



**Connecticut
Light & Power**

The Northeast Utilities System



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**TESTIMONY OF JAY FLETCHER
THE CONNECTICUT LIGHT AND POWER COMPANY
and YANKEE GAS SERVICES COMPANY**

**Energy and Technology Committee
March 5, 2013**

Good afternoon. My name is Jay Fletcher, Director of Regulatory Policy for Northeast Utilities Service Company. I am appearing on behalf of The Connecticut Light and Power Company and Yankee Gas Services Company. With me today is David Goodson, Manager of Vegetation Management for NUSCO.

We are providing written testimony on a number of bills on the agenda for today's public hearing.

RE: HOUSE BILL NO. 6471, AN ACT CONCERNING TREE TRIMMING BY UTILITIES

We support this proposed legislation, with some minor revisions that we have attached on the final page of this testimony. The storms that we have experienced over the last two years have proven that trees are the major cause of outages. We recently received approval from the Public Utilities Regulatory Authority ("PURA") for our five year infrastructure hardening plan, which includes \$191 million for maintenance and enhanced tree trimming over the next five years. As part of our vegetation management planning, we have embarked on a more rigorous program to trim trees every four years, and to remove trees that present a hazard to our distribution and transmission systems. However, current legislation in some instances impedes our ability to trim and remove trees. This legislation would improve that process significantly, and would allow utilities to trim and remove trees more efficiently. The bill also contains protections for landowners, in the form of an appeal process to the town tree warden and to PURA. These changes to the legislation provide greater specificity as to which facilities this bill would apply and, more specifically, state that this bill applies to distribution lines that are less than 35 kilovolts. Tree trimming for higher voltage facilities is regulated at the federal level. The remaining changes clean up the language of Section (c) of the bill to ensure that our existing rights to trim trees within our easements are maintained.

RE: SENATE BILL NO. 109, AN ACT CONCERNING NOTIFICATION TO MUNICIPALITIES OF TERMINATION OF A CUSTOMER'S UTILITY SERVICE

This bill requires electric and gas companies to notify municipal officials when a resident of that town has had his or her utility service terminated for more than seven continuous days. The bill in its present form does not provide sufficient detail to give a complete analysis. For example, it is unclear from the legislation as to which terminations require notification. Is notification required for customers who terminate service because they have moved out of the premises? The bill also does not provide sufficient detail as to the timing of such notifications. Finally, it is unclear as to what the municipality is required to do with such notification.

We are also concerned with the administrative burden that such a notification would cause. CL&P and Yankee Gas perform tens of thousands of terminations each year for a variety of reasons. Establishing a system that would provide notification to the municipality each time a customer is terminated would be administratively burdensome, and we are unsure as to what value such notification would bring.

The bill also raises privacy concerns. Termination of service is an issue that should be addressed solely between the company and their customer. The confidentiality of customer's information may be breached if we are required to discuss a termination with the municipality. If the customer has a grievance with a utility over a termination, that customer has the right to bring their concerns to PURA and the municipality does not need to be involved. We believe that this legislation will create administrative hardships on the utilities and the municipalities, and is a possible violation of customers' privacy rights.

RE: SENATE BILL NO. 250, AN ACT REQUIRING APPLICANTS OF ELECTRIC GENERATION, TRANSMISSION AND DISTRIBUTION FACILITIES TO PERFORM ENERGY ANALYSES

As written, we cannot fully comment on this bill as there is insufficient detail necessary to provide commentary. However, based on the legislation in its current form, we would not be in favor of this bill.

As we understand the term, an "energy analysis" is a concept for comparing the energy required to harvest an energy source to the energy produced by that source. Transmission and distribution

facilities are not energy sources, as those sources do not generate energy. If the words "energy required to harvest an energy source" were deemed to include the energy required to build new electric power delivery systems, then a proponent of a new generator under this bill would have to estimate how much energy is used to obtain raw materials, to then make the component materials for new lines and substations, and to then install them using energy-powered vehicles. This would be an enormously speculative and time-consuming exercise, and would most likely yield a result that is very small by comparison with the cost of building and providing fuel to the generator. We would suggest that, should this bill move forward, it be amended to remove the reference to transmission and distribution facilities.

RE: SENATE BILL NO. 315, AN ACT CONCERNING COMMUNICATION BETWEEN PUBLIC SERVICE COMPANIES AND CUSTOMERS

As written, we cannot fully comment on this bill. There is insufficient detail contained in the language to provide commentary. However, as it is written we would not be in favor of this bill, as it is duplicative of existing processes. Each electric and gas distribution company is required to file with PURA an emergency response plan. These plans and, in some cases associated procedures, contain sections that deal specifically with customer communication. CL&P and Yankee have implemented a town liaison program that provides each town in our service territories with a single point of contact. We have also been proactive about reaching out to customers before, during and after an event to provide useful information on planning for an event and recovering from an event. We are concerned that this legislation is unnecessary and has already been implemented through previous legislative and regulatory action.

RE: SENATE BILL NO. 946, AN ACT CONCERNING CONTRACT EXTENSIONS FOR PROJECT 150 PROJECTS

This legislation allows certain projects that have been approved as part of the Project 150 initiative to extend their contractual in-service date for an additional 24 months. We are concerned that this legislation provides further relief to projects that have had PURA-approved contracts for many years, yet have not been constructed. The contracts approved by PURA allowed an extra two years beyond the originally scheduled in-service date to give each project adequate time to absorb reasonable financing or construction delays. Two of the projects have already received an additional two year extension (beyond the two years allowed in the original contract). Without the

extension proposed by this bill, all of the contracts affected by this legislation will automatically terminate this year. The payment rates under these contracts are significantly over market, and include a payment structure that minimizes the risk to the projects by including a payment for a proxy of their fuel costs. We believe that these projects have had adequate time to get constructed and move forward. The fact that they have been unable to get financed to date is particularly noteworthy given the high payment rate and low risk provisions of the contracts. Providing additional time will extend the administrative burden associated with these contracts and will extend the over market risks for our customers.

RE: HOUSE BILL NO. 5591, *AN ACT CONCERNING ON-BILL FINANCING FOR ENERGY-RELATED TECHNOLOGY UPGRADES*

Our concern with this legislation is the reference to customers using on-bill financing for smart meters. We wish to point out that CL&P owns the meters that serve its customers, and it would be problematic to allow customers to own their own smart meters, which may not be compatible with our systems. We have a number of current programs that provide an on-bill option for customers, and the Comprehensive Energy Strategy outlines other areas in which the State would like to advance the on-bill financing concept. We would suggest that the State focus on the priorities outlined in the CES prior to implementing any new on-bill financing programs.

Thank you for the opportunity to provide testimony on these bills.

Section 1. Section 16-234 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(a) This section shall only apply to telephone, electric or electric distribution company wires or similar conductors of 35 kilovolts or less, and shall not apply to any other federally regulated electric transmission facilities.

As used in this section, "utility clearance zone" means any rectangular area extending horizontally for a distance of ten feet from any outermost electrical conductor and vertically from the ground to the sky, and "hazardous tree" means any tree or part of a tree that is (1) dead, (2) diseased, (3) extensively decayed, or (4) structurally weak which, if it falls, would endanger life or property, including utility infrastructure, facilities or equipment, and "utility easement" means any easement, partial assignment of easement, lease, sublease, license, sublicense, permit, agreement or judicial decision that authorizes a telephone, electric or electric distribution company to operate or maintain its facilities on private property.

(b) No [telegraph,] telephone, [or electric light company or association, nor any company or association engaged in distributing electricity by wires or similar conductors or in using an electric wire or conductor for any purpose,] electric or electric distribution company shall exercise any powers which may have been conferred upon it to change the location of, or to erect or place, wires, conductors, fixtures, structures or apparatus of any kind over, on or under any highway or public ground, without the consent of the adjoining proprietors, or, if such company [or association] is unable to obtain such consent, without the approval of the Public Utilities Regulatory Authority, which shall be given only after a hearing upon notice to such proprietors. [; or to cut or trim any tree on or overhanging any highway or public ground, without the consent of the owner thereof, or, if such company or association is unable to obtain such consent, without the approval of the tree warden or the consent of the authority, which consent shall be given only after a hearing upon notice to such owner; but the authority] The Public Utilities Regulatory Authority may, if it finds that public convenience and necessity require, authorize the changing of the location of, or the erection or placing of, such wires, conductors, fixtures, structures or apparatus over, on or under such highway or public ground. [; and the tree warden in any town or the authority may, if he or it finds that public convenience and necessity require, authorize the cutting and trimming and the keeping trimmed of any brush or tree in such town on or overhanging such highway or public ground, which action shall be taken only after notice and hearing as aforesaid, which hearing shall be held within a reasonable time after the application therefor.]

(c) No telephone, electric or electric distribution company shall exercise any powers which may have been conferred upon it to cut or trim any tree on or overhanging any highway, ~~utility right of way, easement, utility clearance zone,~~ public ground or any property, with exception of a utility right of way, utility easement or utility clearance zone, on which a tree or part of a tree is located, which may fall onto any utility infrastructure, facilities or equipment as a result of any natural cause, without (1) mailing written notice to the property owner of the proposed area to be

cut or trimmed, and (2) providing notice to the Commissioner of Transportation and the tree warden of the municipality in which such tree is located. The property owner where such tree is located may file a written objection with the tree warden of the municipality in which such owner resides not later than ten business days after the mailing date of such notice. The tree warden shall make a written determination as to the disposition of the tree not later than ten business days after the filing date of such written objection. The property owner or company may appeal the tree warden's decision to the Public Utilities Regulatory Authority within ten business days after the tree warden's decision. The authority shall hold a hearing within sixty business days and shall provide notice of such hearing to the property owner and company. If any proposed tree to be cut or trimmed is owned by a municipality, the company shall provide written notice to the tree warden of the municipality in which such tree is located. If any proposed tree to be cut or trimmed is owned by the state, the company shall provide direct written notice to the Commissioner of Transportation. Such tree warden, in the case of a municipally-owned tree, or said commissioner, in the case of a state-owned tree, may file a written objection with the Public Utilities Regulatory Authority not later than ten business days after the mailing date of the notice. If an objection is filed, the Public Utilities Regulatory Authority shall hold a hearing within sixty business days and shall provide notice of such hearing to such tree warden or said commissioner and the company. The Public Utilities Regulatory Authority may, if it finds that public convenience and necessity require, authorize the cutting and trimming of any tree in a municipality, which action shall be taken only after notice and hearing as aforesaid.

(d) No telephone, electric or electric distribution company shall be required to provide notice under subsection (c) of this section if (1) any part of a tree is in direct contact with an energized electrical conductor or has visible signs of burning or if a customer requests the company to cut or trim any tree on the property of such customer that poses a threat to the electrical conductors, or (2) any tree cutting or trimming removes any part of a tree inside the utility clearance zone, provided such tree has a diameter not greater than twelve inches when measured four and one-half feet above the ground. Such company may cut **any other vegetation in a utility clearance zone that obstructs the company's access or poses a threat to the electrical conductors.**

(e) Each electric distribution company, in cooperation with the municipalities in the service area of such company, shall establish a program to identify hazardous trees. Each municipality shall (1) establish minimum requirements to cut, trim or prune hazardous trees, (2) provide notice to property owners of any existing hazardous trees and any requirements to cut, trim or prune such hazardous trees, and (3) establish enforcement provisions for the cutting, trimming or pruning of any hazardous tree.