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Audrey Zibelman, Chair

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Con Edison Directed to Respond to DPS Report Alleging Violation of State Safety Regulations In Connection With 2014 East Harlem Natural Gas Explosion

ALBANY — The New York State Public Service Commission (Commission) today directed Consolidated Edison Company of New York, Inc., New York City's largest electric and natural gas utility, to respond to a Department of Public Service staff report that it violated State safety regulations leading up to and following the natural gas explosion that occurred on March 12, 2014 in East Harlem, New York. Eight people died and more than 50 people were injured in the tragic explosion.

"A utility's job first and foremost is to safeguard life and property," said Commission Chair Audrey Zibelman. "We will not shirk nor shy away from demanding all New York utilities meet that requirement each and every day. Ensuring public safety is a fundamental responsibility of the utilities, and assuring the utilities fulfill this important obligation is our core mission."

The Department's investigation also identifies a contributing factor of the East Harlem incident was undermining of the utility's natural gas pipes that were near municipal sewer facilities, which had gone unrepaired for several years. According to the staff report, groundwater washed soil from underneath the gas pipe, which suffered from an incomplete plastic fusion at a critical joint. Staff concluded that the physical stress created by eroding soil under the pipe and extra road asphalt on top of it eventually forced apart the inadequate plastic fusion, which caused the gas leak that led to the explosion.

State law requires all utilities to provide safe and adequate service. The Commission's stringent gas safety regulations ensure that the infrastructure, the underground pipes that transport and deliver gas to consumers, are properly maintained and secured. Utilities face financial penalties if they fail to adhere to the safety regulations.

Previously, the Commission was authorized to seek penalties only in civil court. Reforms put forth by Governor Andrew M. Cuomo in 2013 strengthened the enforcement mechanisms of the Commission to ensure that major electric and gas utility companies are held accountable and responsive. The Commission is now able to pursue penalties that reflect a percentage of the utility's gross revenues after a hearing. Financial penalties imposed under both of these processes are the responsibility of utility shareholders.

Department of Public Service investigators have now completed their extensive investigation into the natural gas explosion in East Harlem. The 20-month-long, Department-led investigation determined that Con Edison failed to adhere to nearly a dozen State gas safety requirements, and it found that several of these failures contributed to the explosion.

Under these strengthened enforcement mechanisms, another proceeding was initiated and is still pending against National Grid related to a residential natural gas explosion that occurred in Schenectady in 2014. The explosion, which did not result in a loss of life, was the result of the ignition of natural gas, with DPS finding that National Grid failed to follow regulations regarding discontinuance of gas service to the property. The action is still pending.

The Department's investigation echoed similar findings by the National Traffic Safety Board (NTSB), but the Department's analysis is much more extensive. Unlike the NTSB, the Department's findings — violations of State gas safety regulations — can result in the assessment of financial penalties against the utility. Con Edison has 30 days to respond to the Commission's order.

Today's decision 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 14-G-0201 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents 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.