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UTILITY WATCHDOG AGENCIES STRESS NEED TO TRIM TREES

— *Trees and Power Lines Don't Mix* —

Albany, NY—12/19/08—The New York State Public Service Commission (Commission) and the Consumer Protection Board (CPB) today urged utilities located in New York State to aggressively pursue tree-trimming and vegetation management practices in accordance with standing agreements in order to help reduce the likelihood that customers lose electricity after a major ice, snow, rain, or wind storm.

“Major disturbances in electric service can result from fallen tree limbs and overgrown vegetation coming in contact with transmission and distribution lines during storms,” said Commission Chairman Garry Brown. “In New York, reliable power delivery depends upon the competent maintenance and operation by utilities of more than 15,000 miles of electric transmission lines and some 200,000 of miles of distribution lines. It is critically important utilities work diligently to safeguard these important infrastructure assets. Rigorous vegetation management is needed to ensure the highest degree of electric system reliability for public safety.”

The Commission’s approval of the merger of National Grid (the parent company of Niagara Mohawk) and KeySpan included the adoption of a proposal by National Grid to commit to spending approximately \$1.4 billion over a five-year period to improve transmission and distribution reliability, which includes tree-trimming management and environmental maintenance. On the other hand, evidence has shown that NYSEG has actually decreased its tree-trimming expenditures over the past five years, which is cause for increased scrutiny of performance and overall environmental management by this utility.

“Consumers must be assured that the major utilities are meeting their responsibility to trim trees both before and after storms to prevent lengthy outages and as part of general infrastructure maintenance,” said Mindy A. Bockstein, Chairperson and Executive Director of the CPB. “With significant money set aside by utilities for this purpose, and with consumers bearing this cost in their utility rates, we will be looking at post ice-storm reports to be filed by National Grid, Central Hudson and NYSEG with a keen eye. The CPB intends to closely scrutinize performance and spending to administer vegetation management and pole maintenance statewide on an ongoing basis in accordance with existing agreements.”

Each time a large storm hits New York, the rationale regarding the need to properly maintain trees and other forms of vegetation near power lines is strengthened. Although it’s not possible to eliminate entirely power outages just by trimming trees, it is a deterrent.

During the height of the most recent ice storm that swept across Northeastern New York, numerous trees and branches fell, resulting in the loss of electricity to more than 300,000 customers; clean up will continue for weeks. Other storms may follow.

Given the vulnerability of New York’s electric power grid to system outages that can be triggered by individual component failures, and the potential serious consequences in terms of economic, personal and societal losses that may be suffered in power outage by the people and communities affected, electric system reliability is a primary concern.

To help ensure the highest degree of electric system reliability for the benefit of New York State’s residents, electric utilities are required under Commission rules, regulations and orders to file with the Commission long-range vegetation management plans to effectively manage transmission facilities right-of-ways in order to minimize power outages due to encroaching tree limbs or overgrown vegetation at the edge of utility right-of-ways.

The CPB has examined utility performance in providing safe and adequate service to customers. In the wake of the recent storms, the CPB plans to review utility response to concerns

relating to tree trimming and vegetation management procedures and suggest improvements, if necessary, to these procedures.

The Commission requires utilities to file emergency plans concerning communications and restoration of service following service outages last three days or longer. Meanwhile, Commission Staff monitor the utilities' restoration efforts. Sixty days after restoration is completed, a utility is required to file a self-assessment of their restoration efforts. Staff of the PSC also conducts its own assessment of the utilities' restoration efforts and reports to the Commission its findings and/or recommendations.