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Technical Assistance Briefs: NARUC Inventory on State Energy Assurance Planning

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The National Association of Regulatory Utility Commissioners

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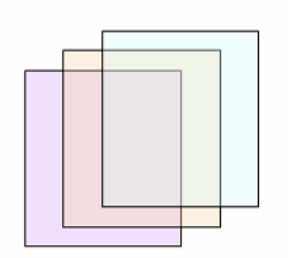
TECHNICAL ASSISTANCE BRIEF ON CRITICAL INFRASTRUCTURE PROTECTION

NARUC INVENTORY ON ENERGY ASSURANCE PLANNING: STATE PUBLIC UTILITY COMMISSION PARTICIPATION

NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS
AD HOC COMMITTEE ON CRITICAL INFRASTRUCTURE

APRIL 2005



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AD HOC COMMITTEE ON CRITICAL INFRASTRUCTURE

Letter from the Chair
Commissioner Connie O. Hughes, New Jersey Board of Public Utilities
March 2005

As Chair of the NARUC Ad Hoc Committee on Critical Infrastructure, I am proud to present to public utility regulators, policymakers, utility industry leaders, and consumers, this landmark series of technical briefs on a complex set of issues pertaining to our nation's critical utility infrastructures. These documents identify key strategies for our consideration as we meet ongoing challenges within each of the electricity, natural gas, water, and telecommunications sectors.

I trust that the documents will enhance the understanding and appreciation of critical infrastructure protection, particularly with respect to the role of state public utility commissions, as well as assist in the development of appropriate policies and strategies in this vital area.

The Committee appreciates and is grateful for the assistance in preparing these reports by Dr. Janice A. Beecher, Institute of Public Utilities at Michigan State University and Dr. James B. Atkins, Regulatory Heuristics. I also acknowledge the support and funding provided by the U.S. Department of Energy's Office of Electricity and Energy Assurance under the leadership of Mr. Alex de Alvarez and assistance of Ms. Alice Lippert. I also thank the National Association of Regulatory Commissioners, the NARUC Staff Subcommittee on Critical Infrastructure, and our other state partners including the National Association of State Energy Officials, the National Conference of State Legislatures and the National Governors Association.

Commissioner Connie O. Hughes
Chair, Ad Hoc Committee on Critical Infrastructure

This Technical Brief (Paper No. 7) is part of a series of reports prepared under the direction of the NARUC Ad Hoc Committee on Critical Infrastructure. Funding for this project was provided to NARUC by the U.S. Department of Energy in cooperation with the National Association of State Energy Officials.

The purpose of these complementary and reinforcing papers is to provide public utility commissioners and other participants in the regulatory policy community with introductory overviews, suggested protocols, and additional resources on critical infrastructure protection issues.

Paper 1. *Issue Paper on Critical Infrastructure Protection.* The federal and state roles in critical infrastructure protection are introduced and explored, with a special focus on the role of the state agencies and public utility commissions.

Paper 2. *Utility and Network Interdependencies: What State Regulators Need to Know*. As explored here, almost all utilities operate networks, and these sector networks are highly interdependent, which in turn relates to consideration of vulnerability and planning which takes on an added dimension of complexity needs, as well as regulatory considerations.

Paper 3. *A Primer on Energy Assurance for Public Utility Commissions.* The primer provides an introduction to energy assurance planning, which broadens traditional energy emergency response and planning to include critical infrastructure protection and energy and fuel shortage mitigation.

Paper 4. *State Government Organizational Issues, Roles, and Policy*. This discussion paper explores state governmental roles with respect to critical infrastructure protection, with a focus on the state public utility commissions and regulatory policy considerations.

Paper 5. *Regional Coordination and Intergovernmental Communication in the Energy Sector*. This paper highlights the importance of regional coordination and communication, focusing in particular on the protocols developed for the Energy Emergency Assurance Coordinators (EEAC) system that has identified state level energy experts for petroleum, gas and electricity.

Paper 6. *Critical Infrastructure Information Sharing Rules: Model Protocols for States.* The paper discusses both federal and state actions to date regarding the sharing of critical infrastructure information and provides a framework for future cooperation and efforts to harmonize information sharing among state commissions, the FERC and the Department of Homeland Security.

Paper 7. *NARUC Inventory on State Energy Assurance Planning.* The paper reports in detail the findings of a 2004-05 assessment of state commissions regarding energy assurance planning and related policy issues.

Paper 8. *NARUC Inventory on Gas Curtailment Planning.* The paper reports in detail the findings of a 2004-05 assessment of state commissions regarding gas curtailment planning and related policy issues.

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EXECUTIVE SUMMARY

During 2004 and early 2005, the Institute for Public Utilities (IPU) at Michigan State University conducted a web-based inventory of energy assurance planning policies for the National Association of Regulatory Utility Commissioners (NARUC). The purpose of the inventory was to catalog the current energy assurance programs and policies implemented by the state public utility (or public service) commissions. Responses to this inventory represent commission participation or knowledge of such efforts in effect as of February 2005, and are not intended to catalog the array of all energy assurance programs in a particular state. Ultimately, the inventory findings can be used to improve future critical infrastructure and energy assurance regulatory policies and strategies among federal and state agencies.

The final web-based inventory was developed by the IPU, NARUC Staff Committee on Critical Infrastructure, and the NARUC Grant Staff. The inventory focused on five primary areas including:

- Energy Assurance Planning Authority
- Energy Assurance Planning Revisions
- Energy Assurance Planning Expansion
- Energy Assurance Planning Integration
- Critical Infrastructure Information

A total of 35 Commissions (34 states plus the District of Columbia) responded to the Energy Assurance Planning Inventory (Exhibit ES-1). The responses indicated a significant variation on commission activities related to energy assurance planning. These ranged from no participation to progressive efforts incorporating a diversity of energy assurance efforts.

ENERGY ASSURANCE PLANNING AUTHORITY

All but four (4) respondents (Alabama, Mississippi, Montana and South Carolina) responded that their commissions are actively involved in energy preparedness planning. Six (6) respondents (Michigan, New Hampshire, New Jersey, New Mexico, New York and Ohio) stated that they had primary authority over energy preparedness planning, while six (6) respondents (Arizona, District of Columbia, Georgia, Indiana, Louisiana and Pennsylvania) serve as the lead coordinating agency over energy preparedness planning.

The remaining nineteen (19) commissions indicated active involvement in traditional energy emergency planning as a participant with their emergency management agency. Respondents from Arizona, Arkansas and West Virginia also mentioned their traditional jurisdictional role in assuring adequate infrastructure for energy utilities as an important part of energy emergency planning.

The respondents in Maine, Maryland, Michigan, Missouri, Nebraska, Ohio and Washington mentioned their role in the Energy Emergency Assurance Coordinators System (EEAC).

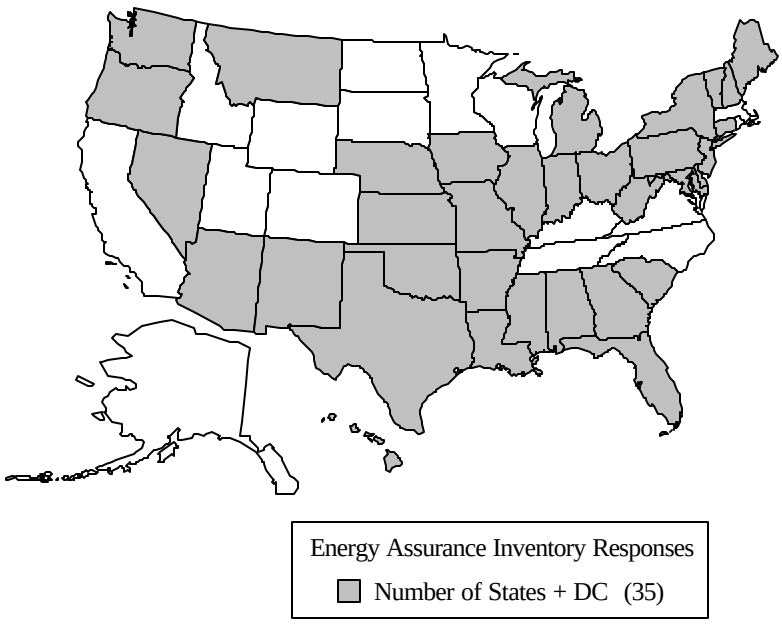

Exhibit ES-1. Commissions that responded to the NARUC Energy Assurance Planning Inventory in 2004. States not participating in the inventory appear as white.

Illinois was the only state which referenced communications as a component of emergency response. The Illinois Commerce Commission instituted the Illinois Emergency Communication Network (IECN) after September 11, 2001. The commission is the lead agency coordinating the IECN which serves as a secure bridge providing direct two-way communications with the Illinois Emergency Operation Center and the Illinois Emergency Management Agency during emergencies.

ENERGY ASSURANCE PLANNING REVISIONS

Updating Energy Emergency Plans. Regarding the methodology for updating energy emergency plans, the state emergency preparedness office is almost exclusively the lead agency with the exception of the five (5) states where commissions have primary authority. Refer to the response for Question 1. Responses indicated a good familiarity among Commissions with the process of updating these plans. A robust example is New York where since 9/11, the state has completely reviewed, revamped, and restructured its energy emergency planning and response efforts, including infrastructure issues, to address and focus on terrorists' threats, in addition to their traditional energy emergency planning. All of these activities have taken place under existing commission and energy laws. The Oklahoma Corporation Commission has one of the most progressive energy assurance and homeland security efforts in the Nation. The commission has issued rules regarding critical infrastructure protection requiring plans be maintained and updated by utilities on a regular

basis. In addition, the commission is currently publishing a reliability scorecard as a metric to monitor effectiveness.

Most Recent Plan Update. Of the respondents, eighteen (18) indicated that the energy emergency plan had been updated since 2001 with West Virginia responding that the plan was last updated in 2000. Connecticut responded that it updates its plan every five years, while Delaware updates its plan regularly. Four (4) commissions are currently updating their plans for the first time in a number of years – Maine (1991), Michigan (1992), and Pennsylvania (1997). Oregon is also currently updating its plan but did not specify when the plan was last updated. Twelve (12) of the thirty-five (35) commissions either did not respond or did not include a response concerning when the plan was last updated in their state.

A number of commissions also responded concerning the frequency that plans are updated. The frequency of updating ranged from every five (5) years in Connecticut, every four (4) years in New Jersey, and every three (3) years in Florida. The commissions of Hawaii, Iowa and Pennsylvania update their plans every two (2) years, while Illinois, Ohio and Texas have annual updates. Washington indicated that the Washington State Comprehensive Emergency Management Plan (CEMP) is considered to be a living document, and that the Emergency Support Functions are required to be reviewed and updated on a regular basis.

Energy Emergency Exercise or Actual Plan Implementation. In response to whether or not an energy emergency exercise had been recently conducted or implemented due to an actual event, twenty (20) commissions indicated that an exercise was recently held or the plan was implemented due to an actual event. In many states, the 2003 Blackout in the Northeast and Midwest, and the hurricanes of 2004 resulted in actual implementation of the energy emergency response plan.

In twelve (12) states it is unknown if an exercise has been conducted or when the plan was last implemented due to an actual event. Indiana indicated that no exercise has been conducted, while Arizona responded that exercises are conducted periodically. Alabama, Montana and South Carolina did not respond.

ENERGY ASSURANCE PLANNING EXPANSION

Concerning commission efforts to broaden current energy emergency planning (such as those under ESF-12) to include critical infrastructure protection and energy or fuel shortages, a diversity of responses were observed. A majority of commissions indicated considerable focus on the issue.

For example, the Washington State Emergency Management Council, Committee on Homeland Security (CHS) has established a number of subcommittee to address a number of issues related to overall domestic security. The commission has a staff representative who is a member of the CHS's subcommittee on critical infrastructure protection. The subcommittee will ultimately provide policy advice and recommendations to the CHS regarding the statewide Critical Infrastructure Program. The subcommittee will collaborate

with public and private sector entities through working groups to identify critical infrastructure issues and propose solutions to the challenge of gathering, verifying, and maintaining data, gaining private sector support, and documenting best practices for infrastructure protection.

The New Jersey Board of Public Utilities is incorporating its critical infrastructure protection program along with the implementation of security best practices through the New Jersey Domestic Security and Preparedness Task Force. In some states, such as Connecticut, Missouri, Texas and West Virginia, respondents indicated that they are actively working with either the RTO/ISO in their region or with the regional (NERC) reliability council.

In Oklahoma, the commission has issued rigorous rules containing reference to industry standards substantially broadening the protection of critical infrastructure for electric, gas, and telecom utilities. Florida has made considerable efforts regarding broadening planning efforts due to the catastrophic 2004 hurricane season.

New York, through its integrated planning effort, has developed comprehensive plans to address energy assurance issues. These plans involve a core group of 24 New York State agencies, coordination with other states in the northeast, and the Federal Government, to address critical infrastructure protections, mitigation planning, and energy shortage. New York is working closely with regional and Federal authorities to develop and implement plans to cope with energy shortages. A total of four (4) commissions (Georgia, Mississippi, Montana and Nevada) indicated no activity to broaden ESF 12 planning, while Alabama and Nevada did not respond.

ENERGY ASSURANCE PLANNING INTEGRATION

NERC Standards. Of the commissions represented in the inventory, fourteen (14) indicated that they had reviewed, commented or voted on revisions to the North American Electric Reliability Council (NERC) reliability standards, while a total of seventeen (17) commissions indicated no involvement. Of the fourteen (14) commissions responding affirmatively, only Maryland, New York, Ohio and South Carolina actually vote on NERC standards as official members of the NERC Ballot Body. Both Oregon and Vermont responded that had not reviewed, commented or voted on NERC standards. However, it should be noted that the Oregon Staff monitors the NERC standards, while Vermont has participated in the Northeast NERC subregion (NPCC).

Developed New State Electric Reliability Standards or Policies. The majority of commissions responding to this question indicated that no new state electric reliability standards or policies have been developed in response to 9/11 or the August 2003 Blackout. Most of the nine (9) commissions responding that standards or policies have been developed indicated a mix of both standard and policy development.

Fuel Contingency Meetings. A total of seventeen (17) commissions have conducted informal or formal meetings on fuel contingencies for natural gas, coal, or petroleum, while

seventeen (17) commissions have not. Of the commissions conducting meetings, twelve (12) commissions indicated that the meetings were regional in scope.

Regional Planning and Coordination. A majority of the commissions responding (25 out of 35) indicated that they had engaged in interstate (regional) planning, coordination, or communication activities related to energy assurance. A common mechanism for participation in regional energy assurance was either through the NERC subregion or the RTO/ISO. Eight (8) commissions indicated no participation including Hawaii and Texas. However, Hawaii has little if any opportunity for regional planning given its location, while Texas works primarily within the Electric Reliability Council of Texas (ERCOT).

Intrastate Planning. When asked about commission involvement in intrastate planning, coordination, or communication activities related to energy assurance, ten (10) commissions indicated no involvement in intrastate planning, while twenty-two (22) indicated varying degrees of participation. Commission responses ranged from participation in the DOE Energy Assurance program, to assisting in energy emergency planning with other state agencies, and to the traditional jurisdictional role of working with utilities on reliability.

Summary of Energy Assurance Planning Efforts. A further breakdown of the responses to Question 4e through 4h indicate that twelve (12) commissions had some participation or activity in intrastate and interstate energy assurance efforts, and had participated in both regional and intrastate fuel contingency meetings. These states are shown in Exhibit ES-2 below.

Exhibit ES-2. Summary of Energy Assurance Planning Efforts

State	Intrastate Fuel Contingency Meeting Held (Ques4e)	Participated in Regional Fuel Contingency Effort (Ques4f)	Participated in Regional Energy Assurance (Ques4j)	Participated in Intrastate Energy Assurance (Ques4h)
Arizona	Yes	Yes	Yes	Yes
Arkansas	Yes	Yes	Yes	Yes
Connecticut	Yes	Yes	Yes	Yes
District of Columbia	Yes	Yes	Yes	Yes
Florida	Yes	Yes	Yes	Yes
Maryland	Yes	Yes	Yes	Yes
Michigan	Yes	Yes	Yes	Yes
Nevada	Yes	Yes	Yes	Yes
New Jersey	Yes	Yes	Yes	Yes
New York	Yes	Yes	Yes	Yes
Ohio	Yes	Yes	Yes	Yes
Oklahoma	Yes	Yes	Yes	Yes

Focusing on intrastate and interstate energy assurance planning activities, Delaware, Hawaii and Washington conducted intrastate activities, but responded that they had not participated in any regional activities related to energy assurance. However, other responses to these questions indicated certain inconsistencies. The respondents from Iowa, Missouri, Nebraska, Oregon and South Carolina indicated participation in regional energy assurance activities, but no participation in intrastate activity (Exhibit ES-3).

Another combination of responses concerned participation in both intrastate energy assurance activities and fuel contingency meetings. Five (5) commissions (Indiana, Maine, New Mexico, Louisiana and West Virginia) all responded that their commission had participated in intrastate energy assurance activities. However, none of these commissions indicated any participation in formal or informal fuel contingency meetings. One possible conclusion is that fuel contingency planning was not considered a part of energy assurance planning as defined by the responding staff.

Conversely, Texas had examined intrastate fuel contingencies, but had not broadened the focus to energy assurance. The remaining five (5) commissions had not participated in any intrastate energy assurance planning or intrastate fuel contingency meetings (Exhibit ES-4).

Exhibit ES-3. Participation in Intrastate and Regional Energy Assurance

State	Participated in Intrastate Energy Assurance (Ques4h)	Participated in Regional Energy Assurance (Ques4j)
Delaware	Yes	No
Hawaii	Yes	No
Washington	Yes	No
Iowa	No	Yes
Missouri	No	Yes
Nebraska	No	Yes
Oregon	No	Yes
South Carolina	No	Yes
Texas	No	No

Exhibit ES-4. Participation in Intrastate and Fuel Contingency Meeting

State	Participated in Intrastate Energy Assurance (Ques4h)	Intrastate Fuel Contingency Meeting Held (Ques4e)
Indiana	Yes	No
Maine	Yes	No
New Mexico	Yes	No
Louisiana	Yes	No
West Virginia	Yes	No
Texas	No	Yes
Iowa	No	No
Missouri	No	No
Nebraska	No	No
Oregon	No	No
South Carolina	No	No

Development of New Energy Assurance Planning Protocols. Only ten (10) of the responding commissions indicated that they had developed any policies or protocols related to energy assurance planning that might benefit other commissions. The majority (18) indicated that they had not. New policies or protocols developed by commissions focused primarily on reliability with certain exceptions.

Energy Emergency Communication Evaluation. A total of twenty-two (22) commissions responded that they had reviewed or conducted either informal or formal meetings to assess the ability of energy providers to communicate during threat events. Eleven (11) had not. A number of commissions (Indiana, Maine and West Virginia) indicated communications during threat events was examined in preparation for Y2K, while Michigan looked into communication capabilities of utilities following the August 2003 Blackout. In certain states, commission jurisdiction over the telecommunications industry would appear to facilitate commission involvement into energy crisis communications.

Interdependencies. Concerning commission examination of utility interdependencies and interdependent downstream consequences, responses were evenly divided. Eighteen (18) commissions responded that they had conducted formal or informal meetings while fourteen (14) had not. Some commissions, like those in Oregon and New Hampshire, are just beginning this process, while Maine and West Virginia investigated interdependencies in preparation for Y2K. In addition, the Maine commission participated in a tabletop exercise in February 2005 which examined various interdependencies on a statewide basis. Others,, including Michigan and New Jersey have closely examined the issue as a direct result of the

August 2003 Blackout. The New Mexico commission received a presentation from the Sandia National Lab. In Texas, the commission has conducted joint meetings of the major telecom and electric utilities to discuss their response to a widespread blackout in Texas. One interesting result was that in a blackout situation, power is the first priority for telecommunications companies while telecommunications is the first priority for electric companies. The major companies all appeared to have adequate systems in place.

Security Coordinator Designation. A total of twenty-five (25) commissions have designated a staff member to act as a security coordinator, while ten (10) commissions have not.

Utility Energy Assurance Plan Approval. Only thirteen (13) of the commissions responding had approved an emergency, contingency, or energy assurance plan for any of the regulated electric or gas utilities in their state, while seventeen (17) had not. One common theme of the responses was that plans are often required to be filed with, and often reviewed by the commission, but are not approved by the commission. This is true in Maine, Michigan New York, and Vermont, where plans are filed with the commissions but are not formally adopted or approved.

CRITICAL INFRASTRUCTURE INFORMATION

A total of twenty-one (21) commissions responded that they had taken some action to modify FOIA procedures in their state to protect sensitive information or provide other legal means of protecting information from disclosure. However, thirteen (13) had taken no action.

In certain states such as Arkansas and Louisiana, the commission has the specific statutory authority to issue protective orders of non-disclosure covering confidential or proprietary information. In Georgia, the commission does not provide documents to outside parties showing the location of critical utility infrastructure. Most records of the Iowa Utilities Board are not shielded from the Iowa Open Records law. Therefore, the Board has adopted a policy of not collecting security type information in writing.

INTRODUCTION

During 2004 and early 2005, the Institute for Public Utilities (IPU) at Michigan State University conducted a web-based inventory of energy assurance planning policies for the National Association of Regulatory Utility Commissioners (NARUC). The purpose of the inventory was to catalog the current energy assurance programs and policies implemented by the state public utility (or public service) commissions. Responses to this inventory represent commission participation or knowledge of such efforts in effect as of February 2005, and are not intended to catalog the array of all energy assurance programs in a particular state. Ultimately, the inventory findings can be used to improve future critical infrastructure and energy assurance regulatory policies and strategies among federal and state agencies.

The final web-based inventory was developed by the IPU, NARUC Staff Committee on Critical Infrastructure Protection, and NARUC Grant Staff. A copy of the inventory form can be found in Appendix A. The inventory focused on five primary areas including:

- Energy Assurance Planning Authority
- Energy Assurance Planning Revisions
- Energy Assurance Planning Expansion
- Energy Assurance Planning Integration
- Critical Infrastructure Information

INVENTORY FINDINGS

A total of 35 commissions (34 states plus the District of Columbia) responded to the Energy Assurance Planning Inventory. Refer to Exhibit 1. The responses indicated a significant variation on commission activities related to energy assurance planning. These ranged from no participation to progressive efforts incorporating a diversity of energy assurance efforts.

ENERGY ASSURANCE PLANNING AUTHORITY

Question 1. State Commissions are integrally involved in traditional energy emergency response planning in conjunction with Governors, state energy offices, and other state and federal agencies.

1a. Please describe your Commission's current role and responsibilities in energy preparedness planning in your state. In particular, does the Commission have lead authority or participate under the authority of another state agency?

1b. If a description of this information exists on the web, please enter the URL where the information is contained below

Response to Question 1

All but four (4) commissions (Alabama, Mississippi, Montana and South Carolina) responded that their states are actively involved in energy preparedness planning. Six (6) commissions (Michigan, New Hampshire, New Jersey, New Mexico, New York and Ohio) stated that they had primary authority over energy preparedness planning, while six (6) commissions (Arizona, District of Columbia, Georgia, Indiana, Louisiana and Pennsylvania) serve as the lead coordinating agency over energy preparedness planning. These responses included:

Arizona. Under the State of Arizona Emergency Response and Recovery Plan, which was produced by the Arizona Division of Emergency Management in 1998, the ACC is the lead state agency to provide emergency support functions in the areas of energy and hazardous materials.

District of Columbia. The commission participates in the District of Columbia Emergency Response Plan as a member of Emergency Support Function (ESF) 12-Energy. The commission oversees the electric and gas utilities' emergency response plans and their implementation.

Georgia. The Georgia Public Service Commission (PSC) under the direction of the Georgia Emergency Management Agency (GEMA) is responsible for one Primary ESF function and five Supporting ESF functions. The PSC is responsible for coordinating with the utility service providers in the assessment of any situation that impacts the delivery of energy

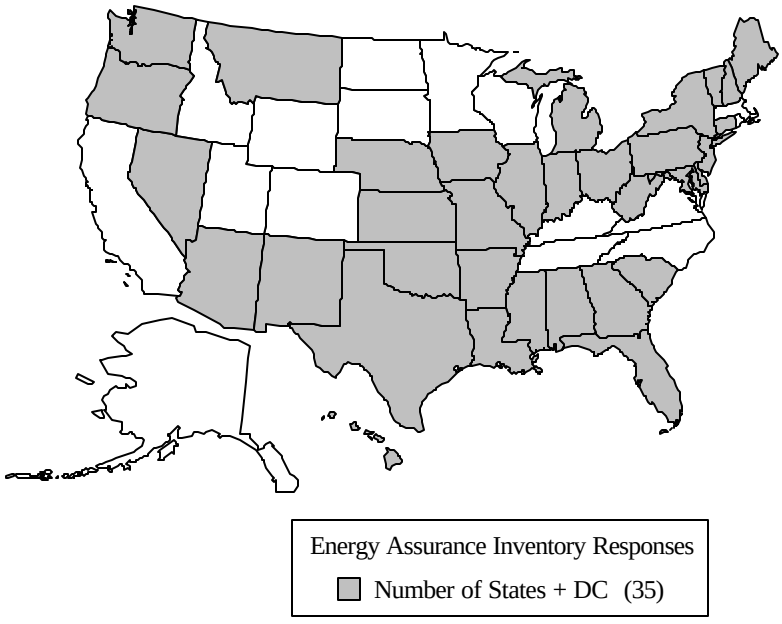

Exhibit 1. Commissions that responded to the NARUC Energy Assurance Planning Inventory in 2004. States not participating in the inventory appear as white.

services and in the subsequent restoration of those services. This may include the following: (1) Determine priorities regarding repair of damaged energy systems; (2) Coordinate temporary, alternate or interim sources of emergency power; and, (3) Maintain liaison with support agencies on operational priorities and emergency repair/restoration.

Indiana. Under the September 15, 2003 Indiana Comprehensive Emergency Management Plan (Plan), the Indiana Utility Regulatory Commission (IURC) is the Primary Coordinating Agency for the Energy--Emergency Support Function, which includes many "preparedness" items. However, the IURC is under the authority of the State Emergency Management Agency in carrying out the Plan. The commission also coordinates with the state's Energy Office on an as-needed basis.

Louisiana. The commission has the primary responsibility for the portions of the ESF 12, Energy that relates to the regulation and coordination of electric power and natural gas supply systems.

Michigan. The Michigan Public Service Commission (MPSC) is the lead agency for energy emergency planning and response for the State of Michigan. The MPSC monitors Michigan's energy supply system, develops, administers and coordinates energy emergency plans, acts as the communication focal point for federal, state and local activities related to energy emergency planning and management, and maintains contacts with the petroleum, natural gas, and electric industries concerning Michigan's energy situation. However, if an energy emergency ever escalated to the level of the Governor declaring a State of Disaster, the primary responsibility of response efforts shifts to the Emergency Management Division (EMD) of the Michigan Department of State Police, although MPSC staff continues to be involved with monitoring, communication, and other support activities.

New Hampshire. The New Hampshire Public Utilities Commission (NHPUC) is the lead agency over the Emergency Management's Energy and Nuclear Emergency Response Plan.

New Jersey. The New Jersey Board of Public Utilities has complete authority to plan and respond to energy emergencies in New Jersey, in conjunction with the New Jersey Office of Emergency Management.

New Mexico. The commission has lead authority over energy preparedness planning.

New York. Except for cyber security, nuclear plant security, and emergency responses, the New York State Public Service Commission is the lead authority for all utility-related emergency preparedness planning. Complimenting this, the New York State Energy Research and Development Authority (NYSERDA) has lead authority for petroleum product fuels emergency preparedness planning. These plans, in turn, become part of the New York State Disaster Preparedness Commission planning and response effort. Since 9/11, the energy emergency planning and energy assurance activities are now kept confidential.

Ohio. The Public Utilities Commission of Ohio has lead authority under ESF 12. Support agencies include the Ohio Emergency Management Agency, the Ohio Department of

Transportation, and the Ohio Department of Development. During an energy event, all curtailment orders are issued from the commission.

Pennsylvania. The Pennsylvania Public Utilities Commission is the principal liaison for emergencies to the electric and natural gas industries under the authority of the Pennsylvania Emergency Management Agency.

The remaining nineteen (19) commissions indicated active involvement in traditional energy emergency planning as a participant with their emergency management agency. The commissions in Arizona, Arkansas and West Virginia also mentioned their traditional jurisdictional role in assuring adequate infrastructure for energy utilities as an important part of energy emergency planning.

Respondents from Maine, Maryland, Michigan, Missouri, Nebraska, Ohio and Washington mentioned their role in the Energy Emergency Assurance Coordinators System (EEAC).

Illinois was the only state which referenced communications as a component of emergency response. The Illinois Commerce Commission instituted the Illinois Emergency Communication Network (IECN) after September 11, 2001. The commission is the lead agency coordinating the IECN which serves as a secure bridge providing direct two-way communications with the Illinois Emergency Operation Center and the Illinois Emergency Management Agency during emergencies.

ENERGY ASSURANCE PLANNING REVISIONS

Question 2. Updating and refining of policies on a periodic basis, as well as practicing emergency procedures are components of comprehensive energy preparedness planning.

2a. Does your State have a procedure for updating its energy emergency plans? And if so, when was the plan last updated in your State? Has your State recently conducted an energy emergency exercise or implemented the plan due to an actual event? If so, when?

Response to Question 2

Updating Energy Emergency Plans

Regarding the methodology for updating energy emergency plans, the state emergency preparedness office is almost exclusively the lead agency with the exception of the six (6) states where commissions have primary authority. Refer to the response for Question 1. Responses indicated a good familiarity among commissions with the process of updating these plans. A robust example is New York where since 9/11, the state has completely reviewed, revamped, and restructured its energy emergency planning and response efforts, including infrastructure issues, to address and focus on terrorists' threats, in addition to their traditional energy emergency planning. All of these activities have taken place under existing commission and energy laws. The Oklahoma Corporation Commission has one of the most progressive energy assurance and homeland security efforts in the Nation. The commission has issued rules regarding critical infrastructure protection requiring plans be maintained and

updated by utilities on a regular basis. In addition, the commission is currently publishing a reliability scorecard as a metric to monitor effectiveness.

Most Recent Plan Update

Of the responding commissions, eighteen (18) indicated that the energy emergency plan had been updated since 2001 with West Virginia responding that the plan was last updated in 2000. Connecticut responded that it updates its plan every five years, while Delaware updates its plan regularly. Four (4) commissions are currently updating their plans for the first time in a number of years – Maine (1991), Michigan (1992), and Pennsylvania (1997). Oregon is also currently updating its plan but did not specify when the plan was last updated.

However, twelve (12) of the thirty-five (35) commissions either did not respond or did not include a response concerning when the plan was last updated in their state (Exhibit 2).

Exhibit 2. Commission Responses to the Energy Assurance Inventory

State	Plan Last Updated (Ques2a)	State	Plan Last Updated (Ques2a)
Alabama	No Response	Missouri	Unknown
Arizona	December 2003	Montana	No Response
Arkansas	Unknown	Nebraska	Unknown
Connecticut	2001	Nevada	Unknown
Delaware	Recently	New Hampshire	August 2004
District of Columbia	April 2004	New Jersey	2003
Florida	August 2002	New Mexico	Unknown
Georgia	August 2004	New York	Since September 2001
Hawaii	2004	Oklahoma	2004
Illinois	Annually	Ohio	Annually
Indiana	September 2003	Oregon	Under Development
Iowa	2004	Pennsylvania	1997 (Being Updated)
Kansas	August 2003	South Carolina	No Response
Maine	1991 (Being Updated)	Texas	Annually
Louisiana	Unknown	Vermont	Unknown
Maryland	December 2004	Washington	March 2003
Michigan	1992 (Being Updated)	West Virginia	2000
Mississippi	Unknown		

A number of commissions also responded concerning the frequency that plans are updated. The frequency of updating ranged from every five (5) years in Connecticut, every four (4) years in New Jersey, and every three (3) years in Florida. The commissions of Hawaii, Iowa and Pennsylvania update their plans every two (2) years, while Illinois, Ohio and Texas have annual updates. Washington indicated that the Washington State Comprehensive Emergency Management Plan (CEMP) is considered to be a living document, and that the Emergency Support Functions are required to be reviewed and updated on a regular basis.

Energy Emergency Exercise or Actual Plan Implementation

In response to whether or not an energy emergency exercise had been recently conducted or implemented due to an actual event, twenty (20) commissions indicated that an exercise was recently held or the plan was implemented due to an actual event. In many states, the 2003 Blackout in the Northeast and Midwest, and the hurricanes of 2004 resulted in actual implementation of the energy emergency response plan. In twelve (12) states it is unknown if an exercise has been conducted or when the plan was last implemented due to an actual event. Indiana indicated that no exercise has been conducted, while Arizona responded that exercises are conducted periodically. Alabama, Montana and South Carolina did not respond. Reponses are shown Exhibit 3.

Exhibit 3. Participation in Emergency Exercises

State	Emergency Exercise Conducted or Plan Implemented (Ques2a)	State	Emergency Exercise Conducted or Plan Implemented (Ques2a)
Alabama	No Response	Missouri	2002
Arizona	Periodically	Montana	NA
Arkansas	Unknown	Nebraska	Unknown
Connecticut	2004	Nevada	2003
Delaware	Unknown	New Hampshire	2003
District of Columbia	2004	New Jersey	2003
Florida	Hurricane Season 04	New Mexico	Unknown
Georgia	Hurricane Season 04	New York	August 2003 Blackout
Hawaii	2004	Oklahoma	Unknown
Illinois	Unknown	Ohio	September 2004
Indiana	No Exercises Held	Oregon	December 2004
Iowa	Scheduled for 2005	Pennsylvania	Hurricane Season 04
Kansas	Unknown	South Carolina	No Response
Louisiana	Unknown	Texas	Post September 2001
Maine	February 2005	Vermont	Unknown
Maryland	Unknown	Washington	2004 Nuclear Safety Drill
Michigan	August 2003 Blackout	West Virginia	Unknown
Mississippi	Unknown		

ENERGY ASSURANCE PLANNING EXPANSION

Question 3. As a direct result of the September 11, 2001 attack on the United States and other major disruptions such as the August 2003 blackout and the 2004 cold-snap in the Northeast, energy emergency planning efforts are evolving into energy assurance planning. Energy assurance planning links traditional energy emergency planning with broader critical infrastructure protection efforts and energy shortage mitigation planning. Energy assurance planning utilizes an all hazards or threats approach including deliberate foreign and domestic terrorist attacks, natural events involving weather and earthquakes, accidents such pipeline failure and contaminate spills, and systemic threats caused by physical inability of energy delivery system or market induced effects to meet demand.

3a. Has your Commission been involved with, or is it planning any efforts with other State agencies or regional energy entities to broaden current energy emergency planning (such as those under ESF-12) to include critical infrastructure protection and energy or fuel shortages? Please provide a general description or overview.

Response to Question 3

Concerning commission efforts to broaden current energy emergency planning (such as those under ESF-12) to include critical infrastructure protection and energy or fuel shortages, a diversity of responses were observed. A total of four (4) commissions (Georgia, Mississippi, Montana and Nevada) indicated no activity to broaden ESF 12 planning, while Alabama and Nevada did not respond. However, a majority of commissions indicated considerable focus on the issue. Various commission responses included:

Florida. The State of Florida has made considerable efforts regarding broadening planning efforts due to the catastrophic 2004 hurricane season. Florida also works closely with the Florida Regional Coordinating Council.

Iowa. The Iowa State Energy Office has begun work to create an energy assurance plan, which will address broader energy and fuel shortage mitigation efforts. This effort will include the Iowa Utilities Board and the Homeland Security Emergency Management Division, as well as other state Departments and private industry.

Maine. The commission participated in a February 2005 energy emergency tabletop exercise involving the State Emergency Response Team, Governor's Office, key utilities, and other stakeholders in discussions of energy emergency issues that merit attention in emergency plans at state, county, and local levels of government.

New Jersey. The New Jersey Board of Public Utilities is incorporating its critical infrastructure protection program along with the implementation of security best practices through the New Jersey Domestic Security and Preparedness Task Force.

New York. Through its integrated planning effort, has developed comprehensive plans to address energy assurance issues. These plans involve a core group of 24 New York State agencies, coordination with other states in the northeast, and the Federal Government, to address critical infrastructure protections, mitigation planning, and energy shortage. New

York is working closely with regional and Federal authorities to develop and implement plans to cope with energy shortages.

Ohio. The commission leads the Fuel Source Advisory Council (FSAC). The FSAC is an advisory body to the Chairman. Annual meetings are held with regulated and unregulated members of the energy industry to discuss the winter fuel and energy supply for Ohio.

Oklahoma. The commission has issued rigorous rules containing reference to industry standards substantially broadening the protection of critical infrastructure for electric, gas, and telecom utilities.

The commissions in Connecticut, Missouri, Texas and West Virginia indicated that they are actively working with either the RTO/ISO in their region or with the regional (NERC) reliability council.

Washington. The Washington State Emergency Management Council, Committee on Homeland Security (CHS) has established a number of subcommittee to address a number of issues related to overall domestic security. The commission has a staff representative who is a member of the CHS's subcommittee on critical infrastructure protection. The subcommittee will ultimately provide policy advice and recommendations to the CHS regarding the statewide Critical Infrastructure Program. The subcommittee will collaborate with public and private sector entities through working groups to identify critical infrastructure issues and propose solutions to the challenge of gathering, verifying, and maintaining data, gaining private sector support, and documenting best practices for infrastructure protection.

ENERGY ASSURANCE PLANNING INTEGRATION

Question 4 (a-d). Energy assurance planning involves the modification of existing procedures and/or the adoption of new procedures and efforts to integrate energy assurance into everyday practices of the Commission. Regarding such planning integration, has your Commission been involved with any of the following:

4a. Reviewing, commenting or voting on revisions to the North American Electric Reliability Council (NERC) reliability standards?

4b. Please comment if desired:

4c. In response to 9-11, or the August 2003 Blackout or some other threat event, developed new specific electric reliability standards or policies in your State?

4d. Please comment if desired:

Response to Question 4 (a-d)

NERC Standards

Of the commissions responding to the inventory, fourteen (14) indicated that they had reviewed, commented or voted on revisions to the North American Electric Reliability Council (NERC) reliability standards, while a total of seventeen (17) commissions indicated no involvement. Refer to Exhibit 4.

Of the fourteen (14) commissions responding affirmatively, only Maryland, New York, Ohio and South Carolina actually vote on NERC standards as official members of the NERC Ballot Body. Of the commissions responding affirmatively, some of the responses included:

Arizona. The Arizona Staff regularly comments on the NERC reliability standards, and attends NERC meetings as a Western States Regulator representative.

Florida. The commission staff reviews standards through the Florida Reliability Coordination Council (FRCC). Florida is unique among the states since the FRCC is the only NERC subregion comprised of a single state.

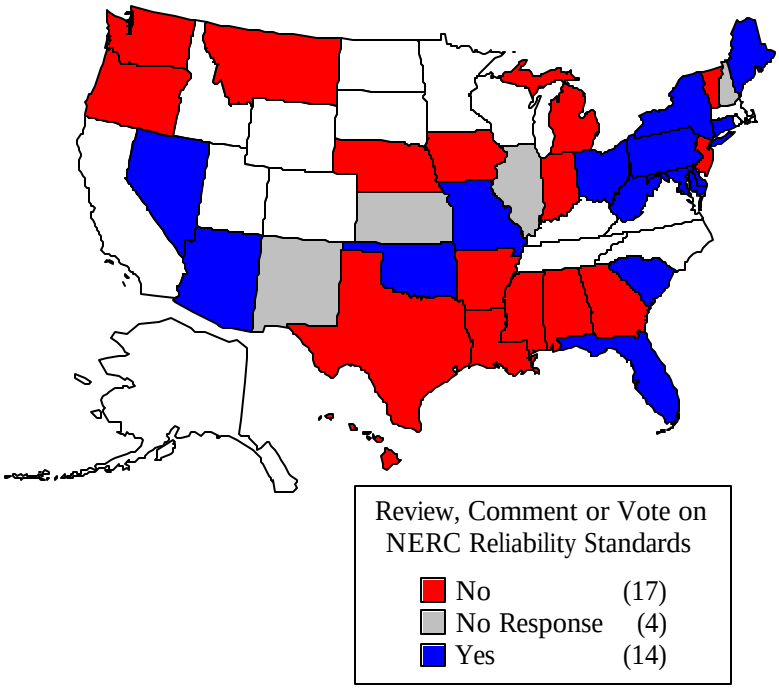

Exhibit 4. Responses indicating whether or not the commission had reviewed, commented, or voted on revisions to the NERC reliability standards (Question 4a).

Maine. The Maine Staff is represented on the Northeast Power Coordinating Council (NPCC) Task Force on Infrastructure Security and Technology (TFIST) that comments on certain NERC reliability standards.

Missouri. The commission and Consumer Advocate Staff have been reviewing NERC standards as they have been developing.

Ohio. The commission has provided comments to NERC in the past and is actively engaged in reviewing NERC standards. The commission is one of two government representatives on the NERC Standards Authorization Committee (SAC) with voting privilege and also votes on standards as a member of the NERC Ballot Body.

South Carolina. An engineering advisor reviews draft standards, proposes comments for commission review and approval, submits comments as approved, recommends a vote to the commission and casts the vote per commission direction.

Both Oregon and Vermont responded that they had not reviewed, commented or voted on NERC standards. However, it should be noted that the Oregon Staff monitors the NERC standards, while Vermont has participated in the Northeast NERC subregion (NPCC).

Developed New State Electric Reliability Standards or Policies

The majority of commissions responding to this question indicated that no new state electric reliability standards or policies have been developed in response to 9/11 or the August 2003 Blackout (Exhibit 5). Most of the nine (9) commissions responding that standards or policies have been developed indicated a mix of both standard and policy development. These responses included:

Arizona. Palo Verde Nuclear Plant Risk Assessment policy is being developed by Western Electric Coordinating Council (WECC) and the commission.

Delaware. The commission recently developed new specific electric reliability standards and policies due to other recent events in Delaware.

District of Columbia. The commission directed the electric utility to treat power restoration as a "community functionality" restoration activity rather than simply a power restoration activity, to develop and implement a more effective consumer communication plan. The commission is also implementing a comprehensive vegetation management program, and will employ new diagnostic technologies in restoration activities. Service restoration performance standards are also being developed.

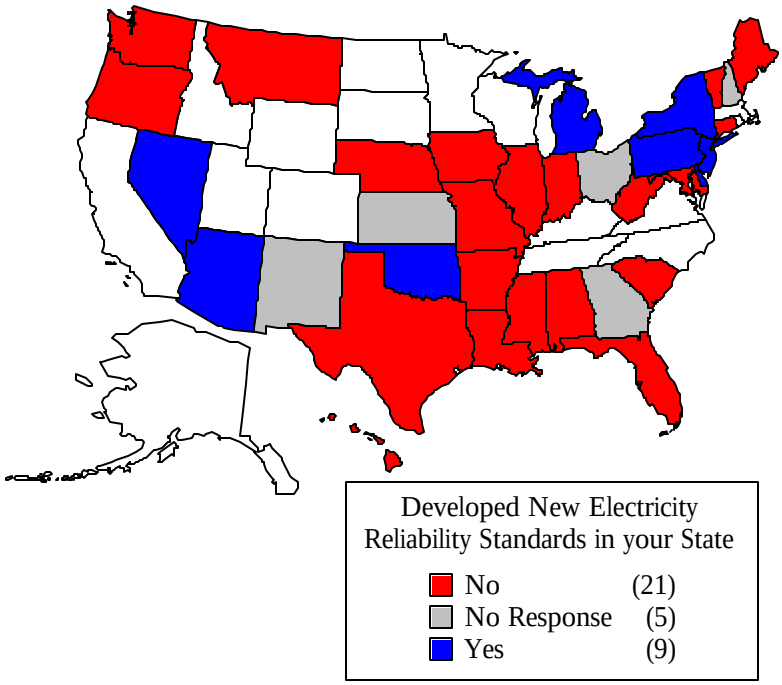

Exhibit 5. Responses as to whether any new state-specific electric reliability standards or policies have been developed since 9/11 (Question 4c).

Michigan. Following the August 2003 Blackout, the commission produced a report investigating the incident from a Michigan perspective. The commission made certain recommendations for comprehensive improvement to the grid including expanding and strengthening reliability standards, regional grid coordination and management, strategic grid investment to cost-effectively expand and upgrade the transmission infrastructure and demand response, including distributed generation.

New Jersey. Security best practices have been developed and implemented at all critical utility facilities. The Board is currently working on vegetation management rules and local electric reliability legislation.

Oklahoma. Unique among all other commissions responding to this inventory, the commission has issued new rules concerning critical infrastructure protection, electric reliability, and vegetation management which incorporate both IEEE and NERC standards into Oklahoma's critical infrastructure and reliability rules.

Question 4 (e-g and j-k). Energy assurance planning involves the modification of existing procedures and/or the adoption of new procedures and efforts to integrate energy assurance into everyday practices of the commission. Regarding such planning integration, has your Commission been involved with any of the following:

4e. Conducted informal or formal meetings, including any regional efforts, on fuel contingencies for natural gas, coal, or petroleum? Such hearings might include the status of pipeline inspections and safety, timely delivery of fuel during a contingency, or the amounts of fuel storage required for various contingencies. This could also include a determination of the adequacy and deliverability of fuels for backup generation during an outage.

4f. If yes, were the meetings regional in scope

4g. Please comment if desired:

4j. Has your Commission engaged in interstate (regional) planning, coordination, or communication activities related to energy assurance?

4k. Please comment if desired:

Response to Question 4 (e-g and j-k)

Fuel Contingency Meetings

A total of seventeen (17) commissions have conducted informal or formal meetings on fuel contingencies for natural gas, coal, or petroleum, while seventeen (17) commissions have no (see Exhibit 6). Of the commissions conducting meetings, twelve (12) indicated that the meetings were regional in scope (Exhibit 7). Regarding participation in fuel contingency meetings, responses included:

Arizona. In 2003-2004, the commission conducted workshops and provided stakeholders the opportunity to comment on the commission's role in ensuring the reliability of Arizona's natural gas infrastructure. The effort resulted in the commission issuing a policy statement on December 18, 2003 which addressed the cost of natural gas pipeline and storage facilities for jurisdictional utilities.

Connecticut. The commission recently held a (regional) Gas Forum to discuss the status of fuel supply in order to assure enough gas fuel for the forthcoming heating season, and to discuss regional issues of distribution and storage.

District of Columbia. Fuel contingency issues have been discussed at on-going meetings of the Washington Metropolitan Council of Governments (MWCOG), representing local governments in the states of Maryland, Virginia and the District.

Michigan. In the past two years, the commission staff has held informal meetings with the major utilities and pipeline companies to discuss fuel contingency issues. The staff also holds monthly informal conference calls with the other states in our region to discuss fuel pricing and availability for gasoline, diesel fuel, and propane. Additionally, the commission produces a semiannual report, the Michigan Energy Appraisal that assesses Michigan's energy markets. The assessment assists in identifying potential supply problems, including adequacy of supply, weaknesses in the distribution and energy price changes.

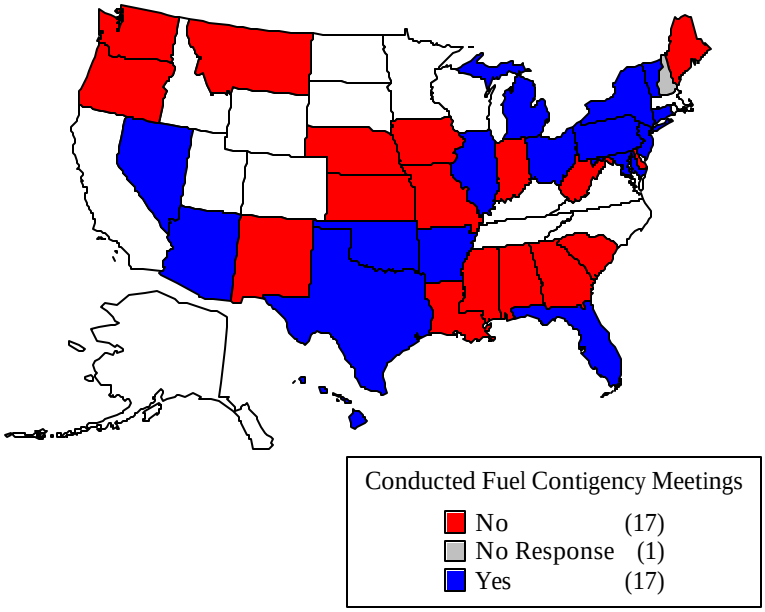

Exhibit 6. Responses indicating whether informal or formal meetings, including any regional efforts, have been conducted on fuel contingencies for natural gas, coal, or petroleum (Question 4e).

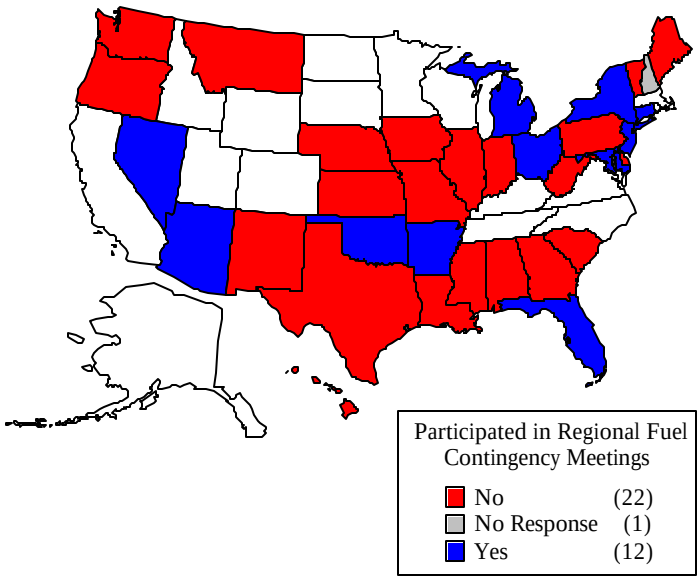

Exhibit 7. Participation in regional fuel contingency meetings (Question 4f).

Nevada. Coordinated with Nevada and California state energy offices.

New Jersey. The New Jersey Board of Public Utilities has reexamined its reliability and infrastructure protection programs to ensure adequate energy supplies on a statewide basis, and also interacts with PJM and Interstate Pipeline companies.

Oregon. The commission is working with the Oregon DOE on energy shortages and preparedness for gas and electricity emergencies.

Exhibit 8 summarizes the seventeen (17) commissions that have conducted fuel contingency meetings and the twelve (12) indicating that the meetings were regional in scope.

Regional Planning and Coordination

A majority of the commissions responding (25 out of 35) indicated that they had engaged in interstate (regional) planning, coordination, or communication activities related to energy

Exhibit 8. Fuel Contingency Meetings

State	Intrastate Fuel Contingency Meeting Held (Ques4e)	Participated in a Regional Fuel Contingency Meeting (Ques4f)
Arizona	Yes	Yes
Arkansas	Yes	Yes
Connecticut	Yes	Yes
District of Columbia	Yes	Yes
Florida	Yes	Yes
Maryland	Yes	Yes
Michigan	Yes	Yes
Nevada	Yes	Yes
New Jersey	Yes	Yes
New York	Yes	Yes
Ohio	Yes	Yes
Oklahoma	Yes	Yes
Hawaii	Yes	No
Illinois	Yes	No
Pennsylvania	Yes	No
Texas	Yes	No
Vermont	Yes	No

assurance. Exhibit 9 shows the responses to question 4j. A common mechanism for participation in regional energy assurance was either through the NERC subregion or the RTO/ISO. Eight (8) commissions indicated no participation including Hawaii and Texas. However, Hawaii has little if any opportunity for regional planning given its location, while Texas works primarily within the Electric Reliability Council of Texas (ERCOT).

Of the commissions participating in regional energy assurance efforts, some of the responses included:

Arizona. The commission Staff is involved with regional electric transmission systems planning, and is a member of the Southwest Area Transmission (SWAT) Planning Committee and of the Southwest Transmission Expansion Planning (STEP) Committee. The SWAT Planning Committee promotes regional planning in the Desert Southwest, while the STEP Planning Committee plans future transmission systems in southern California including interconnections with Arizona, Nevada and Mexico. Commission Staff also participates in the western regional Resource Adequacy Assessment being evaluated by the Western Governors Association (WGA), Seams Steering Group – Western Interconnection (SSG-WI) Planning Working Group, CREPC and WECC.

Arkansas. The commission communicates with other regulatory bodies in the region as necessary regarding energy assurance.

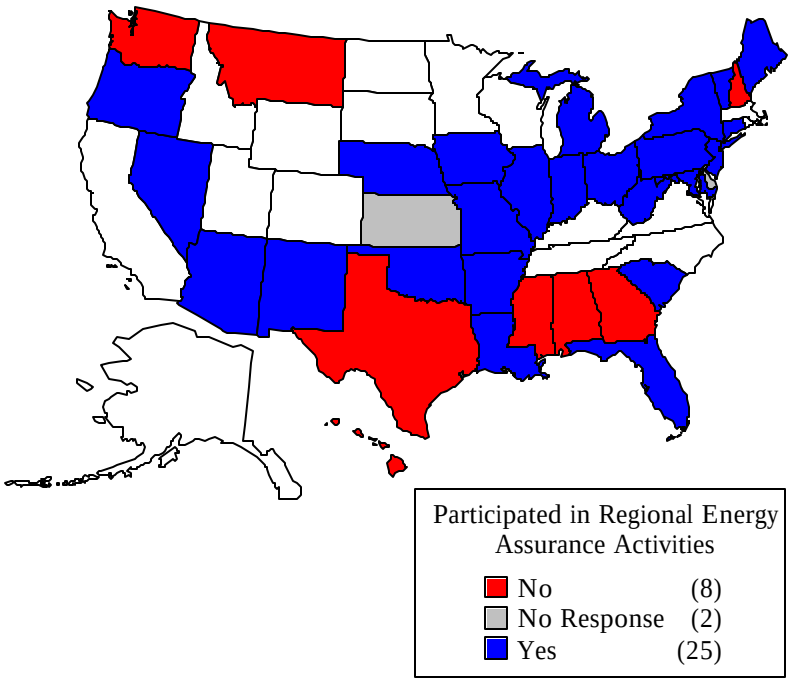

Exhibit 9. Responses regarding commission participation in interstate (regional) planning, coordination, or communication activities related to energy assurance (Question 4j).

Connecticut. Participates with the NECPUC and the New England Governor's Council

Indiana. The commission has been participating in several Midwest ISO working groups, advisory committees, and with other state regulatory commissions, to help insure and enhance generation adequacy and regional transmission capacity. Also, the commission's Pipeline Safety Division work is regional in nature.

Maine. The commission participates actively with the bulk power pool (NEPOOL), the regional grid operator (ISO-NE), in various proceedings before FERC, through our regional association (New England Conference of Public Utility Commissioners), and ongoing assessments and coordination through the New England Governors' Conference. The commission has designated three Staff members as Energy Emergency Assurance Coordinators for the DOE.

Nevada. Coordinate with Western states through Western Governors' Association.

New Jersey. The New Jersey Board of Public Utilities has conducted a number of activities related to interstate energy assurance, including coordination of activities with the Dept. of Energy and the PJMISO.

New Mexico. NMPRC participates in Committee on Regional Electric Power Cooperation (CREPC) activities. CREPC is a forum for 11 western states.

Oklahoma. The commission works with the Southwest Power Pool (SPP), the Regional State Committee (RSC) of the SPP.

South Carolina. The commission reviews the Integrated Resource Plans of all regulated electric utilities and ensures that regional input was included in plan development.

Question 4 (h-i). Energy assurance planning involves the modification of existing procedures and/or the adoption of new procedures and efforts to integrate energy assurance into everyday practices of the Commission. Regarding such planning integration, has your Commission been involved with any of the following:

4h. Has your Commission engaged in intrastate planning, coordination, or communication activities related to energy assurance?

4i. Please comment if desired:

Response to Question 4 (h-i)

Intrastate Planning

When asked about commission involvement in intrastate planning, coordination, or communication activities related to energy assurance, ten (10) commissions indicated no involvement in intrastate planning, while twenty (22) indicated varying degrees of

participation (Exhibit 10). Commission responses ranged from participation in the DOE Energy Assurance program, to assisting in energy emergency planning with other state agencies, to the traditional jurisdictional role of working with utilities on reliability and included:

Arizona. All electric utilities are required to submit to the commission their respective 10-year transmission expansion plans by the end of January of each year. The commission reviews these plans every two years.

Arkansas. The commission communicates with intrastate utilities as necessary regarding energy assurance.

Florida. The Florida Regional Coordinating Council (NERC subregion) and the commission assist the Division of Emergency Management in intrastate planning activities.

Indiana. Since 1999, the commission has conducted surveys on upcoming summer reliability (energy assurance), and the electric utilities present this information to the commission. A similar process is also followed for gas utilities. In addition, electric utilities in Indiana are required to submit integrated resource plans every two years pursuant to the Indiana Administrative Code.

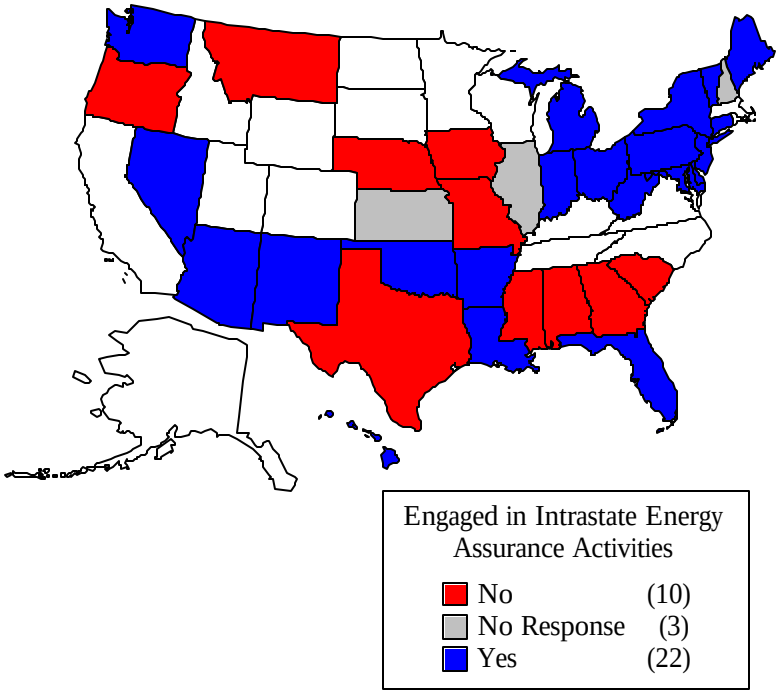

Exhibit 10. Responses regarding commission participation in intrastate planning, coordination, or communication activities related to energy assurance (Question 4h).

Maine. The commission assisted in drafting a new Maine Energy Emergency Plan, and is a member of the Maine Emergency Response Team that assists with emergency planning, including energy issues.

Michigan. Commission Staff participate in the DOE's Office of Energy Assurance's Energy Emergency Assurance Coordinator program.

Nevada. Participated in energy management exercises in October 2003.

New Jersey. The Board coordinates emergency response and energy assurance programs, including emergency response functions under ESF12.

Ohio. Commission staff met with several agencies when developing the PUCO Energy Emergency Plan. Open lines of communication exist and are maintained between the ESF 12 agencies, and staff also participates in various exercises developed by the Ohio Emergency Management Agency.

Oregon. The commission recently started supporting the Oregon DOE and the DOE's Office of Energy Assurance to address energy emergencies.

Washington. The commission participates on the DOE Energy Emergency Assurance Coordinator Program as a secondary contact.

Summary of Energy Assurance Planning Efforts

A further breakdown of the responses to Question 4e through 4h indicates that twelve (12) commissions had some participation or activity in intrastate and interstate energy assurance efforts, and had participated in both regional and intrastate fuel contingency meetings (Exhibit 11A).

Focusing on intrastate and interstate energy assurance planning activities, Delaware, Hawaii and Washington conducted intrastate activities, but responded that they had not participated in any regional activities related to energy assurance. However, other responses to these questions indicated certain inconsistencies. Respondents from Iowa, Missouri, Nebraska, Oregon and South Carolina indicated participation in regional energy assurance activities, but no participation in intrastate activity. These responses are shown in Exhibit 11B.

Another combination of responses concerned participation in both intrastate energy assurance activities and fuel contingency meetings. Five (5) commissions (Indiana, Maine, New Mexico, Louisiana and West Virginia) all responded that their agency had participated in intrastate energy assurance activities. However, none of these commissions indicated any participation in formal or informal fuel contingency meetings. One possible conclusion is that fuel contingency planning was not considered a part of energy assurance planning as defined by the responding staff. Conversely, Texas had examined intrastate fuel contingencies, but had not broadened the focus to energy assurance. The remaining five (5) commissions had not participated in any intrastate energy assurance planning or intrastate fuel contingency meetings (Exhibit 11C).

Exhibit 11A. Detail of Participation in Energy Assurance Activities

State	Intrastate Fuel Contingency Meeting Held (Ques4e)	Participated in Regional Fuel Contingency Effort (Ques4f)	Participated in Regional Energy Assurance (Ques4j)	Participated in Intrastate Energy Assurance (Ques4h)
Arizona	Yes	Yes	Yes	Yes
Arkansas	Yes	Yes	Yes	Yes
Connecticut	Yes	Yes	Yes	Yes
District of Columbia	Yes	Yes	Yes	Yes
Florida	Yes	Yes	Yes	Yes
Maryland	Yes	Yes	Yes	Yes
Michigan	Yes	Yes	Yes	Yes
Nevada	Yes	Yes	Yes	Yes
New Jersey	Yes	Yes	Yes	Yes
New York	Yes	Yes	Yes	Yes
Ohio	Yes	Yes	Yes	Yes
Oklahoma	Yes	Yes	Yes	Yes

Exhibit 11B. Detail of Participation in Energy Assurance Activities

State	Participated in Intrastate Energy Assurance (Ques4h)	Participated in Regional Energy Assurance (Ques4j)
Delaware	Yes	No
Hawaii	Yes	No
Washington	Yes	No
Iowa	No	Yes
Missouri	No	Yes
Nebraska	No	Yes
Oregon	No	Yes
South Carolina	No	Yes
Texas	No	No

Exhibit 11C. Detail of Participation in Energy Assurance Activities

State	Participated in Intrastate Energy Assurance (Ques4h)	Intrastate Fuel Contingency Meeting Held (Ques4e)
Indiana	Yes	No
Maine	Yes	No
New Mexico	Yes	No
Louisiana	Yes	No
West Virginia	Yes	No
Texas	No	Yes
Iowa	No	No
Missouri	No	No
Nebraska	No	No
Oregon	No	No
South Carolina	No	No

Question 4 (l-m). Energy assurance planning involves the modification of existing procedures and/or the adoption of new procedures and efforts to integrate energy assurance into everyday practices of the Commission. Regarding such planning integration, has your Commission been involved with any of the following:

4l. Has your Commission developed any other policies or protocols related to energy assurance planning that might benefit other Commissions?

4m. Please comment if desired:

Response to Question 4 (l-m)

Only ten (10) of the responding commissions indicated that they had developed any policies or protocols related to energy assurance planning that might benefit other commissions; the majority (18) indicated that they had not (Exhibit 12). New policies or protocols developed by commissions focused primarily on reliability with certain exceptions. Commission responses included:

Arizona. In approving Certificates of Environmental Compatibility for new power plants in Arizona, the commission has imposed more stringent reliability obligations than are required by the regional Western Electricity Coordinating Council (WECC) reliability standards. For example, some of the new power plants have been required to provide two

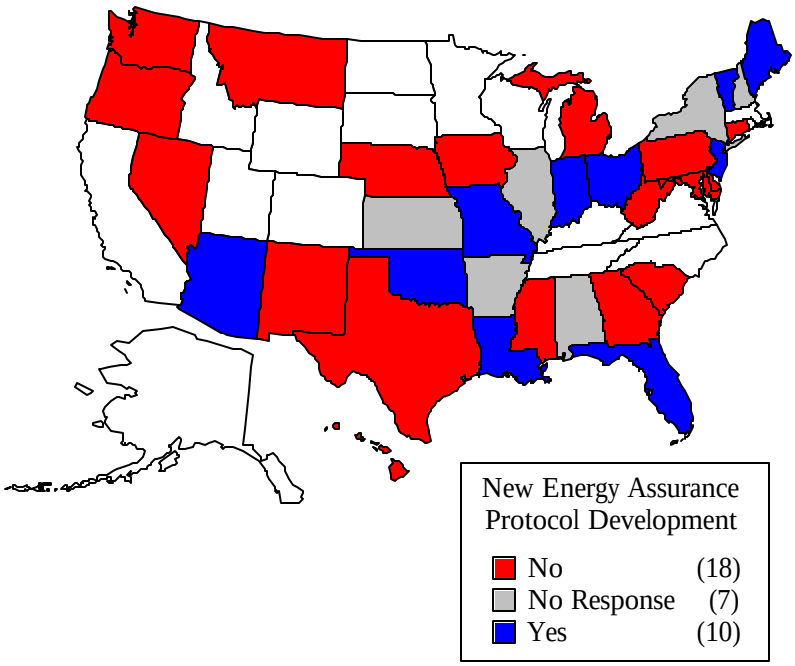

Exhibit 12. Responses indicating the development of commission policies or protocols related to energy assurance planning (Question 4l).

transmission lines to interconnect with existing grid rather than only one line. No remedial action scheme is allowed in a single transmission contingency situation, such as a forced outage or a scheduled maintenance outage. The commission also requires new merchant plants to provide adequate reserves to back up their firm capacity commitments to customers. The purpose of imposing these stringent reliability requirements is to enable the new generating stations to provide full output of their plants for the benefit of retail customers.

Indiana. The commission is developing a rule setting out a process for electric utilities to notify the commission when outages occur. The rule also requires that each utility have written emergency procedures, and provides the minimum requirements for those procedures.

Oklahoma. The commission has promulgated a rule that concerns the restoration of service. The rule establishes general parameters to ensure timely communication to the commission, of the utility's implementation of its restoration of service plan, following an unplanned service interruption. Each electric utility is required to have a written restoration of service policy or plan, which shall include a telecommunication plan to be followed during unplanned or emergency interruptions. This policy is reviewed by the utility at least annually, and updated as deemed necessary and appropriate.

Oregon. The commission is considering the development of policies to support compliance with transmission security standards.

Question 4 (o-p). Energy assurance planning involves the modification of existing procedures and/or the adoption of new procedures and efforts to integrate energy assurance into everyday practices of the Commission. Regarding such planning integration, has your Commission been involved with any of the following:

4o. During severe threat events, telecommunication and communication systems utilized by energy providers (generators, transmission companies and load serving entities) are critical to response and recovery efforts. Has your Commission reviewed or conducted any informal or formal meetings to assess the ability of energy providers to communicate during threat events? This could include an analysis of current communication systems utilized and any backup or redundant communication systems.

4p. Please comment if desired:

Response to Question 4 (o-p)

A total of twenty-two (22) commissions responded that they had reviewed or conducted either informal or formal meetings to assess the ability of energy providers to communicate during threat events. Eleven (11) had not. Commission responses to Question 4o are shown in Exhibit 13.

A number of respondents (Indiana, Maine and West Virginia) indicated that communications during threat events was examined in preparation for Y2K, while Michigan looked into communication capabilities of utilities following the August 2003 Blackout. In certain states, commission jurisdiction over the telecommunications industry would appear to facilitate commission involvement in energy crisis communications. Responses concerning whether formal or informal meetings had been conducted included the following:

Arizona. The commission's Utility Division periodically participates in the Palo Verde Nuclear Generating Station emergency response exercises.

Arkansas. Regular inspections of telecommunications facilities include an evaluation of back up power. All central offices have capability for battery back up power as well as generator back up power in preparation for any outages.

Florida. The commission works through the Florida Reliability Coordinating Council and State Emergency Operation Center.

Iowa. In the first few months following 9/11, the Board met with major utilities in Iowa to discuss security and response issues.

Michigan. In the Michigan 2003 Blackout Report, the commission examined the issues regarding communications as a result of the Blackout. Although there were problems associated with maintaining full telephone service during the Blackout and maintaining cyber systems, partial phone service was maintained and there were no major failures of the cyber system. Additionally, the state's emergency statewide 800 MHz digital trunk radio system remained fully operational for the duration of the Blackout. There were no interruptions to

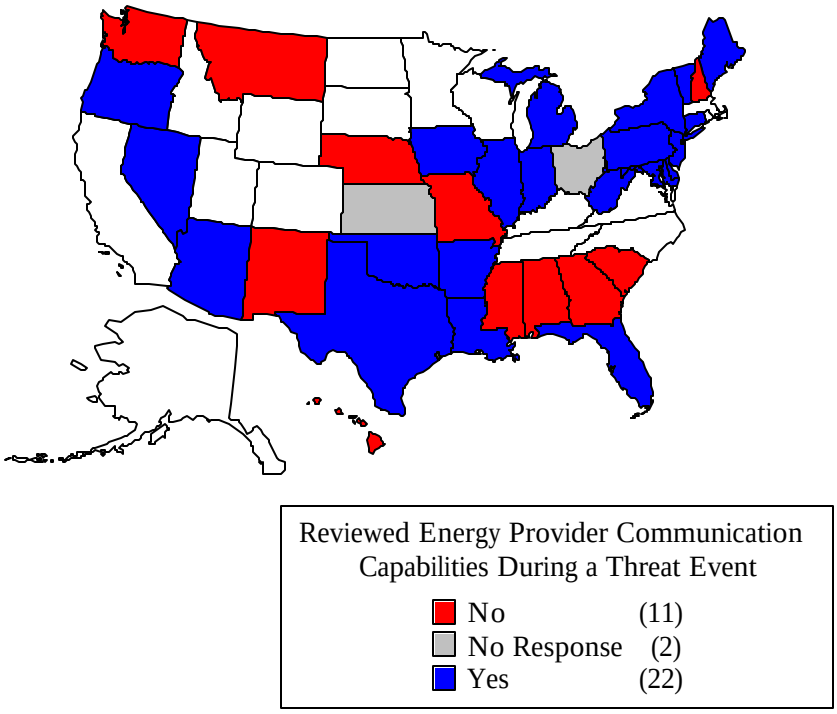

Exhibit 13. Responses concerning whether commissions had reviewed or conducted any informal or formal meetings to assess the ability of energy providers to communicate during threat events (Question 4o).

the system anywhere during the blackout because the control center and all antennae have independent generators. Currently, 374 different public agencies use the Michigan Public Safety Communications System as their primary radio communication, and another 90 agencies use the system for emergency management purposes only. The member agencies include all state agencies, as well as counties, townships, tribes, and federal agencies.

New Jersey. Communication issues are a critical element of emergency response, and were considered in a 2003 energy tabletop drill. In addition, emergency communications including interoperable issues are considered as part of New Jersey's security efforts.

Communication is also closely linked to interdependencies within the utility sectors. Refer to the Texas response below to Question 4q.

Question 4 (q-r). Energy assurance planning involves the modification of existing procedures and/or the adoption of new procedures and efforts to integrate energy assurance into everyday practices of the Commission. Regarding such planning integration, has your Commission been involved with any of the following:

4q. Wide-spread energy outages, such as the August 2003 Blackout, highlighted the need to consider the consequences of energy disruptions on downstream, interdependent critical infrastructures. These include, but are not limited to, power for telecommunication networks, computer and information systems, water and wastewater facilities, refineries and natural gas pipeline compression. Has your Commission reviewed or conducted any informal or formal meetings to determine such interdependent downstream consequences?

4r. Please comment if desired:

Response to Question 4 (q-r)

Concerning commission examination of utility interdependencies and interdependent downstream consequences, responses were evenly divided. Eighteen (18) commissions responded that they had conducted formal or informal meetings while fourteen (14) had not. Commission responses are shown in Exhibit 14. Some states like Oregon and New Hampshire are just beginning this process, while Maine and West Virginia investigated interdependencies in preparation for Y2K. In addition, the Maine commission participated in a tabletop exercise in February 2005 which examined various interdependencies on a statewide basis. Other states, including Michigan and New Jersey have closely examined the issue as a direct result of the August 2003 Blackout.

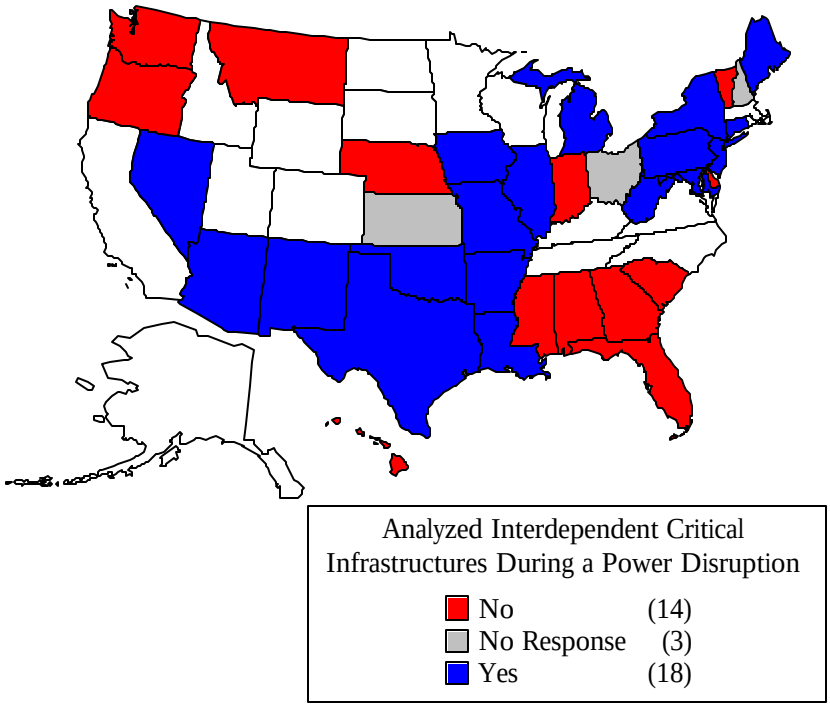

Exhibit 14. Responses concerning commission review to determine such interdependent downstream consequences resulting from an energy disruption (Question 4q).

The New Mexico commission received a presentation from the Sandia National Lab. In Texas, the commission has conducted joint meetings of the major telecom and electric utilities to discuss their response to a widespread blackout in Texas. One interesting result was that in a blackout situation, power is the first priority for telecommunications companies while telecommunications is the first priority for electric companies. The major companies all appeared to have adequate systems in place.

Question 4 (s-t). Energy assurance planning involves the modification of existing procedures and/or the adoption of new procedures and efforts to integrate energy assurance into everyday practices of the Commission. Regarding such planning integration, has your Commission been involved with any of the following:

4s. Has your Commission designated a member of your staff to act as a security coordinator within your Commission?

4t. Please comment if desired:

Response to Question 4 (s-t)

A total of twenty-five (25) commissions have designated a staff member to act as a security coordinator, while ten (10) commissions have not. Refer to Exhibit 15.

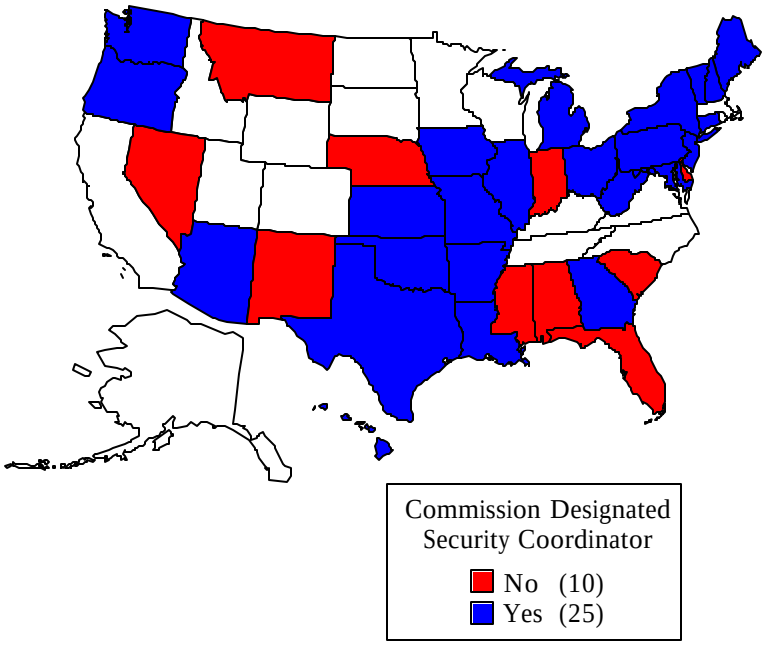

Exhibit 15. Responses concerning designation of a staff member to act as a security coordinator within the commission (Question 4s).

Question 4 (u-v). Energy assurance planning involves the modification of existing procedures and/or the adoption of new procedures and efforts to integrate energy assurance into everyday practices of the Commission. Regarding such planning integration, has your Commission been involved with any of the following:

u. Has your Commission approved an emergency, contingency, or energy assurance plan for any of the regulated electric or gas utilities in your State?

v. Please comment if desired:

Response to Question 4 (u-v)

Only thirteen (13) of the commissions responding had approved an emergency, contingency, or energy assurance plan for any of the regulated electric or gas utilities in their state, while seventeen (17) had not. Commission approval or action of utility emergency, contingency or energy assurance plans is shown in Exhibit 16. One common theme of the responses was that plans are often required to be filed with, and often reviewed by the commission, but are not approved by the commission. This is true in Maine, Michigan, New

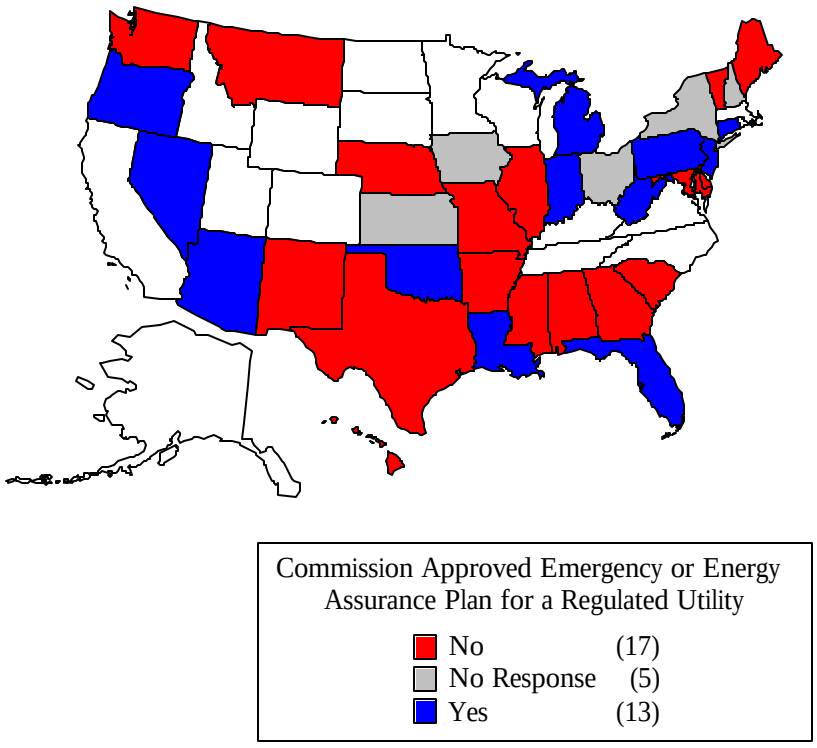

Exhibit 16. Responses regarding commission approval of an emergency, contingency or energy assurance plan for a regulated electric or gas utilities (Question 4u).

York, and Vermont, where plans are filed with the commissions but are not formally adopted or approved. Responses included:

Arizona. Utilities must have a plan to curtail load as a result of generation supply shortage, fuel shortage, or because of events resulting from emergency situations. In September 2004, the commission approved Load Curtailment Tariffs with 2004 Load Curtailment Plans of all jurisdictional Electric Power Cooperatives.

Connecticut. Pursuant to Conn. Gen. Stat. § 16-32e, all public service companies file emergency plans with the DPUC every five years.

Florida. These items are included in the FRCC Generating Capacity Shortage Plan.

Georgia. A Plan is currently under development by the Georgia Environmental Facilities Authority.

Indiana. The Pipeline Safety Division of the commission approves emergency plans for pipeline operators. Electric utilities filed emergency plan with the commission as part of the Y2K investigation.

Michigan. The commission issued emergency electrical procedures (Case Number U-4128) and has also approved curtailment procedures for the gas utilities.

New Jersey. The New Jersey Board of Public Utilities works with the New Jersey Domestic Preparedness and Security Task Force in reviewing energy emergency response plans. Such plans are also routinely reviewed as part of commission's reliability programs.

Oklahoma. The commission will review required plans and supporting documentation beginning in 2005, and is also is developing a package designed to train commission and utility field personnel in threat identification and how to properly notify first responders.

CRITICAL INFRASTRUCTURE INFORMATION

Question 5. Since September 11, 2001, considerable attention has been given to balancing the disclosure of critical infrastructure information verses the public's right to know about important energy infrastructure and policies. Much of the information for critical infrastructure preparedness can be proprietary to private companies or have homeland security implications. Such information could include detailed maps of energy infrastructure, information on system architecture, consequence analysis or other vulnerability assessments. The Federal Energy Regulatory Commission (FERC) issued Order No. 630 in February 2003, and most recently Order 639 on August 3, 2004, which address the appropriate treatment of critical energy infrastructure information (CEII). FERC removed from easy public access certain documents that previously had been public in order to protect critical infrastructure information. Similarly, the Department of Homeland Security issued an interim rule in February 2004 concerning the Procedures for Handling Critical Infrastructure Information (CII). [Federal Register: February 20, 2004, Volume 69, Number 34, Page 8073-8089] wais.access.gpo.gov

5a. Has your State implemented any similar statute, regulation or rule that modifies FOIA procedures in your State to protect sensitive information or provide other legal means of protecting information from disclosure?

5b. Please comment if desired:

Response to Question 5

A total of twenty-one (21) commissions responded that they had taken some action to modify FOIA procedures in their state to protect sensitive information or provide other legal means of protecting information from disclosure. However, thirteen (13) had taken no action. Refer to Exhibit 17.

In certain states, such as Arkansas and Louisiana, the commission has the specific statutory authority to issue protective orders of non-disclosure covering confidential or proprietary information. In Georgia, the commission does not provide documents to outside parties showing the location of critical utility infrastructure. Most records of the Iowa Utilities Board are not shielded from the Iowa Open Records law. Therefore, the Board has adopted a policy of not collecting security type information in writing.

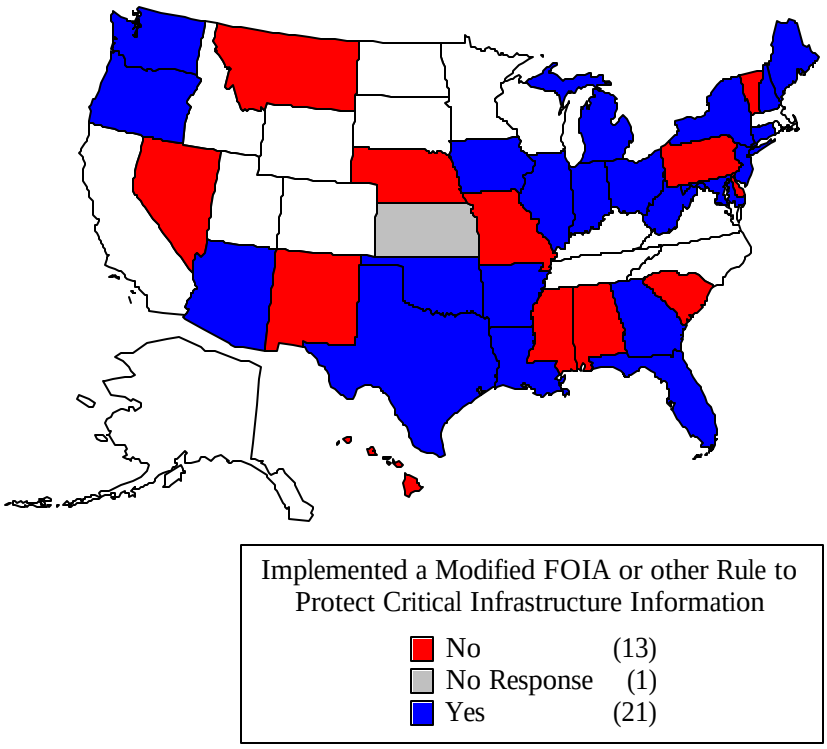

Exhibit 17. States where any statute, regulation or rule that modifies FOIA procedures have been implemented to protect sensitive information or provide other legal means of protecting information from disclosure (Question 5).

Of the states where action has been taken to protect critical infrastructure information from disclosure, some of the most exemplary protection efforts include:

Indiana. Indiana Statue (IC 5-14-3-4) protects "a record or a part of a record, the public disclosure of which would have a reasonable likelihood of threatening public safety by exposing a vulnerability to terrorist attack. A record described under this subdivision includes: "A) a record assembled, prepared, or maintained to prevent, mitigate, or respond to an act of terrorism under IC 35-47-12-1 or an act of agricultural terrorism under IC 35-47-12-2; (B) vulnerability assessments; (C) risk planning documents; (D) needs assessments; (E) threat assessments; (F) domestic preparedness strategies; (G) the location of community drinking water wells and surface water intakes; (H) the emergency contact information of emergency responders and volunteers; (I) infrastructure records that disclose the configuration of critical systems such as communication, electrical, ventilation, water, and wastewater systems."

Michigan. Following 9/11, the Michigan legislature amended the state's Freedom of Information Act to include an exemption "for records and information of measures designed to protect the security or safety of persons or property".

New Jersey. Regulations are being finalized to exempt critical utility information from public disclosure.

Washington. Chapter 42.17.310 RCW covers public disclosure of documents and information, including explicit exemptions for certain kinds of information. RCW 42.17.310(1)(ww) states that "Those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal terrorist acts, which are acts that significantly disrupt the conduct of government or of the general civilian population of the state or the United States and that manifest an extreme indifference to human life, the public disclosure of which would have a substantial likelihood of threatening public safety, consisting of: "(i) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; and (ii) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism."

APPENDIX A: INVENTORY QUESTIONS

NARUC Energy Assurance Planning Inventory

1. State Commissions are integrally involved in traditional energy emergency response planning in conjunction with Governors, state energy offices, and other state and federal agencies.

Please describe your Commission's current role and responsibilities in energy preparedness planning in your state. In particular, does the Commission have lead authority or participate under the authority of another state agency?

If a description of this information exists on the web, please enter the URL where the information is contained below

AND/OR attach a digital copy of the document, statute, regulation or order which describes any such planning with your response. (You may attach more than one file)

2. Updating and refining of policies on a periodic basis, as well as practicing emergency procedures are components of comprehensive energy preparedness planning.

Does your State have a procedure for updating its energy emergency plan? And if so, when was the plan last updated in your State? Has your State recently conducted an energy emergency exercise or implanted the plan due to an actual threat? If so, when?

3. As a direct result of the September 11, 2001 attack on the United States and other major disruptions such as the August 2003 blackout and 2004 cold-snap in the Northeast, energy emergency planning efforts are evolving into energy assurance planning. Energy assurance planning links traditional energy emergency planning with broader critical infrastructure protection efforts and energy shortage mitigation planning. Energy assurance planning utilizes an all hazards or threats approach including deliberate foreign and domestic terrorist attacks, natural events involving weather and earthquakes, accidents such pipeline failure and contaminate spills, and systemic threats caused by physical inability of energy delivery system or market induced effects to meet demand.

Has your Commission been involved, or is it planning any efforts with other State agencies or regional energy entities to broaden current energy emergency planning (such as those under ESF-12) to include critical infrastructure protection and energy or fuel shortages? Please provide a general description or overview.

If a description of this information exists on the web, please enter the URL where the information is contained below

AND/OR attach a digital copy of the document, statute, regulation or order which describes this issue with your response. (You may attach more than one file)

4. Energy assurance planning involves the modification of existing procedures and the adoption of new procedures and efforts to integrate energy assurance into everyday practices of the Commission.

Regarding such planning integration, has your Commission been involved with any of the following:

Reviewing, commenting or voting on revisions to the North American Electric Reliability Council (NERC) reliability standards?

☐ Yes ☐ No

Please comment if desired:

In response to 9-11 or the August 2003 Blackout or some other threat event, developed new specific electric reliability standards or policies in your State?

☐ Yes ☐ No

Please comment if desired:

Conducted informal or formal meetings, including any regional efforts, on fuel contingencies for natural gas, coal, or petroleum? Such hearings might include the status of pipeline inspections and safety, timely delivery of fuel during a contingency, or the amounts of fuel storage required for various contingencies. This could also include a

determination of the adequacy and deliverability of fuels for backup generation during an outage.

☐ Yes ☐ No

If yes, were the meetings regional in scope?

☐ Yes ☐ No

Please comment if desired:

During severe threat events, telecommunication and communication systems utilized by energy providers (generators, transmission companies and load serving entities) are critical to response and recovery efforts. Has your Commission reviewed or conducted any informal or formal meetings to assess the ability of energy providers to communicate during threat events? This could include an analysis of current communication systems utilized and any backup or redundant communication systems.

☐ Yes ☐ No

Please comment if desired:

Wide-spread energy outages, such as the August 2003 Blackout highlighted the need to consider the consequence of energy disruptions on downstream, interdependent critical infrastructures. These include, but are not limited to, power for telecommunication networks, computer and information systems, water and wastewater facilities, refineries and natural gas pipeline compression. Has your Commission reviewed or conducted any

informal or formal meetings to determine such interdependent downstream consequences?

☐ Yes ☐ No

Please comment if desired:

5. Since September 11, 2001, considerable attention has been given to balancing the disclosure of critical infrastructure information verses the public's right to know about important energy infrastructure and policies. Much of the information for critical infrastructure preparedness can be proprietary to private companies or have homeland security implications. Such information could include detailed maps of energy infrastructure, information on system architecture, consequence analysis or other vulnerability assessments.

The Federal Energy Regulatory Commission (FERC) issued OrderNo. 630 in February 2003, and most recently Order 639 on August 3, 2004, which address the appropriate treatment of critical energy infrastructure information (CEII). FERC removed from easy public access certain documents that previously had been public in order to protect critical infrastructure information. Similarly, the Department of Homeland Security issued an interim rule in February 2004 concerning the Procedures for Handling Critical Infrastructure Information (CII). *[Federal Register: February 20, 2004, Volume 69, Number 34, Page 8073-8089] wais.access.gpo.gov*

Has your State implemented any similar statute, regulation or rule that modifies FOIA procedures in your State concerning the availability and handling of critical energy infrastructure information?

☐ Yes ☐ No

Please comment if desired:

If a description of the statute, regulation or rule exists on the web, please enter the URL where the information is contained below

AND/OR attach a digital copy of the document, statute, regulation or order which describes any such statute, regulation or rule with your response. (You may attach more than one file)