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John B. Rhodes, Chair

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PSC Receives Reports on Electric Reliability, Customer Service and Gas and Electric Safety of the State's Large Public Utilities

Extreme Weather in 2018 Resulted in Significantly More Outages Than 2017

Company Shareholders See Negative Revenue Adjustments Totaling Nearly \$6 Million For Failing to Meet Regulatory Targets

NEW YORK — The New York State Public Service Commission (Commission) reviewed the state's major utilities in terms of their performance in a number of key areas in 2018, including electric reliability service, gas safety, electric safety, and customer service. Three major investor-owned public utilities — New York State Electric & Gas Corporation (NYSEG), Central Hudson Gas & Electric Corporation (Central Hudson), and Orange and Rockland Utilities, Inc. (O&R) — will see negative revenue adjustments totaling nearly \$6 million for failing to meet certain reliability or customer service requirements.

“While most utilities are doing a good job providing safe and reliable service, three utilities have fallen short of our expectations in certain areas and we will continue to act aggressively to ensure utilities improve performance,” **said Commission Chair John B. Rhodes.** “Additionally, as a result of this analysis, it is clear that utilities must be ready to address more frequent and powerful storms.”

In terms of electric reliability, major storms in 2018 accounted for over 80 percent of the total customer-hours of interruptions and 36 percent of the overall number of customers affected. New York experienced 36 separate major storm events in 2018; the five largest storms occurred between March 2 and May 20, 2018.

Last year ranks third in customer hours of interruption in the last 20 years following Hurricane Irene and Tropical Storm Lee in 2011 and Hurricane Sandy in 2012. Last year had more customer hours of interruption when including major storms than calendar year 2017.

Excluding major storms, the statewide interruption frequency and duration performance for 2018 declined compared to last year and the statewide five-year average. The decline was primarily due to fewer outages from equipment failures and tree contacts.

Electric Reliability: The Commission relies on two primary metrics to measure electric performance: the System Average Interruption Frequency Index (SAIFI or frequency) and the Customer Average Interruption Duration Index (CAIDI or duration). By compiling the interruption data provided by the individual utilities, the average frequency and duration of interruptions can be reviewed to assess the overall reliability of electric service statewide. All electric utilities met their frequency and duration targets, except NYSEG and Central Hudson both failed to meet certain reliability metrics. Because of

the failures to meet targets, NYSEG shareholders will see a negative revenue adjustment of \$3.5 million and Central Hudson shareholders will see a negative revenue adjustment of \$2 million, benefiting the companies' customers.

Electric Safety: New York utilities were in compliance with electric safety standards in 2018. The Commission established these standards in 2005 to safeguard the public from exposure to stray voltage and to identify and eliminate potentially harmful conditions before serious safety hazards and/or reliability deficiencies develop. New York's electric safety standards continue to have some of the most stringent requirements when compared to other states across the nation. In 2018, manual stray voltage testing was performed on approximately one million utility facilities statewide, resulting in the identification of only 396 stray voltage conditions, all of which were quickly remediated. In addition, the utilities also performed mobile scans in major cities and all stray voltage findings from those surveys were remediated.

Gas Safety: Department staff evaluated critical areas of gas safety, including damage prevention, emergency response times, leak management, and non-compliances identified through staff's audit process. Overall, the data indicates that performance has substantially improved since these metrics have been in place. The total year-end leak backlog improved significantly, achieving an approximate 50 percent reduction from 2008 numbers. Also, the year-end backlog for potentially hazardous leaks improved significantly going from 66 in 2017, to 32 in 2018, and is down 97.2 percent when compared to 1,154 in 2003. The damage prevention measure gauges the success of LDCs in minimizing damage to buried natural gas facilities caused by excavation activities. Compared to 2017, damages in 2018 increased by 33, or roughly 2.1 percent, from 1,562 to 1,595. This change is relatively consistent with changes in previous years and will be monitored by staff in 2019. The emergency response time measure reflects the LDCs' ability to respond promptly to reports of leak, odor, and emergency notifications. In general, the LDCs have continued to use technologies such as global position systems to quickly identify and respond to leaks, odors or emergency reports, thereby reducing response times. While National Grid's KEDLI missed its 30-minute emergency response target it does not face a negative revenue adjustment per its current rate plan, which does not include response to carbon monoxide incidents.

Customer Service: Large New York State utilities' rate plans contain consumer service performance metrics related to customer complaint rates and survey measures of customer satisfaction. New York's major electric and gas utilities — which includes Corning, National Grid (downstate), National Fuel, and St. Lawrence — met or exceeded the standards for customer service for 2018; with the exception of O&R, which failed to meet its target for calls answered by a representative within 30 seconds. O&R's shareholders will be required to pay \$450,000 for the benefit of O&R's customers. Aside from the deficit at O&R, customer service performance has steadily improved over the last several years, and this trend continued in 2018.

The reports in these proceedings, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering the following Case Numbers in the input box labeled "Search by Case Number": Electric Reliability Performance (19-E-0169); Electric Safety (19-E-0246); Gas Safety (18-G-0298); and Customer Service (19-M-0307). 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. For more information, you may also visit your service provider's website.