

STATE OF NEW YORK

Public Service Commission

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UTILITIES '08 STORM RESPONSE ANALYZED

— Guidelines and Expectations for Service Restoration to be Developed —

Albany, NY—06/18/09—The New York State Public Service Commission (Commission) today received a report from Staff of the Department of Public Service (Staff) with recommendations to improve Niagara Mohawk Power Corporation d/b/a National Grid's (National Grid), New York State Electric and Gas Corporation's (NYSEG), and Central Hudson Gas and Electric Corporation's (Central Hudson) restoration and customer service performance during future storm events.

Staff will coordinate a collaborative process with the utilities to help develop guidelines and protocols to help ensure timely release of estimated time of restoration of service to the public following a storm event.

“The assessment process undertaken by staff after a major storm is an invaluable tool that enables us to identify opportunities to improve response and restoration procedures,” said Commission Chairman Garry Brown. “Determining how we can improve storm response and restoration efforts is a critical part of our mission to ensure safe and reliable service.”

Chairman Brown continued: “The incorporation of guidelines and protocols in utilities' Emergency Plans for timely estimations of service restoration is vital for community, consumers, and emergency support personnel to be able to plan properly for the care and protection of the public and property.”

Staff's evaluation of the utilities' performance in response to storms during the last quarter of 2008 reveal that all customers' electric service was restored within three days from the end of the October snow storm and eight days for the December ice storm. While National Grid and Central Hudson performed the restoration of service well, NYSEG's estimates of restoration times and crew deployment were deficient for the October storm.

In its report to the Commission, Staff indicated that the utilities responded adequately, for the most part, to the December 2008 ice storm. National Grid was slow in releasing information about estimated restoration times to the public. Central Hudson did not provide the most accurate information available to its customers during the December ice storm. Staff also noted that NYSEG's crew deployment for restoration of service was deficient for the December storm, as it was in the October storm.

Staff made a series of recommendations, including, but not limited to:

All Utilities:

- Information gathered by patrols performed ahead of line crews should be acknowledged and accounted for in the damage assessment procedures, whether patrols were performed by a surveyor, line crew supervisor, or other personnel.
- To ensure that estimated time for restoration (ETR) of service are made public in a timely manner, ETR guidelines and expectations shall be developed through a collaborative process involving all investor-owned utilities. The resulting guidelines shall apply to all utilities.
- All utilities' Emergency Plans should be modified to require that at least one representative participates in all state and regional mutual aid conference calls in anticipation of and in response to a storm, even if the utility is not expected to be affected by the associated storm.

National Grid:

- National Grid should modify its emergency plan to clarify its preference for performing damage assessment from a central location to maximize the accuracy and effectiveness of Office of Management Services and limit the conditions where decentralized surveys should take place.
- National Grid should assign a small number of line crews to the Wires Down organization to assist in making repairs or making areas safe to the public in a timely manner.
- National Grid should modify its emergency procedures to acknowledge the list of retirees that may be used during a storm and require that the individuals be contacted prior to expected storms to determine availability. Additionally the list should be used when conducting emergency drills.

- National Grid should establish additional procedures and protocols to ensure that its automated call message system, as well as the information provided by Call Center representatives, is up-to-date and accurate and that it will enable customers to make informed decisions.

NYSEG:

- NYSEG should develop a procedure that deploys a sufficient number of wire guards based on the magnitude of calls it receives.
- NYSEG should develop more proactive protocols and procedures for seeking external mutual aid to ensure that crews are requested and acquired prior to and during storm events. The protocols should reflect appropriate actions based on conditions applicable to each of the three storm event classification described in its Emergency Plan.

Central Hudson:

- Central Hudson should retain hourly data on average speed of answer rates for a longer time period than current practice, with special consideration given to retaining information involving unusual events, such as storms.

Staff's assessment of the utilities' performance in responding to the October and December 2008 storms was based on a combination of factors, including: a thorough review of the self-assessment reports filed by the utilities as required by the Commission's rules and regulations, discussions and interviews with public officials, and evaluation of complaint data filed with the Commission's Office of Consumer Services.

Background

On October 28, 2008, an early snow storm brought 10-20 inches of snow to the mid-Hudson Valley and Adirondacks affecting approximately 25,700 customers of National Grid, 17,000 customers of NYSEG and 11,000 customers of Central Hudson. Final restoration occurred on October 29 for Central Hudson, October 30 for National Grid, and November 1 for NYSEG.

On December 11, 2008, a severe ice storm, followed by high winds, caused extensive outages in New York State affecting approximately 229,000 of National Grid's customers primarily in the Capital District and Northeast divisions. NYSEG had approximately 38,800 customers without power, primarily in the Liberty, Oneonta, and Mechanicville service areas. Central Hudson reported about 62,000 customers without power. Final restorations of service occurred on December 17 for Central Hudson, and December 19 for National Grid and NYSEG.

A copy of Staff's report, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.state.ny.us and entering Case Numbers 09-E-0272 or 09-E-0271 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. A copy of the report can also be obtained from the Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).