STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Regular Meeting of the Public Service Commission

Thursday, June 26, 2014
10:31 a.m.
Three Empire State Plaza
Agency Building 3, 19th Floor
Albany, New York

COMMISSIONERS:

AUDREY ZIBELMAN, Chair
DIANE X. BURMAN
GREGG C. SAYRE
PARTICIA L. ACAMPORA
GARRY BROWN
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CHAIR ZIBELMAN: So, good morning, everyone. We're going to bring the Public Service Commission to order.

Secretary Burgess, do we have any other changes to the agenda?

SECRETARY BURGESS: Good morning, Chair and Commissioners.

We have several changes to the agenda this morning. First, item 102, case 14-G-0175 and 14-G-0186, it's the matter of a Natural Gas incident at 52 Zarriello Lane in West Haverstraw and an enforcement proceeding against Orange and Rockland Utilities, Inc. is over.

Item 367, case 14-E-0121, Consolidated Edison's tariff amendments to modify rider L, the Direct Load Control Program is also over.

Moving to the regular agenda, item 371, case 03-E-0188, which is a renewable portfolio standard proceeding, petition of Pace Energy regarding changes to rules for procuring renewable energy.

It's being moved to the regular agenda and it's renumbered item 303. In addition,
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the public agenda incorrectly stated that the
NYSERDA had filed a petition. It actually was
filed by Pace Energy and others.

Also moving to the regular agenda
is item 375, case -- also case 03-E-0188, the
renewable portfolio standard proceeding. This is a
petition of NYSERDA regarding customer sited tier
unencumbered program funds. It's being moved to
the regular agenda and renumbered item 304.

And finally adding to the consent
agenda are two items in case 14-G-0212 in the
matter of an investigation into the operator
qualifications of persons who performed plastic
fusions on natural gas facilities. These are
numbered items 171 and 172.

And those are all the changes to
the agenda.

CHAIR ZIBELMAN: Thank you. We
will get started. So today we have several reports
on electric service reliability, electric and gas
safety items and these are for -- not -- for
discussion items only. We're not going to be
voting on them. But let's -- let's start with Raj.
Can you give us an overview what these are?
Mr. Addepalli: Good morning, Chair Zibelman and Commissioners. As you said, we'll be presenting different staff from different offices for informational purpose only for both electric and gas industries on quality of service provided by utilities to their customers dealing with reliability, safety and customer service. And the comments are -- that I'm making are pretty generic for all these four items. As you probably know, the Department has a rich history of data gathering and analysis of utility performance on quality of service that utilities provide to customers. For some of these measures we have over a decade of standardized data and for some over two decades worth of standardized data. What this does is this allows us to -- and the utilities to perform both time series analysis, that is over time how the performance has changed and look at trends and cross section analysis, that is across utilities in the state, how utilities are performing. And, to identify problems and take any corrective actions.
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I'm also happy to say that New
York is one of the leaders in establishing this
service quality standard requirement and many
states since then have followed New York.

As we move to more and more
performance-based rate-making in -- over the years
these measures, service quality measures, have
taken on increased significance and importance.

We want to ensure that as utility
cost-cutting incentives are increased in our
rate-making process through either multi-year rate
cases and/or decoupling of sales and profits that
the cost cutting at the utilities happens through
innovation and productivity improvements and not at
the cost of sacrificing service quality and
reliability to customers.

So some of these standards are
now part of utility service quality performance
metrics that are embedded in rate cases for both
gas and electric utilities. Failure to meet these
metrics would entail financial consequences for the
utilities.

While the standards are pretty
generic and uniform across the utilities the
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performance levels are somewhat influenced by the
system design and geography of the utilities,
historical performance levels and customer
expectations.

We shared these reports with all
the utilities in the state, so that any lessons
learned by one can be used by others as warranted.
With that generic overview I'll turn it over to
Chris Stolicky to begin the discussion of the first
item on gas utilities safety performance for 2013.

MR. STOLICKY: All right. Good
morning, Chair, Commissioners. Item 101 is the

This is the eleventh annual
report that examines New York local distribution
companies referred to as L.D.C.s, performance in
three areas pertaining to gas safety; excavation
damage prevention, emergency response to gas leak
and odor calls and leak management.

These performance measures are
the result of collaborative efforts between staff
and the L.D.C.s to identify areas that are critical
to gas safety. This report is intended to serve as
a management tool by allowing for analysis of
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trends, identification of L.D.C.s and need of improvements. Overall the data indicate that L.D.C. performance has greatly improved across the state.

The damage prevention metrics describe the L.D.C.s' ability to minimize damages to buried facilities caused by excavation activities, the leading cause of natural gas pipeline failures and accidents both statewide and nationwide.

There are four components of the damage prevention measure; damages due to mis-marks or inaccurate marking of L.D.C.'s buried facilities, damages caused by company crews and the company's own contractors, damages resulting from third-party excavation error and damages resulting from lack of notification by the excavator of intent to dig, referred to as no-calls.

These four components make up the overall damage prevention measure which improved 4.7 percent statewide during 2013 when compared to 2012. Moreover, there's been a 71 percent improvement in the overall damage prevention measure since 2003.
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As can be seen by the graph, statewide performance has greatly improved over the years. For 2013 three of the damage components improved while one declined slightly. Note the historical improvements when damage is due to no-calls.

From 2003 to 2006 statewide improvement was 28 percent. Since mid-2007 all L.D.C.s have participated in an effort to provide staff with details of damages due to no-calls for possible enforcement actions.

Even though there was a slight decrease in performance during 2013, partly driven by post-Sandy restoration work, many have reported this to be a beneficial program, that has contributed to greater awareness of the one-call regulations and these type of damages have clearly declined.

I will now discuss the emergency response measure. This measure tracks L.D.C.s ability 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 improved in all three measures mostly driven by improvements in downstate performance. Continuous improvement requires L.D.C.s to effectively manage resources by positioning qualified responders to be in locations when and where leak calls are expected to occur. Finally, the leak management measure describes L.D.C.s performance in effectively maintaining leak inventories and keeping potentially hazardous leaks to a minimum. It measures the year end backlog of potentially hazardous leaks that require repair. After an increase of 8 percent in 2012, mostly attributed to the impacts of Sandy, the statewide result for 2013 was -- was a 31 percent decrease in the year end backlog over 2012, a year later. Moreover, since year end 2003 the statewide backlog has decreased over 90 percent. The report provides greater detail into individual L.D.C. performance over the past several years. As L.D.C.s worked to eliminate
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aging infrastructure from their distribution systems through replacement with new material the number of leaks that occur are expected to decrease.

Staff's analysis of each performance measure identifies specific areas where certain L.D.C.s have room for improvement. An example would be those L.D.C.s that have higher rates of damages than others across the state.

We are recommending that those L.D.C.s perform self analysis in these areas and identify and report to staff the incremental actions they will implement to improve performance.

Thank you, Chair and Commissioners. This concludes my presentation and I'd be happy to answer any questions.

CHAIR ZIBELMAN: Thank you, Chris. Just go back. Could you describe --?

UNIDENTIFIED SPEAKER: Is your mike on?

CHAIR ZIBELMAN: If -- if we were to normalize for Sandy what would -- did you look at what would be the difference between '11 and '13? I mean it looks to me like it's -- it's even
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a trend down from there?

MR. STOLICKY: It -- it is a continuous trend down. We haven't specifically taken the -- the data out from downstate grid companies and Con Ed. That is something we could do.

CHAIR ZIBELMAN: Just a curious observation. But anyway I have no further questions.

I think -- I think in all of these my general comment is it does really show that once we start measuring elements, we can see improvement and so that adage unless you measure you -- you can't improve is pretty clear here.

What I'd -- I'd like to talk about but we could do it afterwards, is maybe a little bit on the process we use to go forward because as in any other situation once we start seeing improvements if there are other areas that we find that there's weaknesses, how do we now start or either, continue to measure things once we've addressed the problem. And, maybe add new areas because it's obviously always an area of continuous monitoring and improvement. But maybe
we can go through for the rest and we can come back to that question.

But any other questions for either Raj or Chris at this point?

COMMISSIONER BROWN: I just want to make one comment. It's a tremendous success here on the year-end backlog. It would be wonderful now that we're getting to this low of a number and I know new things always crop up and -- but to get into the double digits next year would be quite an accomplishment as we aim toward zero.

CHAIR ZIBELMAN: Commissioner Burman?

COMMISSIONER BURMAN: I'm going to save my comments till the end --

CHAIR ZIBELMAN: Okay.

COMMISSIONER BURMAN: -- all of them.

CHAIR ZIBELMAN: Okay. The next item then that we're going to be talking about is for the report on the utility energy service quality concerning those from the utility consumer program specialist in the office of Consumer Policies.
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So Sonny welcome and we look forward to hearing what you have to say.

MR. MOZE: Thank you, Chair Zibelman. Good morning.

This item summarizes the electric and natural gas utilities performance for 2013 on measures of service quality, which includes two types of measures, standardized key performance indicators supported by all of the utilities and customer service performance incentives, which are unique to each utility and include negative revenue adjustments for unsatisfactory customer service performance.

Customer service performance incentives help to align shareholder and ratepayer interest by providing potential earning consequences to shareholders that reflect the quality of service to utility customers.

Every major gas and electric company in New York State has these mechanisms in place. They have typically been negotiated within the context of individual utility rate cases.

For all of the utilities the incentive mechanisms contain targets for P.S.C.
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complaint rates and for several measures of customer satisfaction. Some also include targets for other more specific measures of utility performance. The good news is that for the most part the electric and gas utilities performance has steadily improved over the last several years and this trend continued in calendar year 2013. For example, ConEd gas and natural fuel each had no escalated complaints for the entire year.

National Grid Long Island improved from year's 2012 performance on the adjusted bills measure and National Grid Upstate complaints rate for 2013 was one of the lowest since its customer satisfaction performance incentive was implemented.

However, these two companies also reported performance deficits in 2013. National Grid Upstate failed to meet its first-quarter performance target of enrolling 898 customers in its Low Income Affordability Program, which resulted in a negative revenue adjustment of fifty thousand dollars.

This is automatically deferred for the benefit of customers, pursuant to National
Grid Upstate's rate plan and no commission action is required.

In addition, National Grid Long Island reported that it did not meet its performance target level of 83.4 percent in customer satisfaction which resulted in a negative revenue adjustment of 4 million 4 hundred and 55 thousand dollars.

The company has filed a petition asking that the Commission waive these negative revenue adjustments because the company believes that its 2013 customer satisfaction performance was negatively impacted by the Super Storm Sandy, which was not in the company's control. That request is under review.

Given this record, overall we believe that customer satisfaction performance -- customer-service performance incentive currently in place for utilities in New York State establish strong standards of performance and subject significant amounts of shareholder earnings at risk for nonperformance.

Overall the customer service performance incentive mechanisms implemented by the
Commission coupled with staff's ongoing monitoring efforts have been effective in making the quality of service to customers a corporate priority and providing criteria for ensuring that the quality of customer service remains at high levels.

Staff will continue to monitor customer-service quality provided by utilities to ensure the fair and appropriate treatment of utility customers across the state.

In addition, staff will continue to promote performance-based rate-making strategies relating to customer service quality in conformance with Commission policies.

This completes my presentation on the energy utilities customer-service performance report for 2013. I will be glad to answer any questions.

CHAIR ZIBELMAN: Thank you, Sonny. Any questions?

COMMISSIONER BURMAN: At the end.

CHAIR ZIBELMAN: Okay. Thank you.

MR. MOZE: Thank you.

CHAIR ZIBELMAN: We're moving on
then to the third item, which is the compliance report on stray voltage testing and inspections.

And Jason Pause who's a power systems operations specialist will be presenting that. Welcome Jason.

MR. PAUSE: Good morning, Chair, Commissioners.

Today I'll be providing an overview of the electric-safety standards and utilities compliance for 2013. I will start with some background information on the safety standards. The original order was adopted by the Commission in January 2005, at the unfortunate death of Jodie Lane in New York City due to stray voltage in 2004.

The order included stray voltage testing of all electric facilities on an annual basis, inspections of electrical facilities on a five-year cycle, shock -- shock reporting requirements and the adoption of the National Electric Safety Code, as the minimum standards for utility construction, maintenance and operations.

The overall goal of the safety standards is to safeguard the public from exposure
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to stray voltage and to identify and eliminate any
potentially harmful conditions before safety
hazards and/or reliability deficiencies develop.

Since 2005 there have been
several modifications to the order. These
modifications were a result of lessons learned from
previous years activities and results to
effectively administer and manage the utilities
efforts.

New York's electric safety
standards continue to have some of the most
stringent requirements when compared to other
states across the nation. Some other states have
adopted similar parts of the safety standards, such
as stray voltage testing or inspections in modified
formats.

However, no other state requires
such a comprehensive effort with both manual and
mobile stray-voltage testing, shock-reporting
inspections and associated repairs by the
utilities.

With the latest modifications to
the safety standards order the utilities are
required to test its underground and streetlight
facilities on an annual basis, while testing its
overhead pad-mount transformers, underground
residential distribution and transmission
facilities on the same five-year cycle as the
inspection requirements.

Voltage findings of one volt or
more are required to be recorded and mitigated.
These one volt or less findings are not considered
to be safety concerns, while also providing an
aggressive mitigation effort by utilities.
Each of the utilities met the
requirements of the standards with all of the
approximately 1 point 2 million electric facilities
requiring testing being completed in 2013.
Of those facilities tested there
were 1208 voltage findings. Streetlights continue
to be the largest facility groupings with stray
voltage findings. Streetlights are typically owned
by and the responsibility of the local municipality
and not the electric utilities.

Looking at the historical manual
stray voltage findings you can see that the total
number of findings has decreased since the
requirements began in 2005. This can be attributed
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to both the testing and inspection efforts to date.

For streetlights the overall trend is downward, however the number of voltage findings did increase slightly in 2013 compared to the previous year in -- in Con Edison and National Grid service territory.

Both utilities continue to work with the local municipalities to improve these results. National Grid has also implemented a comprehensive streetlight program in Buffalo to replace the antiquated standards cable and duct work that serve those facilities in the city.

For mobile stray voltage testing, the safety standards require twelve mobile surveys in New York City, two mobile surveys in Buffalo and one mobile survey in Yonkers, White Plains, New Rochelle, Albany, Niagara Falls and Rochester each year. These locations were selected due to their population density and the number of stray voltage findings in each city.

Again any volt finding of one volt or more is reported and mitigated. In 2013 there were a total of 8 thousand 137 voltage findings in these three utility service territories.
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where mobile stray voltage testing is required.

Looking at the historical
results, in the 2005 through 2008 timeframe Con
Edison was the only utility required to perform
mobile, stray-voltage testing and the number of
mobile surveys varied from year to year depending
on the conditions.

With the modifications to the
order in 2008 National Grid, Con Edison and RG&E
were required to perform a specific number of
mobile surveys each year starting in 2009.

This graph represents the total
number of voltage findings shown in black, compared
to the voltage findings under 4.5 volts shown in
red.

Overall the majority of the
findings continued to be low voltage in nature and
attributed to non-utility and streetlight
facilities.

For electric-shock reports
utilities are required to track, respond to and
mitigate any electric-shock calls reported and
found to be the utility's responsibility. A bad
ground or neutral connection at the service point
are some of the typical issues found to cause shock hazards and the utility's responsibility to fix.

There was a total of 206 shock reports called into the utilities in 2013. However, almost two-thirds of those shock reports were found to the customer's responsibility versus the responsibility of the utility.

This chart shows the historical results of the shock reports. Even though there was a slight increase in shock reports in 2013 compared to 2012, the overall trend is for these incidents to decrease since the inception due to customer awareness and public outreach.

Moving on to the inspection efforts, utilities are required to inspect 20 percent of its electric facilities each year and all within five years. This includes overhead, underground, pad-mount transformers, underground residential distribution, transmission and streetlight facilities to help identify safety and/or reliability concerns proactively.

For 2013 approximately 828 thousand inspections were performed and all utilities met and completed the minimum 20 percent
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inspection requirement.

The safety standards also require
deficiencies found during inspections to be
categorized for repairs, based on the level of
severity and effect on public safety.

Level one deficiencies are
required to be repaired within seven days. Level
two are required to be repaired within one year and
level threes need to be repaired within three
years.

There are approximately 139
thousand deficiencies identified by the utilities
in 2013 on a statewide basis.

This graph shows a history of
deficiencies found during inspections going back to
2009, when the utilities were first required to
report-on and track inspections and deficiency
results in a uniform manner. These results have
varied from year-to-year, however with increased
repair efforts and capital expenditures we would
expect the total number of deficiencies to reduce
over time.

For an inspection program to be
meaningful the data collected must be used to
promote repair activities. In general, the utilities have maintained good response times for repairing deficiencies.

In 2013 the utilities reported repairing 98 percent of the level one deficiencies within the required seven-day timeframe. Those not repaired were made safe to mitigate the risk to the public.

As of 2013 the utilities reported repairing 98 percent of level two deficiencies and 90 percent of level three deficiencies found since 2009 statewide.

The utilities continue to track these deficiencies in an acceptable level of response and even though improvements still can be had the goal continues to be the improvement of the overall system health and safety statewide.

Lastly, the safety standards include a performance mechanism to ensure the utilities comply with the order's requirements on both testing and inspections. The utilities have met these requirements for 2013 and have done so since the inception in 2005. No negative revenue adjustments have been incurred.
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In conclusion staff is satisfied with the overall performance of the utilities in relation to the safety standards and its requirements.

That concludes my presentation.

CHAIR ZIBELMAN: Thank you.

Jason, in terms of the stray voltage and you identified, I think, an increase in one year from -- in 2012. How much is that -- or 2013.

How much is that related to weather and salting conditions?

MR. PAUSE: There are -- we do see -- we do see spikes in the amount of stray voltage found when there's -- especially down in New York City when there are snow storms. And actually the -- Con Edison's required to -- they -- they do an additional survey -- if there's a certain amount of snow that has fallen during a storm, they'll follow up with a survey to try to catch any additional stray voltage incidents that do occur. But, it does impact the conditions.

CHAIR ZIBELMAN: Are you seeing too among the utilities -- and Sonny, this can go
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to you as well, a best practice sharing as they
operationalize how they're meeting these standards?

MR. PAUSE: Yes. You know, the
utilities are always talking to each other and we
actually meet with the utilities on a -- on a
regular basis and talk about best practices. And
you know, what can be improved in the years going
forward. They standardize on their inspection
process and as far as, you know, what their
categorizing each incident to be for repair
deficiencies and their efforts, so we do see that.

CHAIR ZIBELMAN: Sonny, do you --
do you see anything on your side on the customer
service?

MR. MOZE: Yeah, I -- I think the
customers -- we meet with the utilities in most
times, during rate cases and try to look how the --
the customer is satisfied in performance incentives
and looking at how consistent we can make those
targets and the improvements that needs to be --
need to be done statewide. And from that point of
view we actually do meet with them to see how they
could actually come to make up best practices from
each utility to see how it would actually apply to
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the other utilities while operating within the same framework.

CHAIR ZIBELMAN: Thank you. Any further questions?

Commissioner Brown?

COMMISSIONER BROWN: So, just Jason, the list of cities where we're doing testing, I remember I believe what we did was we did testing in all the cities. We found some cities that seemed to show some chronic problems and others that didn't seem to have any problems and so we required the annual test in Buffalo, Rochester, White Plains, et cetera. We didn't require tests in some other cities. I guess my question is how periodically do we go back to those cities, make sure that there's not emerging problems where we're not having the annual testing? How do we discover whether Syracuse still doesn't appear to have any issues that require annual testing?

MR. PAUSE: Well, they do still -- they still do manual testing in those areas so if we did see a spike with those efforts, you know, with the manual testing --
COMMISSIONER BROWN: Uh-huh.

MR. PAUSE: -- that might be something that we can bring up and add the mobile to it as well.

COMMISSIONER BROWN: So is that something you do look at along the way to make sure it's not --?

MR. PAUSE: Yes, we're always looking at --

COMMISSIONER BROWN: Okay.

MR. PAUSE: -- the number of incidents and seeing where they spike, but unfortunately it's typically in the same location.

COMMISSIONER BROWN: Right.

Thanks, Jason.

CHAIR ZIBELMAN: Any questions?

Any further questions for Jason?

Commissioner Acampora?

COMMISSIONER ACAMPORA: Jason, have there been any serious injuries in the past year?

MR. PAUSE: No, not that --.

COMMISSIONER ACAMPORA: Or even during Sandy?
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MR. PAUSE: Not that -- not that we've been -- during Sandy there was some -- there was a death during Sandy or Irene, right, but you know, nothing significant other than the major storms. And again, you know, it was caused by the storm, not by anything that was --

COMMISSIONER ACAMPORA: Right.

MR. PAUSE: -- you know, the utility failure or anything like that.

MS. ACAMPORA: I really think that this -- this program has done quite a bit. And, I'm glad that, you know, we continue and you continue to evaluate to see if there is need in any other places so that you could bring the mobile testing in, if you thought you needed it. Thank you.

COMMISSIONER BURMAN: I'm going to wait till the last report. Thank you.

CHAIR ZIBELMAN: Thanks. Okay.

And then our last report I believe is Christian Bonvin who will be reporting on the electric and reliability performance in New York State for -- and Christian is the utility supervisor out of Office of Electric, Gas and
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So, Christian welcome and please begin.

MR. BONVIN: Good morning, Chair, Commissioners.

I'll be providing you an overview of the electric reliability performance in New York State for 2013. The information presented today focuses on statewide performances, however our report provides individual analysis of each of the major electric utilities.

The ability of a utility to provide reliable electric service is fundamental to the Department and staff uses several means to monitor and evaluate service reliability.

First, electric utilities are required to submit detailed monthly interruption data under Part 97. By obtaining this data staff is able to calculate various performance measures. This interruption data is maintained in a database that dates back to 1989.

Next, utilities are required to submit annual reliability reports. These reports not only look at the company as a whole, but report
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on performances within individual operating areas
and identify areas where improvements may be
needed.

We also use reliability-performance mechanisms or R.P.M.s to gauge
reliability. As Raj indicated, the R.P.M.s are
determined as part of each rate case and because
the R.P.M.s impose negative revenue adjustments for
failing to meet a target, the targets often reflect
system-wide averages rather than the detailed
operating data.

The R.P.M.s also include
additional measures to cover the areas of concern
such as mileage targets to promote the appropriate
level of tree trimming. In general our approach is
to maintain appropriate service levels compared to
driving ever better performance as the cost to
achieve the incremental improvement may be
prohibitive.

To gauge reliability staff relies
on two primary measures, the frequency of
interruptions and the average duration of the
service interruptions. Both of these measures are
common industry accepted calculations. Frequency
is influenced by factors such as system design, capital investment, maintenance practices and weather.

Decisions made by the utilities today on capital expenditures and maintenance for better or worse can take several years before being fully reflected in the frequency measure.

Duration is affected by workforce levels, management of the workforce and geography. Changes in these policies however have a more immediate effect.

Part 97 defines large or long-lasting interruptions due to severe weather as major storms. By reviewing the statistics with and without major storms, we're able to compare data over time and trend to identify areas of concern.

By their nature the frequency and the duration measures fluctuate as conditions change year-to-year. When major storms are excluded, normal variances on a company basis tend to be less than one-tenth for frequency and two-tenths for duration.

Finally we use cost codes to identify areas where increased work activity may be
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needed or confirm that specific programs are

effective.

The graph shown presents the last
ten years performance for frequency on a statewide
basis, excluding major storms. On this graph a
measure of one indicates that the average customer
experiences a single outage per year.

For 2013 the statewide frequency
performance was equivalent to the past five years
average. Because of an inherently lower frequency
due to its system design Con Edison's data can skew
the overall statistics. As a result we look at the
statewide performances excluding Con Edison.

As shown by the green bars the
frequency performance for 2013 for all other
utilities, other than Con Edison, was also
consistent with past performances.

This next chart shows the last
ten-year performances for duration on a statewide
basis, again excluding major storms.

For duration a measure of two
means the average customer affected by an outage in
the year was without service for two hours. That
said, some customers close to the damage area would
be affected for longer, while others would have shorter durations as they could be served by alternate sources or field ties.

For 2013 the duration performances were improved compared to recent years. And, again, looking at the data without Con Edison we see that the duration performances were also consistent with historic levels.

As I mentioned earlier, we use the liability performance mechanisms as part of the rate cases to help maintain reliability performances. In 2013 all companies met their frequency and duration R.P.M. targets and therefore no revenue adjustments are necessary.

With respect to individual performances, the utilities performed satisfactorily in 2013. In fact Central Hudson, Orange and Rockland and P-SEG Long Island performed better than their last five year averages for both frequency and duration.

National Grid and NYSEG experienced several minor storms and while these storms were not severe enough to be excludable. They did raise the overall frequency performance
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compared to recent trends.

Despite the increase in
frequency, however, both National Grid and NYSEG
were able to respond to the events appropriately
and perform well with respect to duration.

Con Edison performed
satisfactorily with regard to its network
performance and with respect to frequency on its
radial or overhead system.

We noted, however, that although
Con Edison met its R.P.M. duration target on its
radial system, its past two years performances were
close to the target of 2.04 hours. A closer
analysis of the data by borough showed that Queens
and the Bronx are responsible as they are the only
two areas over the R.P.M. level.

Therefore the companies immediate
efforts should focus on developing strategies
targeted at improving reliability performance in
the Bronx and Queens. Staff will interact with the
company to ensure changes are implemented as well
as monitor and report on the effectiveness of these
changes in future reports.

This concludes my presentation
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and I'll be happy to answer any questions.

CHAIR ZIBELMAN: Thank you. It's a good presentation.

As a general matter I think that we're all pleased to see that the -- the trends in all of these areas are in the right direction.

And, as I mentioned, I think it also reflects the fact that once we start measuring elements we -- we can actually focus on and shine a spotlight on potential -- potential areas that need improvement and get that improvement.

I believe that going forward, particularly with the REV docket and looking at more performance basis we'll really need to think about what mechanisms and measures we put in place, how they're linked and as well as how they get tied to other outcome-based performances that we're going to want to see particularly for the electric utilities.

But I think for all the utilities we'll continue to want to make sure that we're measuring the right things. If we get to a point where we're operationalizing improvements and it becomes standard operating practices, we're also
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thinking all the time about what other areas of
Achilles' heels that we might have that -- that we
want to explore and make certain that we're doing
the right things.

You know, certainly I'm aware
that in addition to these areas we -- we also have
activity around physical and cyber security. We
need to think about how we're using that.

Certainly we have the major storm
scorecard that -- that also influences behavior.
So, I think, you know, it's probably a good time
for us to sit back and -- and really think about
going forward are there other areas that -- that we
need to explore and are we making sure that not
only do we have the right compliment, but can we
sort of say this seems to be in an area now
we've -- we've gotten where we need to go now let's
think about what else do we need to move forward.

So I would ask staff to come back
and -- and give us some thoughts on that.

I also think that the management
audits and the operational audits probably reveal
potential areas that we should -- we can focus on
and that could also maybe influence what we think
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about what -- what do we need to measure.

I'm bringing this up because

several of us just spent a few days with fellow

commissioners and -- and, you know, it's clear to

us as we look at where we are that New York is very

aggressive. We're really ahead of the pack in --
in many areas sometimes because I guess out of

unpleasant experiences that we realize we've

learned in a way that we didn't want to. But I

think because of the thoughtfulness and I was

struck actually, I'm not sure if you, my fellow

commissioners might have heard this before, but

particularly in the area of -- of physical and

cyber security we're way ahead of what other folks

have been thinking about. They're just even just

now starting to think that maybe this is something

they need to worry about.

So, I'm pleased with where we

are. I just think just as we ask the utilities to

continuously improve we have an opportunity to

continuously improve and make sure we're measuring

the right things, and continue to make sure that

from the outcome base around reliability, security,

resiliency and price that -- that we're making the
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right decisions.

But I'm -- in whole I'm very pleased to see these outcome and congratulate both the staff and the utilities because I know there's an awful lot of work that goes behind this and we just get the -- the headlines. So, thank you.

Any other questions?

Commissioner Burman, you've been very patient.

COMMISSIONER BURMAN: Thank you and thank you for your comments. I think they were very, very helpful.

The primary mission of the New York State Department of Public Service, as you know, is to ensure safe, secure and reliable access to electric, gas, steam, telecommunications and water services for New York State's residential and business customers at just and reasonable rates.

And, when I look at these annual reports I see that this is really sort of putting it all together for what our mission is. And when I also look at it and over these last two weeks in preparing for this session I've been drilling with staff on the annual reports.
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I had asked for the past five year reports and -- and one staff member said you're not really going to read all the annual reports are you. And, I said oh yes, several times I will.

And I did and part of what the reason I -- I did was because I -- I wanted to get a flavor for the historical perspective of the annual reports and also to understand was it just an exercise in the check-off box of we have to do this annual thing and, you know, present it to the Commission or is it really something that we are embracing in, you know, sort of what the Chair spoke about, is in trying to see where we're at and see where we need to be.

And -- and what -- the flavor that I got from the reports and I also went back and looked at the -- the transcripts for the last five years too is that there is a sense of the importance of the mission that we have here. And, the importance of using this for not just every session in June stating what's been done, but what's happening. And there is a trend. You know, one year vegetation management was very important
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and the need to get a handle on vegetative
management, another year the different storms and
trying to get a handle on where things are at.

Cyber security is another issue.

So, for me it's -- it's clear to me that the
professionalism that staff has on a daily basis you
live and breathe all of this.

You live and breathe the mission
of what we're regulating. And, I really do believe
that the work that you do can and does save lives.

We can't measure the -- the
catastrophes that are avoided. I became a staff
member shortly after the Jodie Lane Incident and it
had a dramatic effect on me as I know it did on the
utilities as well as the other staff members. And
it has changed the course of how we conduct
ourselves.

And just like all the cyber
security and other incidents that we do we want to
make sure that we properly regulate. And I thank
you for your professionalism, for your dedication
and for your hard work that you do and I'm here to
help and be there to make sure that we carry out
the function and the mission that we have to do.
And I look forward to the report that's going to be given out to the utilities. I know they take seriously the report and they work with us in partnership to make proper decisions and work together to make sure that we're doing what we need to do to have safe, reliable service to the people of New York. So, thank you.

CHAIR ZIBELMAN: Thank you.

Further comments?

Okay. Thank you, Commissioner Burman, that was well said, I'm sure appreciated by staff.

Okay. Now, we're moving on to the renewable portfolio standard. Does there need to be a changing of the guard here? Okay.

Tina, there's a lot of people that don't want to sit next to you.

MR. BROWN: I was going to say how impressive it is that one person replaces six.

COMMISSIONER ACAMPORA: Or how she can clear a room so quickly. All right. Thank you.

CHAIR ZIBELMAN: So this is with respect to item 303, which is case 03-E-0188 and
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it's renewable portfolio standard proceeding,
petition of Pace Energy and it's regarding changes
to the rules for procuring renewable energy.

Ms. Palmero who's chief of the
Office of Electric Efficiency and the Environment
is here to present it.

Hi Tina, and please go ahead.

Ms. PALMERO: Hello and thank you
and good morning or afternoon, Commissioners. This
item before you, as you stated, addresses a
petition filed by Pace Energy and several other
environmental and public interest groups requesting
that the Commission authorize NYSERDA to change
program rules to allow it to offer longer term
contracts and alternative incentive structures in
future main tier solicitations in the R.P.S.
program.

Under current program rules
NYSERDA pays a fixed price production incentive
under a ten-year term to renewable energy
facilities in exchange for the rights to the
renewable energy attributes of those bid
facilities.

Facilities are awarded contracts
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through requests for proposals sealed pay-as-bid auctions. In response to the Pace Energy petition, staff recommends that the Commission authorize NBYSERDA to increase the length of contract terms up to a maximum of twenty years in future solicitations through the program term which is 2015.

Staff believes this change is necessary if we are to continue to attract large scale renewable development in New York State. The current ten-year contract term is no longer sufficient to properly incent facilities to bid in our program, as evidenced by stalled or cancelled projects in the New York I.S.O. queue and the less than robust response we received in the last main tier solicitation.

Extensive discussions with market participants, NYSERDA and their consultants revealed that the ten-year fixed price REC contracts have made it difficult for developers to secure financing at reasonable costs leaving them to seek markets in adjacent states that have more attractive contracting structures, that allow them to better mitigate risk.
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By allowing NYSERDA to provide longer term contracts, developers will be able to get the long-term revenue certainty that will hopefully mitigate their risk and translate into more robust solicitations with overall lower bid prices, which will be good for the ratepayers of New York.

In the near term staff is not recommending that NYSERDA offer alternative incentive structures, such as variable priced RECs tied to the energy markets. These are also known as contracts for differences, or provide for a standard offer price for each technology.

Each of these mechanisms adds additional complexities to the solicitation and evaluation process that would hamper our efforts for NYSERDA to get a solicitation out as soon as possible.

However, staff believes those incentive mechanisms have merit and should be considered for post-2015 program considerations, noting that the Commission has launched the Clean Energy Fund and REV proceedings that will examine, in varying degrees, the role of utilities in
establishment of markets in procuring and deploying clean energy resources including renewable generation.

Other than lifting the ten-year term for contracts all other R.P.S. program rules and general procurement methods are recommended to remain in place. Staff recommends providing NYSERDA with flexibility in setting a contract maximum -- excuse me, setting maximum contract terms for specific technologies and for facilities that are eligible to compete in the solicitation.

The -- the new rules in -- in extending the contract terms we -- we recommend that this not be allowed for -- for facilities with existing ten-year contracts to come in seeking to extend those contracts.

These -- the new solicitations for 2014 and 2015 would be for facilities that do not currently have a contract with NYSERDA.

We also recommend that NYSERDA develop a bid evaluation methodology in consultation with D.P.S. staff designed to place bids of different contract lengths and price on comparable terms using a net present value of
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lifetime contract payments or some other similar methodology.

And also since there's uncertainty in the renewal -- in the renewal of the federal production tax credit that expired at the end of 2013, we believe that the Commission should direct NYSERDA to provide a provision to capture the value of the P.T.C. in future solicitations.

Finally, in complying with previous Commission policy we -- staff urges the Commission to direct NYSERDA to issue a solicitation as soon as possible in 2014 and offer at least one additional solicitation in 2015. So we see, you know, this program rule change is a bridge to what our ultimate decision or what the Commission's ultimate decisions will be for the program post 2015.

That's it. Thank you.

CHAIR ZIBELMAN: Thank you, Tina.

Just one observation to make. I've been involved I think in the wind industry since 1991. And I think every year we've talked about the -- the fact that we don't know whether the P.T.C. is going to be renewed. I don't know
what the wind -- wind industry would do if it ever
had certainty around taxes and policies.

A couple of things. One is -- is
I appreciate the fact that, you know, the concern
here is that we want to be able to cost effectively
track renewables in -- into the mix. And they're
important for a couple of purposes, one obviously
for emission reduction. The other is quite frankly
as Mr. Myers continues to point out they're energy
intensive resources that have low fuel costs and
zero fuel costs and so they're also a great hedge
against price volatility. So they have both
economic and environmental benefits.

So I think that's great and I --
from what I take from your -- your comments is that
one of the reasons we need to move to a longer
duration is the concern that the shorter duration
is just going to mean that -- that the kind of
companies that we want to bid into our process are
just going to go somewhere else, which sort of begs
my next question: Is in talking to some of the
vendors is it your sense that in making this change
we'll be able to attract or retain projects that
would otherwise depart?
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MS. PALMERO: Yes. Recent discussions with participants who indicated a desire to you know, locate in New York and have projects in New York, while, you know, realizing that there's other alternative mechanisms, as I, you know, mentioned, contracts for differences.

They think in the short term in order to get a solicitation out there, yes, this -- this extending the contract length to twenty years will, you know, definitely help with some financing and they have indicated their desire to participate in the program.

CHAIR ZIBELMAN: Okay. And then with regard to future -- future initiatives, I agree with you that both the Clean Energy Fund and -- and REV need to -- need to be looking at -- at this issue. And again I think the fact of the matter is that and particularly with 111 D, states are going to continue and probably will become increasingly competitive around trying to attract resources to meet their -- their obligations.

So it's -- it's going to be important that we think about as we're thinking about all the issues we're dealing with; reducing
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fuel volatility, maintaining fuel diversity, meeting our environmental obligations, as well as keeping prices down, that we have a mechanism in place that is going to -- to make this -- to work effectively.

I -- I would -- I'm not sure if we're going to see this specifically in the Clean Energy Fund filing that we're anticipating. But I think it would be helpful for the Commission if we could -- if we can come back and reflect upon where specifically the staff is recommending that we address these issues. And -- and in what time period because if we are going to make another market adjustment, we need to give the market enough signal so that they -- they understand what's going on and people will plan accordingly, which raises my next question.

As the folks know that we may be going to someplace else, is there risks that they won't participate because they'll wait for the next iteration and what have -- have you -- in your conversations have you kind of gotten any sense of that?

MS. PALMERO: Yes. You know, I
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think developers who have played in the New York R.P.S., you know, realize that the program term is up in 2015.

They realize that a program review has been ongoing and then with the launching of the Clean Energy Fund Initiative, you know, are waiting to see what's going to happen.

But, again, you know, speaking with them they think these near term changes are important and would welcome, you know, additional changes if it meant that it would help further mitigate their risks, you know, through hedging.

As part of the Clean Energy Fund there is a stakeholder process going now. This topic will be, you know, one of many topics, but what we do with large-scale renewables in the future of the program post 2015 is definitely on the table for discussion. So we're hoping to have, you know, some clear direction.

CHAIR ZIBELMAN: All right.

I would think too we're going to have to link this and looking at routing back into REV two and how -- what -- in terms of the roles of the distribution utilities moving forward.
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Okay. Thank you. And last observation is I know that Massachusetts has recently changed its procurement program.

I think it will also be helpful for us all because it is a regional market and it's something that Commissioner Acampora and I have recently discussed is for us to think about how as a state we -- we -- and I would put this to not just the -- the Commission, but also members who are interested in this, how we're seeing trends go outside of New York.

Again I don't want to be in a position that we're constantly changing our program to catch up. So, we need to kind of -- we need to do this balance of having a cost-effective program that we're satisfied with and -- but -- but in doing so be cognizant of other trends. So we -- we understand kind of at least what else people are doing.

So, I suspect that will be part of your research as you move on.

MS. PALMERO: Yes, definitely.

CHAIR ZIBELMAN: Thank you. Any further questions? Commissioner Sayre?
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COMMISSIONER SAYRE: I think this change makes very simple financial sense to me. You can't build any of these projects, unless you've got financing and the green bank can't do it all. And, in any event we'd rather have financing and let the green bank supplement where private financing won't come in. So, if you have contract terms that are more in line with the expected useful life of the assets that are being built, you're going to reduce both the business risk and the financial risk, which as you said, is good for the ratepayers because it reduces the annual cost. Because the financial markets can -- can afford a lower interest rate. So I -- I commend you for this -- this proposal.

MS. PALMERO: Right. Thank you.

CHAIR ZIBELMAN: Thank you.

Are you okay, Commissioner Burman? I'm trying to be balanced.

COMMISSIONER BURMAN: First of all thank you. I know you've spent a lot of time with me the last few weeks. So I apologize. I -- I do have a couple of questions.
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You did an excellent presentation and I very much appreciate it. And the Chair asked a lot of questions that I was going to ask and you answered it. But, I just want to make sure that I fully understand and I am very, very supportive.

There were eight solicitations since the R.P.S., so actually nine technically, but eight because one was pulled back. And looking at the eight one, and we had discussed this internally, but I want to just flush it out, I'm mostly focused on the 2013 solicitation.

MS. PALMERO: Right. Just one clarification. There's only been eight. There was the -- the eighth one was first issued in December of -- December of 2012 and then it was reissued in January of 2013.

COMMISSIONER BURMAN: Right.

MS. PALMERO: So the same solicitation just reissued --

COMMISSIONER BURMAN: Right.

Right.

MS. PALMERO: -- at a later date, correct.

COMMISSIONER BURMAN: So it's
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the --

MS. PALMERO: Right. Right.

COMMISSIONER BURMAN: -- the one

pulled back; right?

MS. PALMERO: Right.

COMMISSIONER BURMAN: So -- and

again this isn't a trick question, I'm just --
don't worry.

So, I'm just looking at it. So

what I looked at when I looked at the eight --

MS. PALMERO: Uh-huh.

COMMISSIONER BURMAN: -- is -- is

the solicitations that were issued --

MS. PALMERO: Uh-huh.

COMMISSIONER BURMAN: -- and then

the amounts of money that was actually authorized.

And for the most part every year

except for 2013 the amount that was solicited --

MS. PALMERO: Uh-huh.

COMMISSIONER BURMAN: -- it

was --

MS. PALMERO: Offered, right.

COMMISSIONER BURMAN: -- offered,

was pretty much in line --
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MS. PALMERO: Uh-huh.

COMMISSIONER BURMAN: -- whether it was a hundred million and then maybe it was ninety-seven --

MS. PALMERO: Uh-huh.

COMMISSIONER BURMAN: -- million that was actually authorized?

MS. PALMERO: Uh-huh.

COMMISSIONER BURMAN: Pretty much it matched up?

MS. PALMERO: Uh-huh.

COMMISSIONER BURMAN: Except for 2013.

MS. PALMERO: Uh-huh.

COMMISSIONER BURMAN: It was 250 million --

MS. PALMERO: Uh-huh.

COMMISSIONER BURMAN: -- that was -- that was -- had the solicitation, but it was only 66 million that was actually authorized?

MS. PALMERO: Right.

COMMISSIONER BURMAN: Can you explain that gap?
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MS. PALMERO: Sure. And I think I -- I spoke to that when I said, you know, the reason why staff believes this change is needed to go from a ten-year contract to -- up to a twenty-year contract is because there was sort of this lackluster response in the last solicitation. And when -- when a -- when NYSERDA and staff -- when a solicitation goes out we -- we set a maximum ceiling price as well --

COMMISSIONER BURMAN: Right.

MS. PALMERO: -- so any bids that come over that ceiling price are rejected. You know, that's to make sure that, you know, we don't -- we don't take any facility at all cost. So -- and, as I recall on that solicitation there were projects that were well above the -- the ceiling that we had. But there was also projects that did win bids that did not end up going into contract with NYSERDA.

And, you know, one had admitted that, you know, they would rather play in another market, you know, because there were better terms in a -- in an adjacent state. So they forfeited their -- their deposit to -- to go elsewhere.
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So, hence that's why you only saw
the 66 million of contracted facilities because it
wasn't as robust of a solicitation and some
contracts did not come to fruition.

COMMISSIONER BURMAN: And since
the solicitations, so for the eight solicitations
the Commission has never actually stated to NYSERDA
the solicitations should be for X amount? They've
determined what that solicitation funding should
be?

MS. PALMERO: In the very early
years prior to 2010 every solicitation first needed
Commission authorization.

So in those authorizations, these
orders, I believe a term or -- or I'm sorry, an
amount was set. I can't recall if that was the
case for every order.

Since 2010 the Commission's
policy is that NYSERDA, you know, make sure you --
you issue at least one solicitation a year. The
solicitations amounts have been pretty consistent,
between 200 and 250 million and that's based on a
couple of things. You know, the collection
schedule and also sort of some market intel to see
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what the competitiveness of the solicitation is.

You know, they didn't -- they
want to make sure they can keep these solicitations
as competitive as -- competitive as possible so
that influences to some degree the amount that
they're going to offer --

COMMISSIONER BURMAN: Uh-huh.

MS. PALMERO: -- depending on who
they think are going to play in the market.

COMMISSIONER BURMAN: Okay.

MS. PALMERO: So that's had

some -- some bearing.

COMMISSIONER BURMAN: The 2010
Commission order really was after the 2009 R.P.S
review --

MS. PALMERO: Right.

COMMISSIONER BURMAN: -- which
determined that the R.P.S. policy needed to be more
flexible, so that more people could -- more
participants could participate in a more robust
R.P.S. program, take advantage of it and have more
bang for the buck in the R.P.S. program. And part
of the philosophy behind allowing NYSERDA to have
more flexibility and giving them the authority to
have at least one solicitation a year without having to come to the Commission was so that there was not a bureaucratic --

MS. PALMERO: Right. Correct.

COMMISSIONER BURMAN: -- hang up --

MS. PALMERO: Correct.

COMMISSIONER BURMAN: -- in getting the solicitation out the door?

MS. PALMERO: Correct.

COMMISSIONER BURMAN: Is that -- okay.

MS. PALMERO: That is correct.

COMMISSIONER BURMAN: All right.

So I'm very comfortable with giving them the flexibility. Today's order is good in that we're trying to correct what seems to have been the problem from the 2013 solicitation.

I think it's Massachusetts and Connecticut had what seemed to have at least been one of the problems with the 2013 solicitation in that we weren't able to fulfill all the 250 million that was out there, that people went elsewhere, or at least that's the stated -- one of the stated
reasons for that, that there was this hold up. Though, technically NYSERDA could have issued the solicitation earlier than this order. But at least for us, we're now saying that policy which allows an annual solicitation we're still -- we're affirmatively directing them and giving, I think, some certainty to the market participants who have been anxiously awaiting that. And I think ambiguity and uncertainty is never a good thing with renewable-energy policies. Is that a fair statement?

MS. PALMERO: That is a fair statement. And I just want to make a couple of comments and some observations.

You know, it had always been our intention to do an annual solicitation and -- and I think in 2011 there was two offered and the Commission provided NYSERDA and staff that flexibility if market conditions were right put out as many solicitations as you think would yield good results at cost-effective prices.

We've had some fits and starts again, even after that 2010 policy. You know, the uncertainty of the federal production tax credit,
you know, had made us do some rethinking about what
prices we were going to get and, you know, you had
to put in some claw-back provisional language in
one of the solicitations. Even as far as this
year, you know, NYSERDA and staff very early in
2014 we were talking about the next solicitation,
very concerned that if we didn't change the program
rules to offer longer-term contracts that nobody
would come to the table. And -- and we've have
another, you know, lackluster solicitation.

And then at the same time this
petition came in that called for looking at
alternative incentive structures, so, you know, we
looked, you know, we turned to a consultant, we
talked with market participants. And when we found
out what all the complexities were for variable-
price contracts we said you know what, let's just
go out, try to finish this program term through
2015.

You know, it's better to put
something out there in the market, you know, a
reasonable solicitation with longer term ten-year
contracts and we think, you know, it will
definitely be more robust than what we had seen in
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the eighth main tier solicitation.

COMMISSIONER BURMAN: Uh-huh.

MS. PALMERO: So it's sort of a compromise, but knowing that other alternative mechanisms are out there, they should be examined, you know, and focused on, I think, for post 2015 procurement possibilities.

So, yes, so the long-winded answer is yes and -- but that's why we had so many fits and starts.

COMMISSIONER BURMAN: No, I -- I think this is a very good thing. I mean ultimately the design of any renewable energy policy in a state has to be tailored to meet the state's specific goals and policies and a mix of available, renewable resources, and other circumstances including, if appropriate, competitive market forces and -- that are unique to that state.

And here, you know, kudos to Richard Kauffman who has come in and said that competitive market forces are something that -- competitive markets are something that, you know, we as a state are embracing and has started an initiative. And that we, I think, all of the
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renewable policies and programs are -- have to work together.

R.P.S. is a compatible program that we're looking at and this -- and the P.S.C. is working with NYSERDA and NYPA and others in trying to fit all of the different programs together and the REV docket is one that we're looking at.

The Clean Energy Fund is another that we're trying to figure out and fit all of the different things together and make some clear policy decisions and initiatives and not do it in a vacuum.

So I think what's clear to me is that we're starting now to jell things together and not also hold up things, you know. So for me that ambig -- ambiguity and uncertainty that has been there is starting to fade away, at least on this piece. And -- and that is something that I can embrace because that's what's necessary.

So, I'm very, very happy to see that and look forward to the other pieces as well. You know I'll be there. And part of that is, you know, the partnership that I'd like to see is having those discussions. You know, people need to
be able to talk about those things and -- and work through them. And the expertise that everyone can bring to the table and look at those things is very important. And -- and so, I'm -- I'm glad to see that. These are critical times and critical decisions that have to be made, so I'm supportive of that.

MS. PALMERO: Right.

COMMISSIONER BURMAN: And NYSERDA has a lot to do on getting the solicitation out. The flexibility that has to be there and the market participants. So, thank you.

MS. PALMERO: Thank you.

CHAIR ZIBELMAN: Thank you.

Commissioner Brown?

COMMISSIONER BROWN: Yeah, I just have one comment. But I, you know, I'm a big fan of our -- the way we originally did it. And I think it was the right way for the time. It was basically -- and I'm oversimplifying here, you, Mr. Developer figure out how much money you're going to make in the energy market, in the capacity market, how much your tax credit's going to give you, any other source of income. And, now, figure out the
difference you're going to need to go to the bank
to finance your project, compete against each other
and it worked very, very well from about 2007 to
2011, or so, because we got a lot of projects
competing against each other.

Some of the better wind resource
projects were available and it all worked well.

Starting 2012-2013 the
uncertainties just started to outweigh the
benefits. What was the energy market going to be
like when you see gas prices crashing through the
floor? What are capacity-market payments going to
be? Not that wind gets much, but what are they
going to be when we're seeing such a fluctuation?

The tax credits, as you pointed
out, are always up for grabs and nobody knows and
there were fewer and fewer other places to go to
look for revenues.

Then we started to try to do the
same sort of thing and we got all sorts of
projects. It's like wow, they're four and five
times more expensive than what we've been choosing
over the last few years.

And, so, I think an adjustment
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was necessary to kind of take what I think was a
great concept of, I think we use the markets more
than ever, to make this a little bit long term, a
little more stable to get us through this period of
uncertainty. And, then, I agree we'll figure out
after 2015, whether this makes sense, whether the
old system makes sense, whether something
completely new, different and -- makes sense.

But -- so, I'm in favor of this
program not because I think the old program was set
up in any way in a wrong structure, it's just that
times have changed and we need a new way of looking
at it.

CHAIR ZIBELMAN: Commissioner
Acampora?

COMMISSIONER ACAMPORA: This has
been a great trip down memory lane and, you know,
Garry and the Chair and Commissioner Burman are
completely correct in -- in everything that's been
said.

And the one word again that comes
to bear in all of this when we started EEPS
proceeding, was flexibility because we never
knew -- we were going down a road we'd never been
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going down before and that we knew that it wasn't
going to be perfect. And, we had to have the
availability to institute changes to whatever we
were doing.

So here we are again I think
making another positive change to keep New York in
the game because as the Chair said, we had just
been with some fellow commissioners from other
states, and we know there are other states in the
northeast and everybody would like to take a bite
out of everybody else's pie.

So, we would like to be able to
stay ahead and on top of all this and this gives us
again the flexibility to be able to do that.

And Tina, as always, everyone
gets to see you when you come to present one of
these things and you do a fabulous job.

MS. PALMERO: Thank you,

Commissioner.

That's very nice of you to say.

CHAIR ZIBELMAN: Thank you. So
I -- I think that first of all I also agree. I
think that this is a great step forward.

We do need to do something for
the next two years. We want to provide some level of certainty and as Commissioner Sayre noted, the uncertainty really reflects itself in the price premium that consumers end up paying.

And -- and who would have ever thunk low gas prices could create such market dislocations, but they do?

So we'll -- we will come back and revisit this, but in the meantime let's -- I'd like to take a vote on the proposal to authorize NYSERDA to increase the maximum length of the renewable portfolio standard main tier contracts to a term not to exceed twenty years.

All those in favor, please say aye.

COMMISSIONERS: Aye.
CHAIR ZIBELMAN: Opposed?
Hearing no opposition and there being none, the recommendation is accepted and adopted.

Thank you, Tina, very good job.

MS. PALMER: Thank you.
CHAIR ZIBELMAN: Now, we can continue on. We have another item which is item
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304 and that's the petition of NYSEDA regarding the customer-sited tier unencumbered program funds.

MS. PALMERO: Right. Okay. So we've talked about the main tier and now we're going to skip over to the customer sited tier, the part of the R.P.S. program.

Every year NYSEDA is required by a 2010 Commission order to determine at the end of each calendar year the unencumbered balance in each of the five programs in the customer-sited tier and file a petition to whether the unused funds should remain in each respective program or should they be transferred to a different program within the customer-sited tier.

So it's just taking those unallocated funds and -- and telling the Commission how they're going to -- what the dispositions of those funds will be.

So I view this as more of a -- of a compliance filing and they've been doing this since 2010.

When they came in with their filing this year they had -- or NYSEDA reports a 20.8 million unencumbered balance for all their
customer-sited tier programs. And just to remind everybody, the — the programs that are in the customer-sited tier are solar P.V., fuel cells, anaerobic digester to gas -- I'm sorry, anaerobic digester gas to electricity technology, on-site wind and solar thermal.

So the unencumbered funds which equal 20.8 million, what NYSERDA would like to do with those funds is they would like to take a part of them and roll them into the anaerobic-digester gas program and then take the remaining 9.2 million and put it in a general funding pool instead of trying to -- rolling it over to the same technology or trying to figure out where the -- the demand would be for the remainder of 2014.

Staff believes this is a very reasonable request. The reason why they're rolling over 11.6 million into the anaerobic digester program is because that was the original funding allocation for 2013.

It was unused partly because there has been a lot of effort to assist farmers on these very complex A.D.G. projects. That's where most of these projects are sited. And there
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actually was a flurry of activity a couple years ago, but then all those projects stalled because the economics just weren't working out even with NYSERDA's incentives.

So they've retooled to that program, provided for some additional incentives through an order by the Commission and now in doing a lot of work with the farmers and their consultants to try and to get these programs up and running or these systems up and running.

So we think by transferring the 2013 budget, rolling it over into 2014 makes sense.

And, then, staff believes that creating this general funding pool, which is -- is a new concept is reasonable because then they don't have to guess where the program demand is going to be in each technology.

They'll have a pool of funds so if any of the technologies use their 2014 budgeted funds they can, you know, reach into this pool and have additional funding.

So, the recommendation is to grant NYSERDA the request to reallocate the 2013 unencumbered program funds in the manner that I
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just described.

CHAIR ZIBELMAN: Thank you.

First of all I -- I concur. I think it's both consistent with what I think we need to do and we spend an awful lot of time thinking about urban issues. I think thinking about rural issues and -- and providing funding so that we can -- for farmers the energy ends up being an extremely high expense and this solves a couple problems.

So, if we can get the anaerobic program going, I think it would be a great thing for the State. Quite frankly I think if we can get this technology going I think it would be a great thing for the country. So I'm very pleased to -- to hear that there's progress being made along there.

I also think that the -- the recommendation about putting it into a general fund makes sense. It's certainly consistent with the ideation behind the Clean Energy Fund. So I think that's very consistent so I intend to support both.

Any questions for Tina on this matter?
COMMISSIONER BURMAN: What's being done to help the farmers in applying for it?

MS. PALMERO: NYSERDA is doing actually a great deal. They have provided some other services and have other consultants to assist, with not only taking a look at financing, but there's a lot of, you know, engineering studies that are required.

I think they're also using some additional funds that NYPA had provided, you know, early on. To -- as a stop-gap measure, but also to -- what -- what other -- to look at some of the interconnection costs, you know, for these systems to interconnect into the distribution grid, consulting services to figure out how to manage and operate these systems because it's one thing to, you know, develop it. But, once they're up and running there's a lot of intricacies to keeping these systems going. So they've provided just some support in that respect.

COMMISSIONER BROWN: Tina, I'll also mention just because I happen to remember this, they also are doing -- trying to do some
geographical grouping of these projects, it's my understanding. Because a lot of farms are at the end of the distribution line the cost of upgrading to sell back into the system on a one off can be very expensive. If you can find four or five farms on that feeder that are interested in doing this the interconnection costs can be shared and I know NYSERDA was trying to do some work of identifying some locations and grouping them together which I think is important --

MS. PALMERO: That's correct.

COMMISSIONER BROWN: -- to make this more economic.

MS. PALMERO: That's correct.

COMMISSIONER BROWN: Excuse me.

MS. PALMERO: No, thank you.

COMMISSIONER BURMAN: Okay.

Thank you because I think it is very important that we make sure that there's a direct interaction, so -- and follow up. Thank you.

MS. PALMERO: Sure.

CHAIR ZIBELMAN: Any further questions or comments?

It's always good to have
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Commissioner Brown as our resident. I'm glad his memory works better than mine.

All right. With that, all those in favor to authorize NYSERDA to allocate unencumbered 2013 program funds in the customer-sited tier in the manner described, please indicate by saying aye.

COMMISSIONERS: Aye.

CHAIR ZIBELMAN: Opposed?

Hearing no opposition, the recommendation is adopted. Thank you, Ms. Palmero.

MS. PALMERO: All right. Thank you.

CHAIR ZIBELMAN: Okay. Do you guys need a break or are we -- all right. You folks doing okay?

I just want to make sure.

All right. Our next item is United Water Major rate case.

I'm surprised everyone's not just leaving. Bye, Michael.

COMMISSIONER BROWN: No. He's coming up.

CHAIR ZIBELMAN: Yeah, I know.
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You guys -- is it something you said?

So this is item 401. It's case number 13-W-0295 and it's United Water major rate case.

We have the esteemed honorable Judge David Van Ort who is going to be presenting I believe, is that correct?

A.L.J. VAN ORT: Yes.

CHAIR ZIBELMAN: And Judge Epstein is also here. Thank you, very much.

A.L.J. VAN ORT: Okay. Thank you and good morning, Chair and Commissioners.

You have before you a draft order which was prepared in this case. And, I'm going to give you a brief summary of the background of this case -- hopefully a brief summary of the background of this case, as well as highlight several key provisions of the order.

This case began in July of 2013 with the United Water's filing of a request to increase its base rates equivalent to 21.3 million dollars or an approximately 29 percent increase.

This case took a different track from many water cases. It was fully litigated and
the parties engaged in discovery and filed
testimony and exhibits in response to the company's
filing, which is characteristic of all cases and
the company filed rebuttal testimony.

The hearings were held in
February and I point out that on the two snowiest
days in February we -- we parked everyone in a room
and kept them there till we finished.

We took testimony of over twenty
witness panels and individual witnesses and there
were over a hundred exhibits that were admitted
into the record.

All of the parties in this case
submitted post-hearing briefs and we issued a
recommended decision in early April.

That was followed by the parties
briefs on exceptions and there were also public
statement hearings held in the latter part of April
in which there were over seventy speakers that made
comments as well as there were over a hundred
written comments received in this case.

Now, the rate increase in this --
the rate increase that was requested has been pared
down substantially, through the efforts of the --
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the parties in this case and -- and the vetting of
issues in the -- in the evidentiary hearings. But
it still results in a rate increase that is
substantial.

And one of the things that I note
here is that the -- the rate increase could be --
could pose some hardships on -- on certain
customers.

There were three principal
drivers for the rate increase and it's
characteristic of cases such as this. It is rate
based, the plant investment that the company has
made over the past several years, property taxes
which were often associated with the -- the rate
base and labor and related expenses.

Now, United Water New York has
also experienced a significant decrease in sales
revenues. Now, the Commission's responsibility in
looking at this case is on the one hand to protect
ratepayers from unreasonable expenses. But, on the
other hand to afford the utility an opportunity to
earn a reasonable return on its investment,
including certain investments that the company may
have difficulty controlling.
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The Commission is literally constrained in that it -- it can't go too far in -- in denying the recovery of legitimate expenses. Certain expenses have to be -- have to be covered.

The rates established by the order that you have before you are designed to maintain safe and reliable service and provide an overall resolution that balances the competing interest of the company and its customers.

The public comments that were provided illustrate that in addition to needing to find ways for the company to alleviate the upward pressure on rates that there is also pronounced weakness in the quality of relations that exist between United Water New York, its customers and local authorities.

And the draft order identifies several initiatives designed to increase the company's focus on controlling costs and improving those stakeholder relationships.

Now, I should also point out that this increase follows on the heels of two prior rate plans which -- the first one which began in January of 2007 and that the increases for those
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two rate plans have substantially outpaced the rate of inflation over that period of time.

Now, to further ameliorate the economic impact on customers and allow United Water New York additional time before it files its next rate case to work on containment strategies and stakeholder relationships, the order gives the company an option for a second rate year.

I should point out that United Water New York is currently eligible to file for new rates next week in July under the -- if they accepted the two-year -- or the optional rate plan which -- which provides for the two years that the rates would not -- a new rate filing would not be made until at least July of 2015.

The order contains an -- an R.O.E. recommendation that is set at 9 percent. That nine percent is based on the methodology that staff advocated, which the Commission has repeatedly followed in past cases.

And there is also if the company elects a two-year -- the two-year option a stay out premium of 20 basis points that they would receive for each of those two years. And that two-year --
or the stay out premium is also consistent with the
Commission's past practice.

The equity ratio under either
scenario, either the one-year or two-year plan
would be set at the 44 percent level that was
advocated by the trial staff.

Now, in addition to receiving the
20 basis points, the stay-out premium for a
two-year option, the company would be -- would
receive additional revenues to cover certain
expected incremental costs, capital investments.

They would also receive related
depreciation on the -- on those investments and
property tax increases which are expected and the
change would amount to approximately an additional
one and a half million dollars.

It should be noted that limiting
the second year recovery of these expenses also
provides the company with a strong incentive to
minimize its other expenses; the O&M expenses.

Now, one of the issues that came
up in this case was the company's management of its
property-tax expenses. And although the -- that
is -- that is something that the order addresses,
the order also recognizes that if the company
accepts the two-year rate plan, there will be some
escalation of property taxes associated with the
new plant.

And the order has a provision
that allows the -- or provides for the company to
recover a portion of those -- those expenses. They
would equally share in expenses above a target for
that second year.

Lastly, the -- the two-year
 provision has a -- an option or a -- not an option,
but a provision that -- by which the rates or the
revenues would be levelized over the two-year term.

The order has -- has several
other initiatives designed to control -- for the
company to control its cost and improve the
relationships, as we -- as I spoke of a moment ago.

There's a provision for a review
of the management operations of the company and
determine whether it is pursuing all reasonable
cost-control strategies and optimizing operational
efficiencies as well as mitigating rate increases.

There's a -- a piece of that
or -- or a separate piece of that, I should say,
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dealing with the -- the M and S charges that --
that *emanate from the management services company
to New York.

There's two pieces of that.
They -- they deal with both direct and allocated
charges and those charges have been going up
significantly over the past several years. And
the -- and the -- there will be a comprehensive
audit of those charges and the audit will also look
at whether the inner company agreement that is
currently existing is equitable, the methodology
that -- that it utilizes.

The -- the -- that audit will
also consider whether the services provided are the
most cost effective as opposed to alternative
service providers.

There is a provision in the order
that requires the company to report on an annual
basis with respect to its filings with the New York
State Office of Real Property Tax Services to
obtain economic obsolescence awards.

That -- that was a key provision
or a key -- key argument at issue in this case.

The company will also be required
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to provide a public information improvement plan
and that is designed to -- to improve the customer
relationships -- customer relationships as well as
relationships with the local officials. And what
it is geared toward is information that would be
provided regarding the rate drivers that the
company experiences, actions that the company takes
to control its costs, and as well, as an
explanation of those costs that are not within the
company's control.

For the first time for United
Water New York there will be a customer service
performance incentive mechanism that has two
separate -- two separate parts. One is -- one with
respect to the customer satisfaction and survey
results, the second with respect to escalated
complaints and the company would be subject to
negative revenue adjustments if it fails the
metrics or the threshold under -- any of the
thresholds under those targets.

The order contains a provision
that is designed for further conservation -- or
promote further water conservation and that is the
elimination of a declining block rate which existed
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for one class of customers.

In sum, the draft order provides
a great emphasis on the company mitigating its cost
drivers to the extent possible and providing the
public with a complete and thorough understanding
of what is driving those costs.

I should probably point out
that -- and -- and I'll close by saying that, this
order has -- has a provision in -- in several
places where department staff will be integrally
involved in -- in both the formulation of the work
plans that the company must formulate to complete
its tasks and in monitoring the performance of the
company. That's all I have for the comments.

CHAIR ZIBELMAN: Thank you, Judge
Van Ort.

Is anyone else adding from the
panel?

MR. McGOWAN: Sure. Could I just
make one or two points?

CHAIR ZIBELMAN: Yes.

MR. McGOWAN: The judge
excellently highlighted the -- the initiatives that
are being recommended here, in terms of getting the
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company to focus on management, improvements, efficiencies, the affiliates review and the additional effort arm relationship. And I wanted to point out that these efforts, based on the draft order would use independent consultants and those independent consultants would be -- the funding for that would come from a redirection of monies that were previously dedicated in the proposal to R and D expenditures, would be redirected to help support with independent consultants that task.

I would also just observe that there are two other important cases pending involving United Water.

One involves the United Water request for a surcharge to recover carrying costs on development costs that are related to its efforts to develop -- to develop new, long-term water source. And related to that is a separate proceeding that involves the status of the -- the need for a new, long-term water supply for the region and comments on staff reports were recently extended to mid-July for initial and late July for reply.

So those matters will come to the
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Commission at a later point. Thank you.

CHAIR ZIBELMAN: Thank you, Mr. McGowan, for that clarification and -- and addition.

First of all let me say that since I've been here this is one of our actually more challenging decisions that -- that we've had to deal with. It's a -- it's -- and Judge Van Ort you did a nice -- very nice job of summarizing the various -- the various factors that we're looking at.

I think we've all read the record here. And, we understand that the complexity of -- of what we're dealing with and putting aside the issue of the need on the desalination plant and the surcharge. We're -- we're faced with, I think, a really challenging situation. We have a company that under its obligation, it needs to make investments in infrastructure because it has an obligation to serve and to make certain that the water in the community is safe drinking -- is safe and as well as available. And that requires certain amount of investment in old infrastructure.

But with a declining rate base
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the cost of those investments have a -- have a
tendency to increase rates. Our obligation is to
make certain under law that the company is allowed
to recover return on legitimate investment.

I think that was a
hotly-litigated issue in the rate proceeding is
whether the capital improvements were legitimate.
I think the record certainly supports that they
were legitimate investments and needed to be made
on behalf of making certain that the company was
fulfilling its obligation to serve. And that also
the company is facing increasing property taxes
which under law is a legitimate expense it has to
be able to pass through to consumers.

And, so, those two alone expenses
areas really make up the bulk I know of the -- of
the increase.

The question, and I think that's
the question that -- that this order grapples with
and what we're asking the company to grapple with
is moving forward one is when we know that there
are increasing expenses that may be or may not be
largely controllable, we need to do everything we
can to control those expenses.
So if there's technology alternatives or rate plan alternatives that could help reduce demand and reduce the need for additional investment or lower cost investment we would expect companies to do that.

And secondarily, if there's other expenses that can be controlled they need to be controlled because you can't on one hand ask consumers to have to pay for costs that are uncontrollable and not think about well, what are the expenses we can control.

And since regulation largely is a substitute for the market, we know in the competitive arena when companies are facing a situation where their prices may become uneconomic, they look for ways to manage their businesses to drive prices down where they can. So, that they can offset those expenses that may be going up.

And that's -- that's really what we expect of our utilities is to be that focused, not just on meeting their obligation to serve but the impact they're having on their consumer base. And, really look at aggressive ways to -- to maintain affordability. And that's, you know,
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that's true of all companies that we regulate
including water utilities.

So, I think what the -- the case
does is it really -- it -- it does exactly what we
have to do under law, which is to make sure that
the company has fair compensation for the
investments that -- that it has to make, it
recovers legitimate expenses. But, at the same
time, and I applaud the staff and actually the
other interveners in bringing these issues out, it
identifies the soft areas where the company clearly
can improve.

And, I believe that the
recommendation which I endorse about taking the
research dollars, which, you know, we always want
to look at new and better ways, but this is a
company that really needs to focus near term, on
how they're going to improve service to their
consumers and also how to get the confidence back
of -- of the public that they serve.

And I think the focused effort on
really looking at getting this right, getting this
back, so that we're not in the situation which I
believe happened in this case, that such antagonism
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is -- is not a good way to do business.

Nobody really wants to be there and we need to be listening to what the public is saying about their frustration. And I think what the order does is it really directs the company's attention in those areas where frankly people are not happy, they're not satisfied, they're concerned and they're worried that -- that -- that the company is not meeting their needs. And I think those are legitimate concerns we need to listen to.

Certainly in the area for us when we see year-over-year rate increases we get concerned about how companies are looking at ways to control their costs. Particularly in this case, where it was found that the company could have taken some efforts more aggressively to reduce its tax expenses and failed to do so. That is a matter of significant concern to the Commission.

So, I think that the order sets that right balance. It's certainly adhering to our obligation under law to -- to put rates into place that are compensable for legitimate expenses. But at the same time sets what I believe is a good path that I hope the company adopts which is in
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particular the alternative of the two years. That
gives the company an opportunity to say let's --
let's get focused on business instead of rate
cases. And let's try to get this thing right, so
that we're -- that we're -- the company's in a
better position in terms of its public and we all
have the confidence that their expenses are being
managed in the best interest of -- of their
consumers, who after all have no choice but to
accept the service. So let's get it as good as
possible.

So I -- I endorse it. I
appreciate all the efforts that have been made on
this. I appreciate also the creativity of the
staff in coming up with solutions. I think that
the -- certainly the two-year rate option and
the -- and the idea of taking monies that would
otherwise have gone into research and redeploying
them into improving services is a really good
outcome.

So, thank you and I will now open
it up to further comments.

Commissioner Acampora?

COMMISSIONER ACAMPORA: Thank
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you. I was present at the public statement hearings and took copious notes, which I shared with my fellow commissioners because -- and many times we find out when we attend public statement hearings we have that opportunity to really listen to what bothers the public. And, believe me the public was quite bothered by the potentiality of a huge rate increase.

But as the Chair aptly stated, and the Judge, we have obligations under the law to the company for expenses that they have to do business in order to serve the public. But there are areas that we have found, and -- and this order I think addresses all that. Where the company really needs to go and bring back the trust of the public.

People are upset in Rockland and Orange Counties and they're upset for good reasons for a lot of things. But it isn't only this company that bears a burden of responsibility to the public.

There are other entities who do tax the public and so they took, you know, a lot of their frustrations out in this particular case.
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We really -- I have to say, the staff worked very diligently in making sure we looked at everything here. Everything has been looked at with a fine-tooth comb in order to bring those numbers down.

And, I think, with the option of the two-year rate case we have done that. But we will work with the company to again make sure that in order serving the public that they serve and that's some 74 thousand customers that they serve that they again make every effort to bring back the trust that the public puts in them for water.

Water, as we all know, it's the one utility and that we really do need. I know we love our electric and we love gas and we love telecom, but we really do need water in order to live.

And people want to make sure that not only is their water safe, it's affordable and the people who are delivering this entity to them are doing the best job possible.

So, I think that this order really fulfills the efforts that we have legally under statute and also allows us to work with the
company, our staff.

People did at the public statement hearing talk about audits and we are going to look at that service company, before we go forward and do anything else. But, the door remains open based upon what we find out. So, I think that this was a monumental effort. As said by the Chair, this is one of the more challenging rate cases we've had in a long time. And I think, you know, to the best of our abilities it's come out as fairly as it possibly could be. So I thank everybody for their efforts.

CHAIR ZIBELMAN: Thank you.

Commissioner Brown?

Further comments?

Commissioner Sayre?

COMMISSIONER SAYRE: I think it's very unfortunate that the company appears to have gotten into an adversarial relationship with its customers, elected officials, and -- and other stakeholders.

I really look forward to seeing the company take the lead in turning this situation around. Given the limited supplies of water that
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are available to the company in this service territory, it appears to me that it would be in everybody's best interest for everybody to cooperate on conservation plans and measures, improved service and other efforts that can help contain future costs.

I hope this can be accomplished.

CHAIR ZIBELMAN: Thank you.

Commissioner Burman?

So, then we can move on to the vote then.

All those in favor of the recommendations to set rates for United Water New York, please say aye.

COMMISSIONERS: Aye.

CHAIR ZIBELMAN: Opposed?

Hearing no opposition, there being none, the recommendations are adopted.

Thank you and thank you again, not just to staff, but for everyone involved in this complex proceeding.

We're going to move now to the consent agenda. Do any of the Commissioners want to recuse or abstain from any voting on the consent
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Are there any comments on the consent agenda?

COMMISSIONER BURMAN: I just have two quick comments. On item 264 which is National Grid's opt-out of using A.M.R. devices, I just want to note this is the first time that the Commission is addressing meter opt-out. And I just want to say on National Grid, I think this is really kudos to them in caring about customer choice and coming up with a strategic way of really balancing the customers who want to potentially opt out in a reasonable way, without burdening the other ratepayers.

And I'm glad to see that the -- they did this and I know that there may be other petitions and other utilities looking at this and I think they -- they did a good job in trying to figure out how to handle this controversial issue.

So, thank you on that.

The other item, 462, this is the Glenwood petition, the emergency approval of a water-supply agreement. This is in Nassau County
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on Long Island. And just -- just for, you know, everyone, my sister happens to live in Roslyn which is there. So I don't think she's even aware of this issue, but just so everyone knows, I just want people to know that we're acting in an emergency capacity to preserve the public health and general welfare of the Glenwood residents, while not jeopardizing the interest of the water company or ratepayers living in the Sea Cliff District.

And this water supply agreement between New York Water Company and Glenwood Water District is a positive resolution to an unfortunate circumstance and I think this is a classic example of when we have to regulate in an emergency capacity we can do it right, we can do it in a -- in a quick fashion and we could help a community that really needs it.

And this only affects I think a hundred and nine customers and we got it right and this is a good -- a good thing. So, thank you.

CHAIR ZIBELMAN: Thank you. And now you can go to your sister's house without -- and drink the water.

All right. So, all those in
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favor of the recommendations on the consent agenda,
please indicate by saying aye.

COMMISSIONERS: Aye.

CHAIR ZIBELMAN: Opposed?

Hearing no opposition, there

being no opposition, the recommendations are

adopted.

Secretary Burgess, are there any

other matters that come before us today?

SECRETARY BURGESS: There are no

other matters for today. The next time the

Commission will be meeting will be July 10th. It's

a technical conference in the REV proceeding and

that session's going to be held in meeting room six

in the Empire State Plaza off the Concourse and

that will begin at nine a.m.

CHAIR ZIBELMAN: Thanks. I wish

you all a happy 4th. See you in July.

(The session concluded)
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STATE OF NEW YORK

I, Jamie-Lee Greene, do hereby certify that the foregoing was reported by me, in the cause, at the time and place, as stated in the caption hereto, at Page 1 hereof; that the foregoing typewritten transcription consisting of pages 1 through 100, is a true record of all proceedings had at the hearing.

IN WITNESS WHEREOF, I have hereunto subscribed my name, this the 2nd day of July, 2014.

Jamie-Lee Greene, Reporter