



**National Rural Electric  
Cooperative Association**

A Touchstone Energy\* Cooperative

Jo Ann Emerson  
Chief Executive Officer

September 19, 2013

Hon. W. Craig Fugate  
Administrator  
Federal Emergency Management Agency  
U.S. Department of Homeland Security  
500 C Street, SW  
Washington, DC 20472

Dear Administrator Fugate:

I write to you today to express concern on behalf of NRECA's 900 member electric cooperative systems.<sup>1</sup> As private, not for profit entities, rural electric cooperatives are eligible to receive FEMA disaster assistance.

Recently in FEMA Region VII FEMA officials have denied applications for reimbursement submitted by 3 rural electric cooperatives. These coops had been impacted by the Major Disaster declared on May 6, 2013 (DR-4114).

The basis for denial of the claims appears to be a new standard for physical testing of facilities before and after a disaster. This new requirement is not contained in FEMA Policy 9580.6 (Electric Utility Repair) and further is outside good engineering practice and industry standards. Our Iowa members comply with industry engineering, maintenance and inspection standards of the Iowa Utilities Board and other regulatory and standards setting bodies that deal with electric reliability. The new testing requirement used by FEMA to deny funding is not required by any federal, state or local regulatory body with expertise in electric utility systems.

In addition, in Region V, two electric cooperatives that sustained damages under DR - 4113, were denied reimbursement due to a lack of "formally adopted, written, non-discriminatory and uniformly-applied repair program" – despite the requirement that the impacted cooperatives, as RUS borrowers follow RUS guidelines for inspection and repair. Adherence to the RUS guidelines has historically always been proof enough for FEMA that the conductor and other facilities were in good repair prior to the disaster.

There appears to be a disturbing trend of FEMA regional staff developing and applying new policy on an ad-hoc basis.

---

<sup>1</sup> NRECA is (boilerplate)

I understand that the appeals process is underway for the examples I offer above and I am hopeful that this issue can be resolved at the regional level. Nevertheless, I did wish to bring this troublesome development to your attention.

Very truly yours,



Jo Ann Emerson