



Commonwealth of Massachusetts

JOINT COMMITTEE ON TELECOMMUNICATIONS, UTILITIES AND ENERGY
MASSACHUSETTS GENERAL COURT
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Dear Colleagues:

Following both Tropical Storm Irene and the more recent historic October nor'easter, the Committee heard many concerns, from both you and your constituents, regarding the performance of the investor-owned utility companies during these events. In response to these concerns, the Committee would like to highlight the existing authority given to the Department of Public Utilities (DPU) and the Attorney General's Office (AGO) by the Legislature last session in the so-called Unitil Act, Chapter 133 of the Acts of 2009.

The Act:

- Authorizes the DPU Chairman, under a declared state of emergency, to issue extraordinary temporary orders (including operational and management directives) on utilities to expend funds and redeploy resources to restore service.
- Permits the Attorney General, on his or her own initiative or by request of the DPU or municipalities, to petition the Superior Court to appoint a temporary receiver for small utilities (fewer than 100,000 customers) if they fail in their duties.
- Codifies existing requirements for utilities to file storm restoration plans and creates significant new financial penalties for any failure to implement such plans, capping the penalties at \$250,000 per day per incident, with a maximum penalty for a series of violations at \$20 million.
- Requires each investor owned utility to submit annual emergency response plans (ERP) for DPU review and approval, as well as detailed reports following an emergency event on the utilities' restoration performance, including lessons learned.
- Permits DPU to open an investigation to review the performance of any investor owned utility in restoring service during an emergency event and allows DPU, upon making certain findings, to deny recovery of all, or any part of, the service restoration costs.

For both Tropical Storm Irene and the October nor'easter, the DPU required all utilities to submit 30-day post-storm reports and is launching investigations into the performance of some utilities in restoring power outages caused by the storms. As part of this investigation, the DPU is currently holding a series of public hearings in the communities most affected by outages from Tropical Storm Irene, and plans to do the same with regards to the communities most affected by the recent nor'easter. Additionally, the Attorney General's Office under authority granted by the Unitil Act and through her statutory authority as the Commonwealth's ratepayer advocate, recommended a DPU investigation into storm response by National Grid, NSTAR, and WMECo.

In addition, the Committee continues to review legislative options that could strengthen or improve oversight of storm response activities by electric distribution companies, including the timely restoration of power and improved communication with residents and local governments. Any additional legislation filed based on recent events will receive a full public hearing, including one planned in early December. We encourage members to provide the Committee with testimony outlining proposals, highlighting problems and discussing shortfalls with the existing law.

In the meantime, please do not hesitate to contact the Committee with any questions or concerns.

Sincerely,



JOHN D. KEENAN, *State Representative*
7th Essex District
House Chairman



BENJAMIN B. DOWNING, *State Senator*
Berkshire, Hampshire and Franklin District
Senate Chairman