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GOVERNOR ANDREW M. CUOMO

GOVERNOR CUOMO ANNOUNCES VIRTUAL PUBLIC FORUMS REGARDING 2019 NYC OUTAGES

Con Edison Faces \$25 Million in Penalties and Possible License Revocation Following Investigation into Utility's Failed Response During Large-Scale Power Outages in Manhattan and Brooklyn in July 2019

Governor Andrew M. Cuomo today announced that the Special Counsel for Ratepayer Protection at the New York State Department of Public Service will hold a virtual public forum this month to receive comments regarding potential damages and harm suffered by ratepayers as a result of Con Edison's failure to ensure the reliability of its electric grid in July of 2019. The hearing is scheduled for Tuesday, January 26, 2021, at 4:00 p.m.

"Consumers pay Con Edison to keep the lights on, and the company failed miserably to perform this important task," **Governor Cuomo said.** "We are putting utility companies on notice that we will not let them get away with forcing New Yorkers to foot the bill after failing to deliver for them. I encourage everyone who was impacted by these failures by Con Edison to make their voice heard at these hearings so we can enforce fairness."

As a result of the investigation directed by Governor Cuomo, Con Edison faces \$25 million in penalties and possible license revocation from the New York State Public Service Commission. The utility has an opportunity to contest the penalties, but should the Commission confirm any of these apparent violations and if Con Edison is shown to have failed in providing safe and adequate service, the Commission will commence a proceeding to revoke or modify Con Edison's service territory certificate. The \$25 million in potential penalties is in addition to \$15 million in revenue reductions already applied to Con Edison by the Commission due to these same 2019 outages.

During the summer of 2019, Con Edison experienced two sizable outage events eight days apart that left more than 100,000 customers without power. The outages impacted commercial activities, residential buildings, transportation systems, and traffic control. Lights were out in many of New York City's popular nighttime destinations and public venues such as Madison Square Garden, Broadway theatres, Carnegie Hall, and restaurants. Brooklyn suffered multiple days of outages during a heatwave. The subway system was also impacted.

John B. Rhodes, CEO of the Department of Public Service, said, "Outages such as the ones that occurred in July 2019 in the Con Edison service territory call into question

the company's ability to ensure reliable service. Con Edison simply has to perform better and prevent future recurrences, and we will hold them accountable if they don't."

As a result of this investigation, Con Edison is now directed to answer these charges relating to conduct prior to, during, and after the Manhattan and Brooklyn outages, and pursue civil penalties and/or administrative penalties for its failure to adhere to rules and procedures regarding outage prevention and restoration. Based on current state law, the maximum financial penalty Con Edison could face is more than \$25 million — one of the largest penalties ever issued by the PSC. The penalties, should they be levied, would be paid by the utility's shareholders, not from ratepayer funds borne by customers.

As part of the process to determine the penalty, the Special Counsel for Ratepayer Protection Rory I. Lancman will hold a virtual public forum to receive comments regarding potential damages and harm suffered by ratepayers, if any, as a result of Con Edison's performance in response regarding the outages. Comments will be part of the official record and may be utilized by the Special Counsel as part of direct testimony admitted into the record in the above-referenced proceeding.

Special Counsel for Ratepayer Protection Rory I. Lancman said, "As a result of its alleged failures, Con Edison faces record fines and sanctions. The public's comments regarding the pain and suffering the outages caused will be heard and considered and will become an important part of the official record of this proceeding to determine the size of the penalty."

The complete hearing notice with sign-in details may be obtained by going to the Department's Documents section at www.dps.ny.gov and entering Case Number 20-E-0587 in the input box labeled "Search for Case/Matter Number."

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