



Organizational Resilience: Mississippi Power as a Case Study

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Lessons about organizational resilience in disaster events can be drawn from both failures, such as those of FEMA, and successes of mission and leadership. In an interview 24 months after the storm, Stephen Peranich, an aide to Mississippi Congressman Gene Taylor, noted the striking difference in emergency performance between what he called “mission-driven” versus “compliance-driven” federal agencies. Peranich characterized U.S. military organizations as to having been “forward leaning” and mission-driven during Katrina. In the private sector, Peranich pointed out that a similar forward-leaning, mission-driven attitude prevailed among the electrical power companies. Stephen Peranich’s father, John, is a retired lineman and field operations manager for Mississippi Power Company. In March of 2006, Franklin/Covey presented Mississippi Power with its Leadership Greatness Award. The Edison Institute has also recognized the company for similar Katrina performance accolades.

From U.S. Department of Energy records and interviews with John Peranich, and corporate communications manager Kirt Brautigam, an



interesting picture emerges. Since his retirement from the company 12 years ago, John Peranich has remained on call for emergency storm recovery service all over the country. The fact that such a reserve cadre of skilled specialists who regularly work power emergencies throughout the nation exists suggests part of the reason for the success of electric utilities in emergency situations. Line workers are routinely shared among companies during emergencies. Mississippi Power constantly updates its emergency response plans based on the extensive experience and knowledge these specialists possess. In the months before Katrina, Mississippi Power had revised many aspects of its emergency response plan based on Gulf Power Company’s approach to Florida’s Hurricane Ivan recovery effort in 2004. In the event of an emergency, each of Mississippi Power’s 1,500 employees had been given a distinct and well-planned storm assignment.

On the Tuesday after Katrina, John Peranich returned to company service in a pre-assigned role to manage recovery of all branches of the transmission line feeding out from a substation near his Delisle home in the hardest hit area of western Harrison County. Following a well-rehearsed plan, he went to a pre-assigned center and picked up a waiting company-supplied rental car and the emergency packet of maps and procedures for his recovery zone. He immediately began surveying the area for damaged poles, transformers, and substation parts and estimated the footage of new wire and number of man-hours that would be needed to get his section of the power grid working again. By day’s end, estimates from each substation line supervisor across 23 counties told top managers

what resources to purchase and where to deliver them. Like many other company employees, John Peranich's own home was destroyed in Katrina. However, as a seasoned utility veteran, John Peranich understood the mission clearly. Do whatever it takes to get the power system up as fast and as safely as possible. In his words, "Nothing else in the recovery can work until electricity is restored." From visiting line workers to those in the head office, this one simple and clear mission permeated Mississippi Power Company during the emergency.

One hundred percent of Mississippi Power's 195,000 customers in southeast Mississippi were left without service. The demand for poles, wire, transformers, labor, food, fuel, and water was beyond anything anticipated in the company plan. In addition, Katrina sent 20 feet of saltwater through Plant Jack Watson in Gulfport, a hitherto hurricane safe and dry generating facility. Initial assessments indicated that Mississippi Power alone had 5,600 miles of wire on the ground as well as at least 9,000 downed poles and 2,300 transformers and an additional 300 transmission structures, including 47 metal towers. Thousands of other structures needed repair. Moreover, the company's pre-Katrina worst-case scenario estimated that, at best, it could only muster the logistics to support its own 1,500 workers plus a maximum of 5,000 emergency linemen from other companies. According to the first post-Katrina man-hour calculations, a force limited to this size (6,500) would need 4 weeks to restore power to all customers.

The only way to change that time line was to find a way to feed, fuel, house, equip, and supply more linemen. With a strong mission focus, the company did just that. Mississippi Power managers began scavenging the country for materials, tents, bedding, and food service contractors to expand their ability to accommodate more line crews and shorten the time it would take to restore service. Within 24 hours after the storm had ended, the company reported that 2,500 outside crewmen had arrived, and by September 1, or 72 hours after the storm, 5,000 outside crewmen were working. Eight days

after the storm, the company had established camps and staging areas all over its 23 county service area and ultimately succeeded in housing and supplying more than 11,000 outside crewmen from 23 states and Canada working along its own 1,500 employees. More than 5,000 vehicles were fueled daily, reaching a peak total of 40,000 gallons per day. Each day company food service contractors prepared and delivered approximately 35,000 meals. By September 9, crews had delivered over 1,000 miles of wire and 6,000 of the 9,000 poles needed through the service area. This unprecedented effort cut the 4-week restoration time line in half. At the end of work on September 11, 13 days after the storm, the company had spent \$277.4 million and successfully restored power to all of its customers able to accept service. With a simple and clear mission to get the lines back up, and with well-trained crews and expert field supervisors empowered to "do what it takes," the company exceeded its own estimates of its capacity and performance.

The angry complaints lodged against FEMA, the American Red Cross, or the insurance industry in the aftermath of Katrina often pointed to failures in training and decision-making processes, or to fragmented, conflicted, or overly complicated missions that robbed agency operatives of focus and effectiveness. In contrast, the successful disaster response of a Mississippi power provider illustrates the importance of training, mission clarity, and appropriate delegation of decision-making for effective organizational disaster recovery operations.

This article is based on information obtained from the following sources:

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- Interviews with Stephen Peranich, Alfred John Peranich, and Kirt Brautigam, the University of Southern Mississippi Katrina Oral History Collection, McCain Archives, Hattiesburg, Mississippi

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- Southern Company news release, March 22, 2006, <http://southerncompany.mediaroom.com> (accessed August 5, 2008)
- U.S. Department of Energy Office of Electricity and Energy Reliability, Hurricane Katrina Situation Report #10, August 30, 2005; Report #11, September 1, 2005; Report #15, September 1, 2005; Report # 18, September 3, 2005; Report #29, September 9, 2005; and Report #32, September 11, 2005