



New Jersey Board of Public Utilities

NEWS RELEASE

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Christie Administration Continues to Take Action to Improve Electric Companies' Preparedness and Response to Major Storms

TRENTON, N.J. – Today, the New Jersey Board of Public Utilities (Board) continued its aggressive action to improve the Electric Distribution Companies' (EDC) preparedness and responses to major storms by making public a report titled, "Performance Review of EDCs in 2011 Major Storms." The report documents Emergency Preparedness Partnerships' (EPP) observations, findings and recommendations based on EPP's review of the regulated EDC's storm restoration plans. The report contains many recommendations submitted by the Board's consultant hired to investigate the EDCs' restoration plans and actions in response to Hurricane Irene and the October Snowstorm.

"The Board has taken, and will continue to take, action to significantly improve the electric companies' performance in the areas of preparedness for severe weather events, ability to communicate accurate and timely information effectively to customers and local authorities, and effectiveness of recovery operations," said Bob Hanna, President of the N.J. Board of Public Utilities. "The Board will continue to guide and monitor the EDCs to ensure each company is better prepared to confront severe weather conditions that impair and disrupt the lives of residents across the state"

In the aftermath of Hurricane Irene, Governor Chris Christie directed the Board to conduct an investigation of the EDCs' storm planning and restoration decisions and actions. EPP's report is another step in fulfilling Governor Christie's directive. The Board has scheduled a Special Board Agenda Meeting for September 12, 2012, at 1:00 p.m. in Committee Room 16, State House Annex, Trenton, NJ to present the report and their analysis of the state's four regulated EDCs' storm restoration performance. This meeting will be followed by an open public comment period regarding the consultant's recommendations. The Board will also accept written comments at Board.secretary@bpu.state.nj.us until September 20, 2012, concerning suggestions on actions to be taken to ensure EDC preparedness for future major weather events. After all comments have been considered, the Board will meet to take appropriate action.

The EPP report can be found at: <http://www.nj.gov/bpu/pdf/announcements/2012/stormreport2011.pdf>

In total, EPP's report contains 143 industry-wide and EDC-specific recommendations designed to enhance the EDCs preparedness, response and recovery from future major storm events. Some report recommendations may require further staff review.

The recommendations include:

- Vegetation Management - All EDCs should develop a program to track tree outage information at a more detailed level.
- Incident Command System (ICS) – The best model to manage an effective and efficient restoration process is the ICS. JCP&L and PSE&G should develop and/or follow the ICS for major restoration events.
- Communications - EDC websites and social media need to provide more granular outage details, estimated time of restoration (ETR) and other restoration information.
- Mutual Aid - JCP&L should obtain from its parent company, FirstEnergy, a written mutual aid plan that includes crews from both FirstEnergy affiliated utilities and non-affiliated companies.
- Training and Exercise Drills - All EDCs should hold annual exercise drills that test the EDCs' restoration plans with scenarios that include 75% of the EDCs' customers affected.
- Benchmarking and External Analysis - The practice of benchmarking and external analysis should be required of all EDCs. Each EDC should develop a process to analyze and share restoration experiences among the EDCs within New Jersey and beyond that have experienced a major restoration.

On December 14, 2011, the Board issued a preliminary report on major storm event planning and emergency response by the state's four regulated EDCs to Hurricane Irene and the October Snowstorm. The preliminary report created an action plan to implement readily available "lessons learned" from both storms. The report required immediate action by the EDCs to improve communications, including the addition of staff during storm events to handle expected calls and the use of social media to inform affected customers. Additionally, JCP&L was directed to implement a new communications plan that was developed with input from Board staff. These recommendations and actions were designed to address some of the problems identified during the BPU's public hearings and comments received and BPU staff's review of the electric utilities' responses to the two storms.

The Board's preliminary report required actions of the EDCs, and staff has actively been monitoring implementation progress made by the EDCs. Fortunately, there have not been any storms of the magnitude of Hurricane Irene, however, recent severe thunderstorms have served to test the implemented improvements. Just this past July a fast-moving line of severe winds associated with a squall of violent thunderstorms, known as a derecho, caused major infrastructure damage and widespread extended service outages in Atlantic City Electric's territory and a number of smaller thunderstorms affected all of the EDCs. According to Board staff's preliminary review of the EDC's performance during these July storms events, improvements were evident in EDC's communications with customers and local officials. Board staff observed improvements on EDC websites and social media that provided regularly scheduled conference calls with municipal officials; and enhanced communications between Board staff and the EDCs was experienced.

In addition to creating an immediate action plan, the Board approved a preliminary report recommendation to hire a consultant to review areas identified in the report as warranting further investigation. On March 12, 2012, the Board approved the appointment of EPP as the expert consultant. In conducting its investigation, EPP reviewed numerous EDC storm restoration protocols, which included EDC communications with customers, municipal and county officials and Office of Emergency Management (OEM) personnel; acquisition of supplemental crews; prioritization of service restoration; infrastructure issues affected by vegetation management and substation flooding; and, procedures to identify and prioritize service restoration to special needs customers, such as those with health issues and well water-dependent customers.

EPP's recommendations are broken into the following categories: planning; exercise drills; training; post event process; weather monitoring; activation; command and control; pre-event communications; mutual assistance; substation flooding; vegetation management; circuit outages; damage assessment; responder systems, tools and job aids; estimated restoration times; crew/work management and workforce levels; follow-up work; organization structure, roles and responsibilities; logistics and field support; storm restoration process metrics; safety; customer service/call center; external communications; internal communication; benchmarking/external analysis; BPU/ penalty area/Board Orders; and staff review and recommendations.

While Hurricane Irene and the October Snowstorm, labeled 100-year storms by many weather analysts, burdened residents' lives and severely strained emergency responders and municipal services, they also greatly challenged the EDCs' ability to meet their mandate to safely and reliably provide electrical service. Three days before Irene's landfall, Governor Christie declared a State of Emergency and in the immediate aftermath a federal disaster declaration was made for the entire state. On August 28, 2011, Hurricane Irene made landfall as a tropical storm in New Jersey and proceeded to cause the largest number of electrical outages in New Jersey's recorded history. The record rainfall, flooding, and extreme winds caused nearly half of all New Jersey residents and businesses, 1.9 million of the state's 3.9 million electric customers, to lose power; many for an extended period of time.

To hear first-hand the impacts of the storm upon local residents, communities, emergency responders, and to comply with the Governor's directive to investigate the EDCs performance, the Board held a series of six public hearings with at least one hearing held in each of the utility's territory. During these hearings, public officials and residents had the chance to testify, on the record, about how the storm and the EDCs' performance impacted their lives, businesses and local governments' ability to provide information and services to their residents.

As the Board's staff was in the early stages of its Hurricane Irene investigation, an unexpected and powerful snowstorm struck New Jersey on October 29, 2011. The northern half of the state was most severely impacted with some areas receiving October record-breaking snow accumulations. The combination of heavy wet snow and trees full of foliage caused extensive damage to infrastructure from fallen trees and limbs. Only two months after Irene caused disruption of service to nearly half of the state's electric customers, the snowstorm caused loss of service to nearly 1 million of the state's electric customers for up to 9 days.

While the Board continues its oversight of the EDCs to insure that improvements are implemented, the Board recognizes and thanks all the line and tree crews, both those from New Jersey and all those who came from out of state, for their many hours of hard work in performing a very difficult job.

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