

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

REPORT AND RECOMMENDATION

The Board opened this investigation in July of last year in order to help assure that the utilities serving Vermont customers would be prepared to continue providing service despite the potential for Year 2000 computer problems. The Department of Public Service (the "Department") has been taking the leading role in the investigation, preparing, collecting, and analyzing questionnaires that were distributed to each company doing business in Vermont.

In its latest update of the tabulation of the questionnaire results, the Department points out that several companies, including six electric companies, have not yet returned a questionnaire. Further, a cross tabulation of companies that report that they are moving forward on all fronts and expect to be ready by July of this year includes only Citizens Utilities Company and Central Vermont Public Service Corporation, Vermont Gas Systems, Inc., and a few non-LEC telephone companies. While this may not accurately reflect the state of readiness of the companies, it is certainly cause for immediate concern.

The Department has recommended a third mailing of the questionnaires together with notice to the companies that, if a prompt response is not forthcoming, I convene show cause hearings to hear testimony from each such non-responsive company on its Year 2000 preparations, and to consider the recommendation of fines for disregarding three Board Orders. I have issued a procedural order that adopts those recommendations.

The Department also recommends that the Board order that all mission critical systems, including contingency plans, for all utility companies be Year 2000 ready no later than July 1, 1999. This date will provide a margin for testing and for dealing with unexpected problems. By having an order in place, the Board will provide clear direction to those companies not yet in compliance to concentrate upon rectifying any remaining problems. Any company that expects to be unable to meet the July 1, 1999, deadline should be required to so inform the Board no later than May 1, 1999. At that time they should also state what their remediation plan and timetable are. A final questionnaire will be circulated in July to confirm all companies' readiness.

Finally, the Department recommends that the Board issue instructions to all companies about responses to customer inquiries. Certainly, public information will be very important concerning this issue. However, it is not clear that any directive from the Board at this point would be useful. After the July 1 date, however, the Board may wish to strongly encourage public information and outreach activities.

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

s/ John P. Bentley

John P. Bentley, Esq.
Hearing Officer

ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The Report and recommendations of the Hearing Officer are accepted.
2. Each utility doing business in Vermont is hereby instructed to have all its mission-critical systems, including contingency plans, ready to recognize and accept dates in the year 2000 not later than July 1, 1999.
3. Any company not able to comply with this deadline must so notify the Board not later than May 1, 1999. This will allow the Board to provide whatever incentive or assistance is necessary to avoid an impairment of service in January of 2000.

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

s/ Richard H. Cowart)	PUBLIC SERVICE
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s/ Suzanne D. Rude)	BOARD
)	
)	OF VERMONT
s/ David C. Coen)	

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.