

STATE OF NEW YORK

Public Service Commission

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UTILITIES URGED TO IMPROVE STORM PERFORMANCE — Statewide Review of 2011 Utility Storm Restoration Efforts Completed —

Albany, NY —06/28/12— The New York State Public Service Commission (Commission) today completed a statewide examination of the state’s utilities preparation for and response to the series of devastating storms that wracked New York in the summer and fall of 2011. The review determined that while many improvements from prior storms have enhanced utility performance, all the State’s utilities need to improve emergency preparation, restoration performance, and communication with customers, public officials, and the media during severe weather conditions that lead to downed power lines and widespread outages.

Last year, in response to the series of unprecedented, nearly back-to-back storms Hurricane Irene and Tropical Storm Lee, Governor Andrew M. Cuomo ordered a thorough and complete review of the storm-restoration activities of all of the state’s utilities, electric, natural gas, and telecommunications.

At the request of the Governor, a separate and independent review was conducted of the Long Island Power Authority (LIPA)’s response to Hurricane Irene. LIPA customers were particularly hard hit by Hurricane Irene, and customer complaints about the utility’s performance during and after the storm prompted the Governor to take action.

“I personally saw the devastating destruction that Hurricane Irene and the other storms caused to downstate and upstate communities,” said Governor Cuomo. “With the recommendations in

hand, utilities will be able to better prepare for and respond to storms. While we can't eliminate the threat of outages, we can work to reduce the outages that occur and we can find ways to restore power more quickly and communicate necessary information more effectively.”

In total, 1.1 million electric customers lost service due to Hurricane Irene and some 68,000 electric customers lost service due to Tropical Storm Lee. Furthermore, more than 900,000 telecommunications customers were without service, mostly due to wide-scale power outages.

In addition to reviews of utility performance during Irene and Lee, the October 29, 2011 nor'easter, which left more than 400,000 customers without electricity was also examined. In that storm, four utilities were affected. Due to the significant amount of snowfall and the severe devastation to leaf-laden trees, full restoration took between six to eight days.

The three separate reports presented today to the Commission put forth more than 100 recommendations overall on ways to improve communication, restore power more quickly, and reduce the total number of outages that might occur.

The recommendations include all electric utilities enhancing how they interface with local officials to coordinate the removal of hazardous conditions such as downed wires and how they should expand emergency plans to include procedures for obtaining crews from distant states.

The review also determined that better communication is needed between the telecommunication industry and the electric utilities to allow for a safer and more efficient restoration effort. In addition to the energy companies, wireless and wireline companies also need to improve their communications systems so that critical network elements among the service providers are identified and prioritized for repair.

The separate, independent review of the utility response on Long Island to Hurricane Irene ordered by the Governor determined that communication by the utility with the public and government officials must be as high a priority as restoration. The report urges LIPA to instill in its employees and in the employees of its service provider, National Grid, the need to improve

the overall communication with the public and to increase the emphasis on effective communication with the public.

In addition, the reports conclude that LIPA and National Grid should collaborate with municipalities to develop more proactive communications during storms in order to provide a unified message to the public regarding safety and restoration efforts prior to, during, and after an emergency event. Finally, the Department of Public Service's report emphasizes that LIPA, through its service provider, needs to reevaluate and improve its vegetation management and tree-trimming policies. Under contract, National Grid runs the day-to-day operation of LIPA's electric utility business. The report examines both entities.

"The intense storms that wracked New York last year created great hardship for hundreds of thousands of families and businesses in New York, as well as causing extraordinary damage to the state's utility infrastructure," said Commission Chairman Garry Brown. "Staff's examination of the utilities' performance, including the adequacy of disaster planning and efforts to restore power and communicate with customers, will help reduce the impact of such storms in the future."

Hurricane Irene, which hit on August 28, 2011, caused such severe damage from flash flooding and high winds that resulted in the Governor declaring a state of disaster in 38 of New York's 62 counties. Numerous utilities suffered significant infrastructure damage from flash flooding and winds that sent uprooted trees and branches crashing onto power lines. LIPA had more than 523,000 customer outages due to Irene, more than any other utility.

Meanwhile, Tropical Storm Lee, which hit on September 4, 2011, delivered rain onto already saturated ground and swollen rivers, causing unprecedented flooding in the Southern Tier and the Mohawk Valley region. Throughout all the storms of 2011, utility crews and employee efforts were substantial and sustained.

Investor-owned utilities (IOUs) already have embraced several recommendations described in these reports, such as investigating ways to expand the use of newer technologies to

communicate with customers during outages (i.e., email, text messaging, and social media); and reviewing facilities that are susceptible to outside factors, such as flooding, excessive tree damage, or limited access, to determine whether reasonable infrastructure improvement or increased maintenance could be made to reduce the customer impact of a storm or facilitate the ability of the utility to restore service.

LIPA and National Grid have embraced recommendations for application in the Long Island service territory. These recommendations include recognition of the need to improve overall communication with the public, and increasing focus on improving procedures for obtaining and communicating accurate and timely restoration information during major outage events. LIPA and National Grid must update the information technology systems used during an emergency as well as routine work, and they must develop and implement an efficient make-safe process that includes collaboration with emergency responders and public officials.

The IOUs are expected to implement all recommendations made by Department staff no later than 30 days from receipt of staff's report. Department staff will monitor the companies' progress in implementing staff's recommendations. The Department's report concerning LIPA will be forwarded to the LIPA Board of Trustees for action.

In addition to the energy companies, the recommendations for telecommunications companies primarily are designed to improve the reporting of outages and events affecting telecommunications networks, better coordination between providers for priority restoration of facilities and to explore means to improve communications and coordination between telecommunications providers and electric utilities during restoration.

Telecommunications companies will be asked to review the recommendations and report to staff within 30 days from the receipt of the report on what actions they will take to address and/or implement staff's recommendations.

Staff's reports concerning the 2011 storms, when issued, may be obtained from the Commission's www.dps.ny.gov Web site by accessing the Commission's Search section of the

homepage and referencing Cases 11-M-0481, 12-E-0283 and 11-M-0595. Many libraries offer free Internet access. Staff's report may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).