

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6108

Investigation into preparations by Vermont)
utilities for computer operations in the year)
2000)

Order entered: 3/22/99

PROCEDURAL ORDER

On February 2, 1999, the Department of Public Service (the "Department") filed an update report¹ on the status of the utilities' year 2000 filings and recommendations for the next steps to be taken. Two things stand out in this report. First, that many providers of essential services have not yet seen fit to respond to the questionnaire, despite having been instructed to respond by two separate orders of the Board. Second, even of those companies that have responded, the companies willing to certify that they have plans that are being implemented and that will be complete by mid-year amount to two electric companies, the gas company, and a handful of non-LEC telephone providers. Either the Board's legitimate inquiry is being disregarded or the utilities providing essential services are failing to prepare for an entirely foreseeable event that may disrupt that service.

The Department's main recommendation is that the Board send a "Third and Final Notice" and another questionnaire to the more important classes of service providers. The questionnaire would have a short response time, and an automatic show cause hearing would be held, if there be no response, to determine the state of each company's readiness and the penalties to be imposed for failure to comply with the Board's orders. In addition, the Department recommends that the Board inquire if the Incumbent Local Exchange Carriers ("ILEC") whether they are aware of reliability issues for the network if the Competitive Local Exchange Carriers ("CLECs") or the resellers are not year 2000 compliant.

1. A copy of which is enclosed.

Both the national media and statements from the largest Vermont utilities have lately been indicating that the year 2000 problem is reasonably in hand, and that disruptions from computer failures are likely to be minor and localized. However, while a loss of power for several days in a group of Vermont towns may be minor and localized from a national perspective, it will probably not seem so to those individuals and businesses that are affected. It is imperative that the utilities providing service in Vermont provide sufficient information for the State to judge the likelihood of major disruptions in vital services. No further delay can be tolerated, and the Department's recommendation for a final questionnaire followed by a show-cause hearing will be adopted.

Finally, the Department's report is a narrative topical analysis. That is, one can determine which companies answered a particular question in a particular way; however, it is at least difficult to review the responses of a particular company to all of the questions. The Department is therefore requested to either produce the raw results of the questionnaires or produce a report in the form of a grid, so that a reader may see overall responses to a particular point or may see the status of a particular company. In addition, in order to avoid the sometimes considerable delay between a Department filing and the Board's response, the Department should expect to undertake mailing its filings to all the utilities, except where the filing actually requires Board action to be effective. The companies and other parties should also be aware that the Department has our orders and other information on its Web page, at <http://www.state.vt.us/psd/y2k.htm>.

In order that we may continue to make progress on this matter, I will take the following actions:

1. No questionnaire has been received from six electric companies, seven cable television companies, six CLECs, and ten water companies, as identified in the Department's report². Each of those companies will be sent a third and final questionnaire, and will be allowed fifteen days from the mailing date of this Order to complete the questionnaire and return it. If no response is forthcoming, a show cause hearing will be scheduled to (1) inquire directly into the state of the company's preparations, and (2) to consider penalties to be imposed under 30 V.S.A. § 30 for failure to comply with three Orders in this case.

2. If a questionnaire is enclosed with this Order, then your company is on that list.

2. The ILECs are hereby asked to inform the Board (1) whether they are aware of problems that may affect the reliability of the network if some or all of the CLECs are not year 2000 compliant, and (2) whether they are aware of problems that may affect the reliability of the network if some or all of the resellers are not year 2000 compliant.

3. I will recommend to the Board that it issue a directive in this docket to the effect that all mission critical systems for all utility companies doing business in Vermont be year 2000 compliant by July 1, 1999.

SO ORDERED.

DATED at Montpelier, Vermont, this 22nd day of March, 1999.

s/ John P. Bentley
John P. Bentley, Esq.
Hearing Officer

OFFICE OF THE CLERK

FILED: MARCH 22, 1999

ATTEST: s/ Cynthia G. Buska
Assistant Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board of any technical errors, in order that any necessary corrections may be made.