

STATE OF NEW YORK

Public Service Commission

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MAJOR UTILITIES OPERATIONS TO BE EXAMINED

— Operations Audit of Staffing Levels at Major Utilities Gets Underway —

Albany, NY—01/16/14— The New York State Public Service Commission (Commission) today announced it would conduct an independent, operations audit at the major New York energy utilities. The audit will focus on the internal and external staffing levels of core utility functions of Consolidated Edison of New York, National Grid’s Upstate Electric Operations and National Grid’s Gas Operations, Central Hudson Gas and Electric, National Fuel Gas Distribution Company, Orange and Rockland Utilities, Rochester Gas and Electric Corporation, and New York State Electric and Gas Corporation.

“This audit will examine and identify utility best practices to better understand the appropriate mix of internal and contract staffing levels needed to ensure the continuation of safe and reliable service,” said Chair Audrey Zibelman. “This audit will evaluate and recommend possible changes to ensure utilities do a better job in performing core functions related to service reliability, safety and customer service.”

In his 2013 State of the State Address, Governor Andrew M. Cuomo highlighted the importance of management and operations audits of New York’s utilities, and authorized the Commission to direct utilities to comply with recommendations made pursuant to management and operations audits. Last August, the Commission directed that a focused operations audit be conducted on the accuracy of electric interruption, gas safety, and customer service data reported to the Commission for the major electric and gas utilities.

To commence this new audit, a request for proposal will be issued detailing the scope and timetable for the work to be performed by an independent consultant for the operations audit. The consultant, under the direction of Commission staff, will examine the utilities' internal staffing of certain core utility functions, the criteria and controls for the use of external staffing, and consider current industry best practices. The consultant will then make recommendations for improvements, as needed.

Core functional areas to be studied are those that have the greatest impact on service reliability and customer satisfaction, including: electric and gas engineering; electric and gas supervision; electric and gas quality control; electric and gas field operations; customer service representatives; customer service field staff, Commission liaisons handling complaints; and information technology. A final report from the selected consultant is expected by August 2015.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 13-M-0449 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.