

MARTHA COAKLEY
ATTORNEY GENERAL

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL

ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

(617) 727-2200
www.mass.gov/ago

January 11, 2012

The Honorable Benjamin B. Downing
Senate Chair — Joint Committee on Telecommunications, Utilities & Energy
State House, Room 413-F
Boston, MA 02133

The Honorable John Keenan
House Chair — Joint Committee on Telecommunications, Utilities & Energy
State House, Room 473
Boston, MA 02133

RE: S.B. 2087, *An Act Relative to Emergency Response of Public Utility Companies*

Dear Chairman Downing and Chairman Keenan:

I am writing to express my support for Senate 2087, *An Act Relative to Emergency Response of Public Utility Companies*. This initiative would amend our existing Emergency Storm Response Statute established by Chapter 133 of the Acts of 2009 to require our utility companies to implement additional storm-related communications and plan details. These updates to the law would greatly assist our Office's continuing efforts to protect ratepayers by holding utilities accountable for utility safety and reliability at reasonable and rational costs for ratepayers.

As you know, MGL c. 164, §85A, established by Chapter 133 of the Acts of 2009, requires that each electric and gas company submit emergency response plans to the Department of Public Utilities for review and approval. These emergency response plans must be designed to effectuate the prompt restoration of service, provide management contacts to municipalities and a communications infrastructure for consumers, and address the treatment of customers with essential electric needs (for example, medical). Companies are also required to file their mutual assistance agreements. Our office found Section 85A useful in negotiating a recent settlement with National Grid after their failed response to the December 2010 winter storm. The settlement included penalties and other enhancements worth over \$2.2 Million.

In the wake of Hurricane Irene and the 2011 "Snow-tober" Storm, our Office has become increasingly concerned that, despite changes in the law meant to enhance storm response, the response plans themselves and the utility response may still be inadequate. We are reviewing this issue more thoroughly in the current DPU investigations. We anticipate sharing more information with the committee as the regulatory process continues.



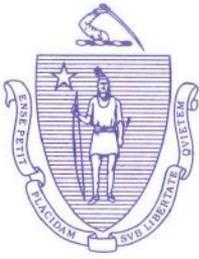
While we are supportive of the common sense changes proposed to implement more robust penalties and specific requirements for utility emergency response plans, we recommend the Committee also consider including a requirement that any penalties imposed under the current law be credited to customers through rates. Using the existing penalty mechanism to provide direct rate reductions to affected customers would ensure compensatory relief to affected ratepayers who have been harmed by inadequate emergency storm response. The existing cap on these penalties should also be eliminated.

As the Commonwealth's Ratepayer Advocate, I believe that these changes are reasonable and timely. I urge the Committee to incorporate these additional provisions and give this legislation a favorable report. As always, our Office is available to answer any questions you may have.

Cordially,

A handwritten signature in blue ink that reads "Martha Coakley". The signature is written in a cursive style with a large initial "M".

Martha Coakley



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