

STATE OF NEW YORK

Public Service Commission

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GAS DISTRIBUTION COMPANIES MEET GAS SAFETY GOALS

— Companies Improve Safety Performance; Outreach Improvements Suggested —

Albany, NY—06/16/11—Staff of the Department of Public Service (staff) today presented its 2010 *Gas Safety Performance Measurers Report* to the New York State Public Service Commission (Commission) examining the natural gas local distribution companies' (LDCs) performance in three areas pertaining to safety — damage prevention, emergency response, and leak management. In addition, staff made recommendations where performance improvements are needed.

“Based on today’s report by staff, all LDCs have demonstrated sustained improvement over the past several years,” said Commission Chairman Garry Brown. “These companies — which supply natural gas to millions of homes and businesses across New York State — deserve credit for ensuring necessary safeguards are in place to protect customers. Equally important for these companies is to let their customers know what to do if a natural gas leak is suspected and to perform excavation work only after contacting the State’s 811 One-Call Notification System.”

The first measure, damage prevention, examined in the staff report gauges the ability of LDCs to minimize damages to buried facilities caused by excavation activities. Staff’s examination in the area of damage prevention, finds that the rate of total damages statewide improved 7.2 percent from 2009 performance, and 65 percent since 2003.

Staff attributes these positive results in reducing damage to underground facilities in part, to public education efforts undertaken by both the LDCs and the One-Call Centers — accessible to contractors, excavators or homeowners by dialing 811 prior to doing any excavation or digging.

The second measure, emergency response, analyzed in the staff report gauges the ability of LDCs to respond promptly to reports of gas leaks or emergencies by examining the percentage of calls that fall within various response times. There are three specific response goals: respond to 75 percent of emergency calls within 30 minutes; 90 percent within 45 minutes; and 95 percent within 60 minutes. Even though statewide performance declined slightly from 2009, statewide performance has improved for each goal over the past eight years.

The third measure addressed in the staff report, leak management, examines LDC performance to effectively maintain leak inventories and keep potentially hazardous leaks to a minimum. This measure looks at the year-end backlog of leaks requiring repair. The statewide year-end 2010 backlog was 35.6 percent less than year-end 2009. Compared to 2003, the first year of performance measures reporting, it is 84 percent less.

Incentive programs to reduce safety risks by replacing deteriorating and leak-prone infrastructure and/or reducing leak backlogs have been incorporated into past and current rate agreements for LDCs. Across the state, LDCs are collectively working to update the gas distribution infrastructure. In 2011, LDCs plan to replace more than 310 miles of leak-prone pipe in New York State. This effort will improve public safety, and over time, will help reduce the leakage rates LDCs experience.

Enhanced Gas Safety Outreach and Education Programs

Chairman Brown further noted that: “Recent events throughout the country reinforce the importance of strong utility customer education programs related to natural gas safety. Therefore, I am especially pleased by the utilities’ receptivity to incorporating, as soon as practicable, ‘best practices’ identified by staff into their gas safety outreach and education programs.”

Staff recently reviewed the utilities' outreach and education plans and the information provided on their Web sites in Case 11-G-0282, and recommended a list of "best practices" which would establish a new model for utility gas safety customer education programs across the State.

These best practices include, among others: provision of gas safety information to new customers, special needs customers, and to customers paying online; dissemination of pamphlets, such as those provided by the Northeast Gas Association, that simulate the smell of natural gas and educate non-English speaking persons about gas safety; easily accessible gas safety information on utilities' Web site; and join utility development of public service announcements concerning gas safety information for statewide dissemination through the mass media (print, radio and/or television) outlets.

Staff will continue to work with the utilities to ensure that their enhanced natural gas outreach and education programs are implemented as soon as possible in order to increase the availability and variety of gas safety information available to New Yorkers.

Staff's report concerning gas distribution safety by LDCs during 2010, when available, may be obtained by going to the Documents section of the Commission's Web site at www.dps.state.ny.us and entering Case Number 11-G-0242 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. The reports may also be obtained from the Files Office, 14th floor, Three Empire State Plaza, Albany, New York 12223 (518-474-2500).