



A PHI Company

September 20, 2012

**VIA FEDERAL EXPRESS and
ELECTRONIC MAIL**
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Kristi Izzo
Secretary of the Board
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: Comments on EDC Storm Prep and Response
BPU Docket No. EO11090543

Dear Secretary Izzo:

On behalf of Atlantic City Electric Company (“ACE” or the “Company”), enclosed for filing are ACE’s Comments on Emergency Preparedness Partnerships’ (“EPP”) Final Report on the “Performance Review of EDCs in 2011 Major Storms” (the “Report”), dated August 9, 2012.

You will note that ACE has thoroughly reviewed the Report and provided comments and input on every Global Recommendation and Company-specific recommendation. ACE notes, however, that for many of the Global Recommendations the Company has storm restoration plans, systems, policies and practices already in place that comply with such recommendation(s) in all material respects.

Each of the electric distribution companies (“EDCs”) doing business in New Jersey is unique: each has its own operational processes and unique infrastructure, its own geographic characteristics, and its own demographic. Many of the recommendations contained in the EPP Report, if adopted by the Board, would impose costs that will need to be fully recovered and recoverable in rates. It is therefore essential that the Board provide the flexibility for each EDC to implement any final directives with due consideration for the implementation and compliance costs to be incurred and each EDC’s specific characteristics and challenges.

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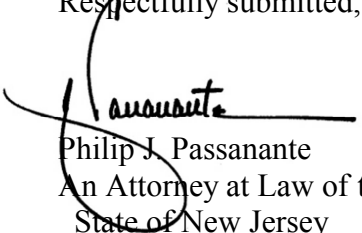
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Many of the Global and Company-specific recommendations will require discussion and collaboration to more clearly outline what is intended and to ensure that the intended outcomes (and implementation deadlines) are efficient, effective, reasonable, practical and flexible in light of the considerations noted above. With respect to the process for addressing the Global Recommendations, ACE supports creating a working group comprised of the EDCs and Board Staff. It is anticipated that the working group would develop a consensus proposal (possibly, on a recommendation-by-recommendation basis) for further review and comment by a defined stakeholder group prior to being finalized and adopted. The Company further anticipates that each ACE-specific recommendation will be addressed collaboratively between the Company and Board Staff.

Finally, as noted in the EPP Report, the October snowstorm was not a Major Event for ACE and its customers.

We thank the Board and EPP for all courtesies extended and look forward to continuing to work with the Board and its Staff in bringing this matter to a prompt and reasonable conclusion.

Respectfully submitted,

 /jpr
Philip J. Passanante
An Attorney at Law of the
State of New Jersey

Enclosure

**Atlantic City Electric Company's ("ACE" or the "Company")
Comments on Emergency Preparedness Partnerships' ("EPP")
Final Report of the Performance Review of EDCs in 2011 Major Storms
BPU Docket No. EO11090543**

1.1 GLOBAL RECOMMENDATIONS

PLANNING

1-G-1: Each EDC should be required to have plans that conform to a standard of content to ensure that key areas of an effective emergency plan are described sufficiently in the plan. The plans should include the following descriptions: 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.

ACE: ACE conceptually agrees with this recommendation and already complies with it in all material respects. ACE's plan conforms to the currently-effective National Fire Protection Association 1600.

1-G-2: Each EDC's plan should be designed to manage a storm of such magnitude that a minimum of 75% of the customers will be out of service at some point during the planned restoration.

ACE: ACE conceptually agrees with this recommendation. ACE's current storm restoration plan is scalable and adaptable to meet various incidents in the Company's service territory and ACE will modify its plan to include a storm of such magnitude.

POST EVENT PROCESSES

4-G-1: Each EDC should solicit input regarding performance from external stakeholders for any event that requires a Major Event Report.

ACE: ACE agrees with this recommendation and is already in compliance with it. The Company conducts post-event formal surveys with its customers and its mutual assistance contractors. ACE also solicits and receives informal feedback from OEMs and other external stakeholders on its storm performance.

ACTIVATION

6-G-1: Each EDC should develop an outage prediction model to anticipate the level of expected damage based upon a predicted storm intensity and path. Using this projected damage information, an estimate of the resources needed to respond should be developed for each of the storm restoration roles. Once an event is predicted, this information can be used to guide mobilization decisions.

ACE: ACE is concerned with this recommendation and requests that more detail be provided by Staff of the Board of Public Utilities (“BPU” or the “Board”) and/or by EPP. For example, is the outage prediction model a simple flow chart or a very sophisticated software program that would need to be designed, built, implemented and/or maintained? The Company would have significant concerns regarding the timing and costs to implement such a software program. As such, ACE suggests that all EDCs and the Board Staff jointly discuss this recommendation in order to determine the most efficient and mutually advantageous way for the parties to accomplish the desired result.

COMMAND AND CONTROL

7-G-1: Each EDC should ensure that there are a minimum of three personnel identified, trained and assigned to fill each leadership level position in its emergency / incident response / storm restoration organization.

ACE: Although ACE conceptually agrees with this recommendation, the Company is concerned that a minimum of three personnel identified, trained and assigned to fill each leadership level position could be excessive. ACE therefore suggests that the EDCs and Board Staff jointly discuss the merits and feasibility of this recommendation and, if necessary, determine the most efficient and mutually advantageous way to accomplish the desired result. .

PRE-EVENT COMMUNICATIONS

8-G-1: Each EDC’s pre-storm communication primary messages should emphasize the “worst case” severity of potential damage, customer safety advice, and resources to allow both employees and customers enough time to prepare.

ACE: ACE agrees with this recommendation and is already in compliance in all material respects, as its pre-storm communications include this type of messaging to assist customers in preparing for an imminent event.

MUTUAL ASSISTANCE / EXTERNAL RESOURCES PROCUREMENT PROCESS

9-G-1: Each EDC should develop a plan to mitigate the impact of a severe shortage of line personnel in the event of a wide-spread natural disaster. This could include use of non-electric utility personnel who are not involved in the restoration efforts (i.e. water, gas, telecom, etc.) to perform support tasks that can free up line personnel to deal with job duties that only they are qualified to perform.

ACE: ACE conceptually agrees with this recommendation and currently uses contract laborers to clean up work sites after line crews complete their work. This allows line crews to quickly move to the next priority work location. The Company also utilizes contract cable locating personnel as wire-down safety standbys, as well as contract damage assessors. ACE has not used other non-electric utility personnel.

9-G-2: Each EDC should provide periodic, more organized updates to the BPU Staff regarding both mutual assistance requests made by the EDC, or mutual assistance being provided to another EDC. The frequency and type of information required will be developed by BPU Staff.

ACE: ACE conceptually agrees with this recommendation and requests that more detail be provided by BPU Staff regarding the specific requirements of this recommendation.

SUBSTATION FLOODING

10-G-1: Each EDC should prepare formal reports after instances of substation flooding to assist in analyzing long term trends and impacts.

ACE: ACE conceptually agrees with this recommendation.

10-G-2: Each EDC should consider higher flood levels for future substation design and upgrades to existing substations in floodplains as current 100-year Flood Zone elevations may be too conservative as demonstrated by Irene.

ACE: ACE conceptually agrees with this recommendation.

10-G-3: Each EDC should determine the potential impact of upstream dams and reservoirs, and if appropriate establish contact and share information with operators before a potential flooding event.

ACE: ACE conceptually agrees with this recommendation, although ACE is concerned that any additional activities before a potential flooding event not be imposed which might interfere with other and higher priority activities.

10-G-4: Each EDC should educate municipalities responsible for maintaining drainage management systems about the potential impact on substations if debris is not cleared before and during storm events.

ACE: ACE conceptually agrees with this recommendation.

10-G-5: Each EDC should work with the BPU to review, analyze, and evaluate the current preparedness plans for substations during storm events. In light of the actual incidents of flooding during Irene, EDCs, working with the BPU, must to develop and implement better mitigation plans.

ACE: ACE conceptually agrees with this recommendation and requests more detail be provided by BPU Staff regarding the review, analysis and evaluation contemplated by this recommendation.

VEGETATION MANAGEMENT

11-G-1: Each EDC should develop a program to track tree related outages at a more granular level. This could include the type of tree problem (inside the ROW, outside the ROW); failure mode (tree falls, tree limb); health of the tree (live, dead, or diseased); how far the tree was from the power lines; species of the tree and other appropriate categories.

ACE: ACE currently tracks several categories of tree-related outages during non-storm periods. During a storm event, however, ACE submits that implementation of this recommendation could be very onerous and counterproductive to the restoration effort. The Company therefore requests that more detail be provided by Board Staff regarding this recommendation.

11-G-2: BPU Staff should implement a review to evaluate the present vegetation management standards with the goal of establishing a more aggressive tree vegetation management standard for electrical distribution systems, similar to the guidelines previously established for the transmission systems. The National Electric Safety Code (“NESC”) standards that New Jersey adopted for the regulations does not specifically address vegetation clearance around power distribution lines. As such, this initiative should establish clearly defined parameters on clearance and expectations. It should focus initially on high consequence feeder lines, which can cause large outages when impacted. Staff should also evaluate the usefulness of switching to a shorter tree trimming cycle.

ACE: This recommendation is intended for BPU Staff. ACE is interested in working with Board Staff and the other EDCs to develop consistent and cost effective parameters.

11-G-3: Each EDC should use outage analysis and reliability statistics over multiple years to evaluate the effectiveness of its vegetation management program.

ACE: ACE conceptually agrees with this recommendation and already complies with it in all material respects.

CIRCUIT OUTAGES

12-G-1: Each EDC should work with the BPU to evaluate the potential benefits of utilizing Distribution Automation initiatives as a way to protect the integrity of the system and improve customer reliability. It is understood that several of the New Jersey EDCs have implemented pilot programs on such initiatives. The EDCs should complete these pilot programs and the results should be fully reviewed for benefits to the system and customers, along with any practical, operational hurdles that need to be addressed.

ACE: ACE conceptually agrees with this recommendation and is already in compliance with it in all material respects as part of the Company's strategic reliability plan. ACE has two Distribution Automation substations already installed and has additional Distribution Automation projects planned for the next several years.

12-G-2: The BPU Staff should standardize the Major Event Report so that all EDCs report information using the same categories and definitions.

ACE: This recommendation is intended for Board Staff. ACE conceptually supports this recommendation and respectfully requests that the Company be included in the standardized design discussions of the Major Event Report.

12-G-3: The BPU Staff should review the reliability goals to determine if an adjustment is required.

ACE: This recommendation is intended for BPU Staff. ACE conceptually supports this recommendation, but also notes that EDC system-specific differences must be recognized in any reliability goal. As such, the Company respectfully requests that it be included in any such review.

DAMAGE ASSESSMENT

13-G-1: Each EDC should develop technology solutions that will enable more efficient reporting and/or processing of damage assessment information. This could include a smart phone app concept or providing mobile data terminals for those who do not have them already.

ACE: ACE conceptually agrees with this recommendation and already complies with it in all material respects. The Company has a sufficient amount of mobile data terminals that allow its damage assessors to provide real-time damage assessment information. When contract damage assessors are utilized, they call damage assessment information in to the appropriate district storm room. There is a dedicated resource in the storm room to enter the damage

assessment information directly in to ACE's Outage Management System ("OMS"). This results in a near real-time information flow from the field to the appropriate resources.

RESPONDER SYSTEMS, TOOLS AND JOB AIDS

14-G-1: Each EDC should evaluate a cell phone app so that the customer can report outages and receive system outage information.

ACE: ACE conceptually agrees with this recommendation and already has an iPhone/iPad, Android, and BlackBerry application that customers can download by searching the respective application stores.

14-G-2: Each EDC should identify ways to efficiently and decisively track and report crew (internal, contractor and mutual aid) locations during restoration events.

ACE: ACE believes that there could be value to this recommendation. The Company is concerned, however, about making such information public during restoration events. ACE respectfully submits that the EDCs should jointly discuss this recommendation with Board Staff to determine the most efficient way to implement its intent.

ESTIMATED RESTORATION TIMES

15-G-1: Each EDC should establish a Global ETR within 24 hours of the end of the event.

ACE: ACE conceptually agrees with this recommendation and already complies with it in all material respects. The Company believes that consideration needs to be made to allow the time for development and publication of the Global ETR to be appropriately extended to allow damage assessment activities to take place during events the magnitude and severity of which make roads unsafe or impassable, or other complicating circumstances.

15-G-2: The EDCs, working with Board Staff, should establish a schedule of when more granular levels of ETRs should be expected based upon the magnitude and severity of the event.

ACE: ACE conceptually agrees with this recommendation and already complies with it in all material respects. The Company strives to issue tiered ETRs by District no later than 48 hours after the end of the event and monitors and adjusts ETRs until the restoration is complete. ACE suggests that the EDCs and Board Staff jointly discuss this recommendation in order to determine the most efficient way to implement its intent.

15-G-3: Each EDC should conduct a study of the accuracy of its ETRs during "Major Events" during the last three years.

ACE: ACE conceptually agrees with this recommendation and presently evaluates the accuracy of its ETRs. The Company suggests that the EDCs and Board Staff jointly discuss this recommendation in order to determine the most efficient and cost effective way to implement its intent.

CREW / WORK MANAGEMENT / WORKFORCE LEVELS

16-G-1: EDC should develop a common damage “glossary” for reporting damage to the BPU during and after events.

ACE: ACE respectfully requests more detail from Board Staff or EPP to fully understand the meaning and intent of this recommendation.

16-G-2: Each EDC should be able to report crew locations to the BPU Staff at the level of detail requested by Board Staff. This could include via a web portal.

ACE: See ACE’s response to 14-G-2.

16-G-3: Each EDC should be able to report crew locations at the municipal level for other stakeholder audiences.

ACE: See ACE’s response to 14-G-2.

16-G-4: Each EDC should participate in a debris management/road opening initiative organized by the Reliability and Security Staff in conjunction with other key stakeholders. This initiative can establish a process to provide more structure to the determination of roadway access prioritization, and provide for input and enlistment of local Department of Public Works (DPWs) in the debris management and roadway access process.

ACE: ACE already works with county Office of Emergency Management (“OEM”) personnel on debris management issues and submits that the responsibility of this recommendation resides with the county OEMs. The Company suggests that the EDCs and Board Staff jointly discuss this recommendation to determine the most efficient, appropriate, and cost effective way to implement its intent.

16-G-5: Each EDC should develop and provide improved customer education regarding field restoration work processes.

ACE: ACE conceptually agrees with this recommendation and submits that the EDCs and Board Staff jointly discuss this recommendation in order to develop a consistent message.

16-G-6: BPU should review the annual reliability report filings for each EDC to determine if staffing level trends have some correlation to reliability.

ACE: This recommendation is intended for Board Staff. See ACE’s response to 16-ACE-1, *infra*.

FOLLOW-UP WORK (POST-EVENT)

17-G-1: Each EDC should have a clearly defined section in its plans outlining the follow-up “temporary repairs” work process and responsibilities including post storm patrolling and inspection.

ACE: ACE conceptually agrees with this recommendation.

17-G-2: Each EDC should develop a storm quality assessment process to track the locations of all temporary repairs and the date the temporary repair was made permanent.

ACE: ACE conceptually agrees with this recommendation.

LOGISTICS AND FIELD SUPPORT

19-G-1: Each EDC should predetermine Staging Areas sufficient to support restoration from an outage equal to 75% of total customers. This should include location specific layouts.

ACE: ACE conceptually agrees with this recommendation. See the Company’s response to 1-G-2.

19-G-2: Each EDC should, if needed, have contractual arrangements in place for the use of the predetermined Staging Areas to resolve issues such as liability, access, security and existing support services at the site before an outage occurs.

ACE: ACE conceptually agrees with this recommendation.

STORM RESTORATION PROCESS METRICS

20-G-1: In addition to an ETR, the EDC’s should jointly develop and then consistently report the estimated crew hours (or man hours) of restoration work required to restore all known or estimated customers out of service for a major storm. This value can be developed from the EDCs’ OMS, SCADA and other information sources after the initial damage assessment has been performed (within the first 24 hours after a storm). In essence this becomes a severity index to compare a storm’s impact on a consistent basis.

ACE: ACE respectfully questions the relevance of the information to be gained by the implementation of this recommendation. The Company submits that the EDCs and BPU Staff jointly discuss this recommendation.

SAFETY

21-G-1: All EDCs should continue their current safety programs and practices.

ACE: ACE agrees with this recommendation.

CUSTOMER SERVICE / CALL CENTER

22-G-1: Each EDC should set reasonable call center performance standards for ASA and AR during major outage events.

ACE: ACE conceptually agrees with this recommendation and already complies with it in all material respects.

22-G-2: Each EDC should manage call center staff to meet its performance standards throughout the outage event, including the critical end of restoration period.

ACE: ACE conceptually agrees with this recommendation and already complies with it in all material respects.

22-G-3: Each EDC should develop IVR/VRU messages to provide customers with as much immediate help and advice as is possible (that is accurate) during each point of the storm and restoration and regularly update that information.

ACE: ACE conceptually agrees with this recommendation and already complies with it in all material respects.

EXTERNAL COMMUNICATIONS

23-G-1: Each EDC should review its customer communications and outage website to reflect the following concepts:

- Customer safety and ability to cope should be the primary focus of all messages, especially in the beginning of major events.
- All communications channels at an EDC's disposal should be mobilized as soon as potential major outage events are forecasted.
- Worst case projections should be issued from the outset of any major event to effectively portray a sense of urgency.

Outage websites should be optimized to show:

- Number of customers out of power by county and municipality (not by zip code)
- Number of customers served by county and municipality
- Percentage of customers out of power by county and municipality
- Total number of outage locations (work locations) by municipality
- Time outage reported
- Crew en route or on scene working per outage location
- Cause of outage per outage location
- Estimated Time of Restoration per outage location

- Directive information about alternative shelter resources, community support, online telephone validation, and secondary language options.
- Outage websites should include graphics and video to help depict safety and preparedness messages.
- Provide a web portal for BPU Staff to view additional details related to the outages.
- Provide a mechanism to automatically notify BPU Staff via e-mail or text message when certain outage thresholds are reached.

ACE: ACE conceptually agrees with this recommendation. The Company suggests, however, that the EDCs and Board Staff jointly discuss this recommendation to determine the most efficient and operationally and cost-effective way to implement its intent.

23-G-2: Each EDC should consider designating second role employees to fill the role of crew spokesperson. A crew spokesperson travels with a block of crews and is able to explain the restoration process in general and the work at hand in particular, while the line crews make the repairs. This position can increase crew productivity, increase customer safety, answer customers' specific questions and educate the public.

ACE: ACE questions the need for implementing this recommendation. Although the State's EDCs are individual companies with their own unique operational and geographic characteristics, the Company respectfully submits that there would be no value in implementing this recommendation in its service area.

23-G-3: Each EDC should provide additional methods to report and check on the status of an individual outage. This could include an option on the website, through a mobile version of the website via a Smart Phone, or through text messaging.

ACE: ACE conceptually agrees with this recommendation and already complies with it.

INTERNAL COMMUNICATIONS

24-G-1: Each EDC should develop messaging specifically for foreign crews to recognize their voluntary service and build relationships to support future restorations.

ACE: ACE conceptually agrees with this recommendation and believes that is important to build relationships with foreign utility crews. In fact, the Company provides an acknowledgement letter to foreign utility crews.

BENCHMARKING / EXTERNAL ANALYSIS

25-G-1: Each EDC should develop a process to analyze and transfer restoration experiences from other utilities where appropriate. An organized process to communicate with other utilities beyond New Jersey that have experienced a major restoration can provide important insights.

ACE: ACE conceptually agrees with this recommendation. Utility best practices are currently shared with regional mutual assistance groups and EEI.

BPU / PRIOR ORDERS / ENFORCEMENT AUTHORITY

26-BPU-1: BPU should review all past Orders and determine which Orders are still relevant.

ACE: This recommendation is intended for the Board. ACE conceptually agrees with this recommendation.

26-BPU-2: Orders should specify an end result and not describe the specifics of the EDC implementation process.

ACE: This recommendation is intended the Board. ACE conceptually agrees with this recommendation.

27-BPU-1: BPU should investigate the options for penalty categories. BPU should evaluate seeking statutory authority to increase its penalty capabilities for EDCs non-performance or under-performance.

ACE: This recommendation is intended for the Board. ACE notes, however, that the State's EDCs are individual companies with their own unique operational approaches and geographic characteristics. The Company respectfully submits that imposing overly harsh financial penalties that do not take these critical differences into account will not necessarily lead to improved reliability and could produce adverse consequences that will inhibit necessary infrastructure improvements.

5.1 ATLANTIC CITY ELECTRIC (ACE)

1-ACE-1: ACE should modify the organization charts (in the Incident Response Plan appendix) so that they show only position titles and not names. Maintain the organization charts with positions and employee names outside of the plan document where frequent updating is easier.

ACE: ACE agrees with this recommendation.

2-ACE-1: ACE should continue its current exercise and drill program.

- ACE:** ACE agrees with this recommendation.
- 3-ACE-1:** ACE should develop training requirements (curriculum, frequency, initial, refresher, etc.) for all positions, not just technical or system training, within the storm restoration organization.
- ACE:** ACE conceptually agrees with this recommendation. The Company submits, however, that not all staff positions should fall under this requirement. As such, ACE requests that BPU Staff provide more detail on this recommendation.
- 3-ACE-3:** ACE should develop a centralized repository for training records to ensure compliance with the training requirements of each position.
- ACE:** ACE agrees with this recommendation.
- 9-ACE-1:** ACE should add a section to its Plan to describe how mutual assistance crews will be allocated between affiliated companies (Atlantic City Electric, Delmarva, and Pepco) when simultaneous large-scale events occur in multiple service territories.
- ACE:** ACE conceptually agrees with this recommendation.
- 16-ACE-1:** ACE should provide a detailed staffing review that explains the decreases in headcount and any technology, assignment shifts or other offsetting changes.
- ACE:** ACE conceptually agrees with this recommendation and will provide the information, if requested.
- 22-ACE-1:** ACE should review its messaging to ensure that it is understandable to customers and does not slip into jargon such as global or complete restoration.
- ACE:** ACE agrees with this recommendation.
- 23-ACE-1:** ACE should review its messaging construction to ensure that advice to customers for coping with outages and staying safe are comprehensive, easy to understand, and given the highest priority.
- ACE:** ACE agrees with this recommendation.
- 23-ACE-2:** ACE should review its staffing plan with regard to message writers and Government Affairs personnel to ensure enough personnel to fill these roles in a major event.
- ACE:** ACE agrees with this recommendation.
- 24-ACE-1:** ACE should keep logs and samples of internal communications to assist in lessons learned and as tools for future preparedness.
- ACE:** ACE agrees with this recommendation.