



Agenda Date: 10/13/11
Agenda Item: 6B

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

IN THE MATTER OF CYBER INCIDENT REPORTING) ORDER
FOR UTILITY INDUSTRIAL CONTROL SYSTEMS)
)
)
) DOCKET NO. EO11090575

Appearances:

Stefanie A. Brand, Director, New Jersey Division of Rate Counsel

BY THE BOARD

The New Jersey Board of Public Utilities ("Board") initiated this matter in order to investigate the reliability and security of Industrial Control Systems ("ICS") used by public utilities under its jurisdiction. Public utilities provide critical lifeline services that rely heavily on the use of ICS and these systems are an active target for cyber attack. Due to the critical nature of utility services, the Board recognizes that action is necessary to safeguard ICS.

BACKGROUND

ICS are computerized systems capable of gathering and processing data from utility facilities and/or applying operational controls to utility facilities. The Board is interested in gathering information regarding the extent of cyber incidents affecting ICS in New Jersey.

The Cyber Security Policy Review directed by the President of the United States contains the following passage:

"Numerous commentators have stressed the importance of developing thresholds for incident reporting and response. Network operators and service providers deal daily with large numbers of incidents that do not rise beyond the "nuisance" level. Hidden among these low-level incidents are a relatively few sophisticated, potentially high-impact intrusions or attacks that are difficult to detect. Knowledge of the technical details of such incidents would be of great interest to operators of other government and private-sector networks to help them defend their own networks against similar threats, as well as to law enforcement and intelligence entities tracking and seeking to stop criminal and foreign cyber security-related threat activities."

Pursuant to N.J.S.A. 48:2-36.1, the Board “may by order in writing require any public utility to ... submit to the Board any data, material and relevant to any inquiry, investigation, or proceeding.”

Pursuant to N.J.A.C. 14:3-6.7, utilities are required to report various suspicious activities, including (a)(1) “forced entry to any utility facility, or entry achieved by deception;” and (a)(5) “intentional damage to any utility facility or equipment.”

DISCUSSION AND FINDINGS

As technology evolves, entry into a facility can be accomplished by means other than physical entry. In this case, the Board is concerned that unauthorized persons could be accessing utilities computer facilities. Such access may be accomplished by forceful hacking or deception, such as social engineering. Pursuant to N.J.A.C. 14:3-6.7, such “entry” or damage to a utilities computer system would constitute a reportable incident. The Board is particularly concerned with such entries into Industrial Control Systems used by utilities to operate their systems.

The Board **HEREBY DIRECTS** Reliability and Security staff to review incidents of cyber intrusion into Industrial Control Systems operated by Public Utilities in New Jersey. The Board **HEREBY FINDS** that in order to facilitate this review it must gather information from public utilities regarding their use and operation of ICS. Therefore, pursuant to N.J.S.A. 48:2-36.1, the Board **HEREBY ORDERS** that all Public Utilities in New Jersey are required to provide the following information no later than January 13, 2012:

- 1 Identify whether you use a computerized control system to monitor utility facilities and describe, in general, the computerized control system and access controls in place to monitor against intrusions, including remote intrusions, and describe the accessibility of your control systems from a remote location or the internet. Is this system an “Industrial Control System” (ICS). An ICS is defined as a computerized system capable of gathering and processing data from utility facilities and/or applying operational controls to utility facilities. This includes all supervisory control and data acquisition components used to monitor and/or control utility facilities. This does not include utility corporate networks that are not capable of gathering operational data or applying operational controls over utility facilities. The utility is responsible for maintaining their corporate and industrial control system networks in accordance with established best cyber security practices.
2. If you use an Industrial Control System, identify and describe, including, but not limited to, the nature of the incident, the outcome of any investigation and the resolution of the matter, any incident occurring on or after July 1, 2011 through the effective date of this order which would constitute:
 - a) A person, including, any individual, firm, corporation, educational institution, financial institution, governmental entity, or legal or other entity that accessed your Industrial Control System without authorization or exceeded authorized access.
 - b) Unauthorized programs, information, code, or commands discovered on an Industrial Control System.
 - c) A person extorted any money or other thing of value by threatening to cause damage to your Industrial Control System.

For purposes of this request, Exceeds Authorized Access means a person accesses the Industrial Control System with authorization and use such access to obtain or alter information in the Industrial Control System that the person is not entitled so to obtain or alter. Damage includes any impairment to the integrity or availability of data, a program, a system, or information.

All such information should be directed to the Board's Director of Reliability and Security or any person he so designates. In addition to this historic information, the Board HEREBY DIRECTS the utilities to update this information with any additional incidents. Pursuant to N.J.A.C. 14:3-6.7, updates shall be provided by notifying the Board's Reliability and Security staff within 6 hours of the detection of an incident.

The Board further DIRECTS Staff to work with other state agencies who gather information regarding cyber intrusions. To maximize efficiency, in addition to providing this requested information directly to Board Staff, utilities shall submit information regarding cyber entry of their Industrial Control Systems to the centralized information center operated by the New Jersey Office of Homeland Security and Preparedness within 6 hours of the detection of an incident. This reporting system is called the New Jersey Suspicious Activity Reporting System ("NJSARS"). Additional information regarding the forms and procedures to submit this information will be posted on the Board's website at: <http://www.nj.gov/bpu/divisions/reliability/>

To the extent any information submitted pursuant to this order is confidential, proprietary or raises a security concern, it should be submitted pursuant to the Board's regulations at N.J.A.C. 14:1-12.1 et seq.

This Order shall be effective on October 23, 2011

DATED: 10/13/11

BOARD OF PUBLIC UTILITIES
BY:



LEE A. SOLOMON
PRESIDENT



JEANNE
C.



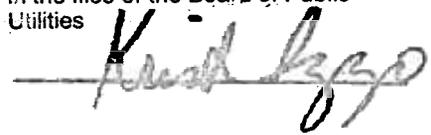
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ATTEST: 
KRISTI IZZO
SECRETARY

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 Cyber Incident Reporting For Utility Industrial Control Systems

Docket No. E011090575

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