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GOVERNOR ANDREW M. CUOMO

**GOVERNOR CUOMO ANNOUNCES IMMEDIATE CORRECTIVE ACTIONS FOR UTILITY COMPANIES FOLLOWING FAILED RESPONSE TO TROPICAL STORM ISAIAS**

***Electric Companies Face Steep Penalties and Revocation of Franchise***

***Initial Findings Highlight Areas in Need of Immediate Fixes Including Inadequate Staffing for Storm Event, Failure to Communicate Accurate Information to the Public and Technology Breakdowns***

***PSEG-LI Will Forfeit Nearly \$10 Million in Incentive Compensation  
Department of Financial Services Will Work with the Department of Public Service  
in Aiding the Ongoing Investigation***

***Governor Cuomo Will Also Propose Legislation to Expedite and Clarify Franchise Revocation Procedures***

Governor Andrew M. Cuomo today announced that the New York State Department of Public Service has completed the first phase of its investigation in record time into utility preparation and restoration efforts related to tropical storm Isaias. As a result, the Department has sent [Notice of Apparent Violation](#) letters to four electric service providers — Con Edison, Orange & Rockland, PSEG LI and Central Hudson — and telephone, cable and internet provider Altice-Optimum that they now face steep penalties and must take immediate corrective actions so that similar failures are not repeated during the remainder of hurricane season. This is the first time DPS is front-loading the investigation process with Notices of Apparent Violation, and they have tightened the investigation process from the usual 12 to 24 months to just 6 months.

DPS is still threatening to pursue franchise revocations for Con Edison and Orange & Rockland as well as termination of PSEG-LI's contract with LIPA if the investigation deems it appropriate. Governor Cuomo directed the Department of Financial Services, which has broad investigative capabilities, to work with DPS to enhance its review of these utilities and better hold them accountable. Governor Cuomo will also propose legislation to expedite and clarify franchise revocation procedures. It will address questions including the ownership and transfer of assets such as substations, cables and trucks to ensure that the ratepayers who funded them are not charged again in the event of a new operator taking them over.

"The response to tropical storm Isaias by the electric utilities was completely unacceptable. Fifteen days later and we are still hearing complaints from families and businesses," **Governor Cuomo said.** "With many weeks remaining in the hurricane season, we do not have the luxury of time — utilities must act immediately to fix their broken storm response apparatus, and the Department of Public Service must act more swiftly to hold utilities accountable. DFS will help DPS on this investigation because I want a faster and more thorough investigation than they've done in the past. I am also going to propose legislation to facilitate, expedite, and clarify the process for a utility to lose their franchise. These utility companies predict when we're going to have storms and when we're going to have emergencies - that's the art form of the business and what we pay them for. They need to do better and we are holding them accountable."

Specifically, DPS cited Con Edison and Orange & Rockland for inaccurate communications, website problems, and inadequate pre-staging; PSEG LI was cited for a failure of its outage management system, inaccurate communications and problems with its call center; and Central Hudson was cited for inadequate communications capacity at its back-up data center, leading to their website becoming unavailable to customers. Altice-Optimum apparently did not follow its emergency plan pertaining to generator deployment and communications protocols, among other failures.

DPS has also called on PSEG LI to forfeit its 2020 incentive compensation of approximately \$10 million as a first step and to use the proceeds toward compensating families and small businesses who lost food and medicine as a result of the extensive outages, and PSEG LI has agreed to do so.

Peak power outages in New York State due to Tropical Storm Isaias reached approximately 920,000 customers, and approximately 1.3 million New York customers experienced power outages during the event.

The State is directing the utilities to undertake several corrective actions, including:

- Add crewing capacity via retainer contracts from private contractors or utilities located outside of New York, with a goal to be able to secure in advance of a storm double the level of internal linemen and tree crews;
- Test capabilities at all command centers, call centers and back-up command centers to ensure capability to handle an event that affects 90 percent or more of their customers in their service territory and provide confirmation back to the Department regarding the results of this test within 10 days;
- Refine coordination plans with municipalities tailored to each county (road clearing, local liaisons, etc.) and provide to the Department within 20 days a written confirmation from each county Emergency Operations Center that they understand and accept the plan; and
- Update life support equipment and critical infrastructure lists to remove or add customers as identified during Tropical Storm Isaias and file such updated lists to the Department within 10 days.

The Department also identified several potential violations related to Altice-Optimum's storm response in the lower Hudson Valley and Long Island, including a failure to

coordinate emergency response with local officials, communications failures, and insufficient generator capacity for their network. The Department letter demands that Altice-Optimum promptly remedy these issues and provides notice that the investigation will include a review of whether the company is in violation of the Commission's 2016 order approving its acquisition of Cablevision.

In addition to sending out notices of violations to the aforementioned utilities and Altice-Optimum, the Department also informed the State's other major electric utilities — NYSEG, National Grid, and RG&E — to immediately secure supplemental crews that can be deployed in the event of an emergency, to test the capabilities of the utility's command center, back-up command center, and call center to ensure capability to handle a large event (more than 90 percent of customers affected) in their service territory; and to file road clearing and liaison plans with each county emergency operations center, update lists of customers who use life-saving equipment in their homes, and update critical infrastructure lists.

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