

**TESTIMONY OF MICHAEL D. HERVEY  
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BEFORE THE  
NYS SENATE STANDING COMMITTEE  
ON INVESTIGATIONS AND GOVERNMENT OPERATIONS  
September 22, 2011**

Good Morning. My name is Michael Hervey and I am the Chief Operating Officer of the Long Island Power Authority (LIPA). I welcome the opportunity to address this Committee and clarify certain issues that seem to be of concern in connection with LIPA's storm preparation and restoration efforts related to Hurricane Irene. I hope that in doing so, you will be assured that LIPA is fully committed to analyzing its efforts prior to, during and after Hurricane Irene in order to find ways to improve upon providing quality service to its customers going forward.

I accepted this invitation even though LIPA had a previously scheduled trustee meeting for the same day. We took the opportunity to move the Trustee meeting back to

12:00 noon and I appreciate the committee's willingness to work with my tight time schedule.

## **BACKGROUND**

Irene was the worst storm to hit Long Island in the last 26 years, since Hurricane Gloria in 1985, and the 3<sup>rd</sup> worst storm in its recent history. Irene was not just a LIPA event, but rather an event that affected the entire eastern seaboard and caused approximately 7 million outages in the U.S. from North Carolina to New England.

Irene first hit Long Island on August 27<sup>th</sup> at approximately 5:00p.m bringing pounding rain and sustained winds of 40-50 mph and gusts over 80 mph, for over 20 hours. During those hours, dozens of communities were flooded and over 10,000 trees were uprooted or damaged, causing falling branches, toppled utility poles, downed power lines and ultimately, 523,000 electric outages. Irene didn't leave until August 28<sup>th</sup> at approximately 2:00p.m., leaving a trail of destruction that spanned the 118-mile length and 23-mile width of Long Island, including outages to approximately

48% of LIPA's customers. This event impacted virtually every community on the Island, and as of September 2<sup>nd</sup>, there were approximately 6,000 different locations in need of various types and degrees of electrical repair. That number grew significantly after the post-storm survey work was completed.

Notwithstanding these staggering statistics, LIPA and National Grid restored power to more than 93% of the 523,000 customers affected by the end of the day Friday, September 2<sup>nd</sup>, and 99% by the end of the day Sunday, September 4<sup>th</sup>. On Monday the 5<sup>th</sup>, all reported outage related to Hurricane Irene had been restored.

The effort related to restoring power on average to approximately 100,000 customers per day for the first 5 days after this type of a devastating event can only be described as incredible. The tremendous amount of hard work done by the men and women of IBEW 1049, and all the other workers who contributed to the restoration activities on Long Island in connection with Irene, must be respected and their efforts valued and appreciated by all of

us. We rely on their tireless efforts to restore our power year-round, often under trying and dangerous conditions, but never as much as after a devastating event like Irene. We must remind ourselves that without them, the rest is not possible.

I would also like to thank all of the other LIPA and National Grid employees, many of them also without power for several days, who worked extended shifts through the holiday weekend and thereafter to help serve our customers.

### **Storm Preparation Procedures**

As you know, LIPA prepares for major storms and hurricanes all year round, which includes an annual drill, where LIPA and National Grid staff (plus County OEMs and others) participate in a hurricane exercise broken down into three parts: preparation, restoration, and lessons learned. LIPA also uses “lessons learned” to improve upon

its response from not only the events that affect Long Island, but those that occur across the nation.

Of note, was LIPA's reaction to the devastation caused by Hurricane Katrina. After Katrina, LIPA spent time with the utilities affected and reviewed "best practices" relating to their transmission and distribution systems and restoration efforts. Those lessons learned were incorporated into LIPA's current *Storm Emergency Response Policy* (SERP). The development of the SERP guidelines is common utility practice and our guidelines have been shared and adopted by many investor owned utilities. LIPA and National Grid followed these emergency procedures and tailored them to provide the level of preparedness and response necessary for a storm of Irene's magnitude. In addition, our SERP guidelines encompass procedures and decision matrixes for Category 1, 2, 3, and 4 hurricanes. These guidelines were also thoroughly reviewed and analyzed by the Board of Trustees' Operations Committee as part of their review for the preparation LIPA undertook regarding Hurricane Earl.

For example, LIPA and National Grid began to monitor Hurricane Irene more than a week before its expected impact on Long Island, and began to prepare according to SERP procedures and nationally recognized weather forecasts. We closely monitored the storm's progress on an around-the-clock basis, and once it was determined that Irene would hit Long Island directly, LIPA and National Grid engaged in the largest storm response deployment in LIPA's history.

John Bruckner, President of Long Island Operations at National Grid, is here with me today and will more specifically address what steps were taken prior to the storm, as well as during and after, but suffice it to say, preparing for this type of an event is a massive undertaking. A few keys aspects of that preparation included:

- *Using pre-established decision matrix to secure off-island crews and housing them here on Long Island.*
- *Coordinating efforts with state, city, county and local emergency management organizations.*

- *Preparing restoration equipment, increasing inventories, and pre-stocking areas such as out on the east end, with wires, transformers, poles and additional restoration equipment.*
- *Securing electric and gas personnel for extended 16-hour shifts, cancelling vacations, and calling personnel back from vacations*
- *Adding Call Center personnel.*

In total, 1,725 (975 on-island, 750 off-island restoration personnel) line-workers and tree trimmers were available to commence restoration once weather conditions made it safe to perform work on August 28<sup>th</sup>. Prior to the onset of Hurricane Irene, LIPA put in a mutual aid request for 2,500 off-island contractors however we did not receive all of those personnel due the demand of 6,000 mutual aid lineman along the eastern seaboard. In addition, over approximately 1,400 survey personnel were deployed to assess and survey damage, a critical component to the restoration process. I note that staffing levels increased throughout the restoration effort to approximately 4,000

line-workers and tree trimmers, and more than 7,500 people committed full-time to restoration efforts.

Prior to the storm arriving, LIPA began communicating with customers, elected officials, special needs facilities, its employees and others, about being prepared for Hurricane Irene. LIPA communicated by means of e-mail blasts, web messaging, media interviews, newspaper advertisements, social media outreach: including Facebook and Twitter, a letter to elected officials and direct communications with the County Executives and Town Supervisors in Nassau and Suffolk. Personal calls were made to each of our registered Critical Care customers letting them know that the storm could impact their service for multiple days and that they should be prepared and make alternate plans to ensure their safety.

### **Restoration Process**

Throughout the storm, while not as specific as anyone may want, LIPA's customer communication and media



communication teams, in concert with Operations, developed and implemented a proactive customer and media communications effort to try to set expectations that full restoration would take several days, up to a week. To provide customers with as much information as possible, LIPA initiated more than 800,000 outbound calls to customers.

We had ongoing communications across the spectrum that far exceeded any previous communication effort. And, we had messaging that was consistent across all communication channels. During restoration, LIPA and Grid coordinated with nearly 100 villages, 13 towns, 3 cities, 2 counties, and approximately 70 state and county legislators. In addition, before, during and after Hurricane Irene, LIPA worked closely with Nassau OEM and Suffolk FRES and the various DPWs in what was the largest mobilization of forces enacted by LIPA and National Grid.

Nevertheless, while we believe our preparation and restoration efforts were swift, strong, and on a par with our fellow utilities, we also understand our customer's

frustration in not having the type of access to restoration information that we offer in normal weather events. In these times of always-present real-time communications, our electric system and our restoration plans simply cannot provide the necessary detail during these massive events. While LIPA's plan and capabilities are not unlike most other electric utilities, we will look to improve those channels of communication with our customers.

### **Storm Review**

Over the next few weeks, LIPA crews will continue to assess the full scope of damage left by Irene and make the necessary repairs to bring the transmission and distribution system back to its normal operating state.

In the meantime, LIPA and National Grid are undergoing a thorough review of the processes used during Irene, both internally and externally. We need to analyze and understand what went right, such as the restoration of ½ million customers in a one-week timeframe, and what can be improved upon for the future, such as our

communications information systems. To that end, we are engaging the following reviews:

- A thorough review by the LIPA Board of Trustees' Operations Committee.
- An after-action review by LIPA staff of the entire event (lessons learned).
- A review by LIPA's Major Storm Review Panel, which consists of an expert panel of out-of-state utility executives, emergency managers, businessmen, and consumer advocates.
- Three productive workshops that have been held where all Village Mayors, City Executives, Town Supervisors, and both County Executives were extended invitations to offer recommendations to improve coordination and assure a uniformed process of tree and debris removal across all municipalities.
- Roundtables with Departments of Public Works and similar operational departments.

- A review by the Department of Public Service in conjunction with the review being conducted of the other utilities in the State.
- Appearances, with other LI major utilities, before the Suffolk County Legislature's Public Safety Committee to brief the committee on LIPA's storm preparation and restoration process and procedures. LIPA and the other utilities present have agreed to appear before the same committee on October 6th to further the dialogue between the utilities and the Public Safety Committee on Long Island's storm response and emergency planning.
- Various other forums and meetings, as necessary.

Over the next weeks and months, LIPA and Grid – as I am sure all entities - will work together to better coordinate and communicate to the public and to each other in an effort to bring the Island's electric, gas and other essential infrastructure and services back to their normal operating state and prepare for the next significant weather event

I note that following FEMA reimbursement, which is expected to be at about 75% of the approximately \$176 million total cost of restoration, the net impact of Irene to LIPA is estimated to be about \$44 million. LIPA has not yet exhausted this year's storm budget, and so the cost of Irene will be factored into the budget process for 2012 in the ordinary course. Rest assured, however, that like with all other non-discretionary costs, LIPA's goal is to mitigate the potential rate impact to its customers.

I believe that once all of the reviews have been undertaken and concluded, it will be clear that LIPA's preparation for and response to Irene was reasonable, appropriate and achieved the desired goal of restoring power to hundreds of thousands of its customers swiftly, safely and consistent with sound policies and procedures. I am equally confident that, as with all undertakings of this magnitude, we will identify areas for improvement and take appropriate action.

## **CONCLUSION**

I want to thank you for giving me the opportunity to testify and address the concerns raised by the Committee. LIPA is ready to provide additional information in support of my remarks here today if so desired, and remains available to address any follow-up questions you may have related to these and other issues going forward.