



New Jersey Board of Public Utilities

NEWS RELEASE

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Christie Administration Adopts Measures to Improve Utility Storm Responses

TRENTON, N.J. – Today, the New Jersey Board of Public Utilities (Board) required the Electric Distribution Companies (EDCs) to take specific action to improve their preparedness and responses to major storms. The Board approved 103 separate measures, based on recommendations contained in a report prepared by the Board’s consultant Emergency Preparedness Partnerships (EPP); recommendations provided by Board staff in the BPU Hurricane Irene Electric Response Report; and stakeholder comments received by the Board at numerous public hearings and in response to the above reports.

“The Board’s action today is yet another step in the Christie Administration’s continuing efforts to address safety and reliability concerns related to the delivery of electric service to New Jersey ratepayers,” said Bob Hanna, President of the N.J. Board of Public Utilities. “The Board today directed the regulated electric distribution companies to implement needed improvements within hard deadlines.”

While a complete review of the EDCs’ performance during Hurricane Sandy is ongoing, concerns raised about the EDC’s performance during Hurricane Irene and the October snowstorm were heard again during Hurricane Sandy and the Board will address them without delay. To ensure that the EDCs implement necessary improvements as quickly as possible, the Board’s Order sets deadlines by which EDCs must complete each specific improvement measure.

The Board’s specific deadlines for the EDCs’ implementation of the measures, as detailed in the Board’s Order, will ensure the EDCs complete implementation of most of the measures prior to the beginning of the 2013 Hurricane Season on June 1, and nearly all of the measures prior to September 2013. For instance, within 120 days of the Board’s order:

- Each EDC shall make available to customers a global Estimated Time of Restoration (ETR) within 24 hours after a major event outage. Beginning 48 hours after a major event outage, the EDCs shall make available to municipal officials daily updates concerning the number of customers out in their towns and the estimated number of customers that will be restored each day until restoration is complete.
- The EDCs shall establish and maintain, for each municipality in their respective service territories, a separate webpage with information regarding number of customers served; a detailed description of the electric system serving the municipality; a link to the EDC’s description of storm safety and preparedness information and general restoration processes and procedures. During outages, each municipality’s webpage shall be updated, as the

information becomes available, with the number and percentage of customers out of power; cause of the outages; damage assessment information; a description of the nature and timing of restoration efforts; and Estimated Time of Restoration (ETR).

- The EDCs shall develop and submit to Board staff specific substation flooding preparedness plans that detail mitigation steps to be taken and monitoring prior to and during major storm events.

Within 180 days:

- All EDCs shall revise, and submit to Board staff, their emergency plans to manage the restoration of service to a minimum of 75% of their customers, and include descriptions of emergency organization; emergency classifications; annual training and exercise program; on-going readiness initiatives; pre-event preparatory measures; procedures for mobilizing personnel, materials and equipment; communications procedures; process for acquiring external resources; process for acquiring internal support services; and linkages to corporate plans, if applicable.

The 103 industry-wide and EDC-specific measures are in the categories of: preparedness efforts; communications; restoration and response; post event; and underlying infrastructure issues. Highlights of the Board-ordered actions are included in the appendix to this news release. The Board's Order is posted on the Board's website at: <http://www.nj.gov/bpu/pdf/boardorders/2013/20130123/1-23-13-6B.pdf>

The widespread destruction and resulting utility outages caused by Hurricane Sandy warrant a thorough review by the Board. As part of that ongoing process, the Board directed staff to analyze the EDCs' communications prior to, during and after Hurricane Sandy, including communications methods and practices; the content and accuracy of information provided by the EDCs; usefulness of information regarding restoration to both customers and public officials; and requisite improvements to provide customers and public officials with more reliable and useful information.

The Board also directed staff to enlist the assistance of the Rutgers' Center for Energy, Economic & Environmental Policy (CEEPP) to evaluate and prioritize possible responses, including infrastructure improvements, particularly substation protection and selective undergrounding of critical infrastructure; evaluation of the capabilities and limitations of smart grid technologies; and expanding distributed generation.

Board staff will continue to evaluate vegetation management practices to determine if further Board action is required. Staff will work with stakeholders, including the EDCs, and local government agencies and regulatory bodies, to review existing vegetation management rules; develop specific clearance requirements around distribution lines; limiting the vegetation species allowed within utility easements; and identifying and addressing "danger trees," those that are in imminent danger of affecting power lines, but are located outside easements and right-of-ways.

During Hurricane Sandy, the EDCs' restoration efforts and public safety were hampered by roadways blocked by downed wires and trees. Board staff will work with the EDCs and local governments to establish a critical roadway clearance process during major storms that may involve training of local public work crews.

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Appendix

Highlights of Board Ordered Actions by Section

Preparedness Efforts

- All EDCs shall conduct a first annual training exercise designed to simulate response to an outage affecting 75 percent of their customers by June 2013.
- The EDCs shall use the Incident Command System (ICS) in their emergency organizations.
- The EDCs shall establish an Emergency Management/Preparedness role as a stand-alone function within their organizational structures with the requisite authority to set and execute preparedness goals.
- All EDCs shall revise, and submit to Board staff, their emergency plans to manage the restoration of service to a minimum of 75% of their customers, and include descriptions of emergency organization; emergency classifications; annual training and exercise program; on-going readiness initiatives; pre-event preparatory measures; procedures for mobilizing personnel, materials and equipment; communications procedures; process for acquiring external resources; process for acquiring internal support services; and linkages to corporate plans, if applicable.

Communications

- The EDCs shall submit to Board staff standard pre-storm customer messaging revised to emphasize to customers the need to prepare for the possibility of long duration outages, and provide safety advice and sources of emergency preparedness information.
- JCP&L shall implement the recommendations contained in its Storm Restoration Communications Implementation Plan.
- The EDCs shall submit documentation to Board staff demonstrating that they have established call center performance standards for Average Speed of Answer (ASA) and Abandonment Rate (AR) during major outage events; adopted procedures to ensure call center staff meets ASA and AR standards during a major outage event; and developed IVR/VRU messages that contain helpful and accurate information, which shall be updated at least daily during an extended outage.
- Prior to and during a major event the EDCs shall hold daily conference calls with municipal officials of affected municipalities.

Restoration and Response

- Each EDC shall develop and submit to Board staff a Storm Damage and Outage Prediction Model. This model must provide for input of all factors required to estimate storm damage.
- The EDCs shall immediately request assistance upon determining a need to request additional human resources and/or equipment to prepare for, respond to or recover from a major event. The EDCs shall, upon requesting this assistance, inform Board emergency management staff, of the time, type and number of resources, and whether the resource request is satisfied.
- If, at any time, an EDC determines that a resource request will not be satisfied in a timely manner, the EDC shall take immediate and repeated action to expeditiously meet its resource requests, through any and all available means, including direct requests to contractors and/or other utilities outside the affiliated company and/or Regional Mutual Assistance Group

(RMAG) process. The EDCs shall promptly and fully inform Board emergency management staff, in a manner prescribed by staff, of these actions.

- JCP&L shall submit to Board staff documentation that FirstEnergy has developed a process regarding the provision of mutual assistance to JCP&L during major events, including an appendix in FirstEnergy E-Plan addressing: when FirstEnergy resources can leave the FirstEnergy affiliate companies to assist non-FirstEnergy companies; triggers that determine when and how many personnel can leave, along with a plan to replace these personnel if they are unable to return when needed; and how FirstEnergy will manage at least two or three major simultaneous restoration events on its system, including how mutual assistance crews will be allocated between companies when simultaneous large-scale events occur in multiple service territories.
- The EDCs shall submit to Board staff a detailed staffing review that explains any decreases, in the last 5 years, in headcount and the impact on the company's ability to provide adequate resources for restoration purposes.
- Each EDC shall make available to customers a global Estimated Time of Restoration (ETR) within 24 hours after a major event outage. Beginning 48 hours after a major event outage, the EDCs shall make available to municipal officials daily updates concerning the number of customers out in their towns and the estimated number of customers that will be restored each day until restoration is complete.
- The EDCs shall implement a cell phone application that customers can use to report outages and receive system outage information.

Post Event

- Each EDC shall implement a process to solicit input following a major event regarding their performance from affected external stakeholders, via letter, email, conference call, personal contact or by meeting, and document the feedback provided.
- The EDCs shall each identify one responsible party, who will review all 'lessons learned,' meet with the submitting departments, finalize action items, and assign responsibility for the action items, track action item completion and report progress to leadership.
- PSE&G should develop a process to perform 'lessons learned' after each Major Event to find and reward innovative actions, understand training requirements, correct errors or omissions in its OMS Manual, foster a culture of continuous improvement, and establish a timeframe when these post event reviews will be completed.

Underlying Infrastructure Issues

- All EDCs shall prepare formal reports after all instances of substation flooding to be submitted to Board Staff within 30 days of the incident. The EDCs shall detail the circumstances of the event, the overall impact to the substation and feeder circuits, the flood mitigation in place at the time of the event, and an assessment of the need for additional mitigation steps, including a cost-benefit analysis.
- The EDCs shall develop and submit to Board staff specific substation flooding preparedness plans that detail mitigation steps to be taken and monitoring prior to and during major storm events.
- Each EDC shall submit to Board staff an analysis of the current 100 year flood plan data for their respective areas of operation, an evaluation of the need to design for higher flood elevation in future substation installations within flood zone areas or other vulnerable areas,

and any other recommendations regarding design improvements, including a cost-benefit analysis and a work plan.

- The EDCs shall coordinate with municipal and facility stakeholders (e.g., local or county drainage, dam and water facilities) whose infrastructure or operations can impact substations in vulnerable flood areas. These meetings shall be considered as working groups for the stakeholders to discuss past events, operational and logistical concerns, and communications. The minutes of each meeting shall be submitted to Board staff within 30 days.
- The EDCs and Board staff shall establish a work group to develop plans for a tracking system for distribution system outages related to trees and vegetation. This program shall track information such as the outage causation, proximity of the tree/vegetation to electrical facilities, last trimming cycle of the circuit that experienced the outage, location of tree/vegetation within or outside of the right-of-way (ROW) or easement, and any other pertinent factors, including storm event, local cutting, wind, etc.
- JCP&L shall develop and submit to Board staff a plan to document its “institutional knowledge” of the vegetation impacts and mitigation on its systems with the goal of making this information available to all personnel during Major Events.