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November 18, 2007

Hon. Jaclyn A. Brillling
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany New York 12223-1350

Case 06-M-1078 – Audit of Con Edison Performance in Response to Outage Emergencies

Dear Secretary Brillling,

Western Queens Power for the People Campaign (PFP) wishes to thank the PSC for commissioning an independent audit by Vantage Consulting, Inc., to investigate Con Edison's (the Company) performance in response to outage emergencies and for inviting our comments.

PFP feels this audit validates in many ways the community's experience of the 2006 LIC outage, including findings that:

1. The LIC outage was "indicative of deeper issues and not an extraordinary event."¹
2. While the Company's challenges are unique among utilities the consequences of failure are greater and a "super-aggressive response is in order."²
3. "Delayed attention to maintenance and replacement of failed components appears to have been *causative* in the initiation and continuation of the LIC network event."³

However, we are concerned, and even alarmed, by other findings including:

1. The Company "still lacks a coordinated strategy for and emergency preparedness."⁴
2. "An argument can be made that had failed transformers been replaced promptly, the secondary main fire 'initiating' *the LIC network event might never have occurred.*"⁵
3. The Company's process for implementing recommendations for change is so flawed that "lasting improvements" for Con Edison and its customers are "unlikely."⁶
4. There is evidence that shutting down the network would have had a better outcome and that recommendations made by engineers during the early stages of the LIC outage to shut it down were "either not forwarded to senior management or were ignored."⁷

¹ Vantage Consulting, Inc., *Final Report of Independent Audit of Consolidated Edison Company Electric Emergency Outage Response Program*, October 24 2007, 10

² Ibid, 17

³ Ibid, 132

⁴ Ibid, 13

⁵ Ibid, 125

⁶ Ibid, 47

⁷ Ibid, 102

5. “The biggest missing ingredient in the current organization is overall program management, but this is not by design. [Existing structures] do a good job of explaining the theoretical roles and responsibilities of the various groups. In reality, however, these roles and responsibilities are not consistently carried out.”⁸
6. The LIC event of 2006 demonstrated that the forever-reliable networks may not be as robust and healthy as was thought, and this potential new fragility may have far reaching consequences, as an old system grows even older.⁹
7. The Company is doing more than anyone else – but not enough.¹⁰
8. “Vantage is recommending a comprehensive study on the adequacy of spending for capital and O&M by category to determine if Con Edison is providing adequate resources to support their infrastructure. Associated with this are the issues of staffing, rate structure, inflation, and overall corporate policy regarding system maintenance.”¹¹

We are equally frustrated to see a section listing all post-event studies and reports reviewed in the audit that does not include a comprehensive study of the economic and public health toll of the outages of 2006 on the community. PFP has been steadfastly been calling for such a study. Not one public agency has yet seen fit to call for such an investigation in spite of the fact that accurate and honest information on the real human impact of electrical outages would be invaluable to decision making at all levels.

Furthermore, we note that this audit is in no way binding and encourage the PSC to incorporate these findings into appropriate orders to mandate action by the Company.

We hope that the findings of this audit will be vigorously communicated to various stakeholders including NYC agencies, elected officials and the media and will be used to inform other proceedings currently underway at the PSC involving the Company.

Respectfully submitted,

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cc: Judge Benjamin Stein

⁸ Ibid, 30

⁹ Ibid, 17

¹⁰ Ibid, 72

¹¹ Ibid, 5