

STATE OF NEW YORK

Public Service Commission

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NATURAL GAS UTILITIES IMPROVE DAMAGE PREVENTION — Improvements Underway Consistent With Energy Highway Actions —

Albany, NY—06/13/13— Staff of the Department of Public Service (staff) today presented its 2012 *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.

Governor Andrew M. Cuomo's NYS 2100 Commission found that miles of aging pipeline are prone to leakage and vulnerable to storm damage, and it recommended accelerating pipeline replacement programs in flood prone areas. The 2100 Commission's recommendations are consistent with actions now underway as part of the Energy Highway Blueprint to accelerate improvements to the natural gas distribution system, and confirms the Public Service Commission's commitment to pipeline replacement programs.

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. LDCs are collectively working to update the gas distribution infrastructure annually. Accelerating replacement of leak prone pipe is a priority in New York and nationally.

The report issued today about the safety performance of the state's critically important natural gas distribution system is the result of collaborative efforts, started in 2003, between staff and the LDCs to improve identification and tracking of areas that are critical to gas safety. Overall, LDC performance has substantially improved across the state over the past 10 years, and efforts for further improvements continue.

For 2012, staff reported statewide improvement in the area of damage prevention over 2011. For emergency response and leak management in 2012, performance declined slightly, primarily driven by the impact of Superstorm Sandy. However, even with the slight declines in performance, all three areas have improved significantly since 2003.

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, the leading cause of pipeline failure and accidents nationwide. Staff reported that overall damage prevention performance across the state improved 6.1 percent during 2012, and 69 percent since 2003.

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 declined slightly in 2012 compared to 2011, attributed mainly to the effects of Superstorm Sandy.

Despite Sandy-related setbacks, general improvement has occurred over the past 10 years in the 30-minute goal, with a 5.9 percent increase, from 76.8 percent to 82.7 percent, leading the performance gains.

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. The statewide year-end 2012 backlog was up 7.5 percent (11 leaks) from 2011, but remains an improvement of 86 percent since 2003.

Staff's report concerning gas distribution safety by LDCs during 2012, when available, may be obtained by going to the Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 13-G-0213 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission orders 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.