

STATE OF NEW YORK

Public Service Commission

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GAS DISTRIBUTION COMPANIES IMPROVE SAFETY RECORD

-Effort Underway to Further Improve Safety Performance-

Albany, NY—06/18/08—Staff of the Department of Public Service (Staff) today presented its *2007 Gas Safety Performance Measures Report* (Staff Report) to the New York State Public Service Commission (Commission) examining 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 were needed.

“Overall, the data suggests that company performance has substantially improved across the State during the past five years,” said Commission Chairman Garry Brown. “Gas performance measures are the result of collaborative efforts between Staff and the companies to improve identification and tracking of areas that are absolutely critical to gas safety. To the extent where there are opportunities for improvement, I would expect LDCs to provide an action plan to continue to improve their performance.”

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. In accordance with Staff's examination, damage prevention performance improved significantly in 2007.

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)

and the Commission's enforcement process for non-compliance with its regulations protecting underground facilities.

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. The percentages of gas leaks or emergencies responded to within 30, 45 or 60 minutes, depending on the nature of the emergency notification, continued to improve in 2007.

Staff in its report to the Commission attributed continued progress in response to emergency situations to LDCs adopting more efficient work practices, utilization of new technologies to quickly identify the appropriate employee to respond to an emergency notification, public awareness initiatives, and placement of existing or additional personnel in certain geographical areas during the times of the day that historically had high volumes of calls reporting gas leaks or emergencies.

The third measure addressed in the Staff Report, leak management, examines LDC performance in effectively maintaining leak inventories and keeping potentially hazardous leaks to a minimum. This measure looks at the year-end backlog of leaks requiring repairs. Since 2003, the backlog has decreased 54 percent. The net result statewide for 2007 is a 29.5 percent decrease in the number of leaks requiring repair, as compared to 2006.

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 2008, LDCs expect to replace more than 300 miles of leak-prone pipe in New York. This effort will improve public safety and will help reduce the leakage rates LDCs experience.

Staff will continue to evaluate LDCs' performance in the measures for gas safety relative to damage prevention, emergency response and leak management. LDCs mentioned in Staff's

report as having improvement opportunities will provide to the Safety Section of the Commission's Office of Electric, Gas and Water a detailed plan, within 45 days, outlining the approaches it will pursue in order to realize improvements.

The Staff Report, when available, may be obtained from the Commission's www.dps.state.ny.us Web site by accessing the Commission's File Room section of the homepage and referencing Case 08-G-0413. Many libraries offer free Internet access. Staff's report may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).