

VIA OVERNIGHT AND/OR ELECTRONIC MAIL

August 21, 2008

Honorable Jaclyn A. Brillling
Secretary
State of New York
Public Service Commission
Three Empire State Plaza, 19th Floor
Albany, New York 12223-1350

Re: Case 04-M-0159 - Proceeding on Motion of the Commission to Examine the Safety of Consolidated Edison Company of New York, Inc.'s Electric Transmission and Distribution Systems, "Notice Soliciting Comments" (July 8, 2008)

INITIAL COMMENTS OF NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID

Dear Secretary Brillling:

Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid" or "Company") hereby submits for filing with the Public Service Commission ("Commission") this original letter and attachments and five (5) copies thereof as and for its Initial Comments in the above-referenced proceedings.

Kindly acknowledge receipt of this filing by date-stamping as received the enclosed duplicate copy of this letter and returning it in the enclosed, self-addressed envelope.

Respectfully submitted,



Jeremy J. Euto

Enclosures

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**Proceeding on Motion of the Commission to Examine
the Safety of Consolidated Edison Company of New
York, Inc.'s Electric Transmission and
Distribution Systems – Notice Soliciting Comments
Issued and Effective July 8, 2008**

Case No. 04-M-0159

**INITIAL COMMENTS OF
NIAGARA MOHAWK POWER CORPORATION d/b/a
NATIONAL GRID**

**By: Jeremy J. Euto and
Catherine Nesser
Attorneys for National Grid
300 Erie Blvd. West
Syracuse, New York 13202
(315) 428-3310
(315) 428-6407 (facsimile)**

Dated: August 22, 2008

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**Proceeding on Motion of the Commission to Examine
the Safety of Consolidated Edison Company of New
York, Inc.'s Electric Transmission and
Distribution Systems – Notice Soliciting Comments
Issued and Effective July 8, 2008**

Case No. 04-M-0159

**INITIAL COMMENTS OF
NIAGARA MOHAWK POWER CORPORATION d/b/a
NATIONAL GRID**

I. BACKGROUND

Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or “Company”) is writing to submit comments in connection with the New York State Public Service Commission’s (the “Commission’s”) “Notice Soliciting Comments” dated July 8, 2008 (the “Notice”) in the above-referenced proceeding and the Staff Proposal (the “Staff Proposal”) attached to the Notice. The Notice contains five questions regarding the Commission's Electric Safety Standards (the "Standards") and one item on the efficacy of utilizing mobile stray voltage testing technology on a statewide basis.¹

Concurrently with this filing, National Grid and the other New York State utilities² are submitting a joint response to the Notice (the "*Joint Comments*"). As a signatory to the *Joint*

¹ Case 04-M-0159, *Notice Soliciting Comments* at pp. 1-2 (July 8, 2008)

² The *Joint Comments of the New York State Utilities* are being filed by Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., National Grid, New York State Electric & Gas

Comments, National Grid adopts that filing and incorporates it by reference herein. This filing is intended to supplement the *Joint Comments* and present the position of National Grid regarding certain issues in the Notice and Staff Proposal.

National Grid agrees that provision of safe and reliable service is paramount. The Company supports the concept that any incremental testing, inspection and record-keeping requirements that are ultimately mandated by this proceeding should contribute to safety.³ As before, National Grid believes that this benchmark, i.e., contribution to safety, must be applied prior to adoption of proposed revisions to the Standards in the Staff Proposal.

II. NATIONAL GRID'S RESPONSES TO THE QUESTIONS IN THE NOTICE

National Grid's responses to the five questions (numbered and italicized below) follow.

1) Performing mitigation efforts on any and all voltage findings greater than or equal to one volt.

Mitigation should only be performed on voltages that do not occur naturally within a normally functioning electric system. Further, mitigation efforts should not be required for induced voltages, neutral-to-earth voltages, or other naturally occurring voltages, which are not harmful under normal circumstances and therefore do not require mitigation. Mitigation for naturally occurring voltages, induced voltages and neutral-to-earth voltages can be costly and could potentially affect the integrity of the electric system. The Commission should clarify in any order issued in connection with the Notice that all reporting and mitigation

Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation (collectively the "Utilities").

³ Case 04-M-0159, *Comments of Niagara Mohawk Power Corporation*; citing the "Guiding Principles" which were adopted by the upstate utilities at the outset of the proceeding (filed October 4, 2004).

pertain to contact voltage findings, and not all voltage findings. As discussed in the *Joint Comments*, National Grid agrees that the mitigation level for a stray voltage finding should remain at 8 V_{AC} as originally required by the Commission – and under no circumstances should the level be set below what can be reliably detected by available certified testing devices (i.e., currently 6 V_{AC}).

2) In the event of a voltage finding on an electric facility, a requirement to test all metallic structures within a minimum 30 foot radius of that facility.

If a stray voltage finding is found at a location, the investigation and remediation performed to address the finding already includes the surrounding metallic items electrically connected to the finding. By definition, any non-utility facility or structure (metallic or otherwise) is beyond the scope of the utility's statutory obligations. The Standards recognize the limit of a utility's statutory obligations because the Standards require the utility to test for stray voltage on electric facilities only, and not on parked cars, municipal road signs, steel buildings and other metallic structures. Notwithstanding, as described in the *Joint Comments*, if a testing radius is established, National Grid supports the 10 foot radius presented jointly by the Utilities as a compromise.

3) Implementing the proposed prioritization system for inspections, which include defined repair guidelines.

National Grid supports a requirement for the implementation of a prioritization system. National Grid has already implemented a system to prioritize repairs based upon the severity of the deficiency. This prioritization system has been utilized to establish repair timelines and identified a priority for completing the required work. In addition to tracking

and facilitating repair activities, this system is designed to reduce the number of outstanding scheduled repairs on our system, and thus, to improve reliability and safety.

In addition to the suggested revisions noted in the *Joint Comments*, National Grid believes the Commission should clarify and modify two of the proposed changes to Section 4. Specifically, in response to the Staff Proposal to modify *Section 4: Stray Voltage Testing, Paragraph (j)*, National Grid is opposed to a timeline for repair that begins on the date of discovery. In order to manage the inspection program in an efficient manner, National Grid groups together up to 35 calendar days of inspection data by feeder. The work is then automatically assigned to work requests based on the level and whether the work is a capital or expense work activity. The 6 month or two year due dates are assigned based on the date the work order is created in order to permit a reasonable amount of time for design and construction of the repair. Creating work requests based on shorter inspection time frames could lead to large volumes of work requests that put unnecessary administrative burden on the Company's work management system. The Commission should permit utilities to establish an efficient and workable timeframe to begin tracking repairs, based upon the utilities' existing reporting mechanisms and work management systems.

To address this issue, the Commission should clarify and revise the proposed *Section 4: paragraph (j)* to read: "*As part of the inspection process, deficiencies identified shall be categorized by the time period for the repair based on the severity of the condition. Utilities will prioritize deficiencies according to the following three categories: Level I – repair as soon as possible but no longer than one week, Level II – repair within six months, Level III – repair within two years. When prioritizing deficiencies, utilities should account for the safety and operational effects should the facility fail prior to repair.*"

In addition to language establishing and clarifying the timelines in *Section 4: paragraph (j)*, language incorporating an on-time completion rate for repairs should be added to *Section 4: paragraph (k)*. There are situations where utilities will be unable to complete 100% of the work within the specified timeframes. For example, with regard to Level II and III repairs (which by definition pose no immediate danger to the general public), such conditions may require extensive planning and scheduling to implement a permanent repair; arranging for equipment and pole replacements; procurement of equipment that is not readily available; Department of Transportation and other state and local permitting that may take six months or more to obtain; shutdowns, which require careful scheduling in order to minimize impact on our customers; the inability to de-energize the circuit; or the need to design larger projects to complete the work such as moving pole lines from rear lot to the road.

Notwithstanding, National Grid has previously offered to adopt a program for prioritization of repairs in connection with its various programs to improve system reliability and service quality. National Grid's program uses timelines that otherwise mirror the timelines proposed in the Staff Proposal. However, National Grid coupled its earlier proposal for a work prioritization system with on-time completion rates for repairs. Specifically, National Grid's program utilizes a 95% on-time completion rate for Level I repairs, 90% completion rate for Level II repairs and 85% completion rate for Level III repairs. These completion rates are essential for the Company's implementation of a work prioritization system that mirrors the timelines proposed in the Staff Proposal. To incorporate on-time completion rates, National Grid proposes to add the following language to the end of the existing *Section 4: paragraph (k)*, "Utilities are expected to complete 95%

of Level I repairs within one week; 90% of Level II repairs within 6 months; and 85% of Level III repairs within two years.” If these on-time completion rates are not adopted by the Commission, the Company proposes that the timelines in *Section 4: paragraph (j)* be modified as follows: the Level 2 timeline be increased to one year; and the Level 3 timeline increased to three years.

4) Accurately tracking repair activities in response to inspection findings.

National Grid supports a requirement of being able to accurately track repair activities; however, the Company does not agree with retroactively assigning previous data in years 2005 to 2008 to the new tracking methods. As discussed in the *Joint Comments*, imposing requirements to retroactively classify and assign legacy data collected and stored under a different protocol would require utilities to manufacture new reports based on data that was not collected for this purpose. This process could undermine the credibility of the reports created to support the new tracking methods, and would lead to inconsistencies between the new reports and previous annual reports to the Commission.

5) Changes to testing, inspection, and quality assurance practices needed to comply with the proposed changes.

With regard to changes to testing and inspection practices needed to comply with the Staff Proposal, National Grid’s responses are addressed above and by the *Joint Comments*.

III. EFFICACY OF MOBILE STRAY VOLTAGE TESTING TECHNOLOGY

In addition to the concerns with statewide mobile stray voltage testing technology detailed in the *Joint Comments*, the Company has substantive concerns with the prospect of mobile testing for utilities with predominantly overhead electrical systems. National Grid’s

upstate system consists of largely rural overhead distribution extending across a significant portion of the State. There are limited areas within the Company's system where mobile testing would even be feasible, given that the vast majority of our distribution system is overhead. It has been indicated that mobile testing cannot be performed in areas with overhead distribution since excess noise is created by normally occurring system voltage, which negatively impacts the validity of the testing results. National Grid's underground networks are frequently located within close proximity of overhead distribution facilities. Since there is no clear specification as to how far away from overhead primary the mobile testing units have to be, the Company is not confident that the mobile testing unit can be used effectively, if at all, within our service territory.

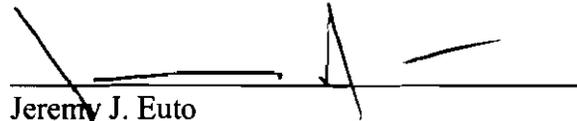
III. SUMMARY

In addition to the *Joint Comments* of the Utilities, the Company respectfully submits the above comments. In all instances, modifications to the Standards should consider the feasibility and actual contribution to safety of such Standards and requirements to ensure that the proposed changes are achievable and the costs imposed on the public are commensurate with the added safety resulting from their implementation.

Respectfully submitted,

**NIAGARA MOHAWK POWER CORPORATION
d/b/a NATIONAL GRID**

By:



Jeremy J. Euto
Senior Counsel
300 Erie Blvd. West
Syracuse, New York 13202
(315) 428-3310

Dated: **August 22, 2008**