



New Jersey Board of Public Utilities

NEWS RELEASE

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N.J. Board of Public Utilities receives Preliminary Update on Staff's Review of Utility Company Responses to June 23rd Storm

– Board directs staff to continue review of utility storm response –

TRENTON, N.J. – The New Jersey Board of Public Utilities (Board) yesterday received Staff's preliminary findings on its review of the utility companies' preparation and response to the June 23rd severe storm that produced a macroburst with straight-line wind gusts of up to 85 mph in areas of southern New Jersey. Once service was restored to all customers, the Board's Staff began its review of the efforts of Atlantic City Electric (ACE) and Public Service Electric and Gas (PSE&G) to restore service to approximately 415,000 total customers.

"I have directed staff to continue its review of ACE's overall storm response with a focus on the company's communications with customers and local officials," said Richard S. Mroz, President of the N.J. Board of Public Utilities. "I have also directed staff to determine the impact that Verizon's cellular voice and data service outage had on ACE's response and what redundancy is required going forward."

At the Board's Agenda meeting on July 22, James Giuliano, Director of the BPU's Division of Reliability and Security, updated the Board on the division's preliminary review in the areas of the storm's forecast and development; the storm's impact upon utility infrastructure in ACE's and PSE&G's territory; complications due to Verizon's cellular outage; communications issues; and each of the companies' compliance with Board directives.

During the morning of June 23, 2015, a Mesoscale Convective System, a complex of thunderstorms, moved across western Pennsylvania ahead of a cold front, not unlike forecasts seen weekly during the summer months. However, by early afternoon the storm forecast began to change as the system began to reflect more severe characteristics. As the storm bore down on southeastern Pennsylvania Delaware and southwestern New Jersey the storms continued to increase in strength. As the storms crossed the Delaware River just before 6:00 p.m., the system produced a macroburst with wind gusts of up to 85 mph in areas of Gloucester and Camden Counties. The line of storms with high winds of 50-70mph continued to move across southern New Jersey and offshore.

This weather system caused extensive utility system damage and outages affecting Verizon Wireless Service, PSE&G Southern Division and ACE. Damage to a major Verizon fiber optic system impacted cellular service in portions of Burlington, Atlantic, Cape May, Salem, Cumberland, Gloucester and Camden counties.

Prior to the storm's impact, PSE&G took proactive preparedness actions in terms of workforce staging, initiating holding over a percentage of its line construction personnel in each district and activating its Emergency Operation Center. The storm system had a significant impact upon PSE&G's territory, causing outages to a total of 159,000, with approximately 146,000 of those customers located in PSE&G's Southern District. While several of the company's substations were impacted by the storm, there were not extensive transmission line outages.

ACE's territory sustained the storm's greatest impact with devastating damage to the company's infrastructure in the areas that sustained the strongest winds. ACE reported 17 transmission circuits and 5 substations were initially out of service; six transmission poles and 135 distribution poles needed to be replaced; thousands of feet of primary and secondary cable needed to be rebuilt; and extensive tree damage need to be repaired. All in all, the storm caused greater damage to ACE's territory than either the 2012 Derecho or Superstorm Sandy.

The loss of power and wireless communications had a significant impact on Gloucester and Camden counties. The impact was compounded by a less than optimal execution of an initial emergency communications effort by ACE with impacted customers, local officials and BPU Emergency Management staff. The timing of the storm combined with the wireless outage caused a delay in ACE achieving a solid situational awareness of the full system impact from the weather event.

The electric utility sector's reliance on wireless communications is particularly critical in a weather impact outage that causes widespread infrastructure damage and requires a major mutual assistance response. For a period of at least 12 hours after the storm's impact, ACE was unable to use its field mobile data terminals for mobile dispatching of workforce and to communicate fluidly with its field crews and personnel. The utility needed to revert to radios and manual processes to dispatch crews and personnel; collect damage assessment information; and input data into its Outage Management System. This process caused inaccuracy in the outage information contained on ACE's outage webpages and maps. Additionally, mutual assistance crews were initially hampered by the wireless outage.

Understanding that these challenges existed, initial communication with BPU leadership and staff was not as proficient as expected. The company should have promptly and clearly conveyed to BPU the problems the company was having with getting good situational awareness, and should have informed local communities more quickly about the extent of damage and the challenges being facing in terms of an extended recovery. Communications did eventually improve as the company developed better situational awareness.

ACE executed a rapid workforce mobilization escalation and was able to secure a large utility crew and tree crew workforce which increased to close to 1000 workers by June 25 and continued to ramp

up into the weekend. ACE also offered assistance to the affected County Emergency Management Offices, cooperated with Staff in executing a roadway clearance process, and distributed ice and water in the affected areas.

Both PSE&G and ACE have integrated the Board's directives to enhance storm preparedness, improve communications, and provide for more effective outage restoration efforts into their storm planning, response and recovery.

Going forward, the Board directed staff to determine if the Board's post Hurricane Sandy ordered enhancements were effective and achieved the improvements envisioned by the Board. Furthermore, staff was directed to further review and work with ACE to improve emergency communications, and to work with all of the electric distribution companies to identify and develop contingency plans for the potential for wireless outages during a power restoration event.

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About the New Jersey Board of Public Utilities (NJBPU)

The NJBPU is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBPU, visit our web site at www.nj.gov/bpu.