

STATE OF NEW YORK

Public Service Commission

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GAS DISTRIBUTION SAFETY RECORD SCORES IMPROVEMENT — Statewide Improvement Over 2008; Continued Improvement Since 2003 —

Albany, NY—06/17/10—Staff of the Department of Public Service (staff) today presented its 2009 *Gas Safety Performance Measures Report* to the New York State Public Service Commission (Commission) examining the natural gas local distribution companies' (LDCs) performance in three areas pertaining to safety — damage prevention, emergency response, and leak management. In addition, staff made recommendations where performance improvements are needed.

“Overall, gas distribution companies’ performance in 2009 not only improved over 2008, but also have shown continued and steady improvement since 2003,” said Commission Chairman Garry Brown. “These companies — which supply natural gas to millions of homes and businesses across New York State — deserve credit for ensuring necessary safeguards are in place to protect customers.”

The first measure, damage prevention, examined in the staff report gauges the ability of LDCs to minimize damages to buried facilities caused by excavation activities. Staff’s examination in the area of damage prevention, finds that the rate of total damages statewide improved over 12 percent from 2008 performance, and 62 percent since 2003.

Staff attributes these positive results in reducing damage to underground facilities in part, to public education efforts undertaken by both the LDCs and the One-Call Centers — accessible to contractors, excavators or homeowners by dialing 811 prior to doing any excavation or digging.

The reporting of all damages due to no-calls by LDCs to staff for enforcement has contributed to an improvement of over 68 percent since 2005.

The second measure, emergency response, analyzed in the staff report gauges the ability of LDCs to respond promptly to reports of gas leaks or emergencies by examining the percentage of calls that fall within various response times. There are three specific response goals: respond to 75 percent of emergency calls within 30 minutes; 90 percent within 45 minutes; and 95 percent within 60 minutes. Statewide performance improved in 2009, and it was the second year every LDC met all three emergency response targets.

Staff, in its report to the Commission, attributed continued progress in response to emergency situations to LDCs adopting more efficient work practices, utilization of new technologies to quickly identify the appropriate employee to respond to an emergency notification, public awareness initiatives, and placement of existing or additional personnel in certain geographical areas during the times of the day that historically have high volumes of calls reporting gas leaks or emergencies.

The third measure addressed in the staff report, leak management, examines LDC performance to effectively maintain leak inventories and keep potentially hazardous leaks to a minimum. This measure looks at the year-end backlog of leaks requiring repair. The year-end backlog of potentially hazardous leaks improved 15 percent over 2008, and 75 percent since 2003.

LDCs with notable improvement over 2008 levels are Corning Natural Gas Corporation and St. Lawrence Gas Company, Inc. which experienced no damages due to mis-marks during 2009, and Orange & Rockland Utilities, Inc., which has continued its improvement trend.

Incentive programs to reduce safety risks by replacing deteriorating and leak-prone infrastructure and/or reducing leak backlogs have been incorporated into past and current rate agreements for LDCs. Across the state, LDCs are collectively working to update the gas distribution infrastructure. In 2010, LDCs plan to replace more than 310 miles of leak-prone pipe in New

York. This effort will improve public safety, and over time, will help reduce the leakage rates LDCs experience.

Staff's report serves as a management tool by allowing for analysis of trends and serving as an early warning system if performance appears inadequate. The report also promotes the improvement of gas safety performance by encouraging companies to focus on the areas identified as critical to safety and to identify opportunities for improvement.

Staff will continue to evaluate LDCs' performance in the measures for gas safety relative to damage prevention, emergency response and leak management. LDCs mentioned in staff's report as having improvement opportunities will provide to the Safety Section of the Commission's Office of Electric, Gas and Water a detailed plan, within 45 days, outlining the approaches it will pursue in order to realize improvement.

The staff report, when available, may be obtained by going to the Documents section of the Commission's Web site at www.dps.state.ny.us and entering Case Number 10-G-0225 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. The reports may also be obtained from the Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).