

# Issue Brief

Utility Storm Response

#### How does PURA monitor and review utility storm response?

By law, the Public Utilities Regulatory Authority (PURA) must review electric and gas company performance after emergencies in which over 10% of a company's customers go without service for more than 48 consecutive hours, but PURA can also review company performance at its discretion (<u>CGS § 16-32i</u>). The law also requires utilities to report to PURA annually on their ability in the previous year to meet established standards for emergency preparedness and response and allows PURA to require utilities to submit supplemental reports after any storm, emergency, or other event causing significant outages (<u>CGS § 16-32h</u>).

#### What are Emergency Response Plans?

By law, public utilities must file updated Emergency Response Plans (ERPs) every two years with (1) PURA, (2) the Department of Emergency Services and Public Protection (DESPP), and (3) each municipality in the utility's service area (<u>CGS § 16-32e</u>). ERPs generally describe the company's plan for restoring service after an emergency-related outage. The plans must include (1) communication and coordination measures with state officials, municipalities, and other utilities during a major disaster; (2) measures for company participation in training exercises directed by DESPP; and (3) the company's response for service outages of varying sizes ("event levels").



In 2011, Tropical Storm Irene and a Nor'easter struck Connecticut, leaving many customers without power for 12 days or more. The legislature passed PA 12-148, requiring PURA to establish emergency performance standards, review utility performance, and assess penalties.

In its Performance Standards Decision, PURA required companies to incorporate standards into their ERPs.

In 2020, Tropical Storm Isaias caused 60 mph wind gusts, leaving half the state without power, some customers for many days. PURA initiated a proceeding to investigate the electric companies' preparation for and response to the storm (Docket 20-08-03). The legislature passed PA 20-5 SSS, requiring companies to credit customers affected by long outages and requiring PURA to establish performance based ratemaking.

### Are there penalties for poor performance by utilities during and after storms?

By law, PURA may issue civil penalties against electric or gas companies of up to \$10,000 per offense, up to a total of 4% of their annual distribution revenue, for noncompliance with emergency preparation and service restoration services or any other PURA order (CGS § 16-32i, as amended by <u>PA 20-5</u>, <u>September Special</u> <u>Session</u>). In determining the penalty, PURA must consider if it approved the company's efforts and funding allowances to meet infrastructure resiliency standards. The penalties must be paid as a credit to ratepayers and cannot be considered an operating expense that the company may recover in its rates.

Additionally, starting July 1, 2021, a new law requires electric companies to give customers (1) \$25 credits for each day an outage occurs for more than 96 consecutive hours after an emergency and (2) \$250 in compensation for food and medication lost due to such outages. The law allows electric companies to petition PURA for a waiver from requirements to provide credits and compensation and requires PURA to consider the petition in a contested case proceeding. PURA must open proceedings to consider implementing the credit, compensation, and waiver provisions by January 1, 2021 (PA 20-5, September Special Session, (§§ 10 &11)).

## Learn More

"Storm Legislation and Planning," OLR Report <u>2020-R-0221</u>

"<u>PURA Establishment of Industry</u> <u>Performance Standards for Electric and Gas</u> <u>Companies</u>," PURA, 2012 <u>"Report and Study of the Public Utilities</u> <u>Regulatory Authority Regarding the</u> <u>Standards for Electric Distribution Company</u> <u>Emergency Performance Pursuant to</u> <u>Special Act 19-15,"</u> PURA, 2020



OFFICE OF LEGISLATIVE RESEARCH

Analyst: Mary Fitzpatrick Connecticut General Assembly 860-240-8400 | <u>www.cga.ct.gov/olr</u>