

From: Cherry, Brian K
Sent: 10/31/2012 2:17:14 PM
To: Clanon, Paul (paul.clanon@cpuc.ca.gov)
Cc:
Bcc:
Subject: FW: Updated Briefing Points, 4:00 PM EST, October 31, 2012

FYI

From: Elizabeth Stipnieks [mailto:estipnieks@eei.org]
Sent: Wednesday, October 31, 2012 2:07 PM
To: NARUC
Subject: FW: Updated Briefing Points, 4:00 PM EST, October 31, 2012

See the information below

From: Rudominer, Ryan
Sent: Wednesday, October 31, 2012 4:25 PM
To: All EEI Employees
Subject: Updated Briefing Points, 4:00 PM EST, October 31, 2012

**Updated Briefing Points, 4:00 PM EST, October 31, 2012
Prepared by EEI Communications**

Top Line / Uniqueness of the Storm

●□□□□□□□□ **This was an unprecedented storm that hit the country's most densely populated region. And this storm is the biggest single task our industry has ever undertaken**, and thousands of utility workers are risking their lives to complete the restoration process, which is extremely technical, time-consuming and dangerous.

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The Response

- Total number of resources dedicated 61,000 people; however, restoration will still be a challenge. Those responding to the storm, some here from as far away as Canada, California and Washington State, have traveled hundreds to thousands of miles to begin the arduous task of restoring electricity to millions of Americans whose power was interrupted by Hurricane Sandy's massive wake.

- That being said, the utilities still have a lot of work ahead of them. The damage is extensive and widespread.

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The Challenges

- The challenges that remain for the utilities are enormous. Civil engineers are unable to even assess damages until, for example:

- Fallen trees, sand, debris and water are cleared from roads

- Roads are cleared of snow in West Virginia

- Water is pumped out of the substations, underground networks, and subways

- Because of these issues, extended outages will remain for many customers and we urge caution and patience.

Underground Flooding

- In Manhattan, biggest challenge is restoring electrical service to underground equipment, which requires cleaning all components of sea water, drying and testing to make it safe to restore power.

- Last night, New York Governor Cuomo said, "We have not seen

damages like this in a generation.

- **Here's why:**

- **Sandy produced a tidal surge of over 14 feet—the worst storm surge to hit lower Manhattan in nearly 200 years.**

- **The previous surge record was 11 feet during a hurricane in 1821 (National Weather Service).**

- **Last year, the surge from Hurricane Irene was 9.5 feet.**

- **Substations were designed to withstand a 12.5 foot tidal surge.**

- **Because of the size of the tidal surge, the utilities distribution network of substations, transformers, and control panels submerged during Hurricane Sandy were destroyed and must be fully replaced to restore power. This process is extremely technical and time consuming.** In some areas hardest hit in the Northeast it is likely to be 2 to 3 days before civil engineers can even assess damage.

Restoration and Storm Updates

- **At the peak of the storm more than 8.2 million customers in 17 states were without power; the most power outages of any hurricane in U.S. History.**

Hurricane Irene left about 7 million without electricity, and super derecho interrupted power for 5 million customers.

- In the last 24 hours, the utilities are reporting that **just over 6 million remain without power.**

- **Restoring power to roughly 2 million customers to date**, with the extremely challenging conditions that remain, is a testament to the linemen, the tree cutting personnel and of course, all the emergency personnel that have been working around the clock.

- At least 60 deaths in ten states are being attributed to the storm. (AP)

- Economic damages are expected to affect some 20% of the U.S. population **and total cost of the storm may hit \$50 billion, according to IHS Global Insight**, a forecasting firm. That compares to Hurricane Irene, which caused \$15.8 billion in damage last year. Sandy will likely be among the 10 costliest hurricanes in U.S. history. It would still be far below the worst — Hurricane Katrina, which cost \$108 billion and caused 1,200 deaths in 2005. (AP)

Federal, State, Local and Utility Industry Cooperation

- **Response is being coordinated with the federal government—including the President, who joined EEL’s conference call last night with the utilities, FEMA and DOE—state and local governments, as well as through Mutual Assistance networks activated by utility companies. All levels of government in affected areas are allocating resources, including the Department of Energy and FEMA** to respond to these areas.

- The intent of this extraordinary **public-private partnership is to help eliminate any bureaucratic roadblocks that utility companies and their crews are**

encountering that delay the power-restoration effort, and identify steps that will expedite it.

- **EEI's Executive Vice President David Owens will be the electric companies point person at FEMA for the remainder of the restoration effort.** He will work to streamline coordination between the industry and the government on our specific needs.

- **Areas of cooperation and coordination would include:**

- Assisting in the transport of massive utility repair vehicles and crews from as far away as the West Coast.

- Assisting with coordination and equipment requests with DOT, DOD, FEMA and other federal agencies.

Nuclear Power Updates

- **Nuclear power plants are built to withstand hurricanes, airplane collisions and other major disasters,** but safety procedures call for plants to be shut down when hurricane-force winds are present, or if water levels nearby exceed certain flood limits.

- As of October 31st, the Nuclear Regulatory Commission (NRC) reports three nuclear power units in the Northeast continue to be shut down and one unit remains reduced as a result of impacts from Hurricane Sandy. All four report safety systems had responded fully during shut down.

- Salem Unit 1 (PSEG Nuclear), New Jersey - Offline.
 - Indian Point Unit 3 (Entergy Nuclear), New York – Offline
 - Nine Mile Point Unit 1 (Constellation Energy), New York – Offline
- **The formal alert at Oyster Creek nuclear plant was lifted** at 3:52 am on October 31 and power has been restored.

The Environment (the climate change question)

- We are not interested in getting into a debate over climate change. Others will certainly have that debate.
- We have to get the power back on. That is our one and only mission and will do it as fast and as safely as possible.

A Great American Story

- Despite the challenges, we are seeing a truly American story unfold in front of our eyes. The utilities response to this storm has been unmatched and the coordination has been remarkable.
- There is nothing more American than when we come together as a country to help one another out. As an industry, when we look at the storm response, we have been overwhelmed by the outpouring of support for our linemen and utility workers to effectively do their jobs, and how those without power are sharing their resources. This is a crisis that we are addressing together as a nation.

Ryan Rudominer

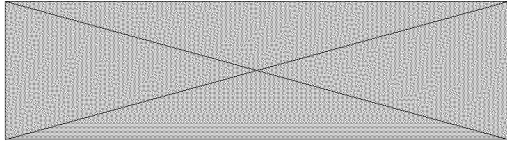
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