and that the utility shall invite municipal officials, applicable state agencies and commission staff to participate in such drills.

The Company believes that exercises are an important component of organizational readiness. Unutil's current ERP calls for one full-company readiness drill per year. Such an exercise takes months of planning to build a scenario that simulates a major disaster and adequately tests and trains on all aspects of the ERP. When developing the exercise, the Company employs the services of consultants that would normally support the Company during real emergencies to ensure the

consultants understand their respective roles. These consultants include Outage Management, Media Communications and Logistic vendors. Our employees work closely with the vendors to ensure that respective roles and responsibilities are clearly understood during an event.

All Unitil employees have storm assignments, and approximately 70% participate in the exercise.¹ In effect, we stop all routine office work and spend roughly 6-8 hours working through various changes in the fact pattern for the disaster being simulated. As part of the process we invite regulators, elected officials and municipal emergency response personnel to observe our preparation. These individuals are generally very busy and may not be able to allow the time to participate in multiple drills each year. The Company follows the Incident Command System in our organizational design and response activities and an “after action” report is generated that analyzes the Company’s performance. The entire exercise is focused on keeping the Company personnel trained and ready to respond effectively to a major disaster scenario.

This level of emergency preparedness is not an inexpensive endeavor. Unitil estimates that these full-company readiness exercises cost about \$135,000 per drill.

To the extent the two annual readiness exercises required by Section 306.09(e) are full-company exercises, the Company cautions that this may not be the most efficient use of funding. Unitil suggests, instead, a single company-wide readiness exercise, followed by an annual “table top” exercise that is designed to address performance issues that may have been identified in the “after action” report from

¹ Those who do not participate are predominantly the field workers for Unitil’s electric and gas operations.

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the last full exercise. This follow-up approach allows the Company to fine-tune its emergency response processes in a timely and coordinated manner, without the expense of a second annual company-wide exercise.

Furthermore, the Company supports the involvement of municipal officials in emergency response planning, and to ensure that the municipalities' emergency response contact information is up to date and that Critical Infrastructure listing data are valid.

For all of these reasons, we encourage the Commission to adopt the following alternative to Section 306.09(e), as well as a new Section 306.09(f):

(e) Each ERP shall provide that one full readiness exercise and one table top exercise be conducted annually. The utilities shall invite applicable state agencies and commission staff to participate in such exercises.

(f) At least annually, the utility shall request to meet with municipal emergency response personnel to assure the accuracy of emergency response contact information is shared between the two parties, and to validate/revise the municipalities' Critical Infrastructure listing.

C. **Section 306.10: Physical and Cyber Security Plans**

After the Commission publicly noticed its proposed Chapter 300 Rules, the Company received an additional proposal for a new Section 306.10 to address physical and cyber security plans for the distribution companies. Unitil acknowledges the importance of identifying potential physical and cyber risks to its distribution system, as well as taking reasonable and responsible measures to manage those risks and detect infiltrations.

Unitil believes that Section 306.10, as proposed, is not appropriately tailored to electric distribution utilities. Among other reasons, the proposed rule seeks to

apply standards of Homeland Security Presidential Directive 3 and the U.S. Patriot Act. These standards are broad, complicated, and not tailored to the electric industry. Generally applying these standards to the state's distribution utilities would be difficult to implement, and there would likely be a high degree of variation among the plans adopted by the utilities.

During the November 6, 2013 public hearing, the Company suggested that the standards offered by the North American Electricity Reliability Corporation ("NERC") would provide the Commission with physical and cyber security planning criteria specifically tailored to the electric industry. During the technical session that followed the public hearing, it appeared that the Company's NERC proposal did not garner much support among the utilities or the Commission Staff. The Company recognizes the Commission's desire to have some level of assurance that the distribution utilities have in place, and will follow, security plans for both physical and cyber events. At the same time, efforts have begun to address security on a region-wide basis, and that process may result in regional security standards that will supplant rules that the Commission may adopt in this proceeding. Accordingly, with these considerations in mind, the Company proposes the following:

Note: 306.06 b(7) will require Commission notification within 24 hours of confirmation of an event that involves a breach of physical or cyber security as defined in 306.10.

Puc 306.10 Physical and Cyber Security Plans, Procedures and Reporting

1) Physical Security

- A. Each Utility shall develop, maintain and follow a written physical security plan designed to protect the Utility's Critical Equipment and Facilities from breaches of security. For purposes of this section, "Critical Equipment and Facilities" is defined as utility infrastructure without which the utility could not

provide safe and reliable service to its customers. The plan will be risk-based and incorporate:

- i) A threat level assessment;
- ii) A list of Critical Equipment and Facilities to which the plan applies;
- iii) Defined security measures for Critical Equipment and Facilities;
- iv) Response procedures and notifications upon discovery of a breach in security;
- v) Defined process to track events; and
- vi) Employee awareness training programs.

2) Cyber Security

A. Each Utility shall develop, maintain and follow a written information security plan designed to protect the Utility's Critical Cyber Assets and confidential customer personal information, as defined in RSA 359-C:19 (IV). For purposes of this section, Critical Cyber Assets are defined as those systems without which the Utility could not provide safe reliable service to its customers. The plan will be risk-based and incorporate :

- i) A threat level assessment;
- ii) A list of Critical Cyber Assets;
- iii) Defined security measures for Critical Cyber Assets and confidential customer confidential personal information;
- iv) Response procedures and notifications upon discovery of a breach in security;
- v) Defined process to track events; and
- vi) Employee awareness training programs.

3) Security Plan Submission and Reporting

- A. Each Utility shall submit to the Commission annually one original and one electronic copy of each of its Physical Security Plan and Cyber Security Plan. If any such plan contains confidential information, the utility shall so notify the Commission in writing to provide the Commission with an opportunity to review the confidential information at the Utility's offices.
- B. In addition to the notifications required under Puc 306.06 (b), each Utility shall file within ten days of confirmation of a security related event (Physical or Cyber) a confidential report per Puc 308.17 of all material breaches of security as defined within the plans.
- C. On the 15th day of the month following the last day of each quarter, each utility shall file Form E-37 pursuant to Puc 308.17 reporting all material breaches of security as defined within the plans. Puc 308.17 E-37 Quarterly Reports for Breaches of Security.
- D. Pursuant to Puc 306.10, each utility shall complete a Form E-37 report dated 10/2013 and available at the commission website at www.puc.nh.gov/forms, and file one signed original and one electronic copy with the commission. The Commission shall treat such reports as confidential information exempt from public disclosure pursuant to RSA 91-A:5.

Finally, the Company provides suggested revisions to the Commission's proposed Form E-37 in Attachment A to these Comments. The Company's revisions are intended primarily to tailor the report form to separate actual (Part I) and suspected (Part II) physical and cyber-related events to make the form more useful to the Commission as the recipient of these reports.

II. Puc 307: Records and Reports.

A. Puc 307.10: Tree Trimming Standards

The Commission's proposed rules include a new regulation concerning tree pruning:

Puc 307.10 Tree-Trimming Standards

(a) Utilities shall trim all three-phase sub-transmission and distribution circuits to the following clearances on no more than a 48 month cycle: 10 feet below the conductors, 8 feet to the side of the nearest conductor and 15 feet above the conductors. All utilities should consider ground-to-sky clearing on circuits or sections of circuits that are significantly and continuously contributing to poor circuit reliability.

(b) Utilities shall trim all single-phase distribution circuits to 10 feet below the conductors, 8 feet to the side of the nearest conductor and 15 feet above the conductors on no less than a 60 month cycle.

The Company supports the Commission's effort to bring tree pruning uniformity among New Hampshire's distribution companies and conceptually agrees with the clearances proposed in the rule. Unitil does have several suggested revisions to the Commission's proposal, assuming that the Commission adopts uniform pruning standards.

First, the Company recommends that the Commission use cycles that are defined in terms of years, not months. Pruning activity is planned for by year. For example, a five year cycle would correspond to the 60 month cycle proposed in the

rule. This is important because if a tree is pruned in May, then a utility would be deemed out of compliance if it fails to prune it by May of the fifth year of the anniversary of the last pruning. This creates unnecessary burdens on the Company and its pruning contractors to schedule pruning by month, rather than the calendar year. As a practical matter, moreover, whether the next pruning is performed five years later in May or September is unlikely to affect system reliability in any material respect. This proposed rule would not provide the Company with the ability to schedule tree pruning in the most cost efficient manner.

Second, Unutil suggests that the Commission not adopt a split cycle where some portions of a circuit are pruned on a four-year cycle while other portions of the same circuit are trimmed on a five-year cycle. Split cycles are confusing to customers and unnecessarily difficult for the Company and its contractors to administer. The Company believes that a single standard that applies to the entire distribution system is the most straight-forward and efficient approach.

Third, the proposed rule appears to assume that the distribution companies have an unfettered right to prune any trees that are adjacent to the Company's wires. Because the trees are owned privately or by municipalities, the Company must obtain permission before undertaking any pruning activities. To the extent those permissions are either withheld or limited by the owner, the utilities should not be deemed out of compliance with the pruning regulation.

Fourth, the distribution utilities should not be required to prune to the clearance standards established by the new rule to the extent such pruning would be harmful to the health of the tree and is unnecessary. In that case, we recommend

that that Commission require the utilities to follow the pruning guidelines provided by the American National Standards Institute in ANSI A300 and its companion publication. We believe adherence to these guidelines will allow the distribution utilities to promote system reliability while also preserving the health of the tree when possible.

Fifth, the proposed rule would require a four year pruning cycle. Unitil currently prunes its distribution circuits on a five year cycle, with a mid-cycle review. While it might appear that a four year cycle would be better than Unitil's program from a system reliability standpoint, the Company disagrees. A four year pruning cycle is not going to provide a material improvement in system reliability as compared to a five year cycle. Transitioning to a four year pruning cycle would require the Company to prune 25% more miles of circuit each year, at an estimated annual cost increase of about \$500,000. The added expense provides customers with no material increase in reliability over our current program. By comparison, the Company's five-year cycle improves reliability through the mid-cycle review. That review allows the Company to identify areas on its system that may need pruning before the end of the current cycle. This allows the Company to be proactive and identify potential problems before they create reliability issues.

If the Commission decides that it prefers a four year cycle instead of the Company's five year cycle with mid-cycle review, then the Company will implement the Commission's new policy. The Company does, however, need to have contemporaneous recovery of the additional costs incurred to transition to the four year cycle.

Finally, during the technical session on November 6, 2013, there was discussion

among the participants of alternative language for Section 307.10. During that session, the utilities and the Commission Staff appeared to reach agreement on the following:

Puc 307.10 Tree Pruning Standards

(a) With land-owner's consent, utilities shall prune trees adjacent to all distribution circuits to the following minimum clearances on no more than a 5 year cycle: 10 feet below the conductors, 8 feet to the side of the nearest conductor and 15 feet above the conductors, at the time of pruning. Utilities shall implement measures to identify and mitigate elevated risk from tree exposure on circuits or sections of circuits that are significantly and/or continually experiencing tree-related interruptions, where it is practical to do so.

(b) Utilities shall not be required to prune to the clearance standards specified in subpart (a) of this section where:

- (1) the land-owner has refused or restricted permission to prune;
- (2) a municipality or other local governing body, by ordinance or other official means, has refused or restricted permission to prune; or
- (3) pruning to the standards specified in subpart (a) would be detrimental to the health of the tree, in which the utility shall adhere to the guidelines provided in ANSI A300 or ANSI A300 companion publications.

III. Commission Staff's Proposed Revisions to Sections 302 and 307 First Provided During Public Hearing.

During the November 6, 2013 public hearing, Commission Staff distributed a newly proposed Section 302.24 defining "Wide Scale Emergency,"² and a newly proposed

² Section 302.24 states:

302.24 "Wide Scale Emergency" is an event either man made or natural during which

- (a) More than 9 percent or 40,000, whichever is less, of the utility's New Hampshire customers experience a sustained interruption of electric service and restoration of electric service to any of these customers takes more than 24 hours; or

Section 307.09(d) related to the reporting of certain reliability indices.³ Because Unitil received these new proposals during the public hearing, the Company has not had sufficient time to consider them in detail. Therefore, Unitil reserves the right to supplement these written comments after it has had the opportunity to discuss these new provisions with Commission Staff during the upcoming technical session and to further consider the potential effects of these new proposals.

Preliminarily, the Company has significant concerns that these new provisions could fundamentally affect the Company's reporting requirements for its reliability performance metrics and conflict with long-established precedent for identifying major storms that qualify for recovery from Unitil's Major Storm Cost Reserve. More specifically, in Docket No. DE 10-055, the Commission approved a Settlement Agreement that, among other things, defined "major storms" to include "severe weather events causing 16 concurrent troubles . . . and 15 percent of customers interrupted, or 22 concurrent troubles, in either the Capital or Seacoast Regions of Unitil, as well as costs associated with planning and preparation activities in advance of severe weather if qualifying major storm is likely to occur." Settlement Agreement, § 8.1 (Feb. 23, 2011). To the extent that the proposed revisions to Sections 302.24 or 307.09 are intended to affect in any way the Company's eligibility to recover for major storms as negotiated among the parties and approved by the

(b) The federal, State, or local government declares an official state of emergency in the utility's service territory and the emergency involves interruption of electric service.

³ Section 307.09(d) states:

307.09(d) For purposes of 307.09(b) above, reliability indices shall be reported in two forms, one depicting all interruption data and one depicting all interruption data minus wide scale emergency outage event interruption data.

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Commission in Docket No. DE 10-055, the Company strongly opposes these proposed revisions.

In addition, even if these proposals are not intended to affect major storm recovery, Unitil believes that the proposals will lead to the Company needing to track and report its reliability using two different exclusionary criteria. As noted above, when a "major storm event" is identified, the Company is allowed to recover storm-related costs from Unitil's Major Storm Cost Reserve. Under current Section 307.07(e), the Company's quarterly reliability reporting pursuant to Section 307.07(a) are not required to include "interruptions that result from major storms." By creating a new "Wide Scale Emergency" reporting requirement in Section 307.08 (based on the new definition of "Wide Scale Emergency" in Section 302.24), the Commission's rules would establish a new and additional exclusionary criteria for use while reporting reliability performance to the Commission. Unitil questions the need for any new provisions related to "Wide Scale Emergencies" given the current reliance upon the "major storm" standard. Again, after the Company has gained a better understanding of this issue through technical sessions, the Company may elect to provide more detailed written comments to address these issues.

In the course of normal distribution operations, utilities experience significant events which good utility practice cannot prevent and which do not reach exclusionary status. These types of events are also not indicative of normal distribution reliability performance and have the effect of distorting the underlying reliability of the respective distribution systems. The existing major storm definition contemplated this fact and allows "events which do not fit the criteria may be

excluded on a case-by-case basis cleared through this office.” The Company urges the Commission to include language within Section 307.09(e) of the revised rules to allow this practice to continue:

307.09(e) If a Utility experiences a significant event (i.e. events that are considerable in impact and not indicative of the underlying reliability performance of the distribution system) which good utility practice could not prevent and does not reach exclusionary status, the Utility can submit a request to the Commission to allow the significant event to be treated as exclusionary for reliability reporting purposes. The Commission can consider these requests on a case-by-case basis.

Finally, if the Commission adopts a definition for “Wide Scale Emergencies”, Unitil suggests that the definition not include a time element. As proposed in Section 302.24, a Wide Scale Emergency will have occurred only if “restoration of service to any of these customers takes more than 24 hours.” The inclusion of an outage duration may provide utilities a disincentive to restore service as quickly as possible. For example, the Rules should not create an unintended incentive for utilities to stretch to 24 hours a restoration process that could have been efficiently completed in 22 hours. Unitil believes that if the number of customer outages (or troubles) are set at the appropriate level, then durational limits are not necessary and could frustrate the Commission’s goals for efficient service restoration.

CONCLUSION

Unitil appreciates the Commission’s consideration of these Comments and looks forward to working with Staff and the Commission to develop electric service rules that meet the Commission’s safety and reliability objectives in a manner that is consistent with good utility practice and maximizes the efficient use of ratepayer dollars.

Dated: November 13, 2013

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