

SENATE STANDING COMMITTEE ON INVESTIGATIONS AND GOVERNMENT OPERATIONS

REPORT ON THE HEARING HELD ON
SEPTEMBER 22, 2011
ON THE LONG ISLAND POWER AUTHORITY'S
RESPONSE TO TROPICAL STORM IRENE

SEPTEMBER 30, 2011



SENATOR CARL L. MARCELLINO, CHAIR
SENATE STANDING COMMITTEE ON
INVESTIGATIONS AND GOVERNMENT OPERATIONS

COMPILED BY:

DEBORAH PECK KELLEHER, COMMITTEE DIRECTOR
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**SENATE STANDING COMMITTEE ON INVESTIGATIONS AND
GOVERNMENT OPERATIONS**

**Public Hearing on the Long Island Power Authority's
(LIPA) Response to Tropical Storm Irene**

**Thursday, September 22, 2011
9:45 am**

**Legislative & Executive Chamber
Nassau County Office Building
1550 Franklin Avenue
Mineola, NY 11501**

WITNESS LIST

Michael D. Hervey, Chief Operating Officer
Long Island Power Authority

John Bruckner, President, Long Island Electric Transmission & Distribution Services
National Grid

Craig Craft testifying on behalf of **Edward Mangano**, Executive
Nassau County

Mark Weiss, Mayor
Village of Hewlett Harbor

James Altadonna, Mayor
Village of Massapequa Park

Mark Gelish, Owner
Mac's Steak House

James Brown, Business Representative
International Brotherhood of Electrical Workers Local 1049

● Testimony Summary ●

Michael D. Hervey
Chief Operating Officer
Long Island Power Authority

Mr. Hervey shared with the Committee that Tropical Storm Irene was the worst storm to hit Long Island in the last 26 years, since Hurricane Gloria in 1985 and the 3rd worst storm in Long Island's recent history. Mr. Hervey reported that Irene first hit Long Island on Saturday, August 27th at approximately 5 p.m. for twenty hours bringing rain and sustained winds of forty to fifty miles per hour and gusts over eighty miles per hour for twenty hours.

During this time, the storm left 523,000 customers without electricity. Irene moved out of the area on Sunday, August 28th at approximately 2 p.m. leaving 48% of Long Island Power Authority's customers without power. There were approximately 6,000 different locations in need of repair to various degrees. Power was restored to 93% of customers by the end of the day on Friday, September 2nd, and 99% by Sunday, September 4th, and all reported outages restored by Monday, September 5th. Mr Hervey described LIPA's and National Grid's restoration of 100,000 customers per day for the first five days of the storm as incredible and thanked the employees of LIPA and National Grid for their hard work.

Mr. Hervey moved into LIPA's storm preparation procedures, which include an annual drill that is broken into three parts: preparation, restoration and lessons learned. LIPA improves upon its response using "lessons learned" from not only those events on Long Island but across the nation. That includes reaction to Hurricane Katrina, which allowed LIPA to spend time with utilities affected by that storm and allowed them to review their "best practices"

relating to their transmission and distribution systems, and restoration efforts. Those lessons learned have been incorporated into LIPA's current Storm Emergency Response Policy (SERP).

Mr. Hervey stated that both LIPA and National Grid began monitoring Irene more than a week before its expected impact on Long Island, prepared according to SERP procedures, and nationally recognized weather forecasts, while also monitoring developments around the clock once its impact to Long Island was determined. Then, LIPA and National Grid engaged in the largest storm response deployment in LIPA's history.

Preparation included:

- using a pre-established decision matrix to secure off-island crews and housing on Long Island;
- coordinating efforts with state, city, county and local emergency management offices;
- preparing restoration equipment, inventories, and pre-stocking areas with needed materials;
- securing additional personnel for extended 16 hour shifts, cancelling vacations and calling personnel back from vacations; and
- adding call center personnel.

In total, 1,725 line workers and tree trimmers were available to commence restoration efforts once weather conditions allowed. This included 975 on-Island and 750 off-Island restoration personnel. Prior to Irene, LIPA put in a mutual aid request for 2,500 off-Island contractors, however they did not receive all those personnel due to demand in neighboring States. Also over 1,400 survey personnel were deployed to assess and survey damage. Mr. Hervey noted that staffing levels increased to approximately 4,000 line workers and tree trimmers, and more than 7,500 workers were committed to full-time restoration efforts.

Mr. Hervey shared with the committee that LIPA began communication with customers, elected officials, special need facilities and others about being prepared. These communication

efforts included email blasts, web messaging, media interviews, newspaper advertisements, social media outreach, and a letter to elected officials and direct communications with County Executives and Town Supervisors in Nassau and Suffolk counties. Also, personal calls were made to registered critical care customers to advise them of potential service impacts and prepare them to make alternate plans to ensure their safety.

Mr. Hervey described the communications LIPA set forth during the restoration process. They developed and implemented a proactive customer and media communications effort in an attempt to set expectations that full restorations would take several days, possibly up to a week. LIPA, also, initiated more than 800,000 outbound calls to customers. Mr. Hervey also claimed that the communication effort far exceeded any previous communication effort, coordinating with nearly 100 villages, 13 towns, 3 cities, 2 counties and approximately 70 state and county legislators while also working before, during and after the storm with Nassau Office of Emergency Management, and Suffolk County Fire Rescue and Emergency Services and various Department of Public Works. It was the largest mobilization of forces enacted by LIPA and National Grid.

Mr. Hervey believes that LIPA and National Grid preparation and restoration efforts were swift, strong and on par with fellow utilities. He does understand customer frustration, but shared that with the always-present real-time communications, LIPA's electric system and restoration plans simply cannot provide the necessary detail during these massive events.

Mr. Hervey shared that over the next few weeks LIPA crews will continue to assess the full scope damage left by Irene and make necessary repairs. Both LIPA and National Grid are undergoing thorough reviews of their processes used during Irene and what can be learned from

their effort for the future.

Mr. Hervey stated that over the next weeks and months LIPA and National Grid are working to enhance their coordination and communication systems with the public and each other.



John Bruckner
President
Long Island Electric Transmission & Distribution Services
National Grid

Mr. Bruckner followed up on the comments earlier from Mr. Hervey about the size and scope of Irene and the response. Highlights on National Grid's efforts included:

- responding to over 18,000 damage locations;
- securing and providing housing to over 3,500 off-island personnel;
- establishing three shelters for additional personnel when hotel accommodations became scarce;
- dispensing 250,000 gallons of fuel at remote locations to refuel trucks for redeployment;
- establishing material handling sites across Long Island;
- making over 800,000 outbound calls to customers;
- assigning resources to towns and villages to address wire down and road clearing issues; and
- replacing 900 poles, 1,000 transformers and 80 switches while installing over one million feet of wire and cable.

Mr. Bruckner shared with the Committee that a tremendous amount of effort is spent in preparing and planning for these events, as well as training and drilling their employees for their roles in such events. These employees have a designated storm assignment in addition to their normal daily job, which allows National Grid, a regional presence, to leverage other State and regional resources rapidly to aid LIPA.

Mr. Bruckner states that nearly 5,100 Long Island and Downstate New York National Grid employees took on such roles with approximately 80% of these resources coming from outside their electrical operations organization. These individuals worked as field damage assessors, low voltage service crews, crew guides and logistics support.

Mr. Bruckner shared that preparation for Irene began many days in advance with weather Reports being closely monitored and storm preparation meetings. These meetings occurred twice

a day during the course of the event where tactical and strategic decisions were made. National Grid also coordinated with LIPA, various agencies, and authorities to ensure a smooth and expedited movement for off island crews headed to the area.

Mr. Bruckner informed the committee that contacts were made by LIPA in accordance to storm procedures with the Long Island Rail Road, Verizon, and the Nassau, Suffolk and New York City Offices of Emergency Management to reinforce and discuss coordinating activities, and calls were made to Critical Care customers to advise them of the impending storm and encourage them to take appropriate actions.

As a result of their preparation efforts, Mr. Bruckner said that they were ready to begin restoration efforts immediately after the storm had passed, initiating detailed damage assessments and beginning repairs to the backbone of the electrical system. Efforts continued to restore outages affecting the largest number of customers first. Priority was also given to areas affecting public health and safety.

Due to the widespread effects of Irene, LIPA received only 1,000 additional high voltage linemen of their requested 2,000, and was forced to execute its restoration plan with only half of these targeted resources for the first five days of storm restoration. Mr. Bruckner shared with the committee the following storm restoration numbers:

- Within 24 hours of storm, 178,000 or 34% of customers;
- Within 2 days, 283,000 or 54% of customers; and
- After three days, 358,000 or nearly 70% of customers were restored.

On Thursday, September 1, National Grid New York completed restoration in upstate New York and was able to provide 1,100 high voltage linemen to Long Island which greatly increased the ability to restoring service quickly.

Mr. Hervey and Mr. Bruckner answered questions together. Senator Marcellino stated

that there is a major disagreement between LIPA and National Grid's contention that their communications were effective, while everyone else disagreed: customers, villages, towns and county and elected officials. Senator Fuschillo informed LIPA and National Grid that they failed. Senator LaValle said if he was giving them a grade on their response to Irene, it would be an F. Senator LaValle inquired about the tree trimming budget. Mr. Hervey stated the budget is approximately \$20 million per year and each area is on a cycle. Mr. Bruckner believed the funding is appropriate.

Mr. Hervey further stated that what exasperated the situation was the amount of rainfall during and prior to the storm which uprooted trees causing tremendous destruction. LIPA has recently implemented a hazardous tree program to protect the system. This funding is independent from the tree trimming program. Senators stated that it is difficult with the current system to understand who is providing what services with the current agreement between National Grid and LIPA.

Senator Martins wanted to know what assurances are there that changes will be put in place. Mr. Hervey responded by saying that thorough reviews are ongoing and acknowledged that LIPA needs to do a better job coordinating with towns and villages. This has already begun. In the last week, LIPA held three meetings with town and village officials to go over its response and look for short term and long term actions that will enhance the relationship between LIPA and municipalities.

Senator Fuschillo questioned Mr. Hervey about current negotiations between LIPA and providers over the upcoming services contract that will be expiring with National Grid in 2013. Mr. Hervey informed the committee that LIPA's Board of Trustees are going over best offers

from three companies: National Grid, Con Ed, and Public Service Enterprise Group. Mr. Hervey believes the contract needs to be awarded shortly because it will take time to put all pieces into place prior to 2013 since it's a huge transition. Senator Marcellino informed all that he planned on writing to Governor Cuomo to ask that any contract decision is placed on hold until a thorough, independent review occurs. Senator Marcellino also asked about the cost of Irene damage and stated that these costs cannot be transferred to the ratepayers who are already paying significant amounts.



Craig Craft
Acting Commissioner
Office of Emergency Management
Nassau County

Mr. Craft shared with the Committee a statement from Nassau County Executive Edward Mangano. In his statement, Mr. Mangano stated that the response by LIPA was unacceptable. The most glaring issue to Mr. Mangano was the lack of communication between LIPA and its customers, and LIPA and the local municipalities. Mr. Mangano highlighted that the most deplorable aspect of this situation was the amount of time it took LIPA to restore power to some critical care customers, and facilities that housed critical care patients, including two nursing home that were without power for four days.

Mr. Mangano's statement also highlighted that there was a clear failure by LIPA to communicate with local crews in order to clear roadways. Nassau County cleared all trees on County roads immediately after the storm except those with live wires. Though ready to complete the job, these crews were unable to because LIPA did not communicate with them once wires were de-electrified.

Senator Marcellino asked Mr. Craft how the County found the communication with LIPA. Mr. Craft informed the Senator that they would often send information up to LIPA but never received any information back. Mr. Craft pointed out that National Grid did provide them with staff on site that was helpful, but did not receive information back from their superiors. There was one situation where the County had a shelter housing a 1,000 people which lost power. The County had to relocate the shelter after not being able to receive information regarding restoration of power to the shelter from LIPA.

Mark Weiss
Mayor
Incorporated Village of Hewlett Harbor

Mayor Weiss shared with the Committee his experience during the storm as an executive of a village. His experience saw poor coordination, poor planning, and the poor internal and external communication surrounding this storm. Mayor Weiss questioned LIPA's understanding of the probable or even the possible magnitude of the devastation after a storm, and understanding where the critical problems might be and how best to deploy assets. Mayor Weiss pointed out that Irene was far less destructive than what many experts were predicting. If it did reach the predicted level, what would have been LIPA's response?

Mayor Weiss stated that he understood from time to time there will be power disruption however, Long Islanders should be able to expect that they will be able to reach their utility and receive accurate information about repair status. This did not occur during Irene with 98% of the calls to Village Hall expressing their frustrations about LIPA's information sharing. It became apparent within days that LIPA was unaware of what was occurring in the field. Misinformation was a regular occurrence.

Mayor Weiss recommended to LIPA that they set up an ongoing citizens committee to help in the planning process and suggested that LIPA assign a field representative to villages. This person would be on the streets before and after a storm to interface with villages throughout Long Island.

Members of the Committee asked Mayor Weiss what kind of communication they have heard from LIPA. Mayor Weiss said the only communication from LIPA has been the village and town officials meeting as mentioned by Mr. Hervey. There has been no other contacts.

James Altadonna
Mayor
Village of Massapequa Park

Mayor Altadonna shared with the Committee his experiences during Tropical Storm Irene. As assessments were done by Village Officials, that information was relayed to LIPA. The

LIPA representative was unable to provide information as to when restorations might occur.

Approximately 90% of The Village of Massapequa Park lost power. Without receiving any response from LIPA, Mayor Altadonna had to call Governor Cuomo and Senator Fuschillo's office to explain the Village's frustration with LIPA. Though Mayor Altadonna received another contact from LIPA, there were no result and still, two days after the storm, no LIPA trucks were visible in the Village. It was not until Wednesday that a LIPA crew appeared and restoration began, finishing on Friday.

The Mayor feels that there are three areas that LIPA needs to address:

- LIPA's preparedness;
- LIPA's assessment; and
- LIPA's reconstruction, including road clearing and electrical restoration.

Mayor Altadonna said that he had only received limited response from LIPA after calls to Governor Cuomo and Senator Fuschillo; nothing more.

Mark Gelish
Owner
Mac's Steakhouse
Huntington, New York

Mr. Gelish shared with the Committee his experience with LIPA as a business owner and the restoration of power to his small business.

Within 24 hours of the end of the storm, the neighborhood surrounding Mr. Gelish's business had power restored, however, the power did not return to Mr. Gelish's business. Mr. Gelish finally was successful in reaching a LIPA representative who was less than professional. Closely following LIPA's internet stormcenter website, Mr. Gelish noted a change in the status to his area and that LIPA was now responding to the outage. Excited about the development he returned to the business only to find no crews or work in the area. More than two days after the storm and with no response from LIPA, Mr. Gelish's business had no choice but to throw-out supplies. Mac's did not return to power until Thursday.

Senator Marcellino asked what losses Mr. Gelish had from the storm outage. Mr. Gelish shared with the Committee he had four claims submitted to his insurance company; \$18,000 in food loss, business losses are still being negotiated, \$2,000-5,000 for a stereo system lost and potential loss of \$14,000 for antique wines that might have been compromised.

Jim Brown
Business Representative
IBEW Local Union 1049

Mr. Brown, representing IBEW Local 1049, shared with the Committee the efforts of the men and women he represents, who are employed by National Grid. All vacation and scheduled days off were cancelled and all personnel were staged and prepared in advance of the storm. Personnel worked mandatory 16 hour shifts around the clock, 7 days a week in advance, during and subsequent to the storm. About 50% of these individuals were also without power at their residences.



● Recommendations ●

Tropical Storm Irene knocked out power to 48%, or 523,000 of LIPA's 1.2 million customers. The systems that LIPA and National Grid instituted to restore power were overwhelmed by this level of destruction. What happens when a Category I Hurricane hits Long Island? We must be prepared for larger storms with increased outages and more catastrophic damage. LIPA and National Grid need to seriously review all of their operating procedures to ensure the appropriate systems and plans are in place to restore electricity so that future storms do not cripple Long Island for a longer period of time than necessary.

COMMUNICATION

Outreach to Residents

- **There was a high level of frustration due to the lack of communication from LIPA and National Grid during the storm outage.**
 - *“LIPA remained vague at best regarding when residents could expect their power to be restored and many times these estimates were days off.”*- Edward Mangano, Nassau County Executive testimony
 - LIPA and National Grid need to do more than a daily update newsletter that was issued during the storm.
 - LIPA's reverse telephone notification system needs to be updated with cell phone numbers to ensure that residents whose home phones may be affected by the outage can still be contacted.
- **Municipal officials and residents were not made aware of the extent of storm damage to the electrical transmission system on Long Island, leading to an expectation that power would be restored sooner.**
 - *“In the wake of Hurricane Irene, Long Island found itself with over 500,000 of its residents without power. With the amount of notice that LIPA received of the impending storm and the amount of aid they received from out-of-town workers they should have been better equipped to restore power to its customers.”* – Edward P. Mangano, Nassau County Executive testimony
 - LIPA and National Grid need to inform the public, through their website, automated calls, and the media, the extent of the storm damage to the transmission and distribution systems and estimated repair times.
 - The level of damage to transmission, substations, and distribution systems needs to be disseminated with estimated time frames for each sector to be restored.

- Prior to any future storms, LIPA needs to work with the media and local governments to inform residents:
 - of how the Long Island electrical grid functions;
 - of the priority system that LIPA plans to institute to restore power; and
 - that priority entities will have their power restoration worked on first, but not necessarily be the first to receive restoration, depending on what is causing the outage, and the level of damage.
- **LIPA’s outage website was not updated with accurate information.**
 - *“From time to time, power will be disrupted. This is inevitable. But what Long Islanders should be able to expect is that we will be able to reach our power utility and that we will get accurate information about the status of repairs, either immediately or within a reasonable period of time.”* – Mayor Mark Weiss, Village of Hewlett Harbor testimony
 - The website displaying information on outages needs to be continuously updated with accurate information regarding power restoration efforts.
 - The website capacity to record and display outage information needs to be expanded to allow its full use during large outages.
 - The website should be expanded to include information on individual outages and downed wires that have been reported to LIPA.

Call Centers

- **National Grid’s outage Call Centers were not equipped to deal with the volume and type of calls they received. There was a serious lack of professionalism in interactions with callers.**
 - *“98% of the complaints we received in the aftermath of Irene, were from residents who were not able to get through to LIPA, and about the problems intake operators were having managing outage reports. This is evidenced by the fact that reports seemed to go missing and were not being coordinated with field crews.”* – Mayor Mark Weiss, Village of Hewlett Harbor testimony
 - All employees handling customer calls should be properly trained in procedures to courteously receive and relay information. This training should include additional personnel that are transferred from other divisions for large outages.
 - Call centers need to have information to refer special needs customers to appropriate assistance, such as County Emergency Management Centers, local hospitals, shelters, and relief agencies.
 - The automated system should be utilized as a last resort, as it increased the frustration level of all customers and resulted in outages also being

reported to other entities, such as Emergency Management Centers, or municipal officials.

Outage Reporting

- **There were numerous accounts that previously reported outages were not recorded or not reported to the substations, a lack of ability and refusal to take outage information, or relay information to substations.**
 - *“I was lucky enough to reach a LIPA operator. This was an extremely frustrating event. In summary: I was trying to explain that my outage seemed to be a technical event not a physical issue, the operator seemed to be taunting me with comments like: I don’t care, my house doesn’t have electric either; I will not write down your comments because we don’t know where the trucks are; it could be weeks or hours before we get there; you have insurance don’t you?”* -- Mark Gelish, Owner of Mac’s Steakhouse testimony
 - LIPA needs to establish a protocol for the operation of outage call centers to:
 - ensure that customers can report outage information;
 - ensure that outages are properly recorded;
 - ensure that outages are properly reported to linemen and tree trimmers; and
 - allow callers to know if an outage has been properly recorded.

Outreach to Municipal Officials

- **LIPA and National Grid implemented an inconsistent system for working with local governments prior to and during the outage.**
 - *“In contacting LIPA, their response was that they were directing their crews to the hardest hit areas and I politely told them that 90% of our village was without power – we had major access roads that were impassable as well as multiple downed wires with electrical fires. If this does not constitute a hard hit area, I do not know what does!”* – Mayor James Altadonna, Village of Massapequa Park testimony
 - LIPA needs to establish a protocol to communicate with local municipalities prior to and during all future predicted storms, with a priority placed on a system that allows municipalities to raise issues, ask questions and receive answers in real time.
 - Municipalities need to have a direct contact person with LIPA and National Grid and if possible, field staff should be sent to municipalities to aid in the assessment and restoration.
- **Municipal officials had difficulty establishing if downed lines were live until days after the storm.**

- *“Nassau County cleaned all down trees on County roads immediately after the storm had past – except for those with live wires attached. Unfortunately, many crews that were ready to finish the clean-up process were unable to do so because LIPA had not communicated with them once live wires were cleared.”* – statement, Edward P. Mangano, Nassau County Executive testimony
 - LIPA needs to create a system:
 - to quickly receive status reports from municipalities of downed wire and tree locations;
 - to ensure that all downed lines are deenergized within 24 hours after large storms;
 - to coordinate between first responders, road crews and National Grid regarding downed wires;
 - to work with municipal employees to remove trees and debris from roadways; and
 - to allow municipal officials to communicate with substations regarding outages and downed wires.

Outreach to County Emergency Management Offices

- **There was a lack of coordination between County Emergency Management Offices (EMO), LIPA and National Grid. The full resources of the EMOs were not utilized to ensure that residents were safe.**
 - *“A great amount of information went up to LIPA but nothing came back down.”* - Craig Craft, Acting Commissioner, Nassau County Office of Emergency Management testimony
 - LIPA needs to initiate a protocol to work jointly with EMOs during large outages to:
 - utilize the EMOs ability to disseminate information to municipalities, first responders and residents;
 - share information and improve liaison efforts between EMOs, LIPA and National Grid with all parties to ensure that EMOs are aware of restoration status;
 - predetermine priority roadways for the clearing of wires and trees, and the restoration of traffic signals at critical intersections;
 - share appropriate information with LIPA outage call centers to refer special needs customers to appropriate assistance, such as County Emergency Management Centers, local hospitals, shelters, or relief agencies; and
 - work with municipalities in identifying municipal facilities that should be placed on the priority restoration list.

STORM RESPONSE AND MAINTENANCE

Restoration Staffing

- **National Grid stated they needed 2,000 linemen to restore power after Tropical Storm Irene. This staffing number was not reached until seven days into the restoration.**
 - LIPA should re-evaluate the number and type of staff assigned by National Grid to support the Management Services Contract to ensure that enough linemen are available in advance of large storms.
 - LIPA and National Grid need to re-examine their damage assessment systems to incorporate field intelligence gathered from municipal officials, decreasing restoration time.

Substation System

- **There was a lack of coordination between linemen and tree crews resulting in tree crews not being able to clear roads because it was unknown if lines were dead.**
 - *“When we were told that a line crew would come immediately to secure lines tangled in fallen trees, several tree crews came and left because no line crew ever showed up.”* - Mayor Mark Weiss, Village of Hewlett Harbor testimony
 - National Grid needs to ensure that all downed lines are dead within 24 hours.
 - Coordination within or between substations needs to be improved to ensure that tree crews are efficiently utilized.
 - Up to date information needs to be relayed to municipal road crews and contracted tree crews on the status of downed lines.
- **LIPA has invested in a sectionalized distribution system with disconnect switches, links, cutouts, and reclosers that allow the damaged section of lines to be shut off and power restored to undamaged sections of a feeder line.**
 - During the initial assessment of damages, National Grid should identify feeder lines that can be opened and, as soon as possible, reenergize those lines.
 - LIPA should investigate additional new technologies to improve efficiencies in restoring power after an outage.

Maintenance of Electrical System

- **LIPA owns 16,300 miles of electrical transmission and distribution wires that deliver power through 177 substations.**
 - LIPA needs to ensure that its maintenance plans include aggressively replacing older equipment and wires, as needed.

- LIPA should investigate the placing of wires underground where appropriate to reduce future storm outages from fallen trees or ice storms.
- LIPA needs to increase its tree trimming budget to more aggressively prevent future outages.

LIPA MANAGEMENT

- **The mismanagement of the power restoration following the storm showed a disturbing lack of communication between National Grid, their customers and local municipalities; and a serious lack of coordination between outage reports and the substations making repairs.**
 - *“Even when our Village tried to aggregate our resident’s complaints, it became apparent within hours and then days that LIPA’s left hand did not know what LIPA’s right hand was doing. Complaints were recorded but they appear to have fallen into a black hole. The people we spoke to were courteous, but it appears that LIPA’s infrastructure and systems did not support their efforts.”* – Mayor Mark Weiss, Village of Hewlett Harbor testimony
 - LIPA should delay any decision on the new Management Services Contract until an independent review has been conducted on the failures in responding to Tropical Storm Irene.
- **Lack of a permanent Chief Executive Officer (CEO) for LIPA has contributed to inconsistent oversight of the National Grid Management Services Contract.**
 - Any new CEO or board member nominee needs to have a deep understanding of utility operations.
- **The LIPA Board of Trustees currently has members whose terms have expired.**
 - All Trustee positions should be properly filled to ensure that the Board operates effectively.
- **The storm restoration budget has been underfunded for years. LIPA currently budgets \$47 million to cover these costs. The estimated cost for power restoration from Tropical Storm Irene is \$176 million.**
 - Given the possibility of larger storms hitting Long Island, LIPA needs to set aside additional funds to cover future storm restoration costs, ensuring that ratepayers are not saddled with sudden rate increases.
- **LIPA currently exists as a public authority with a large number of its services contracted out to National Grid.**
 - A full independent review of LIPA, its current operating structure, and the services that have been contracted out to National Grid should be conducted, including the continued existence of LIPA in its current form.

● Attachment A ●

Senator Marcellino's letter to Governor Cuomo on LIPA services contract

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BANKS
CONSUMER PROTECTION
CULTURAL AFFAIRS AND TOURISM
EDUCATION
ENVIRONMENTAL CONSERVATION
FINANCE
LABOR
RULES

September 23, 2011

The Honorable Andrew M. Cuomo
Office of the Governor
State Capitol
Albany, New York 12224

Dear Governor Cuomo:

I write to formally request that you intervene and call for the indefinite postponement of a pending decision by the Long Island Power Authority (LIPA) to vote on whether to alter its structure and which company will be awarded a multi-million dollar management service contract.

The Senate Committee on Investigations and Government Operations held a hearing on September 22nd to investigate LIPA's pre-hurricane planning, response time, and failed customer support system. The subsequent testimony and questioning revealed a disturbing lack of communication between LIPA, National Grid and the affected municipalities and their residents.

The total mismanagement of Tropical Storm Irene and the recently announced \$600 million pension obligation facing LIPA mandates that an independent study on the current and future structure of the Authority must be conducted by energy experts immediately.

LIPA has indicated they will take an official vote on October 27th. This is a significant decision that warrants additional time to insure the optimum outcome is rendered for Long Island and its' energy ratepayers.

Only following a complete independent study and a thorough review of ongoing LIPA investigations should any official decision on LIPA's future be undertaken. Thank you in advance for your consideration and I look forward to your positive response.

Sincerely,



Senator Carl L. Marcellino



Senator Owen H. Johnson



Senator Kemp Hannon



Senator Jack Martins



Senator Charles J. Fuschillo, Jr.

● Attachment B ●

Submitted Written Testimony

**TESTIMONY OF MICHAEL D. HERVEY
CHIEF OPERATING OFFICER
LONG ISLAND POWER AUTHORITY
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 3rd 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 27th 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 28th 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 2nd, 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 2nd, and 99% by the end of the day Sunday, September 4th. On Monday the 5th, 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 key 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 28th. 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.

TESTIMONY BY JOHN BRUCKNER, NATIONAL GRID
BEFORE THE
NYS SENATE STANDING COMMITTEE ON INVESTIGATIONS
AND GOVERNMENT OPERATIONS

SEPTEMBER 22, 2011

Chairman Marcellino, distinguished members of the New York State Legislature and all our local elected representatives and others in attendance.

My name is John Bruckner. I am President of the LI Transmission and Distribution organization and have approximately 27 years of experience working for the electric utility on Long Island. In my current capacity, I serve as the local single point of contact, accountable for all services that National Grid provides to LIPA and its Long Island customer base under the current Management Services Agreement.

I would like to start by thanking you for taking the time to examine the restoration efforts of LIPA and National Grid in response to Irene that recently caused severe damage to the electrical system on Long Island, while impacting nearly seven million customers along the east coast of the US and Upstate NY. I would also like to acknowledge Mr. Patrick Foye from Governor Cuomo's Office who spent many days on Long Island working closely with us as we executed LIPA's restoration plan.

As I reflect on the course of events over the past few weeks, I cannot help but feel a tremendous sense of pride. Irene was the biggest storm to hit Long Island since Hurricane Gloria in 1985, and in just over a week, we were able to restore power to LIPA's 523,000 customers affected by the storm. This is a true testament to the talent and dedication of the men and women at National Grid, LIPA and Local 1049 that worked tirelessly to restore power under often very difficult conditions.

At the same time, we recognize the frustration of LIPA's customers that lost power during the storm. I thank them for their patience during the restoration process and trust their understanding of the significance of this event and the resulting damage it brought to the electrical system on Long Island.

There will always be those who question and critique our storm response. As a practice and reflective of our dedication to continuous improvement, we routinely welcome input to improve upon our performance. Accordingly, we look forward to an honest and forthright assessment of our performance in the face of the difficult conditions Irene brought to Long Island and most of the U.S. east coast.

Responding to an event such as Irene is an immense undertaking. It takes much focus and coordination and involves the execution of numerous activities, many of which go

unnoticed by the public. To share some perspective, over the course of the storm restoration period, we:

- responded to over 18,000 damage locations associated with the 523,000 customer outages
- secured and provided nightly lodging for over 3,500 off-Island personnel
- quickly established three temporary shelters with the Red Cross at Suffolk County Community College, Nassau Coliseum and Bayshore High School to bed over 2,500 line workers and tree trim crews when hotel accommodations became scarce with the arrival of the Labor Day holiday weekend and start of the US Open and Hampton Classic
- dispensed over 250,000 gallons of fuel at remote locations such as hotels, shelters and staging sites to refuel trucks on the overnight in preparation for morning activities
- established numerous material handling sites to pre-stage materials across Long Island, including the use of runway areas at Brookhaven and East Hampton airports as well as Bethpage State Park
- made over 800,000 outbound calls to customers
- assigned resources to towns and villages to address “wire downs” and “road clearings”, while balancing the demand for such resources with other necessary restoration activities
- replaced approximately 900 poles, 1,000 transformers, and 80 switches, while installing over 1 million feet of wire and cable

Activities such as these involve much preparation and planning and a tremendous amount of effort is spent each year to train and drill our employees for their roles in such events. National Grid employees serving LIPA, as well as National Grid employees from other business units have a designated storm assignment in addition to their normal day job. This regional presence allows us to leverage other State and regional resources rapidly to come to LIPA’s aid. During the course of the year, these employees participate in table top drills and emergency restoration field training exercises that simulate actual events and provide the proper training to enable them to fulfill their roles during storm events.

In the case of Irene, nearly 5,100 Long Island and Downstate NY National Grid employees took on such roles, with approximately 4,000 or 80% of these resources coming from areas outside our electric operations organization. In particular, these resources were supplied from National Grid’s gas, generation and shared services organizations that are co-located with our electric operations on Long Island.

Working as field damage assessors, low voltage service crews, crew guides and logistics support, they helped to affect a successful restoration effort. I am extremely proud of the teamwork exhibited by the many organizations that contribute resources to this restoration team and recognize their criticality to the restoration process; the absence of which would most certainly lead to a much longer and less effective restoration effort.

Preparation for the actual arrival of Hurricane Irene began many days in advance of her making landfall on Long Island. Weather reports were closely monitored and storm preparation meetings were initiated several days prior to the storm. During these meetings and those which continued twice per day during the course of the event, tactical and strategic decisions were made. At LIPA's direction, requests for off-Island high voltage linemen and tree crews were also made. Simultaneously, efforts were launched to establish a crew processing center and calls were made to the MTA Bridges and Tunnels, the Department of Transportation and local Police Departments to expedite the receipt of these off-Island crews as they travelled to Long Island to assist with the restoration.

In accordance with storm procedures, National Grid made contact with counterparts from the Long Island Rail Road, Verizon and the Nassau, Suffolk and New York City Offices of Emergency Management to reinforce and discuss the coordination of activities, while outreach to elected officials and local municipalities was handled by LIPA. In addition, calls were made to all Critical Care customers to advise them of the impending storm and encourage them to take appropriate preparatory actions. Outreach to all large managed accounts was initiated, with an emphasis on hospitals, nursing homes, schools, and wastewater treatment facilities. Such communication was maintained throughout the course of the restoration effort.

As a result of this preparation, we were ready to begin restoration efforts immediately after the storm had passed on Sunday afternoon August 28. We initiated detailed damage assessments of LIPA's transmission, substation and distribution facilities and began repairing the "backbone" of the electrical system. Restoration efforts followed a structured restoration approach such that the outages affecting the largest number of customers were first restored. Priority was also given to restoring areas affecting public health and safety. As a result, neighborhood and single customer outages were addressed later in the process, but by doing so, enabled the largest number of customers to be restored most quickly.

Based on the anticipated damage from Irene, LIPA had requested 2,000 high voltage linemen through our Utility Mutual Assistance Groups. However, given the widespread devastation of Irene and the resulting tremendous demand for these resources, LIPA received only 1,000 additional high voltage linemen and was forced to execute its restoration plan with only half of these targeted resources for the first five days of the storm restoration. In spite of this constraint, within 24 hours of the storm passing, approximately 178,000 or 34% of all LIPA customer outages were restored. Within two days, the majority, 283,000 or 54% were restored and after three days, 358,000 or nearly 70% were restored. In addition, we successfully delivered on LIPA's commitments to

have all hospitals restored by Tuesday, all school outages completed well in advance of the start of the school year that was scheduled for early the following week, and 90% of all customer outages restored by Friday.

On the evening of Thursday, September 1, National Grid New York, completed restoration activities in upstate NY and was able to provide over 1,100 high voltage linemen to Long Island to assist LIPA's restoration effort. The addition of these National Grid Upstate New York linemen to Long Island greatly increased our ability to restore electric service to the remaining LIPA customers and by Monday, all 523,000 customer outages were restored. In the end, the restoration effort was quite impressive and I cannot stress the significance of this accomplishment.

History has shown the value of thorough preparation and the execution of pre-established plans. In fact, our restoration response to the March Nor'easter of 2010 that left over a quarter a million LIPA customers without power, resulted in National Grid and LIPA receiving the prestigious Emergency Response Award from the Edison Electric Institute (EEI) for its efforts. As part of our "After Action Review" for that event, we identified and adopted many lessons learned that only made our recent effort that much better. We continue to be committed to continuous improvement and thus look to improve upon this performance as well.

In closing, I cannot say enough about the commitment of all our employees, the great working relationship we share with the IBEW Local 1049 and its leadership and our partnership with the Long Island Power Authority. Working together, and capitalizing on the co-location of our electric, gas and generation businesses on Long Island as well as our access to additional resources from our non-contiguous service territories in upstate NY, we were able to quickly address the effects of a devastating storm, the likes of which had not been felt on Long Island for over 25 years.

I want to thank you again for this opportunity to testify and I am happy to address any questions that you may have.

**TESTIMONY SUBMITTED BY NASSAU COUNTY EXECUTIVE
EDWARD P. MANGANO AT THE NEW YORK STATE SENATE
HEARING ON LIPA'S RESPONSE TO HURRICANE IRENE**

Thursday, September 22, 2011

Members of the Senate Investigations and Government Operations Committee, thank you for the opportunity to address this hearing.

We can all agree that the Long Island Power Authority's response to the widespread power outages that occurred as a result of Hurricane Irene was unacceptable.

The most glaring issue was the lack of communication between LIPA and its customers and between LIPA and the local municipalities. LIPA remained vague at best regarding when residents could expect their power to be restored and many times these estimates were days off. In fact, full power was not restored to all customers until twelve days following the hurricane.

LIPA knew well in advance of Hurricane Irene making landfall that Long Island was looking at the worst hurricane it has seen since Hurricane Gloria in 1985.

In response, LIPA called in more than 3,500 out-of-town workers. Even with the added workers it still took them over a week to restore full power. The most deplorable aspect of this situation was the amount of time that it took LIPA to restore power to some critical care customers and facilities that house critical care patients.

In neighboring Suffolk County, there were two nursing homes that were without power for four days. Nursing homes house critical care patients and for them to rely on back-up generators is unacceptable.

Throughout the initial clean-up there was a clear failure by LIPA to communicate with local crews in order to clear the roadways.

Nassau County cleaned all down trees on County roads immediately after the storm had past – except for those with live wires attached. Unfortunately, many crews that were ready to finish the clean-up process were unable to do so because LIPA had not communicated with them once live wires were clear.

Even by LIPA's own admission it took them "a day or two" before they were working effectively with local governments on de-energizing lines and removing trees.

In the wake of Hurricane Irene, Long Island found itself with over 500,000 of its residents without power. With the amount of notice that LIPA received of the impending storm and the amount of aid they received from out-of-town workers they should have been better equipped to restore power to its customers.

During the clean-up process communication efforts between LIPA and local municipalities and LIPA and its customers was subpar. In fact, my office was inundated with power phone calls because residents were only able to reach an automated system when calling LIPA.

In the future, LIPA must implement a better plan for restoring power to Long Island residents and they must communicate with localities in a more efficient manner so we can partner to with them to better serve our residents.

LEONARD OPPENHEIMER
Deputy Mayor

MICHAEL YOHAI
THOMAS COHEN
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**Mayor Mark Weiss,
Incorporated Village of Hewlett Harbor**

**Testimony before the New York State
Senate Investigations and Government Operatic
Committee**

September 22, 2011

Senators, Marcellino, Johnson, Martins, Fuschillo, La Valle;

My name is Mark Weiss and I am the Mayor of the Incorporated Village of Hewlett Harbor.

On behalf of the residents of our village, a mostly residential community, located in the south western corner of Nassau County, and with a heart-felt sense of concern for all who live and work on Long Island, I want to thank you for holding this most important hearing.

I feel privileged to be here today. While mine is but one voice, and mine is but one small village, I believe my frustration and

bewilderment regarding LIPA's response to Tropical Storm Irene, reflects what has been, and still is being expressed by hundreds of thousands of Long Islanders – people who believe, and I dare say have the right to believe, that they have been victimized and let down by LIPA.

By painting a word picture describing what went on in my village, I hope to give voice to all those who are eager to gain a commitment from LIPA – a commitment that our utility will fix their emergency preparedness plans – what I see as a systemically flawed model that, from head to toe, needs to be revisited and revamped.

In the aftermath of Tropical Storm Irene, it is clear that LIPA failed.

And so that I am not misunderstood, I am not speaking about a failure on the part of the thousands of men and women who work for LIPA. We are in their debt.

In my view, this was specifically and most definitely a failure of leadership.

As such, LIPA, as a licensed utility, violated a sacred trust with its customers and with our Counties, our Towns and our Villages. In less than two weeks, LIPA undermined the feeling of safety all Long Islanders have a right to expect from the provider of their electrical power – the power that lights our homes and our offices, the power that helps to heat and cool our homes, the power that drives the machines that wash and dry our clothes, the power that runs our televisions and radios, the power

that heats our ovens and electrifies our microwaves, and the power that runs our computers and often times our computerized phone systems.

Based on the experience of this Island resident, the poor planning, the poor coordination, and the poor internal and external communications surrounding this storm, categorizes Irene, as nothing short of LIPA's Katrina.

Just as Katrina exposed FEMA's inadequacies, Irene hung a lantern on what now appears to be LIPA's soft underbelly. Mr. Hervey, the time for anger, emotion and name calling is over. This is the time to reflect on the past, only to plan for the future – a better future.

Let's begin with what is commonly known and accepted as fact by all Island residents: Long Island has trees. These are trees that blocked roads and trees that knocked down power lines -- trees that were, and in the future will be, an impediment to getting the right people and equipment where they are most needed.

Future planning, Mr. Hervey, must recognize the challenges these trees present, and your planning must prepare for the probability that they will fall.

Second: Understanding the probable or even the possible magnitude of the devastation after a storm, understanding where the critical problems might be, and understanding how best and where to deploy assets, cannot be left to the last minute or until after the event has occurred.

Yes, your customers, I'm sure, would be willing to accept that LIPA will not have assets in place for a spontaneous disaster. But, Mr. Hervey, it is difficult to fathom why, as it appears, your assets were not where they were needed when Irene was being touted for weeks as the "Storm of the Century."

Setting aside that the experts were wrong regarding the severity of the storm, the Nassau and Suffolk County Executives, Town Executives, Village Mayors, Citizen's groups and businesses and residents across Long Island were preparing for almost two weeks. What on earth was LIPA doing?

Mr. Hervey, let me suggest that hope is not a strategy. In the future, obtaining and distributing LIPA assets to all corners of the Island must be one of your highest pre-storm planning considerations.

And then, Sir, there is the matter of communications.

From time to time, power will be disrupted. This is inevitable. But what Long Islanders should be able to expect is that we will be able to reach our power utility and that we will get accurate information about the status of repairs, either immediately or within a reasonable period of time.

With twenty percent of our village without power, 98% of the complaints we received were about LIPA.

Let me restate that. 98% of the complaints we received in the aftermath of Irene, were from residents who were not able to get through to LIPA, and about the problems your intake operators

were having managing outage reports. This is evidenced by the fact that reports seemed to go missing and were not being coordinated with field crews.

Even when our Village tried to aggregate our resident's complaints, it became apparent within hours and then days that the LIPA's left hand did not know what LIPA's right hand was doing. Complaints were recorded but they appear to have fallen into a black hole. The people we spoke to were courteous, but it appears that LIPA's infrastructure and systems did not support their efforts.

When we were told that trucks were in our area, no trucks could be found. When we were told that our Village Hall was on a priority list, no good came of it. Our Village Hall was, in fact, the last place in the village to get power restored.

When we were told that a line crew would come immediately to secure lines tangled in fallen trees, several tree crews came and left because no line crew ever showed up.

Mr. Hervey, in this day and age where computerized reporting and status analysis is price of entry for any business entity of substance, I cannot think of an excuse worthy of expression. Certainly none would satisfy our residents. LIPA must commit to adopting a better communications system and system protocols to deal with emergency management.

In my village, as I'm sure was the case in so many villages and towns, our trustees, our emergency managers, our commissioners, our office staff and road crew started preparing

for Irene, a week in advance of the storm's reaching Long Island.

In addition to readying our vehicles and making arrangements to move them to accessible higher ground, we purchased additional gas powered saws, chains, ropes, lights, batteries, and radios. We also made plans to move our computers out of Village Hall. We also activated our standing agreement with the Seawane Country Club – putting their forces on call and allowing us to engage the club's grounds and maintenance staff immediately after the storm passed.

We also put private tree services on alert to ready their people and equipment if our personnel were in need of additional resources and support.

And beyond this, walkie-talkies were purchased and, with street maps, they were distributed to our trustees and volunteers, to allow us to note and centrally process information about trees that were down, flood conditions, power outages and the like. In Hewlett Harbor, our roads were cleared in hours and our residents, many of whom evacuated the village, returned, for the most part, to an accessible, functioning village, save one problem.

As it turns out, LIPA was our weak link. Not because the power went off. But because with all the systems we put in place to support and communicate with our residents, LIPA seemed to have fallen off the grid.

Were we perfect? NO. Could we do better? Most definitely. Will we incorporate the key learnings from this storm into plans for the future? Yes.

Mr. Hervey, Senators, this is what we are asking of LIPA.

Mr. Hervey, let me recommend, if I may, that LIPA set up an ongoing citizens committee to help in the planning process. No one knows a community better than area residents and local business leaders and local government officials. These people will be invaluable. I'm sure each village and town will support this effort.

And I would also like to suggest that LIPA assign a field representative, a person who will be on the streets before and after a storm to interface with villages throughout the Island. It is nice to have someone to talk to on the phone, but if our complaints are not delivered to and coordinated with a by a responsible field representative who has a bird's eye view of the situation on the ground, the functionality of the system is sure to be compromised.

Mr. Hervey, in my professional experience, customers are most favorable to companies that acknowledge the existence of a problem and work to satisfy their complaint. Over the next few months, LIPA will have an opportunity to fix the flaws in your emergency preparedness program and move to get it right. As a result, I suspect, your customers and their representatives will be most appreciative and supportive.

I wish you well. I offer our support.

HURRICANE IRENE – MAYOR JAMES ALTADONNA’S TESTIMONY

I held a staff meeting on the morning of August 25th to advise employees of the coming storm. Employees were advised of the severity of the storm and that all employees needed to prepare personally for the Hurricane so that they would be available to work.

Equipment was staged in locations throughout the Village to prevent the loss of all equipment at one location. On August 26th at approximately 7 p.m. an emergency notification announcement to all village residents was dispatched advising residents to prepare for the storm and provided them with contact information for fire, police and to let them know that Village Hall will be open and functioning and I assured the residents that we were prepared.

Employees were brought in at 12 midnight on Saturday August 27th. Last minute preparations were made.

Early on the morning of Sunday, August 28th employees were dispatched to survey and assess the damage from the storm. The Central Command Center at the Village was activated and residents immediately began calling. Village crews went to work on clearing trees on emergency streets that were not in tangled with wires. The Village was divided into sections and three crews were dispatched to clear the roadways. In addition, small trucks were dispatched to clear smaller items from the streets (this action was taken to remove any impediments that may arise for fire, police and LIPA). Trees that were in tangled with wires were called into our LIPA emergency government phone lines. My initial contact was with Tracy Burgess Levy. We relayed all pertinent information including trees in tangled with wires that were blocking our roads. This was our first hint of trouble. I repeatedly asked when were we going to see crews and what information could I relay to our residents. She seemed overwhelmed at the amount of phone calls she was receiving from the various municipalities and unable to provide a response.

On Monday morning, August 28th, after no response from LIPA I began calling LIPA’s municipal representatives for action. At this point 90% of our Village was without power. Again in contacting LIPA their response was that they were directing their crews to the hardest hit areas and I politely told them that 90% of our village was without power – we had major access roads that were impassable as well as multiple downed wires with electrical fires. If this does not constitute a hard hit area, I do not know what does!

By mid morning, my frustration level had peaked. I began reaching out to other forms of government for support – I called Governor Cuomo's office as well as Senator Fuschillo's office to outlay the issues we were having with LIPA. Both seemed genuinely concerned and offered assistance. At this point we received a call from Lillian Manjarrez of LIPA. We again relayed to her all of the previous information that was relayed to the LIPA governmental contacts. Again, all day Monday, August 29th no LIPA truck crews were visible in Massapequa Park.

On Tuesday morning, August 30, 2011, I was advised that LIPA was on O'Connell Street. The Village Administrator was dispatched and found a LIPA crew. An employee by the name of Ron Noone from LIPA provided assistance and information. He was present to ascertain the situation at O'Connell Street but initially had no plans to clear it. Once it was determined that the electric was off, he did in fact have his tree crew clear the tree from the wires. Village staff went immediately to the site after his clearance. At the Administrator's insistence he was asked to go to Willow Street and Lake Shore Drive where six trees were across the street and electric wires down (Lakeshore Boulevard into Park Blvd is our major north/south thoroughfare in our Village). Although extremely helpful he advised that he had to move to other areas. Again, after some convincing, he determined the area was safe and his tree crew cleared the trees cleared from the wires. Village staff was then able to clear those streets.

After numerous calls and a demand for action, a dedicated crew arrived at Village Hall on Wednesday morning. That crew, headed by Ron Noone, worked in conjunction with the Superintendent of Public Works and began clearing the trees from the road and electric wires south of Sunrise Highway. The crew remained in the Village until late Wednesday.

The Village continued with its three crews and brought in an outside contractor who provided one crew on Wednesday and two crews for Thursday and Friday.

I was given a contact at LIPA – Joseph Cicalo, Director of Construction Delivery, who was then able to provide updates and attempt to advise when electric power was restored in the Village. It was not until later Friday that the Village felt sure that all residents had been restored with power.

In conclusion to Hurricane Irene (which was not as strong as predicted), we determined that there were three facets that need to be addressed

- FIRST, LIPA's preparedness;
- SECOND, LIPA's assessment, and
- THIRD, reconstruction, which I believe should have two separate and distinct components – road clearing/road opening and electrical restoration.

Thank you for the opportunity to address the Senate Standing Committee on Investigations and Government Operations and I welcome your questions.

Hurricane Irene LiPA Response

Good Morning My name is Mark Gelish owner of Mac's Steakhouse 12 Gerard Street Huntington NY

I would like to describe my experience with the tropical storm Irene and my experience the response of LIPA.

Sunday Morning I arrived at Mac's Steakhouse- The eye of the storm was upon us Mac's had no power upon my arrival, The cross street New York Avenue and Gerard Street had electric, at about 10am electric was out in the immediate area of Mac's

The first 24 hours were uneventful

Monday is I woke up in the restaurant, and was pleased the electric seemed to be on in everywhere I could visibly see, except for Mac's

Monday day – We at Mac's went to into rescue mode even though it seemed the electric was going to be on anytime now. We set up generators and worked at maintaining the temperatures of the fresh food, and wine inventory. We also tried to monitor the response of LIPA, with radio, internet and phone calls. Around 3 pm I was lucky enough to reach a LIPA operator. This was an extremely frustrating event.

In Summary :

I was trying to explain to the my outage seemed to be a technical event not a physical issue, the operator seemed to be taunting me---- with comments like

- A) I don't care, my house doesn't have electric either?
- B) I will not write down your comments, because we don't know where the trucks are??
- C) It could be weeks or hours before we get there,
- D) You have insurance don't you?? My thoughts about insurance
- E) We are working 24 hours a day

Resigned I slept at Mac's from about 6pm to 10pm—I went home to shower looked up my status on the web, the status changed to a paraphrase "responding", with that in my excitement I went back up to Huntington to see how close the trucks were to Mac's. I drove for two hours and could not find a working crew anywhere, I drove about a 5mile circle of Mac's I then gave up me search at 1:15am

Tuesday Am -5am I called the LIPA emergency number, and it said nothing new

I called 8am – and the recording stated that a ticket went out at 7am

I stayed outside the restaurant for the next 24 hours, monitoring the cross street of New York and Gerard. At about 9pm I saw a LIPA truck and with my excitement that he was there I greeted him on in the street like a liberator.

He informed me that he wasn't there for me that he was on his way home, the following events happened over the next hour and half:

He informed me that the crews were working until dusk and getting paid to 10pm

That the trucks are all up on the north shore roads, because they were devastated, it looked like war zone

That he was upset at my situation, He then decided to look at the wires and walked the street to see if it he could find an issue. Upon his inspection he said the problem was a transformer that was open—it just needed to be closed—He then preceded to tell me that he would do his best to get dispatch to send a crew first thing wednesday morning. He also would not touch anything that night even though I begged him, he cited safety of other lipa workers as the reason.

Wednesday that LIPA sub contractor called me , explained his conversation with the green lawn dispatcher and that his thoughts and prayers were with me—He did the best he could.

LIPA again was not visible—the next verbal message stated that a ticket went out at 1:24pm Tuesday

At around 9am—I tracked down another sub-contractor on Wall Street—they were in a small pickup and were doing site evaluations, I thought they were there to inspect my plight, as cordial as they were they also portrayed the total incompetency of the LIPA response, Here is a few excerpts:

- 1) They needed to get the water station up—so they were holding back some electric-(why did all the stores and restaurants by this station have electric)
- 2) That again we (LIPA) have no clue were the trucks are
- 3) That he would not come a 100 yards to see why Mac's has no electric

2pm I spoke again to LIPA this time it was a "supervisor ' who would only identify herself as Linda? Linda was very courteous and equally incompetent—She stated that she would write down my issue but still could not send an email and call the dispatcher but so that maybe next time they could avoid the type of issues—Linda kept me on the phone for more than 15 minutes—I think because by this point I was truly defeated and was very amenable and not hostile.

5 pm with a great amount of resentment I spoke to my insurance adjustor and we decided that at this point the products were compromised and that we needed to go from rescue to recovery mode.

Mac's then proceeded to document throw out all the fresh food—

I again stayed at Mac's until around 6am No electric—at this point Mac's had to get ready for a new opening mode: We set vendors up with opening orders: Electric was restored around 10:20am

With a GREAT AMOUNT of effort Mac's opened with about 80% of its menu at about 5pm Thursday

Here are a few of my many concerns:

- 1) How could the powers to be have so much to say about being prepared to the public (which the public did) and then not be prepared itself
- 2) How could the recovery response be so incompetent and uncoordinated—Dominos can tell you the status of your pizza delivery with a part time 19 year old executing the baking and delivery and Lipa with all of its "Professional" have no control, No idea where the trucks are?
- 3) The lack of some sort of simple analytical decision making process to the fact that if we have a 100 trucks where the devastation was would it not be better to have ONE bucket in the business districts and 99 trucks in the WAR ZONE
- 4) The decision making process that leaves businesses hostage to them and let's other businesses thrive in this self-inflicted crises
- 5) The audacity to use insurance as part of the consoling of a business plight, Insurance is for emergency's not a utilities incompetency.

In Conclusion

I want to Thank Senator Marcellino and his staff for the genuine concern and follow up, they seemed to try and fix the issue. I also hope that instead of pointing fingers LIPA reevaluates it's system and work's to recreate an effective, mature response for the next emergency.

Thank You for Your Time

Mr. Chairman, Senator Marcellino, Senator Fuschillo and all our elected representatives and all others in attendance.

My name is Jim Brown, I am a Business Representative with IBEW Local Union 1049.

I am here representing Business Manager Bob Shand. Unavoidably he is away on IBEW business and is unable to attend. He has asked that I read his statement and make it available for the record and answer any questions to the best of my ability.

Chairman Marcellino, Senator Fuschillo, members of the Committee and all elected representatives present.

As the proud Business Manager of 3,500 IBEW men and women who diligently and expertly provide electric and gas service for our friends and neighbors on Long Island, I want to thank you for taking the time to examine the efforts made while restoring service to the 523,000 customers who lost their power as a result of Hurricane Irene.

First and foremost Local 1049 is committed to working with your committee, our government agencies, LIPA and National Grid to provide the best service and storm response possible. The record will indicate that electric customers on Long Island enjoy the highest electric reliability and the shortest outage time of any overhead utility in New York State. This is for both storm and non storm related events.

This is not to indicate we are satisfied, we strive every day to be better and hope that the storm review process will provide additional safe and expedient solutions to restore power after these types of events. I would like to point out that our members average age is a little over 48 years and it is not unusual for members to have 30 or 40 years of service to our community. Our experience can be a valuable resource to your committee should you desire.

While I know that some of you may take exception to the response to Hurricane Irene, I would like to discuss some of the extraordinary efforts made during restoration.

All vacation and scheduled days off were canceled prior to the event; all personnel were staged and prepared in advance of the storm. There were mandatory 16 hour shifts around the clock, 7 days a week in advance, during and subsequent to the storm and in some departments these shifts lasted for six or seven days after all customers were restored. Sixteen hour shifts, commuting to and from work, allow little time for much needed sleep after performing this hard and dangerous work. Just examining the numbers, 50% of us were going home to dark homes and cold showers too. Yes we live here; Long Island is our home also. We are not complaining, we are proud and privileged to serve our community.

I personally began my career with then LILCO in 1973 initially as an apprentice lineman, subsequently as a substation technician. For the last twenty years I have been a business representative with IBEW Local

Union 1049 representing members who work for the utility. I believe this combination of experience of over thirty nine years provides a unique perspective for evaluating the storm restoration. I have worked and been an integral part of ice storms, heat and lightening storms, tropical storms and hurricanes and I remain unaware of any authority that delineates as to what is an adequate or excellent number of customers to restore each and every day. The restoration is a function of the damage to the system and the right number of workers with the appropriate skills. Is 2 days, 5 days, or 7 days too long? I am sure we all feel 2 hours is too long but I am aware of no process that restores 523,000 customers that effectively and safely.

As you would guess I am very proud of the work done by the men and women of IBEW Local 1049. I also want to give thanks and praise to all 7,500 men and women who sacrificed and gave their best efforts during this time. I had the opportunity to observe many facets of the restoration effort, those by my members, the contractors who traveled here and the National Grid Management Team. Their dedication to restoring Long Island was extraordinary. A special recognition should go to National Grid President John Bruckner who led the effort of what became several battalions of men and women. His leadership during this difficult time was as professional as I have witnessed in my 39 years of storm restoration.

Lastly, I would also request that through our efforts, we can come up with a message asking customers to remain calm, provide support to the restoration effort and come together as a community during these difficult times.

September 15, 2011

Senator Carl Marcellino

Dear Senator Marcellino:

My wife Bonnie and I live in Jericho, and endured an electric power outage caused by Tropical Storm Irene that began 3:30 a.m. Sunday morning (August 28), and didn't end until 5:15 p.m. the following Thursday (Sept. 1). I have spent over 36 years working in the electric power industry, and am familiar with electric power system operations. The LIPA/National Grid restoration effort left much to be desired, and I would like to share my thoughts and observations with you.

During my career as an electrical engineer in the electric power industry, I had responsibilities that ranged from design, to system and field operations. I am familiar with electric power system transmission, distribution, and generation. I am a Licensed Professional Engineer in the State of New York, and a North American Electric Reliability Corporation (NERC) Certified Reliability Operator.

Unfortunately, with a storm as powerful as Irene damage and the concomitant electric service interruptions could not be avoided. A problem that LIPA/National Grid faced (and always faces) in my neighborhood (as well as in many other neighborhoods) was that the overhead distribution lines are "rear property" facilities. They are not installed on the street, but behind houses and other facilities. That makes the restoration effort more challenging because of the increased difficulties in reaching the areas of damage, lengthening the time for repairs. Also, as is always the case for any power system repairs, the safety of the public and the work crews is paramount. Another very important consideration.

Where LIPA/National Grid fell short is that from what I saw and the information I had at my disposal, the restoration effort was mismanaged. From what I read and heard LIPA/National Grid decentralized their restoration effort putting a manager in each substation to oversee the restoration. I don't think they had enough managers with substation and distribution system operations experience to staff all their substations.

More importantly, LIPA's overhead distribution system is designed with sectionalizing devices such as disconnect switches, links, cutouts, reclosers, etc. whereby they could have isolated and sectionalized damaged sections of line allowing restoration of service to undamaged portions of a feeder. This, at least in my neighborhood, they did not do. Not having the time or manpower to sectionalize is no excuse. That would indicate improperly set priorities. I got the impression that they were operating on the philosophy that if a feeder had tripped (opened) and was de-energized, then leave the entire feeder dead until all repairs were made. That would be understandable for outages of short duration, not the lengthy outages they were faced with. If leaving the feeders dead was in fact the philosophy, it also was not utilizing the millions of dollars worth of equipment and facilities that had been installed to minimize customer outages during incidents such as Irene. And if sections of a feeder were restored but needed to come

out of service again to allow for repairs, a knock on the door would have sufficed to inform those affected.

Thank you very much for your attention to this matter.

Sincerely,

Lee Pedowicz, P.E.
96 Michelle Drive
Jericho, NY 11753