

STATE OF NEW YORK

Public Service Commission

Garry Brown, Chairman

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FOR RELEASE: IMMEDIATELY

08006/06-T-1298

PSC Approves Upgrade of Ithaca Transmission Facility -- New Substation to Improve System Reliability to be Built --

Albany, NY—01/16/08—The New York State Public Service Commission (Commission) today voted to issue a Certificate of Environmental Compatibility and Public Need to New York State Electric and Gas Corporation (NYSEG) to upgrade an existing and build a new transmission line, to construct a new substation, and to improve three other substations, collectively known as the Ithaca Transmission Project (ITP) located in Tompkins and Cortland counties. The Commission also is requiring NYSEG to file an Environmental Management and Construction Plan (EM&CP).

Previously, the Commission ordered NYSEG to eliminate load pocket conditions currently prevailing in the Ithaca region.

“In making our decision to issue a certificate for the ITP, the Commission considered the environmental impacts of the ITP carefully, and it is reasonable to conclude such impacts would be the minimum necessary to meet the identified electrical need,” said Commission Chairman Garry Brown. “It is important to note that this project will permit NYSEG to provide adequate and reliable power in the Ithaca region and it should move forward without delay or interruption.”

In October of 2006, NYSEG filed an application for a certificate under Article VII of the Public Service Law for the construction, operation, and maintenance of the ITP. The project entails approximately 29.8 miles of new and rebuilt 115 kilovolt (kV) transmission lines, a new 345/115 kV station, and related equipment upgrades at three existing substations. Completion of the ITP is set for June 2010. Two public statement hearings were held concerning this matter in Dryden on June 4, 2007.

On August 2, 2007, NYSEG served notice of impending negotiations on all active parties. Negotiations ensued in August and October of 2007 resulting in the execution of a joint proposal by NYSEG, Department of Public Service Staff, the state Department of Environmental Conservation, the state Department of Agriculture and Markets, and AES Eastern Energy, L.P. No objections to the proposal were filed with the Commission.

To minimize adverse environmental impacts, the joint proposal, among other things, requires that: work in wetlands, to the extent possible, be done in the drier, summer and fall months; any agricultural soils disturbed during construction are to be restored; no work will be performed in trout spawning streams during the period October 1 to May 15; any rebuilding and new construction of transmission line will occur in or next to existing transmission corridors which have been in existence for more than 50 years.

Subject to the Commission's continuing jurisdiction, NYSEG is required to seek permits from local authorities for street excavation, street closures, and as necessary with state and local building codes that apply to substation buildings or other structures that are part of the proposed facility. In the event of any unreasonable delays in obtaining these local approvals, or if the requested permits are being withheld unreasonably, NYSEG could seek relief from the Commission.

The Commission also is requiring NYSEG to file an EM&CP providing detailed information about the work to be done to complete the ITP. The filing would include text, maps, charts, and illustrations. Also, there would be a process to ensure the active parties, adjacent land owners and the general public in the vicinity of the project have notice of and an opportunity to comment on the filing. The filing would have to be reviewed by the Commission prior to commencement of construction of the project by NYSEG.

A copy of the Commission's written decision in Case Number 06-T-1298, when issued, will be available on the Commission's www.dps.state.ny.us Web site by accessing the File Room section of the homepage. Many libraries offer free Internet access. Commission orders can also be obtained from the Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).