

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES**

**Investigation On Its Own Motion Into The
Massachusetts Electric Companies' Preparation
and Response to the December 12, 2008
Winter Storm**

D.P.U. 09-01-A

**STATEMENT OF
ATTORNEY GENERAL MARTHA COAKLEY
before the
DEPARTMENT OF PUBLIC UTILITIES**

Good evening Chairman Hibbard, Commissioner Keating and Commissioner Woolf. I am pleased to be here tonight on behalf of the customers of Unitil. I first want to thank Governor Patrick, Lieutenant Governor Murray, Senator Flanagan, Representative DiNitalo and Mayor Wong, as well as the entire legislative delegation (from the region impacted by the storm/or within the Unitil service territory), including: Representative Robert L. Rice, Jr. (Ashby), Representative Jennifer Benson (Lunenburg), and Representative Robert Hargraves (Townsend) for all their efforts during and after the storm to ensure a coordinated response to this disaster as well as their ongoing advocacy for federal and state aid and other assistance to help compensate local government, businesses and residents that suffered losses due to the ice storm.

Among my duties is to represent the interests of Massachusetts' ratepayers in gas and electric cases before the Massachusetts Department of Public Utilities. Several members of my Energy and Telecommunications Division are present tonight including my Division Chief, Jed Nosal. My Office represents all ratepayers in proceedings before the Department such as this evening's investigation as well as any matter involving utility

rates or quality of service. We participate in public hearings as well as evidentiary hearings, scrutinizing utility filings and make recommendations to the Department in the best interests of ratepayers.

Tonight, my Office is here to listen to what happened to Unitil's customers in those days following the December 12, 2008 ice storm. This hearing represents a chance for you, the customers, to voice your concerns and complaints about electric restoration service in the aftermath of that storm. In addition to hearing how the length and duration of the outage affected you and your families, it is particularly important for the Department to hear about your interaction with Unitil, what type of information was being passed on to customers as well as your observations regarding the Company's overall response to the outages.

After the December ice storm, over 375,000 electric customers in Massachusetts were without power, and many without heat. Of that number, 28,000 Massachusetts homes in Unitil's service territory, or virtually 100% of its Massachusetts customers, lost power. One in five of those customers were reportedly without power for at least a week, while over 1,000 homes had no electricity for 12 days or more. Like you, I want answers as to why Unitil's restoration effort took so long, and was reportedly handled in a manner described at various times as "confused", "chaotic" and "unprofessional." I also want answers as to why it has been widely reported that other utility companies in Massachusetts that were dealing with similar restoration challenges had better communication with customers and were able to restore service sooner.

My Office has received many customer complaints related to the storm. These complaints ranged in severity and cut across many demographics. Many residents were

forced from homes and forced to live with relatives, or in shelters and hotels. Others stayed in their homes and suffered significant discomfort. Residents have lost wages because they were forced to miss work and suffered losses because of lost groceries and many spent significant funds on generators and in repairing their homes. My office heard from Antoinetta Atkinson of Fitchburg, a senior citizen, who had no power for 8 days and was without heat, food or water. John and Barbara Sulin of Fitchburg were without power for 14 days and also complain of regular outages throughout the year. Brian Fitzpatrick of Lunenburg contacted us when he was on his 11th day without power due to the storm and he had not seen Unitil trucks or had communication from the company despite numerous calls. Mr. Fitzpatrick lost \$200 worth of food, spent \$250 on hotel rooms before sending his family to stay with relatives in New York and spent more than \$900 dollars for a generator and fuel to protect his home from freezing conditions.

I want to emphasize that tonight's hearing is only the first step in what I hope will be a very thorough process. After these hearings and after the utilities file reports, we expect that the Department of Public Utilities will provide the Attorney General and other parties the opportunity to request documents from Unitil and the ability to cross examine Unitil's senior management. While we look forward to reviewing company filings relating to these events, only if the Department provides the Attorney General with the opportunity to ask follow-up questions and examination under oath, can we fully understand the adequacy of Unitil's response. I appreciate the Department's understanding of this issue.

As my Office participates in the investigation into Unitil's planning for and response to the December 12th ice storm, we expect to concentrate our scrutiny in several

areas of concern:

- 1) **Lessons Learned** - Though the December 12th event was severe, an event like this should have been anticipated and prepared for. Unitil should have looked at the lessons from the 1998 ice storm in Maine and the 1996 storm in Western Massachusetts Electric's service territory. If Unitil did not study those storm recovery restoration investigations, and apply lessons learned, we want to know why.
- 2) **Tree trimming** - It has been speculated that one of the reasons that restoration took so long is Unitil has failed to adequately undertake tree trimming in its service territory. What are Unitil's practices concerning tree trimming and other vegetation management? Are their practices adequate for this region and the Company's particular territory, as well as consistent with other utilities' programs?
- 3) **Ongoing Maintenance** - Reports have indicated that Unitil has failed to adequately maintain its system. What is the overall state of Unitil's distribution infrastructure and did its age or condition contribute to the number of outages or the ability to restore power? Are the Company's ongoing operation and maintenance programs and staffing adequate or have they suffered from cuts?
- 4) **Emergency Planning** - What emergency response plans, training and other preparation did Unitil have in place prior to the storm? Are Unitil's emergency response plans adequate, and were they implemented, or not, in this case?
- 5) **Prioritization and Restoration** - How does Unitil prioritize what parts of its distribution system and which customers are returned to service first? Is the

sequencing logical, and does it take into account real conditions when the decisions are made?

6) **Communications** – There has been widespread agreement that Unitil's communication systems failed and we expect to spend significant time reviewing this failure. In particular:

- We want to understand how the Company communicated with customers, including identifying and acting on loss of service from customers' calls, and estimating return of their service.
- We want to understand how the Company communicated with emergency response personnel, in each city and town affected, and with state and national resources, such as the State Police, the National Guard, and MEMA;
- We want to understand how the Company communicated with other governmental authorities and agencies, including the Governor and staff, affected town and city governments, and the Massachusetts DPU;
- We want to understand how the Company communicated with major media since, in many cases, that was the only information outlet available to customers;
- We want to understand how the Company communicated and coordinated with other utilities for mutual aid, and with private contractors and vendors to get additional crews from outside of Unitil's service area, and to get additional equipment and supplies as needed.

At the close of this proceeding, the Attorney General will recommend that certain actions be ordered by the Department. These recommendations are likely to include measures to remedy any and all restoration shortcomings. We want to understand what if anything went wrong so we can prevent such extended outages in the future. Likewise, we will urge the Department to adopt appropriate punitive measures if it is found that Unitil has not acted in the interests of its customers or failed to comply with Department regulations and statutory requirements. I want to emphasize, however, that we are at the very beginning of this review and will need to gather evidence before we make a recommendation that the Department adopt sanctions.

Finally, I want to emphasize that I am committed to using the full resources of my Office to fully understand what happened, push for changes so this does not happen again and request that utilities be sanctioned if that is needed. However, I urge all of you who were affected by this storm to be patient. You will likely not receive all of the answers to your questions tonight. I know you are very frustrated and I know you want answers now, but only through a comprehensive process can we get to the bottom of what really happened. Thank you.