

PSEG Long Island Isaias Update on Project Plans

DECEMBER 16, 2020

Agenda

- Opening Statements
- Progress and Planning for Key Objectives
 - Telecommunications
 - Outage Management System (OMS)
 - Operating Model
 - Additional Project Plans
- Path Forward
- Next Steps

PSEG Long Island's Pledge

- PSEG Long Island will implement **ALL** Tier 1 recommendations from LIPA 30 & 90 day reports
- PSEG Long Island is committed to learning from and improving on Isaias experience
- We will prove to LIPA why we are the provider of choice
- We have and will continue to own the issues:
 - \$6.5M paid out of profits for spoiled food and medicine to date
 - Public acknowledgement that we did not live up to our own expectations
 - Committed to our customers and want the chance to make good
- We are confident we can fix the issues and gain back the trust of LIPA, DPS, customers and key constituents



Outstanding Employees and Focused Mission will Lead to Success....Again!

Our Mission remains the same, to build an industry leading electric service company that places safety first, in all we do, providing our customers across Long Island and the Rockaways with:

- Excellent customer service
- Best in class electric reliability and storm response
- Opportunities for energy efficiency and renewables
- Local, caring, and committed employees, dedicated to giving back to their communities

The LIPA and PSEGLI partnership has accomplished a great deal since the LIPA Reform Act:

While the Task Force report rightly identifies that these metrics are not comprehensive, they are a point of pride and show our capability to improve:

42%

Increased Customer
Satisfaction

35%

Improved System
Reliability

>1000

Miles of hardened Electric
Grid

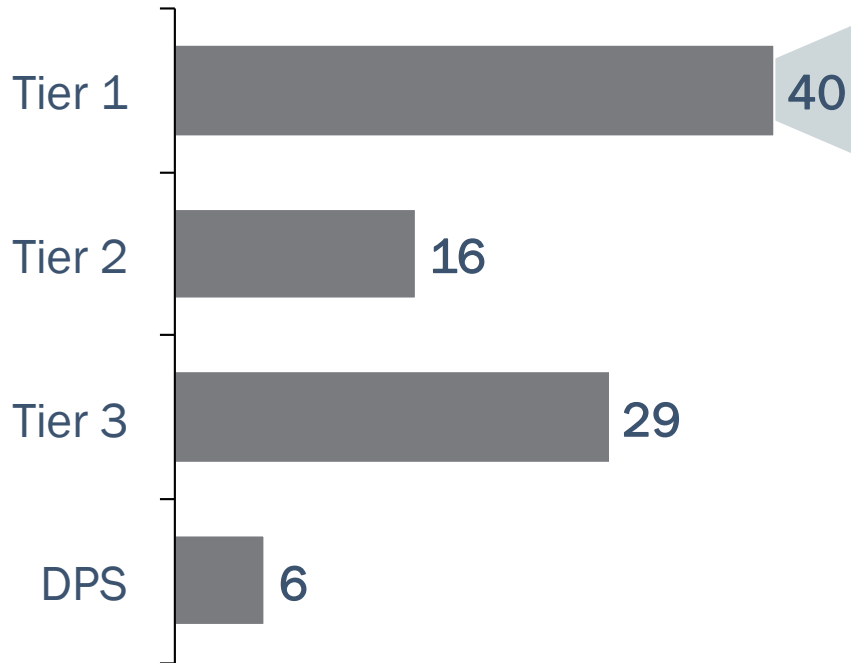
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Megawatts of clean
energy procured

Summary of LIPA and DPS Recommendations – Tier 1 Focus

30 project plans have been developed to address the 40 tier 1 recommendations

Recommendation Breakdown by Tier

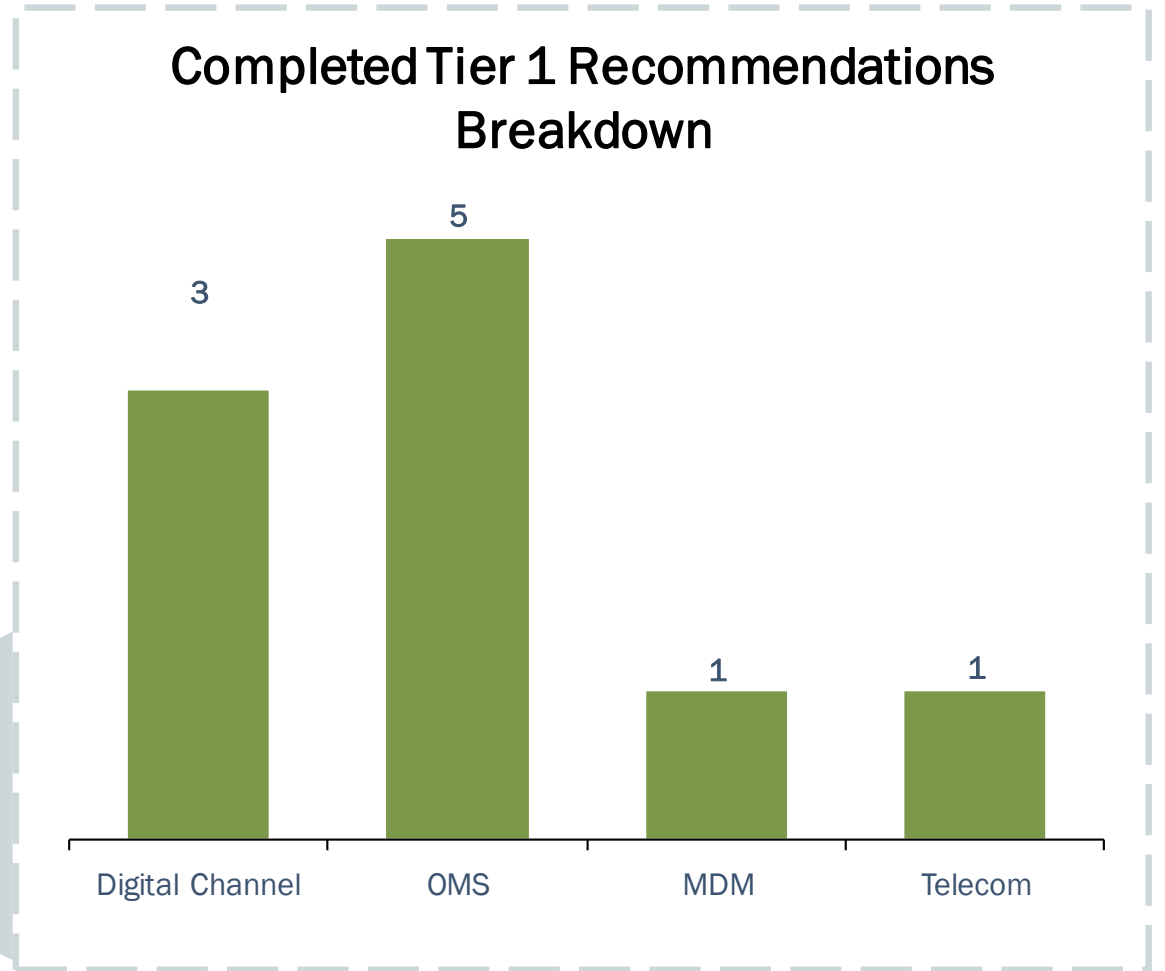
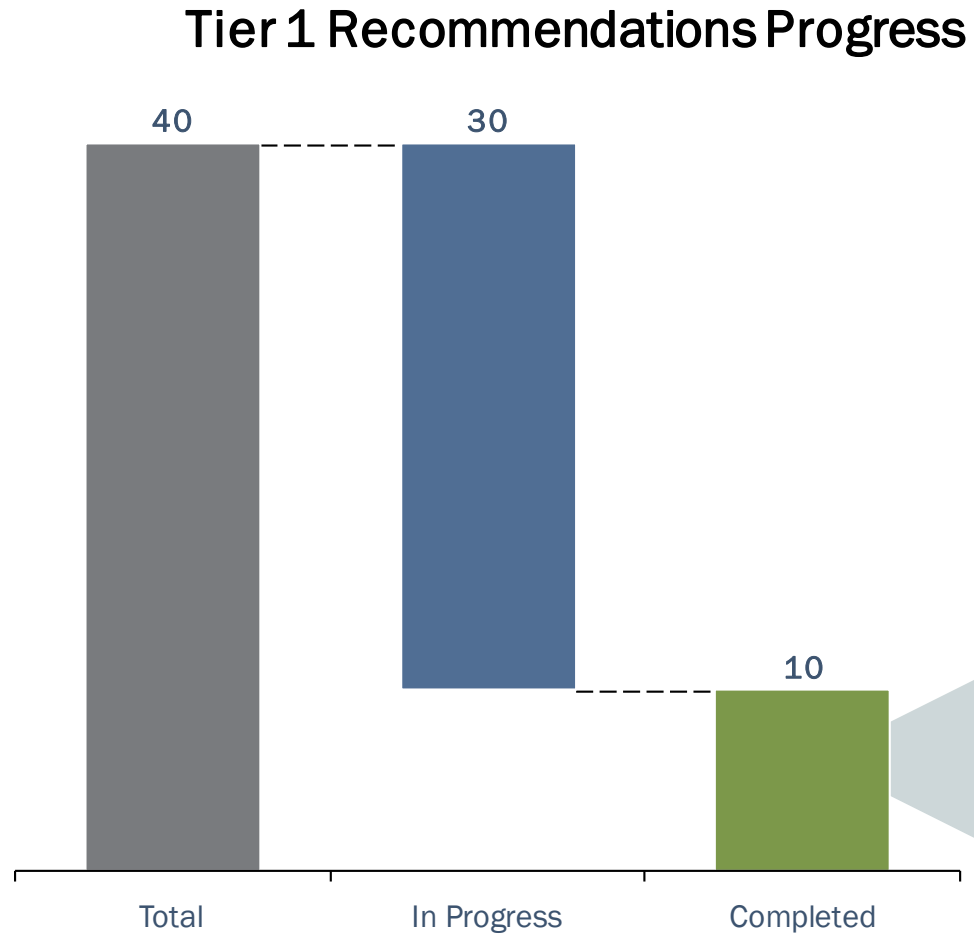


All 85 LIPA and 6 DPS Recommendations will be addressed

Tier 1 Recommendations by Activity Grouping

Recommendation Categories	# Recs
Outage Management System (OMS)	18
Telecommunications	7
Digital Channel Enhancement	6
Operating Model	2
AMI Integration and Deployment	2
MDM Enhancement	1
Field Mobility	1
Crisis Management Team (CMT)	1
Emergency Assistance	1
Causal Analysis Team Review (CATRR)	1

10 of the 40 Tier one recommendations have already been completed and accepted by LIPA across a number of categories



Clear Priorities – Telecom – OMS – Organization Responsiveness

Telecommunication

- Identify and **eliminate or mitigate bottlenecks** and **increase call capacity** for customers to report outages via the telephony systems
- Implement appropriate **capacity monitoring and management processes**
- **Modernize the call center infrastructure**

Outage Management System

- Maintain the **current, stable OMS v5.5** and invoke documented actions **should it approach capacity limits**
- Improve the performance and function of the **OMS v6.7** and **re-implement** to create a prudent utility solution to address future storm events

Operating Model

- Strengthen **culture of transparency**, preparedness and continuous improvement
- Responsive dedicated management to LIPA and Long Island
- Broadened focus on operational risks, crisis management, and regulatory concerns.

Telecommunications Progress

On 12/3 the newly implemented design for calling the 800-490-0075 outage number was stress tested to 5000 concurrent calls (agreed upon threshold after Isaias)

Completed and Future Action Items



Added additional capacity in Verizon's networks



Removed bottleneck from Verizon to High Volume Call Service (Intrado)



Completed stress testing of up to 5000 concurrent calls



Leveraged advice of third party experts



Planned end-to-end test for January 2021

Note: Preliminary results show that the system met the exit criteria with no abnormal amount of failed or dropped calls (<4%).

OMS Status and Project Plan

Current status of OMS PragmaLINE v5.5

- Mitigating actions and preliminary business continuity plans have been developed.
- Performance and stress testing¹ was completed on September 4th
- The **following areas passed** testing:
 - OMS Web Service
 - ESB Web Services
 - Application System Resources
 - Server/Database Disk I/O Utilization
 - Network Bandwidth
- The **following areas did not pass** testing:
 - OMS Group Manager Service
 - OMS Incident Manager
 - Outage Map Accuracy

Status of OMS PragmaLINE v6.7

- **v6.7 is the desired version** given that it is vendor supported for enhancements and more completely enables AMI & Field Services Integration
- 8 tests conducted to date on v6.7 using Isaias storm conditions; has failed to perform at a satisfactory level

OMS v6.7 Plan

- **Re-platform v6.7** – estimated time to implementation 3-5 months
- Re-test OMS v6.7 using Isaias Storm conditions
- Go/No-Go decision on OMS v6.7 versus a new outage management system
- Evaluate Go-forward options and work with LIPA to determine the best course of action

¹Two stress testing scenarios were performed; one that mimicked the conditions of Isaias over a 12-hour period and the second was modeled based on 90% of customers out in a 24-hour period

²Details on business continuity plans included in appendix

Operating Model Status and Plan

PSEGLI recognizes the operating model concerns of the LIPA task force and has already taken steps to create clearer lines of accountability across the organization

Completed Action Items



President and COO of PSEGLI now solely focused on Long Island and all LI operations now under COO



President and COO direct report to Corporate COO (eliminated path through PSE&G)



Initiated formal recruiting process for dedicated PSEGLI CIO



Hired a dedicated CISO Leader to report the PSEGLI CIO



Revised approval process for approving press releases and ETR's during a storm



Established a plan to build a functioning Crisis Management Team

PSEGLI is also creating and hiring for an Emergency Preparedness leadership position that will focus exclusively on enhancing emergency planning and response.

Other Significant Project Plans

PSEGLI's Project Plans will Adopt all LIPA Tier 1 Recommendations

Completed and Agreed to Action Items



Smart Meter
Deployment to be
completed by
Sept 1, 2021
(1.25 years early)



Integration of
Smart Meters to
coincide with
completion of
deployment



Crisis
Management
Team to be
created with LIPA
representation



Field Mobile
Application to be
fully deployed



Storm support
contractor
agreements will
be executed (incl.
National Grid)



Meter Data
Management
enhancements
completed

PSEG Long Island values the LIPA Relationship and Recommendations

Next Steps

- Incorporate LIPA Management and Board of Trustee Feedback
- Assess and obtain the necessary resources to manage and execute plans
- Continue execution of the plans already underway and begin execution of the remaining plans addressing tier 1 recommendations
- Schedule regular progress updates with LIPA
- Continue developing action items for tier 2 and 3 recommendations

PSEG Long Island

PSEG Long Island is committed to continuous improvement, transparency and accountability

We remain committed to serving Long Island through our key business imperatives:

- Safety
- Customer service
- Electric reliability and storm response
- Energy efficiency and renewables
- Community involvement

Serving Long Island is a privilege and we will earn that privilege by delivering the service our customers deserve

Questions