Tropical Storm Irene Legislative Hearing
Monday, September 26, 2011
Testimony of Richard Sobolewski
On Behalf of the Office of Consumer Counsel

Good Afternoon;

I am Richard Sobolewski, the Supervisor of Technical Analysis, for the Office of Consumer Counsel ("OCC"). I have been with the OCC for the past twenty-five years and have actively participated in every CL&P and UI rate case that was before the Department of Public Utility Control ("DPUC") over that time. On behalf of OCC, I have reviewed or overseen the review of CL&P and UI's storm and tree trimming expenses and payroll expenses for in-house linemen. I was involved in rate proceedings and post-major storm investigations before the DPUC.

OCC understands the frustration felt by customers and local and state officials of being without utility service, especially electricity. We live in a society that is very dependent on having electric service. In many instances, without electricity, a customer may not have heat, water, telephone, or cell phone service. Because we live in a digital world, even if you do not lose electricity at your home you may lose your telephone, internet and cable television service. Also as we saw with Storm Irene, when other telecommunication services are out, cell phone service and associated wireless internet service often get overloaded and systems slow down drastically.

Tropical Storm Irene was a major and unprecedented storm, resulting in the largest number of electric utility customer outages ever. Given the magnitude of the storm, CL&P and UI restored more customers in a larger more diverse area of the State than after Hurricane Gloria in 1985.

OCC was asked to present testimony on a few issues surrounding Tropical Storm Irene and the electric utilities storm restoration efforts.

Line Workers

In rate proceedings before DPUC/PURA, the electric utilities propose the number of line worker positions and request recovery of the associated costs for salaries and benefits and other related costs. In reviewing this issue during a rate case, a forward looking analysis is performed to decide the appropriate compliment of workers necessary to complete the forecasted workload for the period that rates will be set. The requested personnel is reviewed based on the particular utility's work load. This includes maintenance and repair work, service installations and change-outs, as well as to support capital expenditures/plant construction. Storm restoration is a piece of this but not the driving force. To keep a large surplus of line workers employed in anticipation of a future major storm would be cost prohibitive, especially in today's current economic conditions.

With a few peaks and valleys, the level of line workers at Connecticut's electric distribution companies has remained relatively stable over the past decade. While a number of years ago there was an issue with CL&P not keeping the number of line workers allowed in a rate case, OCC believes that for at least the past five years the electric companies have maintained the level

of line workers allowed in rates. The current level of line workers appears to be adequate to handle the companies normal workload and construction budget.

Tree Trimming

The appropriate level of tree trimming expense to allow in rates has been an issue of contention in every electric utility rate case that I have participated in since 1985.

Much of the recent tree trimming debate has been around trim cycle, which is the number of years to trim entire system. For example, for CL&P, the cycle has varied from about four years in 1997, to about 6.4 years in 2006. Over that time frame, in many years CL&P did not always spend the money allowed. In recent years the trim cycle dropped from 6 years to about 5 years. Over the last several rate cases CL&P has proposed some very large increases in tree trimming. The DPUC while cutting back the level of expense to keep rates more affordable, has allowed increases in tree trimming in each of the last two rate cases. In the 2007 rate case (Docket 07-07-01, 1/28/2008 decision), the DPUC allowed an annual expense of $19.6 million (up from about $13 million). In the 2010 rate case (Docket No. 09-12-05, decided 6/30/2010) allowed $21.5 million annually. Current information shows that over the past five years, at a minimum, CL&P continues to spend their allowed tree trimming budget.

The tree trimming analysis in the electric utility rate cases attempts to tie in reliability (SAIDI/outages length) to the trim cycle (# of years to trim all trees) and the annual cost. Just spending more money on tree trimming efforts is not the answer, nor is just picking a trim cycle. More of a prioritization of problem circuits and areas of faster growing trees needs to be looked at as part of the tree trimming process.

PURA Investigation.

OCC would like to commend PURA for opening Docket No. 11-09-08, *Investigation of the Service Response and Communications of CL&P and UI and Report on the Operations of the Telecommunications, Natural Gas and Water Public Service Companies Following Power Outages Resulting from Hurricane Irene*. In the past, these types of investigations which have been held after numerous major storms, have proven to be helpful in addressing strengths and weaknesses of storm restoration efforts as well as recommending changes that need to be made on a going forward basis. OCC will be an active participant in that proceeding and looks forward to working with other state agencies, government officials and the utility companies on improving future storm restoration processes and activities.