

September 20, 2012

**VIA ELECTRONIC MAIL & FEDERAL EXPRESS**

Kristi Izzo, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Street, 9th Floor  
PO Box 350  
Trenton, New Jersey 08625-0350

Re: In the Matter of the Board's Review of New Jersey  
Utilities' Response to Hurricane Irene.  
BPU Docket No. EO11090543

Dear Secretary Izzo:

Jersey Central Power & Light Company ("JCP&L" or the "Company") hereby submits this letter ("Comment Letter") containing JCP&L's comments with respect to the Final Report of Emergency Preparedness Partnerships ("EPP") entitled, "Performance Review of EDCs in 2011 Major Storms" dated August 9, 2012 (the "EPP Report") and submitted in connection with the above-referenced docketed proceeding. At its Special Board Agenda Meeting on September 12, 2012, the New Jersey Board of Public Utilities (the "Board" or "BPU") formally received the EPP Report and established an open written comment period through September 20, 2012 for feedback regarding actions and/or measures the Board should take in light of the EPP Report.

The EPP Report focuses on the Electric Distribution Companies' ("EDC") preparedness and responses to major storms in light of Hurricane Irene and the subsequent and extraordinary October 2011 Snow Storm (the "Storm Events") and contains numerous industry-wide and EDC-specific recommendations related to preparedness, response and recovery from future major storm events. The Company appreciates the opportunity to submit this Comment Letter to the

Board. The Company also welcomes and looks forward to further discussions with Board Staff regarding the findings and recommendations contained in the EPP Report and the implementation process for addressing them.

### Overview

At the outset, JCP&L would like to express its appreciation for the thorough and professional approach that EPP employed in assessing the magnitude of the Storm Events, and, in particular the breadth and depth of their impact on the State, its residents, the EDCs and their electric systems. JCP&L appreciates the recognition by EPP of the enormous and largely successful efforts of all of the EDCs in addressing the devastating impacts of these unprecedented Storm Events and in restoring power to their customers.<sup>1</sup> The Company also appreciates that EPP documented and validated the unprecedented and widespread destruction caused by the Storm Events, which affected up to 70% (in the Hurricane) of JCP&L's customers and (in both Storm Events) required JCP&L to quickly rebuild substantial portions of its electric infrastructure.<sup>2</sup>

JCP&L would also like to recognize and thank its customers for their patience and understanding during the course of the Storm Events and for the feedback the Company received regarding its performance during these events. The Company, whose employees are, in many cases, also its customers living and working in the communities JCP&L serves, understands the impact and stress of extended power outages on those communities. Finally, JCP&L also wants

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<sup>1</sup> Despite the devastating impact of the Storm Events on customers and utility infrastructure, and the EDCs' overall performance during them, JCP&L recognized in the aftermath of Hurricane Irene that previously effective systems and approaches needed to be enhanced or adjusted to address what had formerly been unprecedented but now no longer is. As indicated herein, JCP&L is committed to, and has already begun making those enhancements and adjustments, in some cases between the Storm Events themselves.

<sup>2</sup> Objectively read, the charts found on pages 43-49 of the EPP Report provide a revealing portrait of the Storm Events and their relative impacts on New Jersey's EDCs, and the relative consistency of performance as between all of the EDCs in steadfastly responding to their respective and sometimes very different restoration challenges. As revealing as that portrait is, even it under-describes the severity of the impact upon roads and access routes that presented major obstacles to the EDCs' restoration efforts in many communities. The EPP Report does, however, recognize this as an important issue when it recommends a debris management/road opening initiative organized by the Board in conjunction with other key stakeholders (Recommendation 16-G-4).

to recognize the outstanding efforts under unprecedented circumstances of its employees, who, in close collaboration with other first-responders and governmental officials, and the employees of its affiliates and non-affiliates providing mutual assistance during the Storm Events, worked with an unheralded dedication and commitment to getting our customers back in service as promptly as possible. JCP&L salutes its employees for their tremendous efforts and looks forward to their continued dedication as the Company enhances its preparedness for future events.

Mindful that the Board's focus is now, quite appropriately, forward-looking, JCP&L also appreciates that the EPP Report's recommendations, by and large, attempt to build on existing EDC procedures, systems and processes taking into account that the Storm Events are now part of the experience against which preparedness may be measured. Nonetheless, JCP&L has some concerns regarding some of the recommendations, which will be addressed herein. These concerns are consistent with the spirit of the EPP Report's findings and recommendations, which was to encourage improvements to the EDCs' catastrophic storm processes. Moreover, the concerns are related to the manner in which some of the recommendations purport to improve these processes.

JCP&L urges the Board to recognize that: (i) the State's EDCs are individual companies with their own unique electric systems, each having its own particular operational configurations and approaches, often driven by the uniqueness of the geographic characteristics of its service territory; and (ii) all of the directives contained in the EPP recommendations would impose costs that must be fully and currently recovered in rates. Accordingly, it is imperative that the Board provide the flexibility for each EDC to implement final recommendations (whether global or EDC-specific) consistent with, and with due consideration for, (a) the costs to be incurred, (b) the EDC's unique system opportunities and/or constraints and (c) each EDC's management prerogatives relative to its operations.

## **Process**

In general, many of both the global and EDC-specific recommendations will require discussion and collaboration to create clearer delineation and definition of deliverables that are reasonable, practical, scalable and flexible in light of the considerations noted above. Relative to the process for addressing certain of the global recommendations, which are to be implemented by all of the EDCs and which require further delineation and analysis to be implemented consistently but flexibly, JCP&L supports creating a working group structure comprised of the EDCs and Board Staff. The objectives of these working groups would be to develop a consensus proposal for further review and comment by a defined stakeholder group prior to finalization and adoption. This process would be greatly assisted by grouping the global recommendations into logical categories to facilitate the efforts of multiple working groups. As JCP&L envisions the process, the working groups would define the outcomes that would satisfy the selected global recommendations, allowing flexibility in implementation that recognizes individual EDC differences such as in service territories and information technology systems.<sup>3</sup> Beyond establishing the desired outcomes, the working group process should not result in inflexible specifications as to how to achieve or implement the solutions or inflexible time frames for achieving them.

The EDCs should be encouraged to implement solutions efficiently and effectively consistent with good utility practice, taking into account the costs to be incurred and the recovery thereof. The working groups should solicit the input of subject matter experts as needed to assure both a timely and quality deliverable. Given the complexity of some of these issues, deliverables should be released as they are completed, rather than at the end of the entire working group process. Likewise, implementation of deliverables should take place progressively throughout the working group process. EDC-specific recommendations will be

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<sup>3</sup> One example of the need for flexibility is in connection with estimated restoration times (“ETRs”), where the goals of any working group should be to clarify and elaborate on the broad statements of the EPP Report recommendations and thereby develop reasonable and achievable outcomes and objectives, which allow for sharing of ideas, concepts and approaches to addressing or meeting such goals and objectives while providing individual EDCs the flexibility to address and meet the objectives in the ways that are most efficiently and effectively compatible with their own organizational structures, operational approaches, technical needs and information technology systems.

addressed collaboratively between each respective EDC and BPU Staff. With respect to both global and EDC-specific recommendations, even those seeming to require relatively little time or investment of capital, implementation schedules will require coordination because the same personnel will often be involved in implementing multiple recommendations and the recommendations themselves may overlap. Therefore, implementation schedules need to be reasonable and accommodate the needs of normal utility operations.

JCP&L recommends that the Board consider and designate working groups with respect to the following classifications of recommendations from the EPP Report:

- (a) ETRs and related issues (i.e., 14-G-1, 14-G-2, 15-G-1, 15-G-2, 15-G-3, parts of 23-G-1, 16-G-1, 16-G-2 and 16-G-3(subject to comments made herein), 6-G-1, 8-G-1, 15-JCPL-1, 15-JCPL-2 22-JCPL-1, 22-JCPL-2), including storm restoration metrics and benchmarking (i.e., 20-G-1, 25-G-1), mutual assistance (i.e., 9-G-1, 9-G-2, 19-JCPL-1) and call-center metrics (i.e., 22-G-1);
- (b) Reliability goals (i.e., 12-G-3), including vegetation management (i.e., 11-G-1, 11-G-2 (subject to comments made herein), 11-G-3) and Major Event reporting (i.e., 4-G-1, 12-G-2,); and
- (c) Substation flooding issues (i.e., 10-G-1, 10-G-3 (subject to comments made herein), 10-G-5), and the road clearing/debris management initiative (i.e., 16-G-4 (subject to comments made herein)).<sup>4</sup>

### **Specific Recommendations**

JCP&L is pleased to report that with respect to many of the EPP recommendations, progress, and in some cases significant progress, has been made on similar initiatives, (i) before the Storm Events<sup>5</sup>, (ii) following Hurricane Irene and prior to the October Snow Storm, or (iii) immediately following the October Snow Storm. In a few cases, but not all, EPP recognized these undertakings. Therefore, JCP&L has divided its comments regarding the EPP Report

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<sup>4</sup> Please note that this Comment Letter is directed specifically to the EPP Report and its recommendations. While JCP&L recognizes that contemporaneous with the issuance of the EPP Report there was a proposed draft of legislation to address recommendation 27-BPU-1, comments on the legislation are not included herein.

<sup>5</sup> For example, efforts with respect to the work management system, a major project pre-dating the Storm Events, began in 2011 and the work is scheduled for implementation in 2013.

recommendations into two groups. One group is addressed below in the body of this Comment Letter and contains those recommendations that JCP&L believes should not be adopted in whole or in part as currently formulated in the EPP Report. The other group is addressed in Attachment A hereto and contains those recommendations upon which JCP&L is currently already engaged in implementation activity.<sup>6</sup>

### **Recommendations Requiring Further Discussion or Clarification**

There are ten recommendations from the EPP Report that JCP&L believes should not be adopted or implemented in whole, or in part, as currently proposed:<sup>7</sup>

a) **Global Recommendation 7-G-1**

Staffing - Command and Control - 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.

**JCP&L Comment**

JCP&L already maintains a two-deep list of key personnel on its Storm Response Team that is supplemented by other FE resources that make JCP&L at least three deep in its key storm positions. A database is maintained of the key personnel on the FE Storm Response Team from FE's other nine operating companies who are routinely assigned to support leadership level positions at other affiliates (such as JCP&L) during a major event. In addition, operations

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<sup>6</sup> JCP&L acknowledges in advance that there may be more detail set forth here and in Attachment A than the Board anticipated at this juncture. However, given (i) the uncertainties regarding the details of the Board's process prior to adopting, modifying or rejecting any of the EPP Report's recommendations and/or additional, as yet unknown, recommendations by Board Staff, and (ii) the importance of recognizing the relationship between the recommendations and desired real-world, cost-effective solutions, JCP&L believes it appropriate to provide the Board with the benefit of a set of detailed comments regarding its thoughts, preliminary analysis, and concerns regarding the EPP recommendations. JCP&L also notes that, with respect to any recommendations not specifically mentioned herein (or in Attachment A hereto), the Company's silence should not necessarily be considered complete agreement with such recommendations and a willingness to implement them, as these recommendations may also require collaboration with, and clarifications from, Board Staff as to certain aspects of these recommendations, which space and time do not allow here. Nevertheless, JCP&L expects that these issues and clarifications can be addressed in a manner that is consistent with the spirit and intent of the EPP Report.

<sup>7</sup> Again, JCP&L wants to reiterate that any issue taken with these recommendations is not directed at their spirit and intent as set forth in the EPP Report, but rather with the way in which they are expressed relative to the scope of the objective or the manner and mechanics of implementation.

directors from affiliate companies are routinely sent (as requested) to support the leadership teams of affected companies. Accordingly, JCP&L's concern regarding this recommendation is that it does not make clear that the availability of FE's extensive storm management resources for key storm team positions in a standardized storm management process satisfies this global recommendation. It should. JCP&L suggests that if the Board adopts the recommendation that it contain this clarification. Without such clarification, JCP&L would oppose the recommendation as impractical, unduly burdensome and unnecessary.

b) Global 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.

JCP&L Comment

JCP&L is already in the process of conducting a watershed review for each of the seven substations that flooded during Hurricane Irene. JCP&L does not support this recommendation as currently stated because it proposes actions that, while logical and well-meaning, concern matters and persons or entities that appear not subject to the Board's jurisdiction nor within the control of the EDCs. Notwithstanding that the Company is willing to reasonably cooperate with the owners and operators of upstream dams/reservoirs, the recommendation, if adopted, should reflect the understanding that the interests and liability exposure of the parties to such discussions may be competing or irreconcilable and that such differences may be due to competing regulatory frameworks that may require the Board to collaborate, negotiate or contend with other State or Federal agencies. In considering this recommendation the Board should recognize that this process could be a long-term undertaking, that it is without clear cost implications and may require close collaboration between the EDCs, the Board and possibly other applicable governmental agencies.

c) Global Recommendation 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.

JCP&L Comment

JCP&L believes that its current data collection system, the Internet Vegetation Management System ("IVMS"), has the detail necessary to proactively manage its preventative tree maintenance programs. Within IVMS, tree related outages are coded as preventable or non-preventable (*i.e.*, inside or outside the trimming zone). In addition, the removal of danger/dead or diseased trees is also recorded. JCP&L does perform detailed analysis on all 34.5kV and circuit lockouts that were caused by trees but, for reasons of efficiency and practicality related to accomplishing required work, not on every tree-related outage. In view of the foregoing, JCP&L does not support this recommendation as currently stated because additional data collection requirements (*e.g.*, the distance of the felled tree to the power line, and the species) would

require major system changes, may be a source of delay in the restoration process, and would not appreciably add value to the restoration or vegetation management processes. Furthermore, any requirements aimed at standardizing tree-related data collection and reporting across the EDCs should be developed through a working group.

d) Global 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.

JCP&L Comment

Earlier this year JCP&L collaborated with the other EDCs to submit to Board Staff (at its request) joint suggestions regarding some of the challenges facing the EDCs related to vegetation management. While JCP&L would welcome the opportunity to participate in a working group with Staff and other EDCs in regard to this recommendation, it should be noted that the Board’s existing vegetation management regulations were the result of an extensive collaborative process that balanced an array of stakeholder interests. Proposals now for more aggressive trimming cycles and wider clearing standards will require a similar process, input from the public and shade tree commissions and, ultimately, a similar balancing of interests.

e) Global 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.

JCP&L Comment

Implementation of this broad recommendation without further refinement could result in impracticalities and unintended consequences related to, among other things, potential crew security and safety issues and the potential for creating confusion regarding, interference with, or delays in, the storm restoration process. Therefore, JCP&L recommends that the Board not adopt the recommendation in its current form but rather direct Board Staff to convene a working group process for development of a more finely-tuned recommendation that addresses these concerns and issues.

f) Global Recommendation 16-G-3

Each EDC should be able to report crew locations at the municipal level for other stakeholder audiences.



JCP&L Comment

See JCP&L's comment in "e)" immediately above.

g) Global Recommendation 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.

JCP&L Comment

JCP&L will participate in an initiative with the Board Staff and other EDCs to establish a more structured process for determining roadway access prioritization, and consider input from County OEMs and local DPWs in the debris management and roadway access process. However, the intent of such an initiative should, first and foremost, be to make the road electrically safe to be cleared, or to clear the road sufficiently to allow for safe service restoration, rather than an initiative more generally focused on clearing roads. JCP&L does not believe that it would be productive to engage in an initiative that may distract from, or interfere with, the EDCs' main focus, which is to provide safe and reliable service to customers and to restore service safely and reasonably promptly. This recommendation may potentially interfere with that goal to the extent that it may engage the EDCs in road-clearing operations as opposed to service restoration. Not only would clearing roads impose new resource requirements and costs on the EDCs, but would also expose the EDCs to new liability concerns for participating in an activity that is a public works responsibility that could conflict with outage restoration priorities (as determined in conjunction with County OEMs) and the current restoration process, risking delays in restoration.

h) Global Recommendation 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.

JCP&L Comment

JCP&L believes that this recommendation would be cost prohibitive and potentially gives rise to public safety concerns. The areas where crews are performing work (e.g., along a roadway, in icy conditions, near the operation of large equipment, etc.) are not appropriate to attract and gather members of the general public for dispensing information. Further, crews do not necessarily work in groups that are in close proximity and providing a spokesperson to each crew would be costly and would potentially detract from resources that would otherwise engage in some aspect of service restoration. JCP&L believes that the underlying objective of this

recommendation can, and should, be met through a more efficient and safer means, away from the job site.

As a matter of background, JCP&L's enhanced communications plan and other EPP communications-related recommendations address the interactions between crews and customers in the field. Crews can now distribute a new brochure, *Tips for Managing through a Power Outage*, to customers they encounter and they can make referrals to the JCP&L call center and/or the newly enhanced website. These approaches, coupled with the more numerous and improved communications issued to newspapers and TV stations during outage events, are examples of a safer, more effective and efficient process for addressing and accomplishing the objectives of the recommendation.

i) Global Recommendation 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.

JCP&L Comment

JCP&L has already begun development of a Smart Phone application.<sup>8</sup> Should the Board determine that other "additional methods" should be implemented, such methods need to be thoroughly evaluated as to both incremental benefit and costs. JCP&L recommends that the Board not interpret this recommendation beyond such methods as the EDCs may each eventually agree to implement (e.g., the Smart Phone application that JCP&L is developing). Investigation and implementation of other methods should be part of a future working group process that is charged with assessing and balancing both benefits and costs. See also the JCP&L Comment regarding Recommendation 23-G-1 in Attachment A.

j) JCP&L Recommendation 4-JCP&L-1

JCP&L should implement the use of logs to track activities and decisions by storm team members.

JCP&L Comment

While JCP&L is in the process of implementing logs to track activities and decisions by storm team leadership, the Board should not interpret this recommendation as extending beyond significant or material Incident Command System ("ICS") leadership decisions related to the storm restoration process. Care should be taken to avoid creating administratively burdensome requirements at lower levels of the organization where the focus should be on plan execution.

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<sup>8</sup> With respect to the Smart Phone application, JCP&L intends to include this application as part of Phase II of the Company's Outage Mobility Project (2013). The application will provide Customers the option to text an outage to the Company and receive updates on their outage via text.

**Global and JCP&L-Specific Recommendations in Progress**

As indicated earlier, Attachment A provides a brief status update on JCP&L's work in progress with respect to activities and actions that effectively begin implementing some of the EPP Report recommendations.

**Factual Issue**

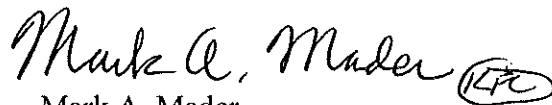
JCP&L is concerned that certain factual errors in the EPP Report (at 219-220) may have manifested the misconception that JCP&L's "external communications focused too much on the company's image and not enough on providing information to its customers". JCP&L believes that the EPP Report mischaracterizes its communications, which were intended to both educate and inform customers of the restoration activities taking place in real time and to assure customers that the company was bringing skilled resources to bear in an around-the-clock effort to restore service. While there might be debate as to how well-crafted these communications were to achieve the intended purpose, JCP&L nonetheless disagrees with the characterization that the purpose of these communications was image messaging. Perhaps the most glaring factual misrepresentation is with respect to the timing of the Company's communications addressing a "\$200 million investment in JCP&L." The first issuance of a communication regarding the \$200 million investment in JCP&L was in a news release on February 28, 2012, not during the hurricane or the snow storm. By its own review, JCP&L agreed in the aftermath of Hurricane Irene that its communication efforts should be enhanced. Even in time for the snow storm, the Company implemented many such enhancements, as EPP and Board Staff acknowledged, and improvement in these efforts has continued since. In light of the foregoing, JCP&L urges the Board to acknowledge these mischaracterizations in the EPP Report of JCP&L's communication efforts during the hurricane when deliberating the Company's actions.

**Conclusion**

JCP&L appreciates the opportunity to submit these comments regarding the EPP Report. JCP&L hopes the Board will find these comments helpful in assisting the Board in making its determination regarding the form of the final recommendations and their implementation by the

EDCs. JCP&L looks forward to collaborating with the Board, its Staff and the other EDCs with respect to those recommendations, including those for which the Board determines that a working group process (as suggested herein) should be initiated. JCP&L stands ready to meet and/or confer with the Board and/or its Staff regarding any questions about these comments.

Respectfully submitted,

Handwritten signature of Mark A. Mader in cursive, with a circled initial 'M' at the end.

Mark A. Mader  
Director, Rates & Regulatory Affairs - NJ

cc: D. M. Lynch – JCP&L  
H. Kauffman – JCP&L  
M. Jones – JCP&L  
W. R. Ridmann – FirstEnergy  
A. Korkosz, Esq., FirstEnergy  
M. J. Connolly, Esq.  
J. Giuliano - BPU

## ATTACHMENT A

### Recommendations Currently Being Addressed by JCP&L<sup>1</sup>

The below information provides the status of JCP&L/FirstEnergy (“FE”) actions and projects that are currently underway and which address the following EPP Report recommendations:

a) Global Recommendation 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.

JCP&L Comment

JCP&L has begun implementing this recommendation by (i) modifying the E-Plan to include a quarantine process, (ii) becoming a full member of the Southeastern Electric Exchange (“SEE”) mutual assistance organization, (iii) providing training with respect to the quarantine process, and (iv) assessing the scalability of the E-Plan design 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.

b) Global Recommendation 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.

JCP&L Comment

Prior to the Storm Events, the FE internal meteorologists and the FE Utilities group (of which JCP&L is a part), had already begun conceptual development of an outage prediction model, including a limited pilot program using algorithms and advance scientific tools to predict outages-by-location. However, this model, which is not yet complete, would require significant additional time and effort to complete before it would be ready for a decision to roll-out to the FE utility companies. Since the Storm Events, the FE meteorologists and the FE Utilities group have looked into the potential for developing something less complex that may allow for more

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<sup>1</sup> As stated in the Comment Letter, this attachment provides a brief status update on JCP&L’s work in progress with respect to activities and actions that JCP&L believes are effectively implementing some of the EPP Report recommendations. At Board Staff’s request, JCP&L is willing to meet to discuss additional detail regarding the activities and projects that JCP&L believes address, in whole or in part, the implementation of these recommendations, which JCP&L acknowledges may also require collaboration with, and clarifications from, Board Staff consistent with the spirit and intent of the EPP Report.

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prompt implementation. Nevertheless, because of the interrelationship between this recommendation and the ETR process, JCP&L suggests that the Board make this recommendation part of the ETR working group process.

c) Global Recommendation 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.

JCP&L Comment

In the aftermath of Hurricane Irene, and during the October Snow Storm, JCP&L provided general ETRs and then more specific ETRs at the onset of the restoration process as part of the lessons-learned from the hurricane experience in order to provide more timely, accurate and informative communications to the media, customers and local officials. Utilizing news releases, media advisories, website, social media, emails, videos, internal newsletters, the portal and the brochure *Tips for Managing through a Power Outage*, JCP&L provided, and continues to provide, information on preparing for a major storm and safety tips to customers and employees. Nevertheless, because of the interrelationship between this recommendation and the ETR process, JCP&L suggests that the Board make this recommendation part of the ETR working group process.

d) Global 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.

JCP&L Comment

JCP&L believes that its planning criteria comply with this recommendation as it pertains to planning for new substation sites. With respect to existing substations, the Company is planning a review to determine the practicality of, and costs associated with, 1) relocating to higher area, 2) raising equipment above flood levels, and 3) installing flood prevention devices. This review will require cost-benefit analyses of solutions, which are potentially technically-difficult, time-consuming and costly.

e) Global 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.

JCP&L Comment

JCP&L is conducting a watershed review for each of the flooded substations in order to determine if upstream dams/reservoirs have the potential to impact the substations during flooding events. Where risks are identified, the Company will contact upstream dam/reservoir

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operators to work cooperatively, to the extent feasible, to develop mitigation plans to lessen the impact of emergency water releases. JCP&L's concerns regarding this recommendation are set forth in the body of the JCP&L Comment Letter

f) Global 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 [sic] develop and implement better mitigation plans.

JCP&L Comment

JCP&L has begun reviewing preparedness plans in anticipation of working with Board Staff to develop mitigation plans for substations with the potential to flood during storm events. Consistent with the recommendation itself, JCP&L suggests that the Board make this recommendation part of a working group process.

Global Recommendation 11-G-3

Vegetation Management - Each EDC should use outage analysis and reliability statistics over multiple years to evaluate the effectiveness of its vegetation management program.

JCP&L Comment

The Company will be reviewing how existing reliability data may be analyzed on a multi-year basis as a measure of vegetation management ("VM") effectiveness since JCP&L (i) already takes reliability into account in its VM program, (ii) uses a 4 year vegetation management cycle as required by the Board's regulations, (iii) ranks circuits by reliability, and (iv) typically trims the worst performing circuits earlier in the cycle year. Consistent with the other 11-G recommendations, JCP&L suggests that the Board make this recommendation part of a working group process.

g) Global Recommendation 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.

## ATTACHMENT A

### JCP&L Comment

FE is actively investigating the costs, benefits, and existing workforce skills associated with Distribution Automation through a DOE Grant for a pilot program in Ohio and Pennsylvania extending from 2013-2015, the data from which will be used across the FE System, including JCP&L.

### h) Global Recommendation 13-G-1

Damage Assessment - 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.

### JCP&L Comment

JCP&L has been in the process of implementing a work management system, which includes the use of mobile data terminals ("MDTs"), to allow for more efficient communications with Company field crews. Training and installation of MDTs in Company line-vehicles is targeted for completion by April 2013. The Company will also explore technology solutions to facilitate a more efficient quantification and description of the damage. See also, the JCP&L Comment regarding recommendation 14-JCPL-1.

### i) Global Recommendation 16-G-5

Each EDC should develop and provide improved customer education regarding field restoration work processes.

### JCP&L Comment

In the aftermath of Hurricane Irene and prior to the October Snow Storm, JCP&L increased and improved its utilization of news releases, media advisories, website, social media, emails, videos, internal newsletters, and the web-portal. In addition, since the October Snow Storm, the Company has published and printed a new brochure, *Tips for Managing through a Power Outage*, for line crews to hand out to customers and which provides information on preparing for a major storm, safety tips and a description of the Company's storm restoration process. Also, the Company has posted a storm process video on its web site as well as a video about the FE meteorologists and how they track storm activity as part of the storm process. The Company plans to continue with these efforts.

### j) Global Recommendation 19-G-1

Logistics and Field Support - 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.

### JCP&L Comment



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JCP&L has identified several pre-determined (and alternative) staging sites, meeting the criteria of this recommendation. A total of ten (10) staging site locations have been identified, with four (4) in NNJ and six (6) in CNJ. JCP&L has specific layouts for certain of these locations and a generic layout available for customization in the event that use of a location not previously utilized becomes necessary.

k) Global Recommendation 19-G-2

Logistics and Field Support - 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.

JCP&L Comment

JCP&L has identified ten (10) staging site locations, with four (4) in NNJ and six (6) in CNJ, and three (3) of these locations are presently under written agreements. Moreover, forms of standardized written agreements are available if needed for other eligible sites to clearly identify needs and responsibilities of all parties, including insurance requirements for the staging site location.

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l) Global Recommendation 23-G-1<sup>2</sup>

External Communication - 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.

JCP&L Comment

JCP&L provides information: (i) on securing supplies such as batteries and water, battery powered radios, flashlights; and (ii) emphasizing safety during storms. Also, JCP&L has placed newspaper and radio advertisements advising customers to stay away from downed power lines and about the availability of the 24/7 Power Center maps.

- All communications channels at an EDC's disposal should be mobilized as soon as potential major outage events are forecasted.

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<sup>2</sup> Please note that due to the length of the EPP Report's recommendation 23-G-1, which has many subparts, JCP&L's comments on the recommendation in this section "l)" addresses each specific element of the recommendation separately without first restating the recommendation in its entirety.

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### JCP&L Comment

JCP&L uses all available communications channels, including news releases, media advisories, website, social-media to provide information to customers when a major storm is predicted.

- Worst case projections should be issued from the outset of any major event to effectively portray a sense of urgency.

### JCP&L Comment

JCP&L now provides general ETRs before the storm hits and more specific ETRs at the onset of the restoration process based on worst case scenarios. Nevertheless, because of the interrelationship between this recommendation and the ETR process, JCP&L suggests that the Board make this recommendation part of, or subject to the results of, the ETR working group process.

- 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

### JCP&L Comment

The Company is adding outage locations to a summary report on the Outage Web Site, which requires identifying the municipality associated with each outage location.

- Time outage reported
- Crew *en route* or on-the-scene working per outage location

### JCP&L Comment

These are part of the Phase 2 implementation of FE's Outage Mobility Project.<sup>3</sup>

- Cause of outage per outage location
- Estimated Time of Restoration per outage location

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<sup>3</sup> This project will add additional functionality to the outage mapping website on the external internet page.

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### JCP&L Comment

These are part of the Phase 1 implementation of FE's Outage Mobility Project.

- o Outage websites should include graphics and video to help depict safety and preparedness messages.

### JCP&L Comment

JCP&L now includes on its website videos of the JCP&L/FE storm process, customer safety tips to employ before and during storms, including the "*Tips for Managing through a Power Outage*" brochure, a RDO tour video and a video on how FE meteorologists track major storms. The website also provides a prominent link to 24/7 Power Center maps.

- 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.
- Directive information about alternative shelter resources, community support, online telephone validation, and secondary language options.

### JCP&L Comment

The above three components of this recommendation remain to be addressed and may require additional clarifying work with Board Staff. These will require working with Board Staff to determine the information to be provided, the paging numbers for appropriate Board Staff members, and clarification of terminology.

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### m) Global Recommendation 23-G-3

External Communications - 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.

### JCP&L Comment

JCP&L began providing such information on its website following the Hurricane Irene event and undertook additional improvements following the October Snow Storm. FE also has a Smart Phone application under development. However, addressing outage status at the individual level is a significant undertaking that will require (i) significant time and resources to accomplish and

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(ii) further discussion with Board Staff. See also JCP&L Comment regarding Recommendation 23-G-2.

n) Global Recommendation 23-G-4

External Communications Each EDC IVR, if not currently done, should have the ability to accept multiple customer telephone numbers, including a cell phone number.

JCP&L Comment

The JCP&L internal IVR already recognizes two phone numbers, including a cell number. In addition, the customer can enter in any number for restoration callbacks. Plans are also underway to upgrade the 21st Century system (an external vendor system that provides back-up call center support during some major events as necessary).

o) Global Recommendation 24-G-1

Internal Communications - Each EDC should develop messaging specifically for foreign crews to recognize their voluntary service and build relationships to support future restorations.

JCP&L Comment

JCP&L already employs news releases, photo opportunities with the foreign crews, stories in Update, the FirstEnergy newsletter, and thank you letters from the company presidents; however photo opportunities need to be carefully coordinated, to arrange for scheduling and taking advantage of photo opportunities. Further message development and recognition approaches are underway.

p) JCP&L Recommendation 1-JCPL-1

Emergency Plan - JCP&L should ensure that individually developed job aids and checklists are included in the E-Plan so that all E-Plan users can benefit from them. They should also ensure that the Construction Restoration Lead's plan is included in the JCP&L E-Plan.

JCP&L Comment

JCP&L is already engaged in a process of updating the Company's E-Plan to add additional job aids over and above the many that were shown to EPP during the review process.

q) JCP&L Recommendation 2-JCPL-1

Emergency Plan - JCP&L should conduct an annual exercise. This exercise should include participation of personnel from all functions / departments with a restoration role, as well as external agency partners, in order to test the limits of the restoration plan and systems. Outside agencies such as BPU, OEM's, and County leaders should be invited to participate and observe the exercise.

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### JCP&L Comment

Although the information was provided to EPP as part of its review process, the EPP Report did not expressly recognize that JCP&L did conduct an annual exercise on May 21, 2012. The annual exercise process is currently undergoing further modification for additional and expanded inclusion of other external agencies.

### r) JCP&L Recommendation 2-JCPL-2

Emergency Plan - JCP&L should participate in FirstEnergy corporate-wide exercises to ensure that roles and responsibilities are clearly understood.

### JCP&L Comment

JCP&L has already completed the annual exercise for 2012. See JCP&L Comment for Recommendation 2-JCPL-1.

### s) JCP&L Recommendation 3-JCPL-1

Emergency Plan - JCP&L should revamp its training program to include opportunities to train personnel on the interdependencies between functional areas and storm roles. This should be accomplished during include [sic] exercises and drills.

### JCP&L Comment

JCP&L has begun to enhance its Storm Process Overview training, to depict the interdependencies of storm roles and responsibilities, as well as the overall storm process and work flow.

### t) JCP&L Recommendation 3 JCPL-2

Emergency Plan - JCP&L should develop training requirements (curriculum, frequency, initial, refresher, etc.) for all positions (not just technical or system training) within the storm restoration organization.

### JCP&L Comment

An initiative is underway to develop and/or enhance training for several storm roles and storm processes, which includes: Storm Analyst, Storm Process Overview, Hazard Dispatcher, Damage Assessor, Communications Liaison, and Hospitality.

### u) JCP&L Recommendation 4 JCPL-2

Emergency Plan - JCP&L should establish a process to ensure timely completion and final approval of process improvement items noted during post storm debriefings / lessons learned.

### JCP&L Comment

FE has identified, and is developing a process for, the E-Plan Steering Committee to serve this role with the Director of Performance and Process Improvement serving in the role of coordinator.

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v) JCP&L Recommendation 4 JCPL-3

Emergency Plan - JCP&L should identify one responsible party who will review all lessons learned, meet with the submitting department, finalize action items, assign responsibility for the action items, track action item completion and report progress to leadership.

JCP&L Comment

See JCP&L Comments regarding Recommendation 4-JCPL-2 above.

w) JCP&L Recommendation 6-JCPL-1

Emergency Plan - JCP&L should develop an activation criteria and procedure for all functions as a clearly defined process in its emergency response plan.

JCP&L Comment

Although activation is already addressed (with storm level paging procedures) in the JCP&L/FE E-Plan, additional review is underway to further elaborate and document the activation criteria and procedure.

x) JCP&L Recommendation 6-JCPL-2

Staffing - JCP&L should evaluate the risks inherent in their plan which requires large movements of personnel between affiliates in different states. These risks include severe weather that would restrict or prohibit travel, and large numbers of personnel traveling in the same vehicle or mode of transportation.

JCP&L Comment

E-Plan will be revised to reflect the use of local contractors or neighboring utilities in the event crews from FE affiliates could not be easily mobilized due to weather. This serves as a supplement to the existing process of taking into account modes of travel, travel time and weather conditions relative to decision-making regarding movement of internal FE resources.

y) JCP&L Recommendation 7-JCPL-1

Staffing - JCP&L should develop staffing contingency plans to deal with a storm event where FirstEnergy corporate support is limited.

JCP&L Comment

See the JCP&L Comments regarding Recommendation 6-JCPL-2 above. The ability of FE to provide corporate support remotely also mitigates against the risk addressed in this recommendation.

z) JCP&L Recommendation 8-JCPL-1

Communications - JCP&L should continue to implement and build upon the recommendations of the improved Storm Restoration Communications Implementation Plan, developed in conjunction with the BPU Staff.

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### JCP&L Comment

As the EPP Report and the Staff's Preliminary Storm Report recognized, following Hurricane Irene, JCP&L developed (with Staff input and collaboration) an enhanced Storm Restoration Communications Implementation Plan, wherein a Critical Information Team is to be activated for a large scale event. The Company continues to review and evaluate opportunities for further modifications.

#### aa) JCP&L Recommendation 8-JCPL-2

Communications - JCP&L should launch its storm website as soon as significant threats are declared, and notify customers that the website is activated.

### JCP&L Comment

Following Hurricane Irene, the Company began launching the website (that has been enhanced and improved since April/May 2012) when weather reports indicate a major storm event is coming in order to provide early storm preparation information. Links are also provided to the web page in news releases and via Twitter.

#### bb) JCP&L Recommendation 8-JCPL-3

Communications - JCP&L should determine the proactive role for IVR messages as soon as significant threats are determined.

### JCP&L Comment

JCP&L now provides outbound messages to critical care and well water customers 48 hours and 24 hours in advance of a major storm for which the Company has sufficient advance warning as to timing and severity. JCP&L also now provides generic IVR messaging prior to the event covering safety, customer preparation, and potential impacts such as anticipated extent of outages and restoration days, directing such customers to website outage resources. See also the JCP&L Comments regarding Recommendation 22-JCPL-2.

#### cc) JCP&L Recommendation 9-JCPL-2

Staffing - JCP&L should have FirstEnergy develop a plan to manage at least two or three major simultaneous restoration events on its system at the same time.

### JCP&L Comment

While the FE E-Plan is currently structured to manage multiple events simultaneously and FE has successfully managed multiple major events at different operating companies at one time (and on more than one occasion), since the Storm Events, JCP&L, along with all of the other FE operating companies, are now full members of the SEE. This membership significantly enhances FirstEnergy's ability to manage multiple events simultaneously. The E-Plan will be revised to reflect these additional capabilities.

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dd) JCP&L Recommendation 11-JCPL-1

Emergency Plan - JCP&L should develop and institute a vegetation management pre-event, activation, and demobilization checklist to document institutional knowledge.

JCP&L Comment

The FE Corporate Vegetation Management function is developing a standardized storm response process which includes a mobilization and de-mobilization checklist for use by the FE utilities, including JCP&L.

ee) JCP&L Recommendation 13-JCPL-1

Emergency Plan - JCP&L should develop a rapid damage assessment process to be used during major events. This should describe the prioritization of areas to be assessed, how personnel will be assigned and the timeframe (4 to 6 hours) that they have to report back with their findings.

JCP&L Comment

Although JCP&L believes that it has a comprehensive damage assessment process, JCP&L has also taken steps to modify the process so that personnel are assigned to specific areas to perform general damage assessment and report back to storm management personnel. This modification, in conjunction with the revised enhanced quarantine process will enable a more effective process to perform damage assessment. The Company is also considering potential technology approaches for capturing and conveying damage information.

ff) JCP&L Recommendation 13-JCPL-2

Emergency Plan - JCP&L should ensure that it has enough trained personnel to conduct the damage assessment process in parallel with the hazard process. This could include contract damage assessors, second role personnel or other alternative staffing methods. The quantity of personnel needed to support these processes should be identified using information from the outage prediction model

JCP&L Comment

JCP&L currently performs damage assessment in parallel with the hazard process as part of the FE/JCP&L storm process with adjustments made depending on the type and magnitude of the storm event. JCP&L is also evaluating the possible use of retirees to perform a role in the damage assessment process.

gg) JCP&L Recommendation 13-JCPL-3

Emergency Plan - JCP&L should establish a dedicated planning function to analyze information coming in from damage assessment.



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### JCP&L Comment

JCP&L has developed and implemented (with documentation in the E-Plan) a process for more immediate dispatching of Damage Assessors to the target circuits/areas to begin the assessment process at the time the Damage Assessment process is activated, which requires that, at regular intervals (typically every 4 hours), the Damage Assessors will return to the Operating District responsible for the circuit being evaluated and will deliver the information they collected to the Supervisor/Manager in charge. Concurrent with this, a copy of the information collected will be emailed/delivered to a centralized location.

### hh) JCP&L Recommendation 14-JCPL-1

ETR/Damage Assessment/Website - JCP&L should implement the use of Mobile Data Terminals to relay data to and from the field quickly and efficiently.

### JCP&L Comment

As indicated above, JCP&L is in the process of implementing a work management system, which includes the use of mobile data terminals (“MDTs”) to allow for more efficient communications with Company field crews with targeted completion by April 2013. See also the JCP&L Comment regarding recommendation 13-G-1 above.

### ii) JCP&L Recommendation 16-JCPL-2

Emergency Plan - JCP&L should ensure that the approved Quarantine process of circuit restoration is integrated into the E-Plan and that appropriate personnel are trained.

### JCP&L Comment

As the EPP Report acknowledges, “a detailed process for use of the quarantine process for large scale emergency events as utilized in Hurricane Irene and refined in the October Snow Storm has now been documented” (at 164). The enhanced quarantine process is also being added to the E-Plan.

### jj) JCP&L Recommendation 16-JCPL-3

Staffing - JCP&L should provide a detailed staffing review that explains the decreases in operations headcount and any technology, assignment shifts or other offsetting changes.

### JCP&L Comment

JCP&L is updating information provided to EPP, to reflect YTD 2012 data, including the recent addition of new meter readers and PSI graduates during 2012 and to allow for updated variance analysis.

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### kk) JCP&L Recommendation 22-JCPL-1

Communications - In large-scale outage restoration events, IVR and Live Agent ETR messages should be based on worst case estimates to encourage customers to take steps necessary to care for their households' welfare.

#### JCP&L Comment

While JCP&L has already implemented a process to provide IVR and live-agent ETRs using worst-case estimates in large-scale outage restoration events, the Company continues to address the reconciliation of worst-case estimates from different sources. Nevertheless, because of the interrelationship between this recommendation and the ETR process, JCP&L suggests that the Board make this recommendation part of, or subject to the results of, the ETR working group process.

### ll) JCP&L Recommendation 22-JCPL-2

Communications - IVR messages should include guidance to customers to help them find tips and resources for coping with extended outages (e.g. informational websites, support agency phone numbers, etc.).

#### JCP&L Comment

JCP&L has begun implementing this recommendation through the Company website, and through modification of recordings for ETR messages. See also the JCP&L Comments to Recommendation 8-JCP&L-3. Nevertheless, because of the interrelationship between this recommendation and the ETR process, JCP&L suggests that the Board make this recommendation part of, or subject to the results of, an ETR working group process.

### mm) JCP&L Recommendation 23-JCPL-1

Communications – JCP&L should enhance media coverage staff to provide deeper backup in the event of simultaneous or consecutive major events within the FirstEnergy system. In major events, augment local media staff quickly to meet the demands of this media market.

#### JCP&L Comment

Following the hurricane event, FE Communications provided back-up external communications staff members to JCP&L to assist local external communications staff with media calls, and other local communications needs. This has been incorporated as part of the Emergency Communications Plan for future large-scale major events.

### nn) JCP&L Recommendation 23-JCPL-2

Communications - JCP&L should make key messages customer-centric, giving priority to advice about potential for “worst case” event impact and helpful advice.

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### JCP&L Comment

JCP&L is refining the existing messaging to provide information concerning storm preparedness, securing water, batteries, what to do when an outage occurs, including on the Company website, via Twitter, and in news releases.

### oo) JCP&L Recommendation 23-JCPL-3

Communications - JCP&L should provide more frequent and accurate updates throughout an event to meet the demands of 24 hour information cycle and the demanding media market. Utilize social media, augment press releases with additional media advisories, promote human interest stories and reach out proactively to the media.

### JCP&L Comment

Following the hurricane event, JCP&L increased its media advisories to twice a day to meet media news cycles, in addition to frequent news releases and media outreach, including the use of social media. The Emergency Communications Plan will be updated to reflect the increase in the number of media advisories issued and the Communications function will coordinate the availability of information, such as number of customers restored, number of crews deployed to assist in restoration efforts.

### pp) JCP&L Recommendation 23-JCPL-4

Communications - JCP&L needs to eliminate IVR callback confusion with the follow-up call regarding confirmation of restoration. The messaging should be designed to be clear and concise.

### JCP&L Comment

JCP&L has revised the call-back messaging and process.