

## NEWSQUIZ

Tiger Woods learned that Chicago-area golf galleries, unlike those in other cities, are not afraid to:

- A. Do the wave
- B. Steal the ball
- C. Heckle
- D. Play through

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Chicago Tribune

# Perspective

SUNDAY, AUGUST 22, 1999 ■ SECTION 2

ONTHERRECORD with JOHN ROWE and DAVID HELWIG

## ComEd's top repair crew surveys the damage

By Peter Kendall

TRIBUNE ENVIRONMENT WRITER

COMED'S ENVIRONMENT WRITER  
COMED'S CEO John Rowe responded to the massive power outage in the Loop this month by firing the senior vice president in charge of the utility's transmission and distribution system and tapping David Helwig to untangle the mess that the company's wires and cables had become. Helwig, who overhauled PECO Energy Co. of Pennsylvania, was hired by

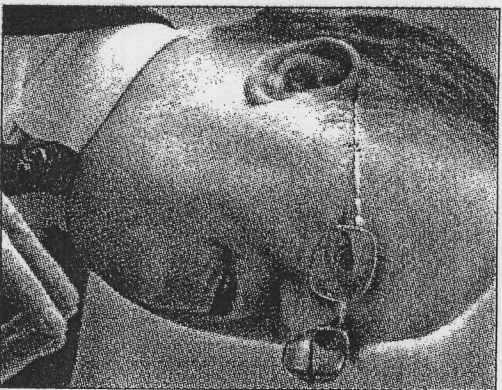
ComEd last year to help lead what proved to be a successful turnaround of the utility's troubled nuclear power program. ComEd now hopes he can fix the infrastructure problems that became evident with a rash of cable failures and blackouts following a July heat wave. After seven days on the job, Helwig sat down Friday to talk about what he has learned so far. Rowe came into the room during the discussion, and joined in.

**Q:** After looking over the system for one week, how much confidence do you have in ComEd's ability to weather future heat waves, perhaps this year or next year?

**A:** Helwig: Currently, my confidence has increased as a result of the triage operation we had last weekend. That did reveal a number of items that we needed to fix immediately. They have been taken care of.

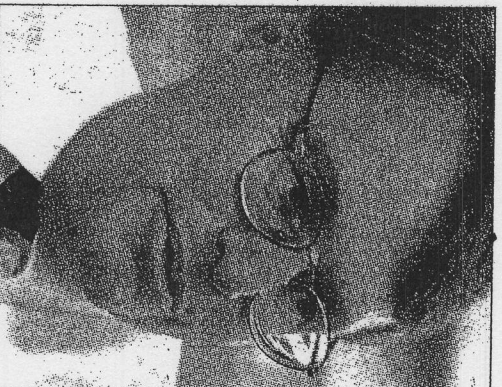
My experience in Philadelphia with this was that within a year we could produce discernible improvements in performance — customers felt the differ-

SEE ONTHERRECORD, PAGE 8



Tribune photo by Charles Osgood

**ROWE:** 'I should have been more decisive and ruthless.'



Tribune photo by John Dzielan

**HELWIG:** 'We haven't kept up with rigorous care and maintenance.'

**COSTS OF A CLEANUP**  
Environmental activists learn the price of pushing for protection.

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# On the record

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ence in performance in a year. It probably took over two years to get close to what I call good.

You might draw an analogy to our nuclear program. Within a year we were able to dramatically improve the performance of those plants. But that doesn't make us really good yet.

**Q:** Mr. Rowe, are you satisfied with the way things have gone this week?

**A:** Rowe: There are two answers to that. I am satisfied in the sense that the response David is leading is truly awesome. We are finding not less problems, but more problems, and not all of them can be fixed as fast as they should. So I would be a damn fool to be satisfied with all of that.

He is even less satisfied than I am. We are finding too many issues, both maintenance and design issues. I am not at all satisfied by what we are finding, but I am satisfied that it is finally getting the attention that it deserves and that people are working as hard as they can.

**Q:** How did this go on for so long? You have been here 18 months now, so one could argue this was on your watch.

**A:** Rowe: Well, it is. I knew we had problems in distribution; that is why we put more money in it; that's why I spend a lot of time meeting

with suburban mayors as well as folks from the city; that's why we had a consultant do a study; that's why I started shopping for a new senior vice president four months ago.

But the information flow just wasn't of a quality to tell me how serious this was. And people kept saying things are OK, and they are people who were doing good work in other areas.

I just have to start every major issue at the company with the assumption that the operating history of 'area X' is as bad as it was in nuclear and that it will require the same sort of root-and-branch therapy to try and fix it.

I am not used to finding that at utilities. This is the third one I have come into. But this is the first time I have found a company with so much size and sophistication on the one hand and so many basic weaknesses in recognizing problems and telling the truth about them and fixing them.

**Q:** It took the blackouts that began July 30 to show you that?

**A:** Rowe: That would be too simple to say 'yes' for your tape.

A year ago I believed that the mayor had a strong case that we needed to do something to solve the franchise agreement problem. But at that time, I didn't really believe—based on anything I had heard or seen—that he was as right as he is about the condition about some of this equipment. It is a bad thing when you get better information from the mayor of Chicago and a variety of aldermen and a variety of suburban mayors than you are getting from your own management reporting channels.

It is long enough that it probably is my fault. I should have been more decisive and ruthless in following up. But I had a lot of other things to do too.

**Q:** Mr. Helwig, what is the problem with the transmission and distribution infrastructure?

**A:** Helwig: As I look at it, I find that we haven't kept up with rigorous care and maintenance of the system. Other major cities, Philadelphia included, have infrastructure that is no newer, no older, no different. But one needs to be very painstaking and rigorous in its care and feeding. You have to keep up with maintenance to avoid the catastrophic failures exactly as we experienced here.

The other is management of load [or demand for electricity]. Chicago has a bit of a distinction among major urban areas in that the amount of economic growth and therefore load growth is increasing. Economic growth creates additional load, more power you are trying to put through the wires.

One needs to keep track of that. One needs to monitor those local shifts. If I look at Wrigleyville and Bucktown, and areas that were once industrial and now have lofts and air conditioning and businesses and restaurants, those are dramatically different loads than the system is designed for.

If you are not keeping on top of those local shifts of development you can very quickly outstrip the capabilities of your infrastructure.

**Q:** During the turnaround of ComEd's nuclear program, you talked so much about 'corporate culture.' The problem wasn't money, you said, it was how people were working. With transmission and distribution, is it a culture problem, or is it that ComEd wasn't spending enough money on infrastructure?

**A:** Helwig: This has to be qualified a little bit by the fact that I have been responsible for this for one week. But my observation and judgment is that there has not been a shortage of money or investment.

If you look at what we found and what we did in nuclear, the parallels are direct.

At the nuclear plants we have driven the backlogs of corrective maintenance from several thousand to several hundred. At the same time, we have eliminated more than half of the work force, the contractors that were traditionally being used. With half the work force we reduced the magnitude of the backlog by a factor of 10.

In transmission and distribution, I think more than enough is being spent. In fact, I find the budgets for actually replacing and installing new equipment to be very large, probably larger than necessary. We are going to make the most out of that because we have committed to making those kind of investments to the city.

The other analogy that I think is direct is that in every one of these change-management situations, I have been involved with you find well-intended, hard-working people in an organization. But the missing element is the leadership and management and systems that work efficiently.

*An edited transcript*