BEST PRACTICES FOR UTILITY STORM RESTORATION: FOCUS ON CUSTOMER SERVICE

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LENGTHY OUTAGES: CUSTOMER IMPACTS

- Health and Safety: vulnerable customers with young, elderly, medical frail or needing electric powered medical equipment
- Frustration and lack of information about restoration means cannot plan
- Use of alternative heating devices
- Home businesses that rely on Internet
SOME EXAMPLES OF LENGTHY OUTAGES

- Fitchburg Gas & Electric 2008 storm: 15% out over a week; maximum outage 13 days
- Pepco 2010 Summer Storm: 5 days for total restoration (DC and MD)
- Connecticut Light & Power October 2011 storm: 11 days for total restoration (200,000 out 6 days or more)
UTILITY RESPONSE TO MAJOR STORM EVENTS: TYPICAL RESPONSES

- “The storm severity was unpredictable.”
- “We tried to get crews from other utilities, but they were not available.”
- “We decided to focus on restoration rather than calculating detailed restoration estimates.”
- “Our employees worked 24-7 to get customers restored.”
- “Municipalities want information we don’t have and did not organize their own emergency response properly.”
- “We conducted a “lessons learned” and will improve performance next time.”
WHAT DO REGULATORS DO?

- Ask for information
- Conduct an investigation
- Issue directives to “do better”
- Approve “lessons learned”
- Issue a modest slap on the wrist or reduce storm recovery costs slightly
- Repeat above multiple times with each major storm
BEST PRACTICES AS DEVELOPED BY AARP

- AARP has proposed regulatory reforms in Maryland, District of Columbia, and Connecticut
- Emergency or Widespread Outage restoration activities must be properly managed by the utility and subject to review by the commission for compliance with minimum standards and best practices
BEST PRACTICES

- Reliability Performance Standards: require above average performance; require improvement so that vegetation management is done with an objective to reduce damage in major storms [Trees are the key cause of storm damage and major outage events]
  - SAIDI—duration index
  - SAIFI—frequency index
  - What major storms are excluded?
BEST PRACTICES

- Call Center Performance: answer 80% of calls within 30 seconds; abandonment rate; busy out rate
- What are customer options during major storm restoration event?
- Are live customer service reps available?
- What do the reps know and what is provided on IVR about restoration time?
BEST PRACTICES

- Require Emergency Response Plans that are filed, reviewed, and approved by the Commission on an annual basis
  - Incident command structure
  - Scale plan for various outage event types
  - Pre-planning and testing of system
  - Municipal/state communication
  - Customer Communication: call center and Estimated Response Time; use of internet and web-based communications
  - Life Support Customers
  - Crew availability and acquisition
BEST PRACTICES

- What should the Commission do?
  - Review storm response in light of Emergency Response Plan
  - Assess penalties where appropriate
  - Compare and contrast utility response for similar storm events
  - Hold utility accountable in rate cases: storm expenses and rate of return
Massachusetts 2009 Act Relative to Public Utility Companies, amending General Law 164

(c) Any investor-owned electric distribution, transmission or natural gas distribution company failing to file its emergency response plan may be fined $500 for each day during which such failure continues. The fines levied by the department shall be returned to ratepayers through distribution rates.

(d) Notwithstanding any existing power or authority, the department may open an investigation to review the performance of any investor-owned electric distribution, transmission or natural gas distribution company in restoring service during an emergency event. If, after evidentiary hearings or other investigatory proceedings, the department finds that, as a result of the failure of the company to implement its emergency response plan, the length of the outages were materially longer than they would have been but for the company’s failure, the department may deny the recovery of all, or any part of, the service restoration costs through distribution rates, commensurate with the degree and impact of the service outage.