



Agenda Date: 10/13/11

Agenda Item: 6A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

RELIABILITY & SECURITY
AND ENERGY

IN THE MATTER OF THE BOARD'S REVIEW OF THE)
UTILITIES' RESPONSE TO "HURRICANE IRENE") Request for Proposals
) For Consultant
)
) DOCKET NO EO11090543

Parties of Record:

Ralph LaRossa, Public Service Electric & Gas Co.
Donald Lynch, Jersey Central Power & Light Co.
Vince Maione, Atlantic City Electric Co.
William Longhi, Rockland Electric Co.
Stefanie Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

The Board of Public Utilities ("Board") is empowered to ensure that regulated public utilities provide safe, adequate and proper service to the citizens of New Jersey. N.J.S.A. 48:2-23.

Pursuant to N.J.S.A. 48:2-13, the Board has been vested by the Legislature with the general supervision and regulation of and jurisdiction and control over all public utilities, "so far as may be necessary for the purpose of carrying out the provisions of [Title 48]." The courts of this State have held that the grant of power by the Legislature to the Board is to be read broadly, and that the provisions of the statute governing public utilities are to be construed liberally. See, e.g. In re Public Service Electric and Gas Company, 35 N.J. 358, 371 (1961); Township of Deptford v. Woodbury Terrace Sewerage Corp. 54 N.J. 418, 424 (1969); Bergen County v. Dep't of Public Utilities, 117 N.J. Super. 304 (App. Div. 1971). The Board is also vested with the authority, pursuant to N.J.S.A. 48:2-19, to investigate any public utility, and, pursuant to N.J.S.A. 48:2-16 and 48:2-40, to issue orders to public utilities.

Atlantic City Electric Company ("ACE"), Jersey Central Power & Light Company ("JCP&L"), Public Service Electric & Gas ("PSE&G"), and Rockland Electric Company ("RE") (collectively referred to as the Electric Distribution Companies or "EDCs") are electric public utilities subject to the jurisdiction of the Board.

Hurricane Irene made landfall at Little Egg Inlet as a Category 1 hurricane on Sunday morning of August 28, 2011. Prior to making landfall, the outer bands of the storm produced heavy rains and wind as early as midday Saturday. In addition to the damaging high winds, widespread record setting flooding inundated many electric substations. As Hurricane Irene left the state Sunday evening, there was a peak of approximately 930,000 customers without power.

Statewide approximately 1.9 million customers were eventually affected by outages due to this storm. PSE&G had 800,700, JCP&L had 800,000, ACE had 274,000 and RE had 27,237 affected by Hurricane Irene. The majority of affected customers were restored by Friday, September 2, 2011. All customers capable of receiving power were restored by Monday, September 5, 2011.

In order to properly discharge its statutory responsibilities, as summarized above, and based on the recommendation of Board Staff, as well as comments presented at the public hearings held at various locations across the State, the Board has determined that it needs to procure the services of an independent expert consulting firm to begin a thorough assessment of the preparation and response efforts employed by the EDCs, following the widespread outages caused by Hurricane Irene. The consulting firm must have documented experience and expertise in analyzing and/or managing large scale electric distribution system restoration efforts. The scope of work would include, among other things; identifying infrastructure issues which affected the number and/or duration of outages, an assessment of the EDCs' pre-storm preparation measures, communications (including emergency communications with officials and with customers), the overall restoration process, and recommendations for improvements, if needed. As the assessment moves forward, the Board may require additional consulting services in other targeted areas.

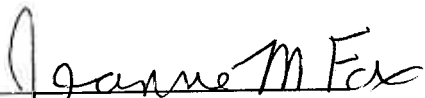
Accordingly, the Board HEREBY DIRECTS that an independent expert consultant firm be hired in accordance with procedures approved by the Department of Treasury, to investigate the preparation of and response by the EDCs for the service interruptions caused by Hurricane Irene and make recommendations to the electric companies and the Board regarding the appropriate courses of action necessary to improve service. The independent expert consulting firm shall have the responsibility to identify to Board Staff any special needs that require the procurement of additional consulting services, so that Board Staff may seek approval of the Board.

The Board HEREBY ORDERS the EDCs each to pay a proportional amount of all associated costs, including for any additional consultants as may be necessary, in the Board's sole discretion, to assist the Board and its Staff in this matter, and to provide their full cooperation in all aspects of this investigation including with the independent expert consulting firm and any additional consultants.

DATED: 10/13/11

BOARD OF PUBLIC UTILITIES
BY:


LEE A. SOLOMON
PRESIDENT

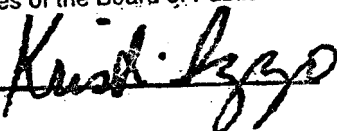

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER

ATTEST: 
KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



IN THE MATTER OF THE BOARD'S REVIEW OF UTILITIES' RESPONSE TO "HURRICANE
IRENE"- DOCKET NO. EO110900543

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<p>Ralph A. LaRossa President & COO Public Service Electric & Gas Co. 80 Park Plaza Newark, NJ 07101</p>	<p>William G. Longhi President & CEO Rockland Electric Company One Blue Hill Plaza Pearl River, NY 10965</p>	

NJ Board of Public Utilities (BPU)
Electric Distribution Company (EDCs) - Hurricane Irene Performance
Request for Proposal (RFP)

Overview:

The BPU has the statutory mandate to ensure safe, adequate, and proper utility services and as such has been tasked with reviewing New Jersey's electric distribution companies' preparation and restoration responses to Hurricane Irene.

At the request of the Governor's Office, the BPU seeks to engage an expert in electric utility inclement weather preparation, outage restoration and response management in order to analyze the effectiveness of New Jersey's four electric distribution companies' (EDCs) responses to significant service interruptions caused by Hurricane Irene. While written protocols and procedures are essential to the implementation of those measures, this analysis should focus on the EDCs' actual effectiveness, specifically related to actions taken before, during, and on the days immediately following Hurricane Irene.

A timely evaluation of the EDCs' current emergency response, restoration, and communications protocols and practices is necessary due to the magnitude of financial, social and health related issues that were experienced due to loss of electricity caused by Hurricane Irene. The final summary report will assist in identifying major areas of weakness of each EDC's existing inclement weather preparedness, delivery system resiliency and post-storm response policies and practices, in an effort to minimize the impact of future inclement weather events.

The analysis and identification of each EDC's current shortcomings - both in its currently adopted procedures and in the effectiveness of execution as related specifically to outage avoidance and/or minimizing the impact of weather-related outages - is both time sensitive and critical to the health, safety and economic stability of the citizens of New Jersey.

The BPU requires the assistance of an independent expert consultant who has extensive and well documented experience/expertise in analyzing and/or managing large scale electric system service restoration. It is imperative that the EDCs' preparation and restoration practices during large scale outage events utilize best practices which assure the most effective and efficient restoration possible.

The final report must evaluate and identify each EDC's current policies and implementation procedures, and render a conclusion as to each company's individual overall operational effectiveness for the periods leading up to, during, and after Hurricane Irene. The report should also make specific recommendations regarding suggested changes for improvement and/or where additional evaluation is necessary.

Interested parties are to submit written proposals, including a not to exceed cost. The proposal should identify the estimated cost for each category identified in the following Scope of Work, along with rate structure and billing terms and conditions.

Scope of Work Categories:

The consultant is requested to assess each of the EDC's performance regarding:

Pre-Storm Preparedness - Review, analyze, and critique pre-storm forecasting and contingency preparations made prior to the impact of Hurricane Irene.

Intra-Storm Delivery System Resiliency - Identify any system design, equipment, maintenance or infrastructure issues which may have contributed to the cause or duration of outages, such as substation flooding, circuit design, or vegetation management.

Post-Storm Recovery Effort - Review, analyze, and critique the effectiveness of restoration activities undertaken before, during and after Hurricane Irene. Include a detailed evaluation of the process of requesting, deploying and integrating mutual assistance workers, and mobilization of company workforce; assessment of damage and outages by Outage Management Systems and workforce; and how work orders were identified, assigned, completed and closed.

Communications - Review and analyze the effectiveness of communications between each EDC and its customers addressing outages, including but not limited to estimated times of restoration. Review effectiveness of communications between each EDC and the Office of Emergency Management and with community and elected officials at the local and county level. Review and analyze the effectiveness of intracompany communications relating to the flow of information to work crews and to those interacting with customers and local officials.

Prior Documentation and Reports - Review pertinent prior Board Orders and staff reports as well as reports to the Board from Booth & Co., PJ Downes Associates, and/or Stone & Webster, and identify any recurring problems previously documented.

Price Schedule:

The bidder must submit its pricing using the format set forth in the State-supplied price sheet(s) accompanying this RFP. Failure to submit all information required will result in the bid being considered non-responsive. Each bidder is required to hold its prices firm through issuance of contract.

Contract Management and Experience

The bidder should describe its specific plans to manage, control and supervise the contract to ensure satisfactory contract completion according to the required schedule. The plan should include the bidder's approach to communication with the State Contract Manager including, but not limited to, status meetings, status reports, etc.

The bidder should include information relating to its organization, personnel, and experience, including but not limited to, references, together with contact names and telephone numbers evidencing the bidder's qualifications, and capabilities to perform the services required by this RFP,

Detailed resumes should be submitted for all management, supervisory and key personnel to be assigned to the contract. Resumes should be structured to emphasize relevant qualifications and experience of these individuals in successfully completing contracts of a similar size and scope to those required by this RFP.

The bidder should provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the bidder's ability to successfully complete the services required by this RFP. Emphasis should be placed on contracts that are similar in size and scope to the work required in this RFP. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to compete the services required by this RFP. For each such contract, the bidder should provide two names and telephone

The bidder should include a contract organization chart, with names showing management, supervisory and other key personnel (including sub-vendor's management, supervisory or other key personnel) to be assigned to the contract. The chart should include the labor category and title of each such individual.

Financial Capability of the Bidder:

In order to provide the State with the ability to judge the bidder's financial capacity and capability to undertake and successfully complete the contract, the bidder should submit certified financial statements to include a balance sheet, income statement and statement of cash flow and all applicable notes for the most recent calendar year or the bidder's most recent fiscal year. If certified financial statements are not available, the bidder should provide either a reviewed or compiled statement from an independent accountant setting forth the same information required for the certified financial statements, together with a certification from the Chief Executive Officer and the Chief Financial Officer, that the financial statements and other information included in the statements fairly present in all material respects the financial condition, results of operations and cash flows of the bidder as of, and for, the periods presented in the statements. In addition, the bidder should submit a bank reference.

If the information is not supplied with the bid proposal, the State may still require the bidder to submit it. If the bidder fails to comply with the request within seven (7) business days, the State may deem the proposal non-responsive.

~~A bidder may designate specific financial information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. Bidder may submit specific financial documents in a separate, sealed package clearly marked "Confidential-Financial Information" along with the Bid Proposal.~~

The State reserves the right to make the determination to accept the assertion and shall so advise the bidder.

Deliverables & Completion Deadline:

From the date the consultant is retained the following schedule applies:

Provide staff an interim report within 60 days.

Provide staff a final report within 120 days.

Weekly meetings or conference calls with staff to discuss status of the project and direction.

Minimum of one in-person meeting per month.

Proposals must be submitted by 12:00pm (EST) _____ via email to board.secretary@bpu.state.nj.us and to j.potena@bpu.state.nj.us. Emails should be in PDF format. Eight hard copies must also be provided by 4:00 p.m (EST) on _____ :

Joseph Potena
Office of Budget and Fiscal
Board of Public Utilities
44 So. Clinton Ave., 9th Floor
P.O. Box 350
Trenton, NJ 08625-0305

All responses are considered government records. Bidders may designate specific information as not subject to disclosure when the bidder has a good faith legal/factual basis for such an assertion. The State reserves the right to make the determination and will advise the bidder accordingly. Bidders must submit any request for confidentiality pursuant to NJAC 14:1-12, the Board's rules governing the procedure for requesting confidentiality. The State will not honor any attempt by a bidder either to designate its entire bid proposal as proprietary and/or to claim copyright protection for its entire proposal. In the event of any challenge to the bidder's designation of confidential/proprietary materials, the bidder shall be solely responsible for defending its designation and the State shall have no responsibility therefore. All bid proposals, with the exception of information determined by the State or the court to be proprietary, are available for public inspection after the Letter of Intent to Award is issued.

All interested parties will be required to participate in a mandatory bidder conference call in order to be considered for the award of the contract.
