

STATE OF NEW YORK

Public Service Commission

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10026/09-G-0380;10-G-0100

PENALTY ACTION AGAINST CON EDISON WEIGHED — Issues Raised Regarding Utility's Handling of April 2009 Gas Explosion —

New York, NY—03/25/10—The New York State Public Service Commission (Commission) today instituted a new proceeding and directed Consolidated Edison Company of New York, Inc. (Con Edison) to show why the Commission should not determine that four violations of gas safety regulations caused or constituted a contributing factor in bringing about the death of a resident in the company's service territory last April. These four violations could result in a cumulative maximum civil penalty of \$1 million.

The proceeding will focus on the April 24, 2009 gas explosion that destroyed property and resulted in the death of a resident of 80-50 260th Street in Queens, New York. Con Edison personnel were on site before the explosion occurred, having responded to gas odors on the block. Following the incident, Department staff conducted an investigation and filed a report with the Commission on November 12, 2009.

In its November 2009 Report, Department staff discussed the causes of the explosion and Con Edison's response to the report of gas odors on the block received by the company prior to the explosion. The staff report identified four apparent failures to comply with the company's written emergency response procedures, which required company personnel to:

1. Vent enclosed spaces, including removing manhole covers, where gas is entering sewer or duct systems;
2. Check all utility points of entry in the vicinity of an outside reading, when a leak investigation leads inside to the basement;

3. Check adjacent and adjoining buildings or other buildings in the vicinity, where appropriate, for entry of gas; when an indication odor of gas is found within a building and
4. Check for gas migration into adjacent/connected manholes/service boxes and buildings if gas is detected in a manhole, sewer manhole or in an electric manhole/service box and consult the company's computerized electric facility mapping system for buildings and structures connected to electric subsurface structure.

Since Commission gas safety regulations require Con Edison to conform its actions to the company's written emergency response procedures, each separate and distinct failure to follow its own emergency response procedures provides a basis for a civil penalty under Section 25 (3) of the Public Service Law.

Within 30 Days of the Order to Show Cause, Con Edison must respond and present its case as to whether a violation or continuing violation of the Public Service Law caused, or constituted a contributing factor in bringing about a death at 80-50 260th Street, in Queens, New York. The Commission will then make a determination as to the causation and whether or not a formal penalty action should be initiated.

Department staff submitted a report to the Commission as to Con Edison's progress in implementing the nine recommendations intended to enhance the safety of the company's gas operations identified in the November 2009 Report. Staff noted that Con Edison has taken steps to implement the recommendations contained in the Staff Report. Department Staff will continue to work with Con Edison to ensure that all nine recommendations are fully implemented.

Additionally, Department staff's report summarized comments made at the Public Statement Hearings in this case and Con Edison's response to the Commission's broader concerns about whether the company's internal systems, controls and management oversight are adequately designed to enforce existing procedures, detecting weaknesses and implementing improvements.

The Department staff's reports in Case 09-G-0380 and the Commission's order, when issued, in its new proceeding in Case 10-G-0100, can be obtained from the Commission's Web site at www.dps.state.ny.us by entering the applicable case number in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).