



The Appropriations Committee
March 12, 2021 Subcommittee Meeting
Questions From the February 19, 2021 Hearing
To the Office of Consumer Counsel

Current Services Budget

- **Describe the large increases in current services in the proposed budget.**

Response: The proposed budget covers the estimated salaries and benefits associated with the full complement of the Office's thirteen authorized employee positions. As discussed in detail below, during the last two fiscal years OCC had several employee positions that were vacant. In at least one prior period, one employee was on a lengthy, unpaid family leave.

The OCC's Other Expenses (OE) are at the current budgeted level. While OCC has a large number of fixed expenses for rent, security, parking and other building expenses, some OE reductions occurred due to vacant positions and the pandemic. With many employees working remotely, some expenses have been drastically reduced. For example, OCC staff who are assigned to cover regional electric issues at ISO-New England and NEPOOL, would normally travel one or two weeks per month. However, during the pandemic, meetings for membership committees have been held remotely, vastly reducing out-of-state travel. This is also true for hearings held by State and Federal regulatory agencies and courts. As a result, associated travel for in-State and out-of-state travel have been basically eliminated.

- **How did the agency function at reduced staffing levels during 2019-2020?**

Response: Since May 2019, there has been a large turnover in the staff at the OCC. At that time, all thirteen of the Office's employee positions were filled. In May 2019, a Staff Attorney 2 left OCC for the Attorney General's Office. Immediately thereafter, OCC started the hiring process to fill this vacancy.

Consumer Counsel Elin Swanson Katz left the Office on July 1, 2019. Richard Sobolewski, who was serving as the Supervisor of Utility Financial Analysis, was appointed as the Acting Agency Head. One month later, a Principal Attorney who also served as the State Broadband Coordinator retired from State service. Around this time, OCC's efforts to fill its vacant attorney positions were put on hold.

OCC received approval to restart filling its vacant Staff Attorney 2 position in November 2019. OCC completed the process, hiring a new Staff Attorney 2, who was set to start at the end of January 2020. Early in January 2020, before the new attorney joined our staff, OCC's second Principal Attorney left state service relocating to North Carolina – leaving the OCC staffed with only one attorney for the interim period. Two weeks later an OCC analyst who held leadership positions on the Energy Conservation Management Board and Low Income Advisory Board as well as doing a significant level of the Office's work on legislative activities, left the agency to accept a more senior position with the Public Utilities Regulatory Authority.

In summary, five well-experienced staff members left the Office over an eight month period. An overall staff reduction of nearly 40% is difficult for any organization; but for the OCC, losing four-fifths of our legal staff and over 70 years of collective experience with the agency in utility regulation, energy, water, telecommunications and broadband policy made matters extremely difficult.

Over the last three years, the OCC has participated in over 400 cases annually before PURA, DEEP, State courts and Federal Regulatory agencies. Generally, both legal and technical staff are assigned to all regulatory agency cases. During the fall of 2019, when the Office was down to two attorneys, the OCC was extremely fortunate that there were no major utility rate proceedings before PURA. These cases normally last six months to complete and require at least one attorney's significant attention and at least 500 hours of full-time legal work to assist OCC's technical staff and outside consultants in the review of a company's rate application, and the presentation of an alternate case.

In this fiscal year, three water companies have filed rate applications. One case, the rate application pertaining to the Connecticut Water Company's rate application, is a major case where OCC's advocacy will require significant work effort for the OCC legal and technical teams. In the coming months and years it is expecting that interim rate cases, performance ratemaking plans and normal multi-year rate cases will be occurring for the State's electric distribution companies. Similarly, the three gas local distribution companies (LDCs) are all approaching the end of their multi-year rate plans. Once the pandemic is over, we expect that all the gas LDCs will begin filing rate cases with PURA. Similarly, we expect increased rate case activities from most of the State's regulated water companies, most of which have not filed rate cases in close to a decade.

Beginning in 2017 PURA launched its initial Grid Modernization proceeding (Docket No. 17-12-03) *PURA Investigation Into Distribution System Planning Of The Electric Distribution Companies*, which had three objectives: 1) assess the existing state of each EDC's distribution systems and plans; (2) identify the near- and long-term needs of the distribution systems and what is driving them; and (3) consider whether any new or modified planning objectives, metrics, solutions, performance incentives, oversight and/or procurement mechanisms should be implemented, in light of the evolving nature of the distribution grid and the electric system itself. Following the conclusion of the initial investigation, beginning in October 2019, PURA advanced the scope of the initial investigation to examine multiple aspects of potential grid modernization plans in Connecticut. To date, 10 additional dockets have been launched (Docket Nos. 17-12-03RE01; 17-12-03RE02; 17-12-03RE03; 17-12-03RE04; 17-12-03RE05; 17-12-03RE06; 17-12-03RE07; 17-12-03RE08; 17-12-03RE09, 17-12-03RE11). This suite of proceedings includes investigations into energy affordability, advanced metering infrastructure, electric storage, electric vehicles, interconnection standards, non-wires alternatives, sustainability, and others - including advancing directives from Public Act 20-5. OCC has been an active participant in all of these proceedings, which have constituted a substantial commitment for OCC and its staff, including: attendance at dozens of technical conferences and hearings, outreach events; the filing of hundreds of pages worth of comments briefs, and technical analysis; meetings with consultants and other stakeholders; and the issuance of multiple interrogatories and data requests. In any given week, the grid modernization dockets require the dedication of at least fifty-percent of total staff time. As all of these proceedings address major technical and legal issues, OCC staff are engaged on them on a near-continuous basis. Even with full staffing, fully covering these proceedings alone constitutes a significant logistical burden, especially when coupled with OCC's obligations in all of the other proceedings to which it is a party. Throughout, OCC has advocated in favor of ratepayers, continually emphasizing that additional expenditure by the EDCs will in the vast majority of instances ultimately be borne by ratepayers who already face high energy costs. OCC intends to continue its robust participation in these proceedings as they continue.

As a statutory party to all proceedings before PURA, OCC requires adequate staffing to fulfill its mandate. Matters before PURA are of a complex and technical nature, requiring a specialized knowledge base and public interest dedication. Even running fully staffed with 12 people, which is approximately 1/7 of the PURA staffing levels tasked with the same number of cases, OCC is often working beyond its maximum capacity. Because the OCC has no control over when and how many cases are filed at PURA, it always must be able to take on new work despite current workload. Examples of unanticipated cases in 2020 that encompassed a great deal of staff time include Docket Nos. 20-03-15, *Emergency Petition Of William Tong, Attorney General For The State Of Connecticut, For A Proceeding To Establish A State Of Emergency Utility Shut-Off Moratorium* and 20-08-03, *Investigation Into Electric Distribution Companies' Preparation For And Response To*

Tropical Storm Isaias. Neither of these proceedings were foreseeable in advance yet have occupied substantial staff time given the important ratepayer issues addressed therein. Likewise, PURA is not the only venue in which OCC conducts its advocacy. In addition to hundreds of PURA proceedings per year, OCC attorneys and technical staff participate in proceedings before the Connecticut Superior and Appellate Courts, Federal Energy Regulatory Commission, Federal Communications Commission, the federal Circuit Courts of Appeal, Connecticut Siting Council, Department of Energy and Environmental Protection adjudications, the Connecticut General Assembly, and multiple boards and commissions to which OCC is a designated member.

Additionally, in proceedings, OCC faces fully staffed utility companies with teams of multiple lawyers, dozens of witnesses, and practically unlimited resources. OCC's clients, the Connecticut utility customers, deserve a fully staffed team to represent them in all utility rate and service quality investigations as well as in proceedings designed to determine the future of Connecticut's electric grid. Full staffing of the OCC is necessary so that OCC can work to ensure that these initiatives are carried out efficiently and in a least cost manner.

Finally, the Office of State Broadband sits by statute within the OCC. One staff attorney currently serves as the Broadband Policy Coordinator and handles virtually all broadband matters for the State without any support, as our professional and administrative staff is fully engaged on other matters.

Broadband

- **How does the Connecticut Education Network fit into the Broadband proposal?**

Response: CEN is a non-profit internet service provider that focuses on meeting the needs of institutions such as education, health care, research organizations, municipal and state government facilities, public libraries and business. While CEN has been instrumental to providing high speed broadband access to its members, its role is not to map out broadband access of all the state's residents, nor is its role to inform policymakers of a means to encourage a full buildout of the state's broadband network or necessary upgrades to such network to provide customers faster upload and download speeds. Internet service providers (ISPs) and municipalities can potentially leverage CEN's infrastructure for "middle mile" purpose for broadband transport, although most ISPs prefer to utilize their own networks. It is OCC's understanding that CEN does not serve residential consumers, so even if a municipal broadband network (MBN), for example, were to utilize CEN for "middle mile" transport, the MBN would still have to construct its own connection to the home.

- **Provide a more detailed breakdown of the potential sources of Federal Broadband funding and what each may be used for.**

Response: Although there will be federal broadband funding available for broadband infrastructure expansion in unserved areas, none of that money will be used to fund the staffing of the OCC. The OCC is funded through the “Consumer Counsel and Public Utility Control Fund” under Conn. Gen. Stat. § 16-48a, and the money for this Fund comes from the annual statutory assessment on public service (e.g., utility) companies, telecommunications providers, electric suppliers, and cable companies under the formula and process set forth in Conn. Gen. Stat. § 16-49 (“Expenses of the Department of Energy and Environmental Protection’s Bureau of Energy, the Office of Consumer Counsel and the operations of the Public Utilities Regulatory. Assessment of regulated companies.”).

The specific sources of funding of which we are aware includes the following:

1. Consolidated Appropriations Act of 2020
 - a. Emergency Broadband Benefit: administered by the FCC, the EBB is funded to provide \$50 per month broadband subsidy to eligible low income households. The amount that was allocated is estimated to last about 6 months nationally. The Office of State Broadband in our office is working with others to help promote the EBB
 - b. NTIA broadband infrastructure money: administered by the National Telecommunications and Information Administration, the total allocated nationally is \$300 million. The Office of State Broadband participates in NTIA’s State Broadband Leaders Network and has advocated that the \$300 million be split equally among the 50 states (e.g., allocating \$6 million to Connecticut). We believe that the amount to be allocated to CT may be in the \$4-5 million range.
2. America Recovery Act (to be signed into law on March 12)
 - a. School connectivity: \$7.6 billion allocated nationally to close the “homework gap”. Again, we do not know how much will be allocated to Connecticut.
 - b. Broadband infrastructure and digital equity: It is our understanding that some of the money allocated to states may be used for broadband. We have no information as of yet about the amount of money allocated for CT and if and how it will be allocated to these purposes.
3. Other proposed federal broadband money: We understand that the house and senate democrats unveiled a \$94 billion broadband bill this week and that other congressional representatives have also introduced similar bills at lesser amounts.

For purposes of this meeting, please note that the Office of State Broadband will be actively involved in working with the Governor’s Office on these various funding

opportunities and likely involved in development of programs for consideration by OTG as well as implementation of approved broadband programs.

- **Provide a chart to illustrate each State Agencies responsibility under the Broadband proposal.**

Response: Please see the attached chart prepared by the Office of Policy and Management of such duties under the Governor's broadband bill. Also, we are resubmitting the summary of OCC's duties under the broadband bill.

- **What is the cost per linear foot of fiber optic cable for broadband?**

Response: OCC does not have precise data on the latest cost of fiber, but our information indicates that a back-of-the-envelope calculation is that the average cost of fiber per aerial mile is around \$15,000. Underground construction would be higher and is more variable based on the ground being excavated. The figure does not include any electronics that would need to be installed, which is dependent on the technical qualities of each network technology and configuration.

- **Discuss the four categories where broadband spending may occur.**

Response: Broadband funding under the federal programs (set forth above) that may occur in Connecticut is likely to fall into these categories:

1. Infrastructure expansion: expanding broadband into unserved or underserved areas.
2. Digital and remote learning, akin to Governor Lamont's Everyone Learns Initiative
3. Digital equity and adoption: this area involves helping with digital literacy, digital access by finding the appropriate level of service for the needs of the household, exploring funding options for low income individuals.
4. Broadband subsidies for low income households.



Governor Lamont's Broadband Initiative

Strengthening Leadership & Coordination Across State Government

Leading connectivity speed standards, policy and planning; Appear before PURA as Executive Branch representative in regulatory proceedings

Executive Branch Functions

Data Collection & Mapping; Coordination on reporting and performance measurement

DEEP's Office of Telecom and Broadband within its Bureau of Energy & Technology

OPM Data and Policy Analytics unit

Cross Agency Coordination

Leveraging federal funds, recommendations for investment of federal and state money to strengthen broadband access across the state, work with regulated entities to improve access and service for residential and business customers

PURA

Regulatory Oversight, Adjudications, Technical Support

Regulatory & Consumer Affairs Functions

OCC

Representation of Consumers' interests in regulatory proceedings, customer complaints, and policy development

New Roles will coordinate with and leverage expertise and prior investments under The CT Commission for Educational Technology's Connecticut Education Network (CEN), and related OPM-administered grant programs.



**The Appropriations Committee
Office of Consumer Counsel
Agency Budget Presentation
February 19, 2021**

**OCC ROLE IN IMPLEMENTING GOVERNOR’S BILL “AN ACT CONCERNING EQUITABLE ACCESS
TO BROADBAND”**

Pursuant to Conn. Gen. Stat. §16-2a(c), the Office of State Broadband (“OSB”) is established within and staffed by the Office of Consumer Counsel (“OCC”). A staff member of the OCC serves as Broadband Policy Coordinator. The role of the OSB is to coordinate with consumers, providers, state agencies, municipalities and non-profits to advance broadband in Connecticut. Duties of the Broadband Policy Coordinator include addressing digital inclusion and digital equity issues and have been assisting the Office of the Governor and other state agencies on broadband issues.

Duties of the OSB under “An Act Concerning Equitable Access to Broadband”:

Section 2: OSB is charged with ensuring that all provisions of the Act are implemented to ensure that that the 8 guiding principles are followed and accomplished.

Section 3(a): Work with OPM and other state agencies to develop a broadband mapping plan for the State.

Section 3(c): Report jointly with OPM and DEEP to Governor on broadband mapping plan.

Section 3(d): Work with Commission for Educational Technology, and other state agencies, to conduct an analysis on broadband access and device availability for students of all ages informed by broadband mapping.

Section 4(a): Work with DEEP, and other state agencies, in establishing and applying broadband speed classifications, which are adjusted annually.

Section 4(b): Work with DEEP, and other state agencies, in reporting to Governor and E&T committee on broadband classification metrics and data sharing requirements.

Section 4(c): Work with DEEP, and other state agencies, in reporting annually to Governor and E&T committee on progress made in attaining Jan. 2027 goal of universal broadband access at 1 Gig down/200 Mbps up).

Section 6: Serve as resource to municipalities on muni gain statute revision and issues.

Sections 8, 9 and 10: Monitor provider compliance with provisions of PURA statutes concerning safety.

Section 11: Adds telecommunications, all cable and video and broadband providers to holding company statute. OCC/OSB will be actively participating in all of these proceedings.

Section 13: Requires PURA to handle broadband complaints. OSB will monitor provider compliance and coordinate joint complaints and issues with PURA staff,

Section 14: OSB will be monitoring provider compliance with consumer protection provisions.

Section 15: OSB will monitor compliance with outage restoration and credit provisions. Under subsection (c), OSB and PURA receive a report of such outages. OSB will review and follow up with PURA on additional action, if required, including petitioning for an investigation.

Section 15(d): PURA is required to conduct a resiliency review of cable, telecom and broadband, which OCC and OSB will be involved with in assisting PURA to develop a full record.

Section 16: OSB, along with PURA and others, receives notices of changes in pricing, speeds and network management practices and takes action when appropriate.

Section 17: OSB, along with other agencies, advises PURA on annual broadband report form and reviews and evaluates such annual reports for Sections 2 and 4(c) progress.

Sections 18 & 19: OSB will monitor compliance of cable/video providers to providing universal service without CIAC by Sept. 2022 and participate actively in any non-compliance proceedings before PURA or legal challenges.

Section 20: OCC and OSB will actively participate in regulatory proceedings establishing one-touch make-ready and dig-once processes

Section 22: OSB will be actively involved in monitoring compliance with non-discrimination provisions and is obligated to seek enforcement in proceedings before PURA.

Section 23: OSB will actively monitor service disconnection rules that will become applicable to broadband service.

Staff to handle additional duties of the Governor's Bill:

1. Existing staff: Staff attorney 2 to be promoted to Staff attorney 3 or reclassified to Public Utility Director of Advocacy and Regulatory Operations
<https://www.jobapscloud.com/CT/specs/classspecdisplay.asp?ClassNumber=6667MP&R1=undefined&R3=undefined> to manage OSB and work with other state agencies as required
2. New position: Add staff attorney 2 to provide legal support to OSB
3. New position: add Research Analyst
<https://www.jobapscloud.com/CT/specs/classspecdisplay.asp?ClassNumber=6855AR&R1=undefined&R3=undefined>