

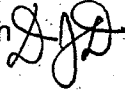


City of Bowie

2614 Kenhill Drive
Bowie, Maryland 20715

MEMORANDUM

TO: City Council

FROM: David J. Deutsch 
City Manager

SUBJECT: BGE Task Force Interim Report

DATE: November 28, 2007

Attached please find the first interim report from the BGE Task Force. The Task Force has met 14 times since it was created by City Council on May 21, 2007. Two of those meetings were at BGE facilities, the BGE Operations Center in Woodlawn and the BGE Communications Center in Dorsey.

The Bowie members of the Task Force are:

Chairman	William Jahn
Vice Chairman	Craig Muckle
	Brendan Bohan
	Dario Ciuffetelli
	Mary Conroy
	Jeffrey Cooper
	Leonard Lucchi

Attached is a breakdown of the BGE involvement in this effort. In addition to the BGE Task Force participants (noted on the attachment), a BGE Bowie Steering Team receives monthly briefings from the Task Force and acts as a liaison to the BGE Executive Leadership Team. A BGE Bowie Reliability Team and BGE Bowie Communication Team have also been established. You can see by the attached, and as noted in the Task Force Report, BGE is represented at the Senior Vice President level in this effort. Several BGE Senior Vice Presidents have attended and participated at Task Force meetings. Craig Distelhorst has acted as a facilitator for the Task Force meetings.

Chairman William Jahn will present the Interim Task Force Report to City Council. Other Bowie members of the Task Force will also be in attendance. BGE will also be represented at the Council Meeting. Carol Dodson, Vice President, Business Transformation, will be the senior representative from BGE attending your meeting.

Attachments

BGE Assignments in Bowie Reliability Improvement Effort

Bowie Task Force

Joseph Bunch
Director, Customer Planning

Doreen Hartley
Director, Customer Relations Contact Center

William Rees
Director, Forestry

Rodney Oddoye
Senior Engineer, Reliability and Maintenance Planning

Michael L. Fowler
Senior Government Relations Representative, Public Affairs

Bowie Steering Team (receives monthly briefings from TF and acts as liaison to BGE's Executive Leadership Team)

Joseph Bunch
Doreen Hartley
Michael Fowler

Carol Dodson
Vice President, Business Transformation

Stephen Woerner
Senior Vice President, Electric Business & Operations Planning

Johnny Magwood
Senior Vice President, Customer Relations & Account Services

A. Christopher Burton
Senior Vice President, Asset Management Services

Brian Daschbach, Sr.
Senior Vice President, Integrated Field Services

Malinda Small
Vice President, BGE Communications

Ronald Carstens
Director, Electric Distribution System & Reliability Planning

Bowie Reliability Team

William Rees
Rodney Oddoye
Michael Fowler

Ken Braerman
Principal Engineer, Reliability & Maintenance Planning Unit (RMPU)

Ervin McDaniel
Supervisor, Customer Reliability Support (CRS)

James Adams
Senior Engineer, Electric Distribution Engineering & Standards

Da'Janel Roberts
Engineer III, CRS

Diane McGahagan
Senior Engineer, CRS

Ijeoma Ozobu
Senior Engineer, System Planning Unit

Rick Knotts
Principal Engineer, Distribution Planning Unit (DPU)

Gerry Kretschmer
Senior Distribution Technician, DPU

George Morris
Senior Distribution Technician, DPU

Bowie Communications Team

Malinda Small
Doreen Hartley
Michael Fowler

Robert Gould
Vice President, Corporate Communications - Constellation Energy

Linda Foy
Principal Corporate Communications Consultant – Constellation Energy

Kathleen Proctor
Manager, BGE Customer Communications & Consulting

Jeanne Hein
Manager, BGE Employee & Electronic Communications

Barry Hedden
Communications Specialist, BGE Customer Communications & Consulting

Ross Campo
Director, Overhead Distribution

Steven Greenlow
Supervisor, Distribution Operations

Debra Whitelock
Director, Liaison & Investigations

Calvin Little
Supervisor, Field & Reliability Investigations

MEMORANDUM

DATE: November 27, 2007

TO: City Council

FROM: Baltimore Gas and Electric/Citizen Task Force

SUBJECT: Interim Report

The BGE Task Force that was established in May of this year by a resolution of the City Council commenced its work on May 30 with the assistance of a facilitator, Mr. Craig Distelhorst. The BGE and Bowie citizen members of the Task Force are working together in a collegial manner, while at the same time the Bowie members are being very open and direct in expressing our concerns and our views on the expected results from our work in order to ensure that there are no misunderstandings as to the issues that need to be addressed. As Bowie members we are pleased with the commitment made by BGE at the Senior Vice President level to identifying and implementing solutions to our service issues. A commitment has also been made to increase funding to implement the recommendations of the Task Force.

The Council established the Task Force for a period of one year. It has become clear to both the Bowie members of the Task Force and BGE that it will be necessary to continue the work of the Task Force for an indefinite period of time after approval of the task force recommendations to periodically evaluate the progress being made on their implementation and to ensure that the solutions being implemented are in fact achieving the desired results. An additional factor is that, BGE will be committing the necessary funding and personnel over a multi year period.

The first order of business of the Task Force was to identify all of the issues of concern to both parties and then to prioritize them for consideration. Attachment 1 of this report lists all of the identified issues that need to be taken into account and/or addressed in developing recommendations to improve the reliability of electric service as well as improve upon customer service issues. It is requested that the Council review this list of issues to ensure that we have captured all of the issues of concern in developing a series of recommendations to greatly improve electricity service in Bowie.

For the moment, the Task Force is focused on two areas; infrastructure improvement including feeder line performance, equipment issues and tree trimming, and a wide range of customer service/communication issues. After hearing and discussing the issues and concerns raised by Bowie, BGE established two internal task groups. One has developed specific recommendations to improve the reliability of the 11 worst performing feeders in Bowie. These recommendations are now being reviewed by the Task Force to help prioritize the work. The second group is developing a program for improving customer service and communications with the citizens of Bowie, especially during power outages. BGE is continually updating and

enhancing its capabilities and equipment. We hope to be able to pilot some of these in Bowie to help address our problems.

Recognizing that recommendations for infrastructure improvements will take much more time to develop and implement and that customer service issues are a major concern to Bowie citizens, and that some of the concerns have safety implications, the Task Force is focusing on obtaining immediate improvements in the customer service area. It is our intent to provide the City Council with an agreed set of recommendations in the first quarter of 2008.

As the Bowie members of the Task Force, we were very surprised to learn of the poor level of performance of the 21 feeder lines that service Bowie in relation to the other similar feeder lines in the BGE system. Attachment 2 of this report is a table showing Feeder Line Reliability Ranking for 2006. It lists the 21 Bowie feeders, the neighborhoods that they service as well as their ranking among the 974 similar feeders. You will note that even the most reliable Bowie feeder ranks slightly under 56% in comparison to all of the other feeders and that 10 of the 21 feeders fall under the 6 ½ percentile meaning that over 93 ½ percent of the similar BGE feeders are more reliable than those serving roughly 48% of the citizens of Bowie. The 11 feeders highlighted in this attachment are the ones that BGE is focusing on in making improvements to our service reliability.

One of the reasons that we are bringing this to your attention is that we need to understand that we have a steep hill to climb to raise electricity reliability to a level acceptable to the citizens of Bowie, and I am sure, to this Council. The Bowie members of the Task Force have made it clear to senior BGE management that the City of Bowie prides itself in the quality of services that it provides, that the citizens of Bowie have come to expect high quality services and that even the most reliable feeder lines serving Bowie are not up to the level of reliability that we will expect when the recommendations are fully implemented. I believe that BGE understands our position and that they are committed to improving Bowie's overall level of reliability. The extent of the problems that we are facing is another reason why we want this Task Force to continue periodic meetings while infrastructure improvements are being implemented.

There are three additional attachments to this report that I want to draw to your attention. Attachment 3 is a report on the recent Corridor Tree Trimming Project. Attachment 4 is a list of a few of the initiatives that BGE has undertaken to improve communications with Bowie residents and Attachment 5 is an interim report on some of the infrastructure improvements that BGE is proposing for the 11 worst performing feeders in Bowie. I want to emphasize that these reports were presented to the Task Force at our last meeting so we have not had a chance to study them or to discuss them with BGE. Our objective is to keep the city informed on our progress and to quickly reach the point where we can recommend certain improvements to the equipment infrastructure and on communications issues while we continue to work on additional recommendations. It is my view that the Council and the citizens of Bowie do not want the Task Force to take a year studying the issues before we recommend work begin on real improvements. Once we evaluate the infrastructure improvements being proposed by BGE we will come back to the Council with recommendations. Based on concerns that we have raised, certain improvements to BGE's communications capabilities are being studied and implemented. Once the Task Force has had a chance to study and discuss these improvements, we will submit a

detailed report to the Council also. In the mean time, we do not want the Task Force process to stand in the way of BGE continuing to work on its internal processes that need to be in place before work can begin on improvements.

I also want to report that the Bowie members met with the People's Counsel to obtain reports, information, a regulatory perspective and to understand other options that are open to Bowie if necessary. However, at this point, we see no reason why pursuing other routes will be necessary nor will it improve our service any quicker.

Finally, Mr. Mayor and City Council Members, the seven citizens that were appointed to the Task Force in May, have provided the right mix of technical, customer service, legislative, legal and public affairs expertise needed to fulfill the purposes and functions that we have been assigned and we desire to continue to keep these individuals engaged in this effort in the future.

Issues Raised by Bowie Task Force

Infrastructure

- City distribution, facilities, and infrastructure (upkeep, quality, maintenance):
- Need to improve electric infrastructure.
- Transformers very vulnerable to wild life.
- Ability to identify where an outage exists and the extent of the outage.
- Cost benefit ratio of putting lines underground i.e. Verizon appears to be able to afford it.

Customer Service/Communication

- Unable to speak with a person
 - Provide limited or no information
 - Provide accurate information
- Communications have to improve through all stakeholders, i.e. city, residents, BGE etc.
- BGE is not responsible enough to individual homeowners.
- Do not see BGE representatives on local media. Only PEPCO represented.
- Different responses from BGE depending on who you speak to when.
- Need for more educational information about BGE operations/distribution system. Including storm restoration process.
- Concern over special needs customers when power is out.

Reliability

- Need to focus on poorly performing feeders.
- Major events-impact on Levitt/Bowie
- Outages in non-weather events cause PR problems for BGE.

Response Time

- Response time on resident tree calls (i.e. tree on wire). Time from call to resolution.
- Need better estimated restoration times.
- Perception that Bowie is low on totem pole compared to areas closer to Baltimore.
- Perception that BGE crews are not working in Bowie but are active in surrounding areas.

Vegetation Management

- Responsibility for tree debris.
- View that BGE doesn't adequately maintain their lines going through back yards.
 - Specific to trees
- Results of Corridor trimming pilot.—Public reaction—BGE reaction—and results.
- Need to address tree trimming and infrastructure. Factor in cost benefits.
- Need to address tree trimming in residential and non-residential areas.
 - Consideration of environmental issues.
- Tree trimming efforts should take species, age, etc., into consideration.
- Concern that corridor trimming is too aggressive and will make houses harder to cool/provide shade, Noise buffer, etc. character change.
- Unwilling to help customers resolve tree-related issues.
- Perception that it is cheaper to restore service than to trim trees.
- Perception that it is too expensive to trim trees.

Legal Rights

- Customer's legal rights and remedies.
 - Power outages
 - Trees.

Benchmarks

- Best practices on national level
 - Transparency of these standards/practices
- Would like to see CAIDI, SAIDI, etc. data as compared to national averages.

Procedures

- Comprehensive list of procedures needed for residents (list of future options.)
- Perception that we do not have adequate procedures for downed lines.

2006 Bowie Feeder Rank by Neighborhood

Feeder	Neighborhood	Rank	Percentile
7434	Derbyshire/Bowie Forest/Buckingham	8	0.82%
8462	Ensleigh/Essington/Heather Hills/Kenilworth	17	1.75%
8413	Old Stage/Westview/Woodmore Highlands	19	1.95%
7417	Fairview/Highbridge Park/Stewart's Landing	22	2.26%
7422	Huntington/Huntington Crest/Rolling Hills/Rockledge/Belair Greens/Grady's Walk	25	2.57%
8414	Meadowbrook/Chapel Forge	29	2.98%
7419	Tulip Grove	36	3.70%
7420	Foxhill/Someset/Tulip Grove	50	5.13%
7440	Pointer Ridge/Devonshire Estates/Lake Village Manor/Mitchellville/Ridgeview Estates	61	6.26%
8463	Bowie Commons/Enfield Chase	63	6.47%
7445	Collington Station/Collington Manor	136	13.96%
7441	Glen Allen/Covington Manor/Heather Hills/Mitchellville/Mitchellville East	216	22.18%
7442	Pointer Ridge/Northview/GrovehurstAmber Meadows/Enfield Chase/Oak Pond/Oak Tree/Ternberry/Archstone/Tall Oaks CrossingRidgeview Estates	220	22.59%
7418	Long Ridge/Princeton Square	236	24.23%
7438	Victoria Heights/Yorktown/Overbrook/Chapel Forge/Belair Town	249	25.56%
7421	Old Chapel Estates/Chapel Forge/Overbrook/Rockledge/Whitehall	351	36.04%
7437	Idlewild/Bowie Forest	354	36.34%
7436	Forest Hills/Longleaf	464	47.64%
7444	Amber Meadows/Lake Village Manor/Oak Pond/Oak Tree/Mitchellville	465	47.74%
7447	Evergreen Estates/Covington Manor/Mitchellville East/Mitchellville/Northview/Pin Oak Village	507	52.05%
8465	Saddlebrook	543	55.75%

Those feeder lines in bold have been identified by BGE to receive priority attention to improve reliability. The above ranking is for 2006 and excludes Major Storms (A weather event that causes outages to over 100,000 customers and service restoration takes 24 hours or more to complete). All service is typically restored in two to three days. The 2006 ranking is based on 75% of 2005 events and 25% of 2004 events.

2007 Bowie Corridor Tree Trimming Pilot Summary Feeder 8414

The Bowie Corridor Tree Trimming Pilot program was performed along the 3.7 mile feeder main which is the backbone of the 10.7 mile feeder that serves the Meadowbrook and Chapel Forge sections of Bowie. The remaining 7 miles of the feeder was managed under the normal routine tree trimming practices. The Corridor work involved removing all overhanging branches above the lines; removing all trees under 8 inches and all pines within 20 feet of the lines; and removing all hazardous trees within approximately 35 feet of the lines. The work began in early June and was completed as of 8/17/07. Two variances remain that are presently in the final stages of resolution. The project took approximately 9 weeks to complete. 364 total trees over 8 inches were removed. The entire project was completed without any injuries and only very minor property damage which was quickly rectified.

The project proceeded relatively smoothly which reflects the support received from the City, a comprehensive information and education process in advance of the start of the project, a very thorough house-to-house notification effort by the contractor for the properties on which the tree work occurred, and effective oversight of the work by BGE. In addition to the house-to-house notification, all residents served by the feeder received letters explaining the Corridor program while resident with trees that would be potentially impacted by the work were specifically alerted to this fact.

BGE offered each resident the option of retaining the wood or having it removed from the site. Most residents opted to have the wood removed. Consequently, a key challenge in the project was wood and debris disposal. The removal of large volumes of wood and wood chips typically presents logistical challenges under normal circumstances. In the Corridor project, the logistical challenges were multiplied due to the Emerald Ash Borer quarantine. Initially, the wood and chips were hauled to disposal sites. The distance of the disposal sites increased as the project moved forward. Working with the City, BGE was able to secure a staging area and a contractor previously used by the City to process the material near where the work was occurring. This ultimately proved to be cost-effective relative to the previous disposal methods.

BGE offered to provide compensation for trees greater than 8 inches situated on lawn areas that were removed during the course of the Corridor work. The compensation process provided up to \$100 per qualifying tree removed upon the submittal of appropriately documented receipts. Less than 10 requests have been submitted out of approximately 100 potential opportunities.

BGE continues to closely monitor the reliability performance associated with this project to gauge its effectiveness.

BGE Communications Update

11/19/07

As the result of the breadth of issues identified related to communications, BGE initiated an internal team solely dedicated to reviewing and addressing communications-related issues. The team has met since the later part of October, 2007. Listed below are a few of the initiatives that have been undertaken thus far:

- Modify the Company's interactive voice system (IVR) – retained a consultant to assist with re-scripting the IVR to improve call flow options and enhance customers' abilities to reach a live representative when so desired.
- Further study and recommend improvements for providing estimated restoration times during storm conditions. (An audit conducted for providing ETR's during non-storm conditions revealed that only moderate improvement is necessary.)
- Implement a process for making out-bound calls to customers in order to provide ETR updates, warn customers of impending storms, communicate the cause of outages, etc. A test of this process, as well as the technology, was conducted for approximately 4,000 Bowie customers. After a recent outage, BGE called all impacted customers to communicate the cause of the outage – a mylar balloon tangled in overhead lines. The feedback from this test was positive; therefore BGE intends to pursue this process as an operating standard for non-storm conditions going forward.
- Enhance the frequency of direct-mail communications directed to the residents of Bowie.
- Increase BGE's presence at community outreach activities in Bowie.
- Situate a corporate spokesperson in Bowie during the next significant storm where a significant customer base is without power. (BGE will assess the effectiveness of this presence and report findings to the Task Force.)
- Attempt to increase the print and broadcast coverage of BGE's activities in and around Bowie.

The BGE Communications Team has reported progress to date to the Bowie Task Force and intends to provide on-going updates.

BGE Infrastructure Improvement Update

11/19/07

BGE formed an internal Bowie Reliability Team in March of this year to help focus the effort to address the concerns of various stakeholder groups in Bowie regarding reliability of the electric distribution system. The team has met regularly since its formation and has developed a conceptual plan to address the distribution infrastructure in Bowie over the next three years.

- Team includes broad company representation
 - Meets bi-weekly
 - Reports to executive-level BGE leadership
- Analyzed reliability data covering 24-month period
 - Data included all weather events
 - 5 major storm declarations ¹
 - 34 minor storm declarations ²
 - 20 adverse weather declarations ³
- Used data to compute 24 month SAIFI ranking ⁴
- Ranking used to prioritize 21 Bowie feeders
- Team recommended some tools to be used including, but not limited to:
 - Tree trimming & removals
 - Reconductoring and reconstructing existing lines
 - Targeted undergrounding of select feeder mains
- BGE management committed to addressing 11 top-tier poor performers in near term
 - Committed to implementing improvements within 3 years
 - Cost in excess of \$10 million
 - Currently refining plans – involves detailed engineering/design, scope, project management
 - Have engaged Task Force for assistance in prioritizing work

¹ Major Storm: A weather-related event that causes outages to over 100,000 customers and service restoration takes 24 hours or more to complete. All service typically restored in 2-3 days.

² Minor Storm: A weather-related event producing loss of electric service to over 12,000 with service typically restored in 1-2 days.

³ Adverse Weather: A weather-related event causing less than 12,000 customer outages. (Not considered a “Storm”.)

⁴ SAIFI: System Average Interruption Frequency Index

$$\frac{\text{Total Number of Customer Interruptions}}{\text{Total Number of Customers Served}}$$