



Public Service Commission

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No Lengthy Outages As Stronger, More Resilient Electric Grid Takes Hold — Overall Electric, Natural Gas Utility Safety Improves; Utilities Meeting or Exceeding Customer Service Standards —

ALBANY — The New York State Public Service Commission (Commission) today received an annual review from Department of Public Service staff that assessed the major utilities in terms of their performance in a number of key areas, including electric reliability service, gas safety, electric safety, and customer service for 2015.

“The overall statewide duration, or the length of time power was out including major storms, was one of the lowest in the past 10 years,” said Commission Chair Audrey Zibelman. “As part of Governor Andrew M. Cuomo’s strategy to ensure overall State preparedness for major storms, Department of Public staff worked closely in 2015 with the utilities to ensure sufficient staffing and equipment availability for major storms. Despite several significant storms, all outages were restored in less than 72 hours.”

As a signal of efforts being made, all the major utilities were able to meet their reliability targets, with the exception of Orange and Rockland. Orange and Rockland, with some 220,000 customers, had an average customer outage duration of 2.44 hours for the year, well above its target of 1.85 hours. As a result, Orange and Rockland will forgo \$1.2 million in future revenues, which will be used as a credit for the benefit of customers in future rate cases.

Orange & Rockland was not able to meet its outage duration target largely because of a failure at a transmission substation on Dec. 5, 2015. This single event, impacting more than 45,000 customers, accounted for 20 percent of the customers interrupted in 2015 and 43 percent of the year’s hours of interruption. Following the incident, staff performed an investigation into the cause of the event and corrective actions have been taken by the utility to prevent a similar event in the future.

Four utilities — Con Edison, National Grid, Rochester Gas and Electric and Orange and Rockland — saw their reliability performance stay the same or improve in 2015 as well as remain in line with historical averages. Meanwhile, three electric utilities — New York State Electric and Gas, Central Hudson, and PSEG-LI — saw a greater number of outages in 2015 than the previous year, as well their five-year averages. When excluding major storms, the statewide interruption frequency, or number of times a customer lost electricity for five minutes or more, was slightly worse in 2015 than the statewide five-year average.

Staff reported that natural gas local distribution companies’ performance in 2015 in two areas pertaining to safety — emergency response and leak management — have improved from a year

ago. Damage prevention, emergency response times, and leak management all have improved significantly since 2003.

The data indicates that utility performance has substantially improved across the state over the 13-year period staff has been reporting gas utility performance to the Commission. For example, the 30-minute emergency response time has improved from 76.8 percent in 2003 to 83.1 percent in 2015 and the year-end backlog of potentially hazardous leaks has decreased 94.7 percent, from 1,154 to 61. As utilities continue their outreach efforts, adopt better practices in responding to leak and odor calls, and work to replace leak-prone infrastructure, Staff expects further improvements will occur.

Preventing damage to underground gas pipes is critically important. Damage to buried facilities caused by excavation activities is a leading cause of pipeline failure and accidents nationwide. Staff reported that for the first time in the report's history, the total damage prevention measure showed a slight decline in performance from a record year; however, it was still 72.5 percent better than it was in 2003 and in fact the majority of the State's natural gas system operators improved their performance related to damage prevention but one did not. Department staff work interactively with the system operators to analyze the root cause of any degradation in performance and address it as quickly as it is found.

Department staff continue to press third-party excavators to follow rules when digging near gas pipelines. Over the past five years approximately 1,585 citations have been issued, which has led to training sessions being completed by excavators with both New York 811 and Dig Safely NY; approximately \$920,528 in penalties having been collected. Last year, a record 932,936 tickets were issued against companies for failing to comply with dig-safely rules, up 2 percent from a year ago.

Leak management, which seeks to keep potentially hazardous leaks to a minimum, is another example of how utilities can ensure public safety. For leak management, the statewide year-end 2015 backlog improved when compared to 2014, and is down 94.7 percent when compared to 2003. For total leak backlogs, the statewide year-end 2015 backlog was reduced by a total of 2,513 leaks, or 11.5 percent from year-end 2014, and is has been reduced by 26 percent when compared to 2010.

All electric utilities are in compliance with the 2015 testing requirements and goals established by the Commission's electric safety standards. Stray voltage testing was performed on approximately 1.3 million facilities across the State last year. The utilities are also in compliance with the inspection requirement for the first year of the third inspection cycle; in total, approximately 855,000 facilities were visually inspected in 2015. Since all of test and inspection requirements were met, no revenue adjustments are being imposed by the Commission. The electric utilities have met the requirements of the safety standards in each year since they were established by the Commission in 2005.

In terms of customer service, Department staff said all of the major electric and gas utilities in New York provided a satisfactory level of consumer service in 2015 and were meeting or exceeding the standards for performance on the measures of customer service established for their individual operations, with one exception: Rochester Gas and Electric missed its target for estimated meter readings; the company will forfeit \$300,000 in revenues as a result.

To ensure utilities provide good customer service, the Commission adopted strong customer service standards and linked millions of dollars of shareholder earnings directly to performance. Overall, these mechanisms encourage companies to make the quality of service to customers a corporate priority.

For the most part, the electric and gas utilities' performance has steadily improved over the last several years, and this trend continued in 2015. For example, NYSEG's performance has improved

from the 2014 levels; and National Fuel Gas had only one complaint that needed Commission intervention in that year. In addition, St. Lawrence Gas and Corning Gas had no such complaints.

As a group, major utilities face up to \$93 million in negative revenue adjustments if they fail to meet service quality standards. According to staff's report, electric and gas utilities' performance on measures of customer service quality in 2015 was satisfactory, with the exception of RG&E's estimated meter readings. Staff performs a variety of activities throughout the year to monitor the quality of customer service provided by utilities, and to help ensure the fair and appropriate treatment of utility customers. Currently, service quality mechanisms are in place for all of the state's major energy utilities.

Staff's 2015 Electric Reliability Report, Gas Safety Performance Measures Report, Electric Safety Report, and Customer Service Report, when available, may be obtained by going to the Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 16-E-0147, 16-G-0254, 16-M-0159, and 16-M-0296, respectively, in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.