

BEFORE THE  
NEW YORK STATE  
PUBLIC SERVICE COMMISSION

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Joint Petition of IBERDROLA, S.A.,  
Energy East Corporation, RGS Energy Group, Inc.,  
Green Acquisition Capital, Inc.,  
New York State Electric & Gas Corporation and  
Rochester Gas and Electric Corporation for  
Approval of the Acquisition of  
Energy East Corporation by IBERDROLA, S.A.  
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Case 07-M-0906

**REBUTTAL TESTIMONY OF THE  
ELECTRIC RELIABILITY PANEL**

January 31, 2008

**Laura Conklin  
Michael Conroy**

## ELECTRIC RELIABILITY PANEL

1 Q. Please state the names of the members on this Electric Reliability Panel (the  
2 "Panel").

3 A. Our names are Laura Conklin and Michael Conroy.

4 Q. Laura Conklin, please state your current position and business address.

5 A. My title is Vice President, Technical Services. My business address is 89 East  
6 Avenue, Rochester, New York 14649.

7 Q. Please summarize your educational background and work experience.

8 A. I have a B.S. degree in Electrical Engineering from Virginia Polytechnic Institute,  
9 and an M.B.A. from the Rochester Institute of Technology. I am licensed as a  
10 Professional Engineer in the State of New York. I began working at Rochester  
11 Gas and Electric Corporation ("RG&E") in 1990. Through 1997, I held a variety  
12 of engineering positions in the distribution engineering, substation engineering  
13 and marketing departments. From September 1997 through July 2000, I worked  
14 at Energetix as Manager, Marketing and Product Development. From July 2000  
15 through 2001, I worked as an Engineering Manager at Sear Brown, a consulting  
16 engineering firm. In November 2001, I returned to RG&E as a project engineer,  
17 and was then promoted to Manager, System Planning and Operations  
18 Engineering. In 2003, I became Manager, Distribution Planning and Standards,  
19 for both RG&E and New York State Electric & Gas Corporation ("NYSEG"). I  
20 assumed my current position of Vice President, Technical Services, in 2004.

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1 Q. Have you previously testified in other proceedings before the New York State  
2 Public Service Commission ("PSC" or the "Commission") or any other state or  
3 federal regulatory agency or court?

4 A. Yes. I testified in Cases 03-E-0765 and 05-E-1222.

5 Q. Michael Conroy, please state your current position and business address.

6 A. My title is Vice President, Operations. My business address is 89 East Avenue,  
7 Rochester, New York 14649.

8 Q. Please summarize your educational background and work experience.

9 A. I received a B.S. degree in Electrical Engineering from Cornell University, and an  
10 M.B.A. from the University of Southern Maine. I was employed by Central  
11 Maine Power Company ("CMP") from 1979 through 2002, serving in a variety of  
12 technical, supervisory and managerial positions. I left CMP as Vice President of  
13 Marketing and Economic Development to join RG&E and NYSEG in January  
14 2003 as Vice President - Electric Technical Services. In September 2003, I was  
15 assigned the added responsibility of Gas Technical Services. I assumed my  
16 current position of Vice President, Operations, in 2004.

17 Q. Have you previously testified in other proceedings before the Commission or any  
18 other state or federal regulatory agency or court?

19 A. Yes. I testified in Cases 03-E-0765, 03-G-0766 and 05-E-1222.

20 Q. What is the overall purpose of the Panel's testimony?

21 A. The purpose of this testimony is to respond to the direct testimony of the  
22 Department of Public Service Staff ("Staff") Electric Reliability and Safety Panel,

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1 which is comprised of the testimony of Patrick Maher and Diane Barney. In  
2 particular, we address issues related to the Electric Reliability and Safety Panel's  
3 recommendations to: 1) dramatically increase the revenue adjustments associated  
4 with NYSEG and RG&E's System Average Interruption Frequency Index  
5 ("SAIFI") and Customer Average Interruption Duration Index ("CAIDI"); 2)  
6 require NYSEG and RG&E to provide "five-year forecasts of planned system  
7 upgrades, including the expected costs for each project or program," along with a  
8 reconciliation to the past year's forecast, thirty days from NYSEG's and RG&E's  
9 current planning cycle and annually thereafter; and 3) require NYSEG and RG&E  
10 to provide an assessment of the physical condition of all elements in their electric  
11 systems, along with repair plans, remedial actions and monitoring programs for  
12 any facilities found to be deficient, within ninety days from a decision in this  
13 proceeding. In addition, we address the testimony filed on behalf of the New  
14 York Association of Public Power and the New York State Rural Electric  
15 Cooperative Association (collectively, "the Electric Cooperatives").

16 Q. Is this Panel sponsoring any exhibits?

17 A. Yes. Exhibit \_\_ (ERP-1) contains a copy of an interrogatory response referenced  
18 in this Panel's testimony. Exhibit \_\_ (ERP-2) includes Rural Electric Cooperative  
19 Association Interconnects.

20 Q. Does the Panel have any preliminary comments concerning the Electric  
21 Reliability and Safety Panel's proposals?

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1 A. Yes. As more fully discussed later, NYSEG and RG&E have always been, and  
2 continue to be, committed to service reliability. As the Electric Reliability and  
3 Safety Panel concedes on page 6 of its testimony, the "historic performance of  
4 both NYSEG and RG&E have been acceptable relative to the established targets."  
5 The Electric Reliability and Safety Panel's proposal to dramatically increase the  
6 revenue adjustments for NYSEG and RG&E is unsupported and arbitrary,  
7 particularly in light of NYSEG's and RG&E's excellent history of reliable service.  
8 Staff appears to base its recommendations on the Commission's actions in the  
9 National Grid/KeySpan merger proceeding (Case 06-M-0878). However, Staff  
10 fails to recognize that the Commission's decision in that case was based on  
11 significant reliability concerns and a pattern of behavior that are absent at NYSEG  
12 and RG&E. Iberdrola, S.A. also possesses extensive transmission and distribution  
13 experience (approximately 100 years). Moreover, Staff's recommendations  
14 regarding annual five-year forecasts and an assessment of NYSEG's and RG&E's  
15 system are burdensome and unnecessary.

16 Q. Does the Panel have any preliminary comments concerning the testimony of the  
17 Electric Cooperatives?

18 A. Yes. NYSEG's transmission and sub-transmission lines are very reliable. They  
19 represent the backbone of the electric system and are therefore designed, built,  
20 inspected, maintained and replaced in a manner that ensures proper overall  
21 reliability, as evidenced by NYSEG's ability to meet reliability targets for ten  
22 years. Moreover, the Electric Cooperatives' assertions about specific instances of

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1 outages that occurred in the past, while not unimportant to them or NYSEG for  
2 that matter, are nonetheless unrelated to the instant merger proceeding.

**CAIDI AND SAIFI REVENUE ADJUSTMENTS**

3  
4 Q. Do you agree with the Electric Reliability and Safety Panel's description of  
5 NYSEG's and RG&E's CAIDI and SAIFI targets and adjustments?

6 A. The description of NYSEG's and RG&E's SAIFI and CAIDI targets is accurate.  
7 However, we do not agree that NYSEG is subject to revenue adjustments.  
8 NYSEG's revenue adjustments expired with NYSEG's last multi-year rate plan,  
9 and the Commission did not include revenue adjustments in its *Order Adopting*  
10 *Recommended Decision with Modifications*, issued August 23, 2006 or its *Order*  
11 *on Rehearing*, issued December 15, 2006 in Case 05-E-1222.

12 Q. Do you believe NYSEG's and RG&E's existing reliability performance  
13 mechanisms are adequate?

14 A. Yes. NYSEG's and RG&E's existing reliability performance mechanisms are  
15 more than adequate as evidenced by the companies' excellent performance. As  
16 the Electric Reliability and Safety Panel acknowledged, NYSEG and RG&E have  
17 met their respective SAIFI and CAIDI targets for the past ten years. This is  
18 particularly meaningful data given that major and minor storms have challenged  
19 all New York electric utilities over the past several years. In addition, NYSEG  
20 and RG&E continue to strive to exceed the targets by continually improving the  
21 companies' reliability and emergency response, including innovations in  
22 communications, outreach, and special services. NYSEG and RG&E have

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1 received accolades from customers and elected officials and an EEI Award for  
2 Emergency Response for their response to some of the most notable events in the  
3 State, including the 2006 flood and October snowstorm.

4 Q. Has Staff claimed inadequate performance by NYSEG or RG&E?

5 A. No. To the contrary, the Electric Reliability and Safety Panel acknowledges on  
6 page 6 of its testimony that NYSEG's and RG&E's performance has been  
7 "acceptable relative to the established targets."

8 Q. Does the acquisition of Energy East Corporation ("Energy East") by Iberdrola  
9 (the "Proposed Transaction") create any concerns relative to electric reliability?

10 A. No, it does not. The Proposed Transaction does not present any relevant electric  
11 reliability issues.

12 Q. What does the Electric Reliability and Safety Panel specifically recommend for  
13 NYSEG and RG&E relative to SAIFI and CAIDI?

14 A. The Electric Reliability and Safety Panel recommends a doubling of the revenue  
15 adjustments with an additional doubling of the adjustments in the following years  
16 if targets are not met; this methodology is identical to the methodology imposed  
17 by the Commission in the National Grid/KeySpan merger.

18 Q. Do you agree with this recommendation?

19 A. Absolutely not. There is no justification for the Electric Reliability and Safety  
20 Panel's recommendation. The Electric Reliability and Safety Panel overstates the  
21 risks of the Proposed Transaction, ignores Iberdrola's commitment to rely on local  
22 management, and inappropriately compares the Proposed Transaction to the

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1 National Grid/KeySpan merger as further discussed in Mr. Meehan's testimony.  
2 Staff ignores the fact that we are not facing facts similar to those in the National  
3 Grid/KeySpan merger. Niagara Mohawk d/b/a National Grid ("National Grid")  
4 failed to meet its SAIFI targets in 2004, 2005 and 2006, and that the Commission,  
5 in June 2007, instituted a proceeding (Case 07-M-0773) to investigate Niagara  
6 Mohawk's failure to achieve its SAIFI standard. Two months later, the  
7 Commission in the National Grid/KeySpan merger proceeding increased the  
8 reliability revenue adjustments for those companies due to the companies' history  
9 of failing to meet reliability targets. The Commission's *Abbreviated Order*  
10 *Authorizing Acquisition Subject to Conditions and Making Some Revenue*  
11 *Requirement Determinations for KeySpan Energy Delivery New York and*  
12 *KeySpan Energy Delivery Long Island*, issued August 23, 2007 in Case 06-M-  
13 0878, specifically notes that it was concerned about National Grid's future  
14 performance based on the fact that National Grid had missed reliability targets in  
15 three of the previous five years. In fact, in its *Order Authorizing Acquisition*  
16 *Subject to Conditions and Making Some Revenue Requirement Determinations for*  
17 *KeySpan Energy Delivery New York and KeySpan Energy Delivery Long Island*,  
18 issued September 17, 2007 in Case 06-M-0878, the Commission describes  
19 National Grid's reliability as a "chronic deteriorating performance." In addition,  
20 the Commission imposed service quality conditions due to the fact that Niagara  
21 Mohawk's quality of service had declined since its merger with National Grid.  
22 The Electric Reliability and Safety Panel's response to I/E (DPS-142) admits that

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1 National Grid "failed to meet its established SAIFI and CAIDI targets a total of  
2 four times prior to the doubling of the performance mechanism." A copy of the  
3 response is included in Exhibit \_\_ (ERP-1). As we previously mentioned, in stark  
4 comparison to National Grid, NYSEG and RG&E have met their reliability  
5 targets for the past ten years. NYSEG's and RG&E's performance does not  
6 present any cause for concern and, certainly, does not warrant comparison to  
7 National Grid a utility that required substantial improvement in its reliability  
8 performance as recognized by Staff and the Commission in other proceedings.

9 Q. Has the Electric Reliability and Safety Panel cited the Commission's National  
10 Grid/KeySpan decision to support other elements of their proposal?

11 A. Yes. The Electric Reliability and Safety Panel also cites the Commission's  
12 National Grid/KeySpan decision as support for infrastructure plans and the "risk  
13 that resources might be diverted post merger." As discussed in Mr. Meehan's  
14 testimony, the Proposed Transaction, which only involves a change in ownership  
15 at the parent company level and is not a combination of operating companies,  
16 does not present the same risks as the National Grid/KeySpan merger. The  
17 comparison and increased requirements are unwarranted based on NYSEG's and  
18 RG&E's performance and the nature of the Proposed Transaction.

19 Q. Do you agree with the Electric Reliability and Safety Panel's recommendation on  
20 page 8 that NYSEG and RG&E should be required to file "annually a five-year  
21 forecast of planned system upgrades including the expected costs for each project  
22 or program"?

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1 A. No. First, Staff's concerns about the condition of the NYSEG and RG&E system  
2 are overstated given NYSEG's and RG&E's excellent performance with regard to  
3 reliability and their continuing efforts to further improve reliability, as mentioned  
4 earlier. Second, NYSEG currently provides quarterly reports on capital spending  
5 to the Directors of the Office of Electric, Gas and Water and the Office of  
6 Accounting, Finance and Economics. RG&E provides an annual report on  
7 electric and gas capital expenditures as part of the compliance filings required  
8 under its Joint Proposal. Staff therefore regularly receives information regarding  
9 the companies' capital expenditures. The preparation of an additional annual  
10 report would be burdensome and unnecessary.

11 Q. Do you agree with the Electric Reliability and Safety Panel's recommendation on  
12 page 8 that RG&E and NYSEG be required to provide an assessment of the  
13 physical condition of all elements in their electric systems within ninety days of a  
14 decision in this proceeding?

15 A. No. The Electric Reliability and Safety Panel's recommendation regarding an  
16 assessment of the physical condition of all elements in the NYSEG and RG&E  
17 electric system is based on a general concern regarding aging infrastructure and  
18 not any specific issues at NYSEG and RG&E. The companies' inspection,  
19 maintenance and capital replacement programs and practices represent systematic,  
20 ongoing assessment and follow-up actions that have resulted in reliable service.  
21 Thus, the additional assessment is unnecessary.

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1 Q. Could a detailed assessment of the NYSEG and RG&E electric system as  
2 proposed by the Electric Reliability and Safety Panel be completed in ninety  
3 days?

4 A. No. A detailed assessment of the physical condition of all elements in the electric  
5 system could not be completed in ninety days with existing resources and would  
6 detract from on-going inspection and maintenance activities. Completing a  
7 blanket assessment in such a rushed time-frame would not produce meaningful  
8 results and is not an adequate substitute for effective maintenance practices and  
9 policies and engineering-based investment strategies for capital replacements.

**ELECTRIC COOPERATIVES**

10  
11 Q. What allegations do the Electric Cooperatives make in their testimony?

12 A. Generally, the Electric Cooperatives assert that outages have increased as a result  
13 of NYSEG's alleged failure to maintain its transmission and sub-transmission  
14 facilities. The Electric Cooperatives also make assertions about past outages.

15 Q. Are the Electric Cooperatives' assertions about past, specific instances related to  
16 the Proposed Transaction?

17 A. No, they are not. NYSEG and RG&E have a history of reliable service. Given  
18 Iberdrola's commitment to local management, there is no reason to believe that  
19 the Proposed Transaction will change NYSEG and RG&E's commitment to  
20 electric reliability. The Electric Cooperatives' allegations about specific instances  
21 in the past have no bearing on the Proposed Transaction.

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1 Q. Do you agree with the general assertions by the Electric Cooperatives that they  
2 are experiencing increasing numbers of outages due to NYSEG transmission and  
3 sub-transmission failures?

4 A. No. NYSEG's transmission and sub-transmission lines are very reliable. They  
5 represent the backbone of the electric system and are therefore designed, built,  
6 inspected, maintained, and replaced in a manner that ensures proper overall  
7 reliability. This is true of lines that serve electric cooperatives, as well as lines  
8 that serve NYSEG retail customers. Data provided by the Electric Cooperatives  
9 along with NYSEG outage history reflects that some lines experienced fewer  
10 outages in 2006 and 2007 while others experienced more. The difference is often  
11 driven by weather conditions.

12 Q. Do you agree with the Electric Cooperatives' testimony that NYSEG has failed to  
13 maintain adequate investment in infrastructure?

14 A. No. NYSEG continues to make substantial investments in infrastructure in the  
15 interest of reliability. The Transmission and Distribution Infrastructure  
16 Reliability Program (TDIRP) continues to be funded at \$23 million per year.  
17 NYSEG's reliability performance is evidence that the company is making  
18 adequate investments in infrastructure for reliability purposes.

19 Q. Please respond to allegations by the Electric Cooperatives that NYSEG has not  
20 developed a consistent or sufficient program for transmission line patrol and  
21 right-of-way maintenance.

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1 A. Transmission line inspections are performed in accordance with NYSEG's  
2 established maintenance practices and policies. All transmission facilities are  
3 inspected twice annually by helicopter. Additionally, all transmission facilities  
4 are comprehensively patrolled on foot on a five-year cycle in accordance with the  
5 Commission's *Order Instituting Safety Standards*, issued January 5, 2005 and the  
6 Commission's *Order on Petitions for Rehearing and Waiver* issued July 21, 2005  
7 in Case 04-M-0159. All 115 kV and above rights-of-way are now cleared on a  
8 six-year cycle pursuant to the Commission's *Order Requiring Enhanced*  
9 *Transmission Right-of-Way Management Practices by Electric Utilities*, issued  
10 June 20, 2005 in Case 04-E-0822. A danger tree program is conducted for all  
11 transmission lines 69 kV and above pursuant to the same Commission's Order. In  
12 summary, NYSEG patrols lines on a regular basis to identify any safety and  
13 reliability risks and any deficiencies identified during line inspections are  
14 reviewed and prioritized. NYSEG makes repairs within established timeframes  
15 based on the level of the deficiency. NYSEG's vegetation management practices  
16 for transmission and sub-transmission are on a consistent cycle with effective  
17 standards and proper execution. Our inspection and maintenance practices have  
18 contributed to solid overall reliability performance.

19 Q. Are there lines used to serve any of the Electric Cooperatives that have been  
20 improved or proposed to be improved by NYSEG under its reliability programs?

21 A. Yes. The Electric Cooperatives assertion that NYSEG has not improved its  
22 transmission facilities that connect to the Electric Cooperatives is unfounded.

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1 NYSEG upgraded its 532 Line in 2007, which will provide reliability benefits and  
2 accommodate load growth for Steuben Rural Electric Cooperative (“SREC”).  
3 NYSEG also completed an upgrade of an 803 Line segment in 2007, and is  
4 continuing a rebuild of an 802 Line segment. There are also proposed projects to  
5 upgrade additional segments of the 807 Line. The 802, 803 and 807 Lines  
6 provide service to Otsego Rural Electric Cooperative, including the New Berlin  
7 delivery point. All of these projects enhance reliability.

8 Q. How do you respond to the allegations that NYSEG is unresponsive and treats  
9 electric cooperatives as one customer?

10 A. NYSEG counts each service to an electric cooperative as one customer only for  
11 the purpose of calculating and reporting reliability indices. To our knowledge,  
12 this has been and remains standard practice for all New York utilities and is not at  
13 all misleading. A cooperative is in fact one customer of NYSEG. However, our  
14 response to events affecting the Electric Cooperatives reflects our understanding  
15 that the Electric Cooperatives serve many customers. NYSEG responds to an  
16 Electric Cooperative outage as if it involved multiple or critical NYSEG  
17 customers.

18 Q. Does this mean that the Electric Cooperatives can always expect an immediate  
19 response?

20 A. No electric customer, Electric Cooperative or otherwise, can reasonably expect an  
21 immediate response by NYSEG. The Electric Cooperatives by their very nature  
22 are rural. The transmission and sub-transmission lines that provide service to the

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1 Electric Cooperatives are long. In fact, one feed is fifty-nine miles long in its  
2 normal configuration and therefore requires more time to patrol and restore than  
3 some other NYSEG lines. However, this is not to say that NYSEG is  
4 unresponsive. NYSEG responds as quickly as allowed under the given  
5 circumstances. During storms, response times are naturally more extended than  
6 under normal conditions, and any delay is a function of conditions, not NYSEG's  
7 commitment.

8 Q. Is the Electric Cooperatives' allegation that NYSEG has too few workers true?

9 A. No. NYSEG maintains a sufficient complement of qualified crews as evidenced  
10 by our reliability, emergency response, and customer service performance. Any  
11 exceptions to quick response or restoration are driven by the nature and location  
12 of the damage, weather, and the existence of other outage activity.

13 Q. Do you have any comments regarding the Dryden Brook incident mentioned on  
14 page 6 of Mr. Starheim's testimony?

15 A. Yes. Mr. Starheim has mischaracterized the planned outage at Dryden Brook.  
16 The incident resulted from Delaware County Electric Cooperative ("DCEC")  
17 employees giving NYSEG employees the wrong information regarding the outage  
18 request and work plan. The DCEC employee told both NYSEG's Manager of  
19 Regional Operations and Supervisor of Construction and Maintenance that he had  
20 arranged for the outage with other NYSEG employees and that they needed to  
21 take no further action. The day before the work was to be undertaken, the  
22 NYSEG Supervisor checked NYSEG's Outage Management System and

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1 determined that the outage request had not been properly made whereupon he  
2 placed an emergency outage request on behalf of DCEC. NYSEG arrived to  
3 perform the requested work only to find that NYSEG could not use the device it  
4 intended to operate. NYSEG experienced costs and inconvenience due to this  
5 incident.

6 Q. What about the failed lightning arrester incident at DCEC's South Kortright  
7 substation also mentioned on page 6 of Mr. Starheim's testimony?

8 A. The incident alleged by Mr. Starheim occurred in May 2006, not July 2006. It is  
9 true that NYSEG was performing preventative maintenance and testing on its  
10 transmission breaker. NYSEG completed switching to reconfigure the system for  
11 purposes of the test. While the system was in its temporary configuration, a fuse  
12 blew in the DCEC's substation. DCEC employees replaced the fuse. However,  
13 the DCEC also had a faulty lightning arrester. When the DCEC employees  
14 replaced the fuse restoring power to the faulty arrester, NYSEG's breaker operated  
15 to clear the fault. It is ironic that the Electric Cooperatives raise this issue,  
16 because NYSEG was not only performing preventative testing and maintenance  
17 on its own equipment at the time of the event, but it also had to restore service due  
18 to the outage the DCEC induced and had to identify the faulty insulator for the  
19 DCEC. As a result of DCEC's faulty lightning arrester, NYSEG lost service to  
20 approximately 16,166 customers of its own.

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1 Q. What were the circumstances surrounding the DCEC Jefferson Substation outages  
2 on December 24 and December 25, 2007 mentioned by Mr. Starheim on page 7 of  
3 his testimony?

4 A. The DCEC alleges that NYSEG caused excessive delays in outage restoration due  
5 to NYSEG "insufficient staffing." DCEC cites two examples – on December 24  
6 and December 25, 2007. Given the specific circumstances, NYSEG's response  
7 was appropriate in both instances. On December 24, 2007, local line mechanics  
8 were aiding another NYSEG division with minor storm activity and responding to  
9 trouble calls in their own area. As we mentioned earlier, circumstances such as  
10 these can contribute to delays in restoration. On December 25, 2007, a damaged  
11 conductor was spotted. Crews were called and pre-positioned before taking the  
12 circuit out of service to make repairs. This prompt, proactive approach saved a  
13 longer unplanned outage.

14 Q. What were the circumstances surrounding the SREC outage on December 24,  
15 2007 referenced on page 5 of Mr. Moyle's testimony?

16 A. This event occurred during a period when high winds caused widespread  
17 interruptions to 2,268 NYSEG customers served from the Hornell Division. The  
18 tree in question fell from *outside* the right-of-way, making contact with the  
19 NYSEG 539 sub-transmission line at approximately 11:00 am. NYSEG's Hornell  
20 crews restored service to SREC's Marshall Warner substation within  
21 approximately 74 minutes. NYSEG's last customer restored from this tree event  
22 was some 5.5 hours later. This event demonstrates several important points.

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1 First, a tree falling from outside a right-of-way on sub-transmission in no way  
2 indicates that tree maintenance was inadequate. In fact, clearing was last  
3 performed on the 539 Line in 2007. Second, NYSEG has no rights to cut trees  
4 that are outside the right-of-way. Third, NYSEG restored service to SREC much  
5 sooner than to many of its other customers – it did not treat SREC as a low  
6 priority for restoration. Further, NYSEG crews in the Western part of the service  
7 territory were close enough and plentiful enough that even during widespread  
8 restoration they responded and mobilized very quickly. This event serves to  
9 illustrate NYSEG's continuing commitment to reliable service and responsiveness  
10 to the Electric Cooperatives. This commitment will not change after completion  
11 of the Proposed Transaction.

12 Q. On page 7 of his testimony, Mr. Moyle claims that NYSEG's failure to assign an  
13 adequate number of switching crews extended an outage at Marshall Warriner  
14 substation. Do you have any comments regarding this allegation?

15 A. The outage in question was planned to be performed between 10 am and 3 pm.  
16 Plans were coordinated to minimize customer impact since both SREC and  
17 NYSEG had to perform work. NYSEG's work included installing a pole and set  
18 of inline switches, both of which are investments in infrastructure to improve  
19 system reliability. Five NYSEG representatives were assigned to switch for six  
20 locations (two were in close proximity). The work was properly planned, staffed  
21 and executed by NYSEG. The outage was completed at 2:45 pm, within the  
22 projected timeframe. This project again demonstrates NYSEG's commitment to

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1 reliable service and coordination with the Electric Cooperatives, including  
2 sufficient workforce to plan, coordinate and execute any necessary work.

3 Q. Can you respond to the issues raised on pages 7-8 of Mr. Moyle's testimony  
4 regarding capacity for a new substation in Erwin?

5 A. Yes. Mr. Moyle implies that NYSEG acted inappropriately relative to the SREC's  
6 request for a new substation line from Bath to Corning. His allegation is baseless.  
7 SREC requested a new interconnection to NYSEG's 532 Line between Bath and  
8 Science Park to serve a new customer load. The proposed load addition exceeded  
9 the available capacity on the line. Therefore, NYSEG could not provide a new  
10 interconnection point without upgrading the capacity of the line. NYSEG began  
11 engineering the upgrade to the 532 Line in January 2007. Construction began on  
12 the project in August 2007, and it was completed on January 5, 2008.

13 Q. Was SREC required to pay any of the costs to upgrade the sub-transmission line?

14 A. No. NYSEG invested \$1,070,917 in the sub-transmission line upgrade. SREC  
15 was not required to make a contribution, because the upgrade provided additional  
16 capacity and reliability for the NYSEG system, as well as providing additional  
17 capacity to SREC's Curtis Delivery Point.

18 Q. On pages 6-7 of his testimony, Mr. Moyle makes a reference to cross-arms not  
19 replaced since the 1991 ice storm. Do you have any comments on this specific  
20 point in his testimony?

21 A. NYSEG's replacement of cross-arms is based upon condition. The line in  
22 question was patrolled in 2007, and the facilities were reported in good condition.

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1 By SREC's own records in Exhibit \_\_ (RAM-1), page 5 of 5, the line in question  
2 experienced only two interruptions in the last four years, both in 2005, and neither  
3 interruption involved cross-arms. Based upon both regular inspection and outage  
4 history, SREC's suggestion that there are old cross-arms on this line that should  
5 have been replaced over the last sixteen years to ensure reliable service is without  
6 merit. Again, the performance of this line is further validation of NYSEG's  
7 inspection, maintenance, and infrastructure investment.

8 Q. Do you agree with Mr. Moyle's claim on pages 5-6 that outages are extended  
9 because NYSEG service personnel are located a substantial distance away?

10 A. No. Attached as Exhibit \_\_ (ERP-2) is a map of Rural Electric Cooperative  
11 Association Interconnects. The map includes locations of electric cooperative  
12 substations and NYSEG offices. NYSEG's Gowanda and Hornell offices are  
13 proximate to the lines and substations serving SREC. Outage durations are driven  
14 by the nature of the damage, weather, and existence of other outage activity, not  
15 proximity. In fact, a review of the chart provided by Mr. Moyle on page 1 of 5 of  
16 Exhibit \_\_ (RAM-1) reveals that the general pattern of outages attributed to  
17 NYSEG follows the pattern of what he claims to be Major Storm activity on  
18 SREC's system.

19 Q. Do you think this proceeding is the appropriate forum in which to have a  
20 discussion with the Electric Cooperatives regarding reliability?

21 A. No, it is not. NYSEG and the Electric Cooperatives should hold regular meetings  
22 to discuss reliability matters, including maintenance schedules, emergency

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1 response, and the prioritization of planned improvements. NYSEG would support  
2 regularly scheduled meetings at a location convenient to each of the Electric  
3 Cooperatives.

4 Q. Does this complete your rebuttal testimony at this time?

5 A. Yes, it does.