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CHANGE IN RELIABILITY NEEDS OFFERS NEW SITING OPPORTUNITIES IN UTILITY CASE

Albany, NY — The New York State Public Service Commission (Commission) today announced that a new procedural ruling regarding Rochester Gas and Electric (RG&E) Corporation's plans to build new transmission lines and a new substation in Monroe County proposes that RG&E conduct further studies of an alternative site for the substation that would avoid impacts to a working farm.

RG&E is negotiating with owners of the Ginna nuclear power plant over an arrangement to keep the power plant running until RG&E can make alternate arrangements to meet the reliability needs for electricity in its service territory. In the course of exploring options for a system that would be less dependent on power from Ginna, RG&E said it has arrived at a solution that also provides benefits while delaying the immediate need for the proposed \$254 million Rochester Area Reliability Project (RARP).

"I'm pleased that RG&E's reevaluation of its system needs now affords more time for a fuller consideration of alternatives in this transmission siting case," said Chair Audrey Zibelman.

RG&E now proposes to complete the RARP in three phases, with the first phase being completed in 2019. Previously, RG&E's position that completion of the RARP was necessary to cure reliability deficiencies in the short term had potentially necessitated quick action by the Commission on the proposal. The ruling is the latest development in a complicated case in which the Commission must balance the need for reliable electricity to serve the RG&E service territory against the impacts that the RARP may have on the environment, including impact on land farmed by the Krenzer family in the Town of Chili.

Today's ruling proposed that RG&E be required to conduct more in-depth analyses of an alternative location, known as "Site 20," located on land that is no longer in active farming use. Location of the substation at Site 20 would move the substation less than a mile to the east, across the Genesee River to the Town of Henrietta, away from the primary location on the Krenzer farm that was originally proposed by RG&E.

RG&E's proposal has been under consideration since January 2012. Specifically, the project calls for the construction of approximately 23 miles of new 115 kilovolt (kV) transmission lines, reconstruction of two miles of an existing 115 kV line, a new 1.9 mile 345 kV line, a new 345 kV/115 kV substation, and the improvement of three existing substations, in the towns of Chili, Gates, and Henrietta, and in the City of Rochester, Monroe County.

The Commission approved the project in early 2013. Members of the Krenzer family, who own farmland impacted by the project, and the Town of Chili filed petitions for rehearing and raised questions concerning the impacts of both the substation location and the routing of the transmission lines on agricultural land uses.

After reviewing those petitions, the Commission ordered a reexamination of the impacts of the substation location on the Krenzlers' farming activities. The Commission appointed an administrative law judge to work with the parties in an effort to find a consensus solution while still meeting the electric reliability needs of Rochester residents. When that effort was unsuccessful, the Commission ordered a limited reopening of the record for consideration of alternatives, and Site 20, among others, was identified as a potentially viable site through that further process.

The Commission's order reopening the record required RG&E to pursue the grant of an easement from the federal government to allow RG&E to route a segment of its transmission lines next to an existing major transmission line owned and operated by the New York Power Authority. To avoid property on which the U.S. Department of Agriculture (USDA) held a conservation easement, the RARP route had detoured away from the NYPA line and instead crossed other farm fields owned by the Krenzlers.

In September of 2014, the USDA granted the easement, thereby enabling RG&E to site its transmission lines along the path of the NYPA line. Obtaining the easement results in an environmentally sound route for the transmission lines that minimizes further disruption of farmed fields and the rural landscape of Monroe County. The Commission's insistence that RG&E pursue that option has benefited the landowners directly impacted by the RARP route.

Hearings before the presiding administrative law judges (ALJs) to examine both Site 20 and the previously certificated site on the Krenzer farm were conducted in 2014, with active participation by the Krenzer family, other nearby landowners, and the State Departments of Public Service, Agriculture and Markets, and Environmental Conservation, as well as RG&E. The parties had submitted briefs and were awaiting a decision when RG&E filed its letter in December.

In today's ruling, the ALJs note that the record regarding Site 20 lacks the kind of detailed, in-depth studies that RG&E would have been required to perform if its original application had proposed Site 20. Their ruling proposes that RG&E be required to conduct and submit detailed studies of Site 20 to enhance a record for a Commission decision in the case. Parties have until March 4, 2015 to comment. The ALJs will establish further milestones and deadlines after hearing from the parties.

Today's ruling may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 11-T-0534 in the input box labeled "Search for Case/Matter Number". 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.