



Public Service Commission

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John B. Rhodes, Chair

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PSC Moves to Next Phase of TS Isaias Investigation

Three of the State's Largest Utilities Face Potential Penalties Totaling \$137.3 Million, Possible Revocation of Operating Licenses Under Consideration

ALBANY — The New York State Public Service Commission (Commission) today said it would commence holding evidentiary hearings regarding how utilities prepared for and responded to Tropical Storm Isaias (TS Isaias). The purpose of the hearings will be to address factual issues related to the assessment of the prudence and reasonableness of the actions taken by Con Edison, Orange & Rockland, and Central Hudson regarding the preparation and response to TS Isaias, and to determine whether proposed penalties should be levied and injunctive relief imposed related to any utility failures.

“The Commission will now determine how to hold utilities accountable for any mistakes on their part regarding the preparation for and response to TS Isaias,” **said Commission Chair John B. Rhodes.** “If a utility mismanages its operations and inflicts harm on customers, then utility shareholders will pay to remedy such situations and to avoid repeat failures.”

In November, Governor Andrew M. Cuomo announced that the Commission has completed its investigation into the apparent failure of New York's electric utilities to adequately prepare for and respond to TS Isaias, which ravaged large swaths of New York State this summer. As a result of the investigation, the fastest ever conducted by New York's utility regulator, three of the state's largest utilities — Con Edison, O&R and Central Hudson — now face maximum potential penalties of up to \$137.3 million, with Con Edison and O&R also facing potential license revocation depending upon a finding of repeat violations.

The Commission's November order alleged 103 apparent violations of the Public Service Law (PSL) and certain Commission orders against Con Edison, O&R, and Central Hudson, in relation to each company's preparation for and response to TS Isaias. The order directed each of the utilities to show why, based on the alleged violations, the Commission should not commence a civil penalty action and/or an administrative penalty proceeding, pursuant to PSL §§ 25 and/or 25-a, and/or a prudence proceeding for potentially imprudent expenditures of ratepayer funds.

All three utilities responded to the order to show cause by filings made within 30-days after issuance of the November order. The action today directs the Office of Hearings to assign Administrative Law Judges (ALJs) to each individual case and to schedule the steps up to and including an evidentiary hearing. The evidentiary hearings will address any genuine issues of material fact related to the alleged violations, demonstrate why the proposed penalties should be assessed, as well as to assess the

prudence of each of the utilities' actions in preparation and response to TS Isaias. Of note, the New York State Department of Public Service separately investigated PSEG LI's preparation and response to the storm and provided recommended enforcement actions to the LIPA Board of Trustees.

Today's decisions may be obtained by going to the Commission Documents section of the Commission's website at www.dps.ny.gov and entering Case Numbers 20-E-0586 [Investigation into the Utilities' Preparation for and Response to August 2020 Tropical Storm Isaias]; 20-E-0422 [Con Edison Investigation]; 20-E-0643 [Orange & Rockland Investigation]; 20-E-0641 [Central Hudson Investigation] 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.