

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

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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. Unutil 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. Unutil'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.)**

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