

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

REGULAR MEETING OF THE PUBLIC SERVICE COMMISSION

Thursday, March 27, 2014
10:10 a.m.
Three Empire State Plaza
Agency Building 3, 19th Floor
Albany, New York

COMMISSIONERS:

AUDREY ZIBELMAN, Chair
DIANE X. BURMAN
GREGG C. SAYRE
PATRICIA L. ACAMPORA
GARRY BROWN

1 March 27, 2014

2 (The meeting commenced at 10:10
3 a.m.)

4 CHAIR ZIBELMAN: I'd like to call
5 this Commission to order.

6 Secretary Burgess, are there any
7 changes to the agenda?

8 SECRETARY BURGESS: Good morning.
9 There's one clarification to the agenda, item 465,
10 which is case 13-W-0246. This item is a confirming
11 order for interlocutory appeal that was filed by the
12 Town of Ramapo.

13 CHAIR ZIBELMAN: Okay. Thank you.

14 We're going to begin with a
15 presentation item. I've asked Kevin Speicher, who
16 heads up our gas safety division, to give the
17 Commission a -- basically an update on the process
18 that we're being -- that we're using to inspect the
19 Harlem explosion.

20 We're not going to get, obviously,
21 into any details of the investigation since it's --
22 it's ongoing and very preliminary, but I will
23 express, and I -- I know I speak for everybody in
24 this room, that our prayers and -- and heartfelt
25 feelings are going out to certainly everybody who was

1 March 27, 2014

2 involved, the families are involved.

3 It's a -- certainly a disaster,
4 regardless of what the cause is, is something we
5 never -- none of us ever want to see happen again.
6 But today, it's really -- I just asked Kevin to come
7 in and -- and talk to us about how -- what -- how
8 we're proceeding with the investigation.

9 MR. SPEICHER: Thank you. Good
10 morning, Chair. Good morning Commissioners. I'll be
11 briefing you today on the incident at Park Ave. and
12 East Harlem that occurred on -- on March 12th, 2014.

13 On Tuesday, March 12th, at
14 approximately nine thirty, there was an explosion
15 that resulted in multiple fatalities and injuries and
16 included the destruction of two buildings at 1644 and
17 1646 Park Avenue, in East Harlem, Manhattan.

18 Safety section staff immediately
19 responded to the incident site because natural gas
20 was suspected as a cause. In addition, the National
21 Transportation Safety Board or N.T.S.B. responded.
22 The location -- this location lies in the service
23 territory of Con Edison, New York.

24 The Department has fielded an
25 investigation -- investigative team, which is

1 March 27, 2014

2 conducting an investigation pursuant to our
3 independent authority under New York Public Service
4 Laws 65 and 66. This investigation will focus on
5 whether any Con Edison facilities or actions may have
6 been the contributing factor to this incident.

7 It will include review of on -- or
8 on-site review of testing that's taking place and
9 witnessing of this testing. It will include review
10 of all operations and maintenance records and a
11 thorough review of all service-related calls made in
12 this area, including an analysis of the leak and odor
13 complaints made prior to the incident occurring.
14 This team will provide its findings and
15 recommendations to the Commission once the
16 investigation is completed.

17 As a result of the N.T.S.B.
18 involvement, we've also fielded a second team to
19 respond to and investigate. They are assisting the
20 N.T.S.B. as subject matter -- subject matter experts.
21 So, we do have two investigative teams, one working
22 under us and one that is assisting the N.T.S.B.
23 investigation.

24 Both -- the investigations are
25 ongoing and it is still too soon to draw any types of

1 March 27, 2014

2 conclusions about what caused the incident, itself.

3 This concludes my statement.

4 CHAIR ZIBELMAN: Thanks, Kevin.

5 One of the things I do want to note
6 that I think we have thirteen or fourteen staff
7 members engaged, in addition to Cynthia McCarran, who
8 heads up our gas division, and, of course, Raj
9 Addepalli, who runs our gas and electric division.
10 So -- and it's a full-on press on -- on the part of
11 our staff. And I want to thank them because I know
12 we've had people there, essentially, around the
13 clock.

14 And also note that I'm well aware
15 that, in addition to ourselves, certainly the City
16 has various entities there and Con Ed has various
17 entities there. And I think for everyone who's
18 involved in the investigation, the company,
19 ourselves, it -- it's tough even for the people. And
20 I -- I want to express my appreciation for the
21 dedication of the people who are there on -- on the
22 ground and looking at this -- and having to put all
23 this back together.

24 So thank you. And any other
25 comments?

1 March 27, 2014

2 Okay. We'll move on. This next
3 item is -- we're going to move to our regular agenda,
4 which is item 301, and that's regarding the
5 establishment of policies and proceedings regarding
6 transmission planning for public policy purposes.
7 And this relates, of course, to order one thousand
8 issued by FERC. And Liz, as our managing attorney,
9 is going to be presenting the items.

10 So go ahead, Liz. Thank you.

11 MS. GRISARU: Good morning and
12 thank you for the introduction.

13 The matter -- the matter before you
14 this morning, as -- as you note, Chair Zibelman,
15 relates to order one thousand, which instituted a new
16 system planning process under the administration of
17 the New York Independent System Operator that the
18 NYISO will begin implementing sometime later this
19 spring.

20 The new process introduced by FERC
21 through the NYISO is intended to allow for the
22 consideration of public policy objectives in
23 transmission planning. And the NYISO process, as
24 outlined in the NYISO's tariff, provides a pathway to
25 cost recovery at FERC for new transmission that

1 March 27, 2014

2 serves public policy needs.

3 The proposed action here, the order
4 before you, initiates a proceeding to establish some
5 procedures to permit the coordination of this
6 Commission's planning decision-making with the
7 various steps in the NYISO order one thousand
8 process. The draft before you today includes a straw
9 proposal for those procedures and asks for comment
10 from the stakeholders by May 14th of this year.

11 I'll give you a brief outline of
12 the procedures that -- that are -- are outlined in --
13 in the draft. The first step for this Commission is
14 the crucial one and that is the identification of
15 public policy requirements that may require
16 transmission solutions. Once that determination is
17 made, the NYISO's role is to solicit solutions, that
18 is possible generation transmission or demand
19 response solutions to the identified covered policy
20 need.

21 NYISO then has the job of
22 conducting a threshold viability and sufficiency
23 analysis of the various proposals that are submitted.
24 At that point, taking the results of that analysis
25 into account, the Commission here may determine that

1 March 27, 2014

2 transmission is not necessary to meet the public
3 policy need. And in that case, the Commission is
4 free to pursue non-transmission alternatives.

5 However, if the PSC determines that
6 the transmission solution is preferable, the NYISO
7 then takes on the duty of conducting various
8 project-specific evaluations of -- of the
9 transmission proposals that are -- that are before it
10 and makes ultimately a selection as to which among
11 those transmission solutions is the most cost
12 effective. It is our expectation that a successful
13 transmission project will then go into an Article 7
14 certification process, again here with this
15 Commission.

16 So to step back in -- in this
17 new -- this process which is new and has a -- a
18 number of steps, but the -- the -- the -- the big
19 picture here is that the Commission is responsible
20 for determining what public policies, if any, should
21 be considered in this NYISO administered planning
22 process. This stems from your jurisdiction to
23 establish public policies under the Public Service
24 Law.

25 The Commission also has the key

1 March 27, 2014

2 role of determining whether transmission or some
3 alternative solution will best meet the public policy
4 that -- that the Commission has identified. And,
5 again, this Commission has responsibility for system
6 planning in the public interest.

7 There -- and the conclusion from
8 those two is that, in this process, the Commission's
9 actions, the determination of public policy needs,
10 and the determination of what solutions are most
11 appropriate, those actions can trigger NYISO
12 evaluations and -- with the outcome -- with the
13 expected outcome that, in the case where this
14 Commission identifies transmission needs, that those
15 needs related to public policies will be met.

16 Thank you, very much.

17 CHAIR ZIBELMAN: Thank you, Liz.

18 You know, we were talking about
19 cooking. This is like making the most intricate of
20 intricate stews. But I think that the -- that the
21 policy outrun that we've gotten is -- is that it's
22 actually a nice way to intersect the fact that we
23 have the New York ISO with certainly jurisdiction now
24 under order 1,000, expanded jurisdiction over
25 transmission with the authority to look at

1 March 27, 2014

2 transmission not only for reliability but for
3 economic reasons and public policy, which, of course,
4 then asks the question, well, what's public policy.
5 And public policy is -- is then again developed by
6 this Commission, this state, relative to what we want
7 to achieve.

8 And, so, I think that the process,
9 anyone looking at it from outside of our little
10 arcane world would say what are they doing.

11 But I think it looks like, to me,
12 that it makes sense and it's only the sensible way to
13 proceed because, clearly, anytime we're looking at
14 transmission it begs the question are there
15 non-transmission alternatives.

16 And oftentimes, you don't
17 understand what the best alternative is until you
18 look at them all. And, so, I -- I -- I get it, but
19 it is complicated and I -- I note my appreciation
20 both for the staff but everyone who was involved in
21 the ISO process, and helping think through how these
22 two jurisdictions will -- will merge together.

23 With that, it sort of begs the
24 obvious question and -- and, Peter, maybe you can
25 address this for us. You know, clearly the A.C. --

1 March 27, 2014

2 clarity and specificity regarding the criteria for
3 evaluating proposals in the A.C. proceeding, both the
4 original proposals and the alternatives that the
5 applicants are now putting together, and would -- and
6 appreciate that guidance on how the Commission will
7 evaluate those proposals should address how the PSC
8 may winnow down the field of proposals under
9 consideration, maintain a competitive process by
10 providing for some recovery of development costs,
11 which also relate back to the ISO public policy
12 requirements, and would be useful to have clarity on
13 how our Article 7 process will be coordinated with
14 the process that was just described and that will be
15 used under the ISO tariff.

16 So, therefore, advisory staff is
17 consulting with the ALJs to design a process that
18 would involve the parties to the A.C. proceeding to
19 further these goals. So the basic idea is that we
20 would work to crystalize a basic proposal, work with
21 the parties, and then bring that back to the
22 Commission.

23 CHAIR ZIBELMAN: Great. And I'm
24 glad to hear that. And I -- you know, as soon as we
25 can get that in front of the Commission to give

1 March 27, 2014

2 everybody certainty on the process, the better. So I
3 would ask us to do that.

4 Any other questions or comments on
5 this matter from anyone? Gregg?

6 COMMISSIONER SAYRE: I think it's a
7 very positive step to coordinate our state policy
8 decision making with the federal jurisdictional
9 system. The more that the state and federal
10 jurisdictions can plan and coordinate it in a
11 harmonious way, I think the better the result is
12 likely to be.

13 MS. GRISARU: Commissioner, I'm
14 tuning up my violin.

15 CHAIR ZIBELMAN: Diane?

16 COMMISSIONER BURMAN: Thank you. I
17 am also very pleased. I think this is a very
18 positive step. I'm glad to see that we are also
19 cognizant of the A.C. transmission and not having
20 that fall off the radar, because that was on a track
21 and something that really needed to focus on.

22 I think this is very positive that
23 we now have three planning processes that we can
24 utilize. And public policy requirement is a
25 significant one. One that I'll be very much focused

1 March 27, 2014

2 on, making sure that we look to, you know,
3 innovation, as well as clarity and certainty and
4 what's best for the state.

5 I do know that the state register
6 had, last week, the SAPA on the A.C. transmission and
7 the cost recovery aspect. So I, you know, think that
8 this is helpful that we're focused on looking at that
9 in the near future.

10 Thank you.

11 CHAIR ZIBELMAN: Thanks,
12 Commissioners.

13 All right. With that then, all
14 those in favor of the recommendation to institute a
15 proceeding and comments on procedures that could be
16 used and identify public policy requirements required
17 for transmission, signify by say aye.

18 ALL: Aye.

19 CHAIR ZIBELMAN: Hearing no
20 opposition, the recommendation is adopted.

21 Our second item is the electric
22 emergency plan review that Christian Bonvin is going
23 to be presenting. Christian is the utility
24 supervisor of the Office of Electric Gas and Water.

25 Christian, welcome and please

1 March 27, 2014

2 proceed.

3 MR. BONVIN: Thank you. And good
4 morning, Chair and Commissioners.

5 Emergency plans are an important
6 component of utilities' ability to plan for and
7 respond to events effectively. The plans not only
8 contain aspects of internal to how the utilities
9 store service, but they also include fundamental
10 components related to communicating with outside
11 stakeholders and the public.

12 The size and scale of recent
13 events, including Superstorm Sandy, Hurricane Irene,
14 Tropical Storm Lee identified areas for improvement
15 within the plans, expanding and revising the
16 utilities' emergency plans, as well their other
17 resiliency measures have been a priority and an
18 ongoing effort.

19 Item 302 specifically relates to
20 the recently filed electric emergency plans, and the
21 joint review by the Office of Electric Gas and Water,
22 Office of Consumer Policy, and Office of Consumer
23 Services.

24 The plans were filed for the first
25 time on December 15th to comply with the recently

1 March 27, 2014

2 revised Public Service Law. You may recall the plans
3 were previously filed with us on April 1st of every
4 year. The plans must also be formally approved by
5 you following the review process, as was done for the
6 April plans last year.

7 Over the past year, ongoing efforts
8 to include the plans were a major focus. Several
9 critical steps were taken when improving the April
10 2013 plans with an overall goal of making the plans
11 complete with this December filing. The August 2013
12 order specifically identified areas where
13 improvements were needed.

14 Since then, staff met with
15 utilities, both jointly and individually, to identify
16 best practice -- best practices and incorporate them
17 into the plans in a consistent and uniform manner.
18 These discussions focused on or -- but were not
19 limited to the improvements identified in the August
20 order.

21 Following the December 15th filing,
22 staff met with utilities numerous times as part of
23 its review to supplement the plans to ensure that the
24 plans would comply with Public Service Law Part 105,
25 previous orders, and recommendations included in

1 March 27, 2014

2 storm reports by staff and the Moreland Commission.

3 The utilities filed amended
4 emergency plans in early March that reflected the
5 required modifications. I will now highlight some of
6 the major improvements in these amended plans.

7 First, public safety is of the
8 utmost importance. Downed wires following a storm
9 create public safety hazards, limit road clearing
10 capabilities by towns, and P.W.s and may, in fact,
11 impact first responders either by limiting access to
12 things or tying up the resources to guard downed
13 wires.

14 Each of the plans now reflect the
15 common system for prioritizing which lines are
16 responded to first and a common rating system that is
17 severity of the lines. The severity dictates the
18 actions needed to be taken, such as classifying the
19 line as being electric or communications, identifying
20 the appropriate crew needed to repair it or make it
21 safe, and dispatching of wire guards.

22 The second improvement relates to
23 critical facilities. Restoring power to facilities
24 such as hospitals, police stations, and water
25 treatment plants is vital following a storm.

1 March 27, 2014

2 Therefore, utilities need to have
3 the ability to readily identify if power is impacted
4 at locations that are essential for the public health
5 and safety or provide a significant public service.

6 Previously, utilities identified
7 and addressed these issues based on their own
8 analyses and presented them in the emergency plan
9 using different terms, such as critical
10 infrastructure, critical customer, and major
11 accounts. The prior labels used to assist planning
12 and how those locations were classified within those
13 schemes were also inconsistent among the utilities.

14 As a result of these
15 inconsistencies, confusion when communicating with
16 outside stakeholders, particularly those with
17 multi-utility jurisdictions, occurred. To reduce
18 this confusion, all the plans now use a common term
19 of critical facilities when describing these
20 locations. And they also use a common priority
21 scheme.

22 Additionally, the plans have
23 requirements for interacting with critical facility
24 managers, both before and after events, to ensure all
25 parties are aware of the situations being encountered

1 March 27, 2014

2 and as well to plan appropriate next steps.

3 The third area of improvement
4 relates to coordination with telecommunication
5 providers. Because telecommunication services are
6 relied upon by first responders, emergency management
7 personnel, the public, and the electric utilities
8 themselves, following a storm, there has been an
9 increased effort to coordinate restoration activities
10 between the utilities.

11 Previously, communication between
12 the electric utilities and telecommunication
13 providers occurred at the local level and didn't
14 really allow for widespread planning. And while the
15 electric utilities had large centralized areas
16 identified in -- within telecommunication
17 infrastructure, they didn't really account for the
18 infrastructure that was located out in the field and
19 the local neighborhoods.

20 All the -- all the electric
21 emergency plans now identify contacts and all the
22 critical facilities owned by the wire -- wireline
23 cable and wireless providers. They also provide a
24 means for direct information sharing through liaison
25 interaction, focused conference calls, or by having

1 March 27, 2014

2 the telecommunication providers physically in the
3 electric utilities operation center.

4 By exchanging information regarding
5 outage locations, priorities, restoration times,
6 responses to the event for both telecommunications
7 and electricians should be improved.

8 Opportunities, however, still exist
9 for additional coordination. One main area is
10 streamlining and sharing of operational data
11 collected to enhance the ability to identify
12 locations without power. Given the knowledge base
13 and familiarity with each other's infrastructure, we
14 also believe processes for sharing work activity such
15 as damage assessment, wire-down response, and setting
16 poles needs to be established and included in the
17 emergency plans.

18 Additionally, the information
19 sharing process should be developed to swap
20 information seamlessly between computer systems and
21 minimize the need for each industry to input data
22 manually. Staff will continue to meet with these
23 industries and get these improvements implemented.

24 The fourth improvement relates to
25 flooding procedures. The emergency plans identify

1 March 27, 2014

2 processes that will be used during widespread
3 flooding events, as well as instances where a
4 relatively low number of customers are affected.

5 The plans address coordination with
6 localities, tracking impacted customers, decision
7 making surrounding preemptive shutdowns, and
8 dedicating coordinator or branches to oversee
9 restoration within flooded areas.

10 Refinements were also made to
11 clarify the inspection process and expectations of
12 communicating with affected customers as to what is
13 required to allow the safe restoration of service.

14 The fifth improvement relates to
15 mutual assistance. The means to obtain outside
16 resources to assist the company during restoration
17 has always been a key component of the emergency
18 plans. The plans now reflect a new protocol for
19 obtaining mutual assistance from a recently
20 established North Atlantic Mutual Assistance Group,
21 or NAMAG.

22 The group was established by
23 combining three regional groups from New York, New
24 England, and the Mid-Atlantic. By being combined,
25 assistance from outside of the state may be easier

1 March 27, 2014

2 obtained when damage in New York outweighs that of
3 the neighboring states.

4 The sixth major improvement relates
5 to the use of the National Guard. The recently filed
6 plans identify processes for requesting and utilizing
7 the Guard, unlike before. Meetings involving the
8 National Guard, Homeland Security, staff, and the
9 utilities resulted in a defined set of activities
10 that the Guard will be able -- be able to perform, as
11 well as define what equipment the Guard will be
12 bringing with them when activated. By having all
13 this information predefined, it should result in a
14 timely and more efficient deployment of the Guard
15 into the communities.

16 While not going into the specifics
17 of these other areas, I would like to point out a few
18 other spots where improvements were noteworthy.
19 These include the expanded use of liaisons at the
20 emergency operation centers, stating how the
21 companies will increase staffing levels in call
22 centers, establishing a follow-through process for
23 commitments made during municipal calls with
24 government officials or towns, and defining a contact
25 requirement for life support and special-needs

1 March 27, 2014

2 customers both prior to and following events.

3 Amendments were also made to
4 clarify who, within the organization, will be
5 responsible for actually carrying out the tasks
6 identified within the plans.

7 Lastly, the staff -- staff and
8 utilities recognize the importance of training and
9 conducting drills for the plans. Given that
10 hurricane season starts on June 1st, all the plans
11 now are required to have a drill that involves
12 outside stakeholders prior to that date.

13 That drill should also review the
14 communication processes that will be used in the
15 event of an emergency. Feedback from participants,
16 both within the utility, as well as those outside
17 stakeholders, should also be taken in account and
18 reviewed to determine if adjustments are needed.

19 Staff will also be attending these
20 drills and providing feedback to the companies.

21 This concludes my presentation.

22 I'll be happy to answer any questions you may have.

23 CHAIR ZIBELMAN: Thank you,
24 Christian.

25 And -- and let me just start by, in

1 March 27, 2014

2 reviewing the order, it's -- it's hard not to remark
3 or see the immense amount of coordination and work
4 that needs to be done during storm events.

5 And -- and the fact that we're
6 starting to grapple with these issues of how many
7 different entities are involved and how important it
8 is to get clarity and consistency around both the
9 information provided and the processes used.

10 And so I congratulate both the
11 staff. And -- and utilities, I know, continue to
12 work at this. The other that struck me is -- is that
13 there's some -- not only are there so many elements
14 to -- to getting what we want out of storm
15 restoration, which, of course, is the rapidity of the
16 restoration, maintaining the safety, and -- and
17 providing the assurances of this information, is that
18 it's going to -- it's a -- will be a work in
19 process -- progress. And it will be a continuous
20 improvement activity.

21 I think we note that also in our
22 use of the scorecard of continuing to evaluate how
23 well are we doing, what can we improve. So I think
24 that the emergency plan, which I -- you know, are
25 a -- a great improvement, I'm glad to see it, work

1 March 27, 2014

2 nicely with what we're also doing with the scorecards
3 in terms of making certain that we're continuously
4 looking at these activities and seeing how -- how we
5 can improve. So, you know, in my -- I -- I
6 appreciate all of that.

7 One of the things I -- I'd like to
8 actually ask staff to look further into is this issue
9 of information coordination. It does strike me that
10 with continual increased use of portals, where
11 customers may go online and try to understand where
12 their -- when service will be restored, you know,
13 often when they're looking at it, they're interested
14 in when their electric service is going to be
15 restored, potentially when their phone service is
16 going to be restored.

17 And to the extent we can look at
18 ways of coordinating not only from the standpoint of
19 communications between the various entities, but
20 actually how customers can go to one -- if there's a
21 way to go to one site with linkages, so that they can
22 see a whole picture of where they're going to be
23 affected, I think that would be a great step for both
24 the telephone and the electric utilities to think
25 about how they can facilitate for customers getting

1 March 27, 2014

2 information.

3 And don't know if it's possible,
4 but it certainly is something I'd like you to look
5 into and -- and work with the telecom companies, the
6 wireless providers, and the utilities on that. And I
7 know we're going to be talking about telecom
8 emergency plans after that.

9 So any reaction, Michael? You look
10 like you're going to say something.

11 MR. WORDEN: Just paying attention.

12 CHAIR ZIBELMAN: Now that's all for
13 my comments.

14 Garry?

15 COMMISSIONER BROWN: First, I want
16 to thank everybody for a -- a really outstanding job.
17 I think there are a lot of lessons learned. After
18 every storm we've had, we learn lessons. And this
19 kind of coalesces a lot of them in one place.

20 Michael, we've talked about, and I
21 just want to go -- talk about it very briefly,
22 those -- the one concern that I still have is mutual
23 assistance. I think there's been some great work
24 done in -- in making the region bigger that we can
25 draw from, but I'm still concerned that we kind of

1 March 27, 2014

2 start reaching out on mutual assistance. There's
3 calls before a storm, but we kind of wait to see
4 where the storm hits, who's really affected, each
5 utility has to make an individual determination about
6 how many they may need and when they want them.

7 And I think there's, at least, a
8 potential for pooling some mutual assistance when we
9 know a large event is going to hit the area, and not
10 holding an individual utility responsible, if we know
11 a big storm's coming, that they have to make the call
12 or their neighbor has to make the call. That if we
13 could do it more as a group, socialize the cost. If
14 it ends up we don't need the mutual assistance we can
15 socialize the cost amongst all the utilities.

16 If it ends up that we do -- we
17 get -- we've got them on the road, and I guess that's
18 my point. We had crews not getting on the road until
19 five -- six days after the event in Sandy.

20 I think everybody -- we were trying
21 to find anybody we could find for a long time. And
22 just travel time alone in one of these massive events
23 takes days, sometimes, for the trucks to get here.

24 And if we could figure out a way to
25 make more efficient use, get the trucks here earlier,

1 March 27, 2014

2 and not hold the utility responsible if the storm
3 doesn't happen to hit them that was forecast to hit
4 them, but to get -- figure out a way to socialize
5 that and -- and move it over various utilities, I
6 think that would be a useful addition to try to make
7 things move quicker. And then these plans really do
8 get into the details of once you've got the crews,
9 what -- how you going to utilize them the best. And
10 I'll stop there.

11 MR. WORDEN: Thank you. Yeah,
12 you've raised that before and I think that's
13 something we do need to look at. You know, frankly,
14 I don't think we've looked at it with the kind of
15 depth that we need to, to -- to actually consider
16 moving it forward. But when we look at that, we got
17 to think about how it would apply with New York
18 State, but maybe how it would apply nationally.

19 And, you know, Christian mentioned
20 in his briefing about the North Atlantic Mutual
21 Assistance Group. They also have created a national
22 response event team for a Sandy-type event. So
23 something like this would have to be coordinated with
24 that. And that's something we'll put on our to-do
25 list to -- to come back to.

1 March 27, 2014

2 COMMISSIONER BROWN: Right. I
3 think it was last year that one of the Nor'easter's
4 that we were very worried about ended up skirting us
5 and hitting Connecticut very hard. And they have the
6 same problem, I know, getting mutual aid crews there
7 quickly enough. So maybe we could make this even a
8 more regional basis than just New York utilities.

9 CHAIR ZIBELMAN: I think, Michael,
10 that you -- might -- we might -- why don't we look at
11 scheduling a time and you can bring a briefing into
12 the Commission, talks about the new national
13 assistance. I think we have another issue which
14 maybe we'll -- we can even talk about in May when we
15 talk about the situations this winter is that, you
16 know, we often talk about summer storms, but there's
17 also an issue this winter with the storms. And
18 there, we had road close -- closings.

19 And that also complicates getting
20 crews here and -- and where they might come from. So
21 it's a -- I think there's a lot to look into on that.

22 MR. WORDEN: Sure, we can do that.

23 CHAIR ZIBELMAN: Commissioner
24 Acampora, go ahead.

25 COMMISSIONER ACAMPORA: If you

1 March 27, 2014

2 could just clarify for me, because I know we're
3 talking about our investor-owned utilities, for the
4 record and for the people who watch on the web, would
5 you mention about LIPA?

6 MR. BONVIN: Sure. Long Island is
7 actually required statutorily to file on a different
8 schedule, other than the December 15th schedule.
9 They are right now -- currently have filed. They've
10 had hearings on Long Island, and the review process
11 of their filing by some of our staff is currently
12 ongoing. But -- and that will be presented in the
13 future to PSEG with any of our findings.

14 MS. HARRIMAN: So I just want to
15 clarify. The Department, under the Long Island --
16 the LIPA Reform Act, as we call it, has a requirement
17 to file emergency plans with the Department for
18 review and recommendation. There's a process set
19 forth in the Public Authorities Law pertaining to how
20 LIPA and its board needs to address any
21 recommendations that we make and process around
22 soliciting comments, and then ultimate adoption of
23 the storm plans.

24 LIPA's plan or PSEG Long Island's
25 plan will not come before the Commission for a vote

1 March 27, 2014

2 thank -- thank you for the clarification. But to be
3 clear, too, it also -- NYPA is part of this process,
4 too. So we'll have whether NYPA or LIPA will come to
5 the Commission, all of them are included in the -- in
6 the how to make this work.

7 COMMISSIONER ACAMPORA: Yeah, I --
8 I think that it's helpful. Again, as we go through
9 this and we know that people do follow this,
10 particularly on Long Island, they're always
11 interested as to what's going on so that there is
12 a -- again, a clarification and understanding that is
13 not the Commission but that the Department will help
14 coordinate, so that it is a statewide coordinated
15 plan when it finally is done.

16 Again -- and I back up Commissioner
17 Brown in -- in saying the hard work that goes into
18 this is really appreciated. And as Christian stated,
19 as we all know, the best laid plans, we always know
20 that we can always build upon once we have another
21 emergency. So that planning is important, but it's
22 never final. So thank -- thank everybody for their
23 efforts.

24 CHAIR ZIBELMAN: Thank you.

25 Commission Sayre?

1 March 27, 2014

2 COMMISSIONER SAYRE: I'm
3 particularly heartened by the ongoing focus that
4 you're going to have to try and get the utilities,
5 both electric and telecom, to have their outage
6 management systems talk to each other on a seamless
7 basis, as opposed to having manual input. It's --
8 and it's frequently the situation that in any given
9 widespread outage, the cable company, because of
10 their smart set-top boxes, is going to have a better
11 idea at the outset what neighborhoods are out of
12 electrical power than the power company, itself,
13 which has to, in some cases, either rely on customer
14 call-in or go and survey the neighborhood to see
15 what's on and off.

16 You will be hearing from both sets
17 of companies and their I.T. departments that -- that
18 this endeavor will be difficult, expensive, lengthy,
19 to get these disparate systems to talk to each other.
20 Those are all true facts. I'm just hoping that we
21 can convince the companies that we're serious about
22 this and change the conversation from how awful to
23 how to do it.

24 MR. WORDEN: So, Commissioner,
25 Sayre, you know we -- after Sandy, we had a technical

1 March 27, 2014

2 conference where the electric companies and the
3 tel-co companies were there. And I think you're
4 aware, we had one of those after Irene as well. And
5 both of those were intended to be, you know, getting
6 those sides together to help work better together.

7 I really think, in the electric
8 emergency plans, that -- that you're approving today,
9 there's been a significant improvement in the
10 coordination between tel-co and electric companies
11 because we -- we essentially made them put it in the
12 plans. And I think to -- to your thing on the outage
13 management, I think that's -- that's one of our
14 primary key takeaways after today, once we get these
15 plans approved, is to start working on that.

16 And we're going to start -- you
17 know, I think what we plan to do is pick and choose,
18 not try to do it with everybody, but to pick a
19 company or two and start doing that. So that's
20 really one of -- actually, that's one of Christian's
21 primary goals now.

22 COMMISSIONER BROWN: Madam Chair,
23 could I just make one comment on Gregg's? It -- it's
24 in everybody's interest. You cannot sell a pay per
25 view movie to a customer that doesn't have

1 March 27, 2014

2 electricity. And it's -- was frustrating to me that
3 those companies didn't work together, because they've
4 got the same exact interest.

5 Get the power back on so they can
6 sell some product. And, so, hopefully, we can get
7 people to recognize that, that they shouldn't --
8 there's no reason for the cable company not to be
9 completely cooperative with the electric utility,
10 because they're totally dependent on them.

11 CHAIR ZIBELMAN: Well, we have --
12 you know, we -- we've actually developed moving into
13 two commissioner meetings a week to have some
14 technical conferences. It seems to me that, given
15 the fact that this is Christian's new primary goal,
16 we -- we ought to take a harder look at this
17 particular issue, get a better understanding of what
18 it's -- what it's going to take to get it done.

19 But it does seem rather silly in
20 this day and age if somebody knows if someone's out
21 or someone's on that the companies can't figure out a
22 way to communicate it to each other. So -- and --
23 and like I said, it also seems that for a New Yorker
24 to be able to just go to one website and get all the
25 information they need, over time would be a good

1 March 27, 2014

2 goal, too, to make it easier for people and give them
3 the -- the security of knowing when things are going
4 to happen. So let's -- let's talk about it. But I
5 think we -- let's bring it back and make that a focal
6 point.

7 Commissioner Burman?

8 COMMISSIONER BURMAN: Thank you.

9 I very much agree with Commissioner
10 Brown's comments about the mutual aid and assistance
11 and also working with other states. I think it's
12 very important. I do think that we've evolved from
13 Superstorm Sandy. We've learned a lot of lessons.
14 And I think as we work together, I think we've become
15 partners in this.

16 I did hear Christian talk about the
17 flexibility, the drills that will be coming, and
18 looking at even further ways that we can improve.
19 So -- so, to me, we need to also allow that
20 flexibility to our partners to -- to work through
21 some of those issues and understand that the plan is
22 only as good as it's executed. And, you know, you
23 always learn from, you know, events what you can do
24 better or what you thought was going to work that
25 didn't, necessarily.

1 March 27, 2014

2 I'm particularly proud of all the
3 utilities. They submitted robust plans within the
4 statutory time periods and worked diligently with
5 staff, who I know worked very hard with them in
6 reviewing them in anticipation of the Commission
7 approving them, as we are today.

8 It should be noted that the
9 emergency electric emergency plans have been in
10 existence. What was changed in 2013 was looking a
11 little bit harder at those plans from the lessons
12 that were learned from Superstorm Sandy. But really,
13 it was that the Commission, now would, for the first
14 time, approve these plans.

15 And to me, that really is something
16 that it holds the Commission accountable as a more
17 affordable partner in ensuring system resiliency and
18 reliability. And it -- it makes all of us take note
19 of all of us being together in this and making it
20 work.

21 This is one of many initiatives
22 that the Commission has been working on involving
23 utilities, preparation for and response to
24 emergencies. And really our clear goal, I believe,
25 is to make the underlying infrastructure more

1 March 27, 2014

2 resilient. And this item is really further
3 strengthening those efforts to protect New York. And
4 I look forward to the collaborative process that we
5 really set out to do.

6 And my understanding is that these
7 plans also go to Homeland Security, too. Is that
8 correct, Michael?

9 MR. WORDEN: Yeah. That's correct.
10 We actually -- your -- there's going to be a letter
11 that's sent over to them that certifies that they
12 have been approved and that they comply with the law
13 and all the requirements.

14 COMMISSIONER BURMAN: And also, I
15 think that as, you know, we've looked at evolving and
16 utilities, both the electric and the telecom really
17 being partners together, I -- I think that's
18 something that, you know, really came out of a good
19 working relationship after Superstorm Sandy and
20 looking at some of those difficulties.

21 And it's really something, too,
22 that when Commissioner Acampora spoke about LIPA and
23 its emergency electric plan, while it may not be a
24 voting item that comes before the Commission, I think
25 that we also need to make sure that we look

1 March 27, 2014

2 holistically at the state and make sure that we can
3 figure out, you know, certain things that work.
4 Obviously in different parts of the state, it may
5 work better for -- for some things.

6 So, I do look forward to the
7 continuing dialogue that will happen on LIPA, even
8 though it may not be a voting item, but for
9 information only is very helpful, I think, to all of
10 us.

11 Thanks.

12 CHAIR ZIBELMAN: Well, thank you.

13 On going forward basis, clearly, as
14 staff has said, that there -- they are -- will be
15 including Long Island and -- and all the planning
16 purposes but I -- you know, I do want to make -- not
17 lose sight of the fact that when we're approving
18 plans in front of the Commissions, it's the plans
19 that we have authority over and those really need to
20 be our focal points.

21 With that, I appreciate everyone's
22 comments. All those in favor of the recommendation
23 to approve the amended emergency plans filed by the
24 electric utilities, please indicate by saying aye.

25 ALL: Aye.

1 March 27, 2014

2 CHAIR ZIBELMAN: Hearing no
3 opposition, the recommendation is adopted and we will
4 send the appropriate letters. Thank you.

5 Our next and third item for
6 discussion is -- actually, our report on the
7 telecommunications network restoration following
8 Superstorm Sandy. And that's Joe Yakel, who's
9 utility supervisor for the Office of
10 Telecommunications, will be presenting this. This is
11 not a voting item. It's for discussion purposes
12 only.

13 But thank you, Joe, and welcome.

14 MR. YAKEL: Oh, thank you and good
15 morning Chair Zibelman and Commissioners.

16 Item 501 will be updating the
17 Commission on telecommunications emergency response
18 activities related to Superstorm Sandy. And we're
19 going to be including a brief presentation this
20 morning that summarizes some company responses to the
21 staff storm report which was presented to the
22 Commission back in November of 2013.

23 Our update will be discussing some
24 action items that have been reviewed and implemented
25 by companies. And it will also include some items

1 March 27, 2014

2 Next slide, please. So one of the
3 first things that we -- that we discussed was
4 emergency plans. Again, this is -- a lot of what
5 you'll hear this morning will tie back into item 302
6 because it's such an important thing integrating
7 telecommunications and electric utilities.

8 The good news, very good news is
9 that all of the telecommunications providers, whether
10 it's in the cable industry, the wireline industry, or
11 the wireless industry, all have emergency plans.

12 They all review their plans and
13 they update them on things like lessons learned from
14 storms, not only here in New York State but on a
15 national basis. So they integrate lessons learned
16 from a wide area. And they're also involved in -- in
17 activities like disaster response exercises.

18 AT&T does two national exercises
19 annually and they invited staff, back in May of 2013,
20 to attend their disaster response exercise in
21 Hartford, Connecticut. And we did. We went to that
22 and we were very impressed by the capabilities that
23 the company brought to bear on that.

24 And then also in June of 2013, we
25 met with all the wireless carriers, the four national

1 March 27, 2014

2 carriers, and we discussed with them preparations for
3 their emergency plans for the coming hurricane
4 season. So there's a lot of things that go into the
5 telecom emergency plans and they're continually
6 updating them.

7 We also had recommendations on --
8 on customer credit policies. And, again, we've got a
9 dessert -- a diverse telecommunication industry in
10 New York State. And the good news here is that
11 there's customer credit policies that are in place
12 for consumers in a number of different means. They
13 are through the tariffs that are provided by
14 companies, customer service agreements, company
15 websites, and this information is available. And
16 that's one of the key things.

17 We want to make sure the policies
18 are there, but we also want to make sure that if the
19 policy is there, that success by -- by consumers,
20 they know how to get to it and they know what the
21 policies say.

22 Also during Superstorm Sandy, there
23 was a lot of outages. There was a lot of customers
24 affected with service. Millions of dollars of
25 customer credits were issued to consumers. And,

1 March 27, 2014

2 again, that's good news. When people are dealing
3 with being displaced from their homes and all these
4 myriad of problems, the last thing that they want to
5 worry about is how to pay that bill. And so to
6 their -- to their credit, companies did issue a lot
7 of money back to consumers for service credits.

8 They'll take that one step further.
9 It's not just the monetary piece. The credit also
10 comes into different service that can be provided to
11 customers to help alleviate some of the problems that
12 they're having if their primary service is out. And
13 things like call-forwarding, wireless alternatives
14 like home phone connect or wireless services, waiving
15 domestic voice and texting charges, and having
16 roaming available and wireless networks, so consumers
17 have alternatives that they can utilize while their
18 primary service is out. These things were offered to
19 all customers in the affected area. And they were
20 offered at no charge. So customers weren't worrying
21 about that, but they had an alternative means in
22 order to have some communications capability.

23 Next slide please. And that brings
24 us to customer communications. We had two
25 recommendations here regarding customer

1 March 27, 2014

2 communications. And as we talked about earlier,
3 information exchange is critical. When customers
4 have information, it helps alleviate some of the
5 concerns and fears that they have with their service
6 problems. And we saw that there was tremendous
7 effort made subsequent to Superstorm Sandy in order
8 to improve those customer communications.

9 And we saw a lot more use of social
10 media. And -- and people, you know, want to have
11 information available at their finger -- fingertips
12 twenty-four hours a day. And so by use of Facebook
13 and Twitter and YouTube and things like that,
14 consumers could reach out and they could see what was
15 going on.

16 So aside from the more traditional
17 things like call centers and phone calls, you know,
18 there was website activity, e-mail blasts, and there
19 was just a lot more information available to
20 consumers to have that back and forth interaction
21 with companies to find out what was happening and
22 when their service would be restored. And so we saw
23 that there was a much bigger success here in Sandy
24 than there was in Hurricane Irene and previous
25 events.

1 March 27, 2014

2 Network restoration, we have five
3 recommendations. And -- and all these
4 recommendations really hinge on communications and
5 coordination that occurs not only within the telecom
6 industry, but between the telecom industry and the
7 electric industry. So the more they're talking, the
8 more they're communicating, the better these
9 recommendations and the actions that occur between
10 both industries come together. So we're looking at
11 better communications between telecom and electric.
12 And as Christian and Mike mentioned, that's now part
13 of the electric utility emergency plan. So in every
14 utility service footprint, every telecom provider
15 that's there, contact name information is available.

16 And we talked earlier about the
17 technical conference that was held in May of last
18 year. And that was a great step. What it really did
19 was set the stage for some of the changes that
20 happened with the emergency plans. Just got the
21 leaders together between the telecom industry and the
22 utilities, face to face, to break the ice, exchange
23 information, start talking about that emergency
24 response effort and how they can work better
25 together, because ultimately, as he said, the

1 March 27, 2014

2 companies work more efficiently, customers are back
3 in service quicker. It's a safer process and -- and
4 every -- everybody wins in that. It's a win-win for
5 everyone.

6 Outage reporting, we had two
7 recommendations with outage reporting. One of them
8 was to have companies be a bit more consistent with
9 following our -- our department outage reporting
10 protocols. The other recommendation was more
11 specific to the wireless industry, and it was focused
12 on getting more granular information to staff for
13 their particular industry.

14 We see that as far as outage
15 reporting goes, we got a very diverse industry in New
16 York State. There's hundreds of service providers,
17 facilities-based and non-facilities-based, and we're
18 really the -- the tip of the sword, so to speak, when
19 it comes to intake of those outage reports. Then we
20 can hand off that information to Homeland Security
21 and other decision makers in the state.

22 So it's very, very important that
23 when outages are occurring or network-affecting
24 events, that we're getting that information from
25 companies so that we have a good status of the

1 March 27, 2014

2 network and we know what's going on. It makes it
3 much more difficult if we have to try and do outreach
4 and figure out what may be happening in a network.

5 They're in the know and as soon as
6 we can get that information, the easier it is for us
7 to provide that and have a good emergency response.
8 And we're expecting all companies to report outages
9 to us across the board so that we can maintain that
10 good emergency response posture.

11 System reliability and resiliency,
12 we have two recommendations here and, again, these
13 are the actual infrastructure improvements. This is
14 the hard -- hard network improvements that we're
15 looking at companies to take in order to better
16 survive or restore more quickly and safely. And
17 there was a lot of tangible results that occurred
18 from Superstorm Sandy. And we saw a lot more fiber
19 that was being in place in the ground, replacing
20 older copper cables, and -- and for future storm
21 events that will hold up better.

22 Companies looked at their
23 infrastructure and places where they had electronics
24 and other critical facilities that were below ground
25 that were subject to flooding and water inundation,

1 March 27, 2014

2 those pieces of equipment were raised. And, again
3 that will prevent future outages from happening.

4 Companies like Cable Vision
5 Systems, down in Long Island, made enhancements to
6 their network monitoring and diagnostic tools so they
7 have some better insight to what's happening in the
8 network.

9 We talked about that a little
10 earlier, seeing what's happening with the set-top
11 boxes and cable modems, what's on, what's off, and
12 they can target the restoration efforts.

13 And then again things like backup
14 powering enhancements, that's continually an ongoing
15 process. Companies are reevaluating their network.
16 I would say that this is an area that's not one size
17 fits all.

18 The architectures between
19 telephone, cable, and wireless are all different.
20 They're designed differently, so what may work for
21 one company may not necessarily work for another
22 company. So they have to evaluate their networks on
23 an ongoing basis. And they make those enhancements
24 so they can. And -- and we see that there's been a
25 lot of progress made.

1 March 27, 2014

2 There's also a lot of new
3 technology coming out with types of backup batteries
4 and other backup systems. So it's an evolving --
5 it's an evolving area and it's something that they
6 looked at regularly.

7 Okay. Next slide. We did have
8 some -- some comments, aside from the recommendations
9 that we made in the staff report. And there was a
10 couple problems that did come out of Superstorm
11 Sandy. It was a huge storm. It was unprecedented.
12 We knew that things were not going to go by the book,
13 so to speak, and we recognize that and understand it.

14 Fuel shortages were a problem for
15 some companies. And, again, it's fuel shortages not
16 only because there's things like power outages, but
17 there was an influx of restoration crews that came
18 in. We had over eleven thousand restoration crews
19 that came in for telecom from out of state and they
20 all need fuel for the trucks.

21 The number of generators that
22 were -- with all these things need fuel and so, of
23 course, there was going to be short-term shortages.
24 And so that's an area that we see that we need to
25 look at further. And also restoration crew access.

1 March 27, 2014

2 It wasn't just the local resident crews that were in
3 there. Contract crews came in from outside the area
4 and credentialing was a problem in some cases where
5 with a lot of local authorities and municipalities
6 working at bridges, roadways, and difficulty getting
7 into areas. We see that as something that there is
8 an area for improvement.

9 So, we're pursuing both of these
10 issues and we're urging companies to also do the same
11 thing. We'd like to see them stay engaged on this
12 because, again, it's to their benefit, and ultimately
13 the customers in New York State, that have service
14 restored more quickly and safely, when these types of
15 problems can be overcome.

16 And then going forward, there was a
17 lot of progress that has been made. And just to tie,
18 again, back to the emergent plan, companies between
19 telecom and electric have been talking. It -- it
20 hasn't been they're facing the opposite direction.
21 And there's -- there's more successes in some areas
22 than others. A lot of times at the very local, area
23 local managers have very good rapport with one
24 another. And because telecom typically follows
25 electric in the restoration process, that's really

1 March 27, 2014

2 the crux of having this to be a safe, efficient
3 restoration.

4 When they're talking and they know
5 what neighborhoods they're going to be going into,
6 telecom can deploy those assets to the right place at
7 the right time. And it reserves the resources and
8 it -- and it makes for a more efficient restoration.
9 So we have some more work to do there, but -- but the
10 good news is that there's been a lot of progress made
11 and the changes to the electric utility emergency
12 plan is a big step.

13 And the feedback we've received
14 from telecom companies is also very positive.
15 They've been engaged in those conversations. They've
16 been making inroads with the electric utilities, and
17 it is mutually beneficial. The electric utilities
18 need communications to talk when they're out there
19 trying to do restoration, and the telecom networks
20 need power so they can keep up running and make sure
21 those communications happen.

22 We're going to continue reinforcing
23 the outage reporting protocols, and that's something
24 that we do all the time. We do formal notifications
25 at least once a year with the telecom companies. And

1 March 27, 2014

2 then we have informal communications with them,
3 basically, every day of the year or every week of the
4 year. Something that we're on top of we need to stay
5 on top of it, because there's so much dynamic
6 activity and -- in the telecommunications industry.
7 So we're asking companies to continue, redouble their
8 efforts in talking with us. And we're going to do
9 the same.

10 We're collaborating with the
11 disaster prepared -- disaster preparedness commission
12 to help improve emergency response capabilities,
13 including things like the fuel accessing
14 credentialing. Because some of this may not
15 specifically be directly within the scope of the
16 Department of PSC, it's a much broader situation,
17 because not only is telecom and electric industries
18 affected, but virtually any business that's operating
19 in New York State may have the same type of issue.

20 So it's a bigger issue, but we're
21 certainly engaged and involved in it. And we
22 continue our emergency response efforts at the
23 federal, state, and local level.

24 So, I'd just like to conclude by
25 saying we're in a very complex and diverse telecom

1 March 27, 2014

2 environment, but the interaction between electric
3 utilities and telecom is certainly one that we want
4 to continue fostering. There's been good efforts.

5 The companies had very solid
6 efforts and restoration. Again, this was a very,
7 very severe storm and -- and to their credit, the
8 restoration activities that did occur between all the
9 telecom companies was admirable.

10 There's always progress to be made.
11 And we see that there's been a number of steps that
12 have been taken already. And we're going to continue
13 to advance the ball. So with that, that concludes my
14 presentation. I'm happy to answer any questions that
15 you may have.

16 CHAIR ZIBELMAN: Thank you, Joseph.

17 First of all, I -- I appreciate
18 the -- the fact that this is a -- an extremely
19 well-balanced approach towards recognizing these are
20 complex issues. We've made a lot of progress.

21 We continue to identify some
22 Achilles heels and we're working the issues. And
23 I -- you know, and I think that's -- that's great.

24 And I -- and I would fully expect
25 that staff is going to continue to push on these

1 March 27, 2014

2 issues and would come back to the Commission if -- if
3 you're aware of any concerns.

4 I also think it's -- it is
5 important to recognize that for the State, this is
6 really also all a part of the disaster preparedness
7 initiatives that the Department of Homeland Security
8 coordinates. And we are actively involved in working
9 with them, so that we do have multiple levers while
10 we're looking at these issues, but are also part of
11 part and parcel. And I -- you know, we've seen this.
12 I've witnessed this firsthand is that there's so many
13 entities involved, not only our utilities, but
14 transportation, first responders, emergency, that
15 have to be coordinated in any particular storm.

16 And as you've pointed out, the
17 Department is often at the tip of the spear getting
18 information from the communication entities. And
19 that is a critical issue to make sure that we stay
20 informed on -- on outages since I fully expect it
21 would be an issue you'll continue to pursue along
22 with the coordination.

23 I think that the -- I have no
24 questions. I think that from the standpoint of
25 moving forward, it sounds like you have a plan. And

1 March 27, 2014

2 really, the only thing we would ask -- I would ask is
3 that if the event that you run into obstinance and
4 resistance you bring it back to the Commission and we
5 continue to look at it.

6 Mr. Brown -- Commissioner Brown?

7 COMMISSIONER BROWN: Yeah. I'd
8 just like to comment on that.

9 Telecommunications a little
10 different than electricity in that you've got a lot
11 of different jurisdictional companies, some which are
12 fully state jurisdictional, some which spend their
13 life trying to argue that they're not state
14 jurisdictional. And I just want to emphasize that
15 when it comes to outage reporting, it has nothing to
16 do with us trying to get a nose under the tent.

17 I don't even know what that
18 expression means, but that isn't what we're trying to
19 do. We're just trying to get information because
20 we're in an emergency situation and there's a
21 desperate need for that information to be able to try
22 to restore, get restoration going. And so I would
23 just implore everybody.

24 I know we had some fits and starts
25 during Sandy about getting that information on a

1 March 27, 2014

2 timely and consistent basis. I know you've had a lot
3 of discussions with the company since then, but I
4 just want to emphasize we're not doing this in any
5 way to try to exert jurisdiction over companies.
6 We're doing this because we need the information.
7 The State counts on the Department of Public Service,
8 you folks, being able to have accurate, timely
9 information. And that's what we're trying to
10 accomplish here.

11 So, I'm very heartened by the
12 conversations you've already had. Sounds like good
13 progress is being made. So thank you.

14 CHAIR ZIBELMAN: Commissioner
15 Acampora?

16 COMMISSIONER ACAMPORA: I'd just
17 like to say, first of all, Joe, it's very nice to see
18 you up at the table. It was an excellent
19 presentation.

20 And thank you, Chad, also.

21 Could you just tell me about, you
22 know, we're talking about electric utilities and
23 telecom utilities, better communications. But within
24 the area of telecommunications, cable companies,
25 how -- how is that going?

1 March 27, 2014

2 MR. YAKEL: It's going -- I would
3 say it's going well. One of the things that we
4 talked about is the inter-industry communications.

5 Now we're talking about wireless
6 networking, for example. It is wireless from the
7 cell phone to the tower. And -- and after that, it's
8 wire lined. And, so, when there's problems that are
9 happening in the wireless network, again, just like
10 between telecom industry and electric utility
11 industry, you have to make sure that we've got good
12 communications between the back hall service
13 providers and facilities owners and the wireless
14 companies.

15 And, again, that communication has
16 been happening. There is a trouble ticket process
17 and an escalation process. So we see that working
18 well. And just to touch on what Commissioner Brown
19 was just speaking to, the outage reporting aspect
20 ties directly into this. It's not a one-way
21 communication where we're saying to the companies
22 just give us information so we can hand it off.

23 We actually serve as an interface
24 for the telecom industry and the electric industry.
25 So, if there's a problem with cell sites that are

1 March 27, 2014

2 out-of-service with back hall network that has been
3 damaged, and they're having some difficulties, for
4 whatever reason, getting the restoration to a
5 critical site, we're in a position that we can reach
6 back out to that back hall service provider and relay
7 information related to that critical facility or a
8 cable television head and or central office.

9 So those communications are there,
10 we're trying to give something back to the industry
11 at the same rate that they're giving something to us.
12 But the communication, to get back to what you were
13 speaking of, directly is good and it's improving.
14 And it's -- it's more and more wire line providers
15 are providing things like back hall services and
16 alternative services to business customers and other
17 end users. They've got to talk to one another. It's
18 in their best interest to do so.

19 COMMISSIONER ACAMPORA: Do we still
20 have consumers out there who are still affected by
21 not having service, but now have an alternative
22 service due to Hurricane Sandy?

23 MR. YAKEL: For the most part,
24 areas that had the long-term customers that were
25 out-of-service were areas of -- all in Manhattan and

1 March 27, 2014

2 some portions of Long Island. They're all generally
3 restored. And either they had an alternative service
4 available or there was a -- another network like the
5 F.T.T.P. FiOS network where customers were migrated
6 because the facilities, the copper facilities were so
7 damaged that they couldn't essentially be restored.

8 The cable networks are back. The
9 wireless networks are back. It's really business as
10 usual in most instances. Now there may be a handful
11 of individual cases, and we try to address them, the
12 companies address them as they -- as they, you know,
13 come up.

14 CHAIR ZIBELMAN: Joe, if I could
15 follow up. You made a comment and I -- and it is an
16 interesting observation. Seems to me that it's --
17 it's clearly in everyone's best interest to have as
18 much complete information as they can on restoration
19 efforts and where things are, both for the carriers.
20 For -- so -- I have a -- really the question is -- is
21 when you hear about the -- they raise issues about
22 having to communicate to the Department.

23 Since, as Commissioner Brown said,
24 it's not an intent to regulate, it's an intent to
25 preserve public safety in storm situations, what's

1 March 27, 2014

2 their -- do they offer if there are challenges, what
3 the challenges are, and how they intend to solve
4 them?

5 MR. YAKEL: You know, that is --
6 and it is a difficulty and I've been doing this for a
7 long time in the telecom industry. And -- and the
8 way I try to present the issue is just as you said.
9 It's a public safety matter. It's not a matter of
10 trying to regulate the company. It's important for
11 the companies. It's important for the consumers.

12 There's twenty million New Yorkers
13 and -- and millions of businesses, and they're all
14 going to different companies for services. And so
15 the companies not only have, you know, a corporate
16 responsibility, but they've also got obligation to
17 ensure that the service that they're providing is
18 solid, it's reliable, and customers know how to deal
19 with problems when they arise.

20 And that's where we come into play.
21 There are jurisdictional issues, but I try to -- I'm
22 not a lawyer and -- and I'll never wear that hat when
23 I talk about these things. So I put that to the side
24 and I'm really dealing one on one with that
25 individual company. And -- and, again, it's -- it's

1 March 27, 2014

2 to make everything as best it can be for all
3 involved, the customer, the company, and -- and the
4 state's emergency response role.

5 CHAIR ZIBELMAN: Thank you.

6 Further questions or comments?

7 Yes?

8 COMMISSIONER BURMAN: First, I want
9 to address the issue of the jurisdiction and the
10 outage reporting. And I do think that -- and the
11 comments were illustrative to that. It's not that
12 they don't want to share. I think that there is some
13 concern about what is at the federal level. There's
14 an ongoing proceeding with the F.C.C. and how to best
15 report.

16 So, I think it might be helpful to
17 have ongoing discussions on -- I know that we had
18 streamlined, at one point, the outage reporting to
19 make it easier. And I -- I believe that -- that it
20 is easier. But it may be just helpful to work
21 through some of those issues. And -- and I do think
22 that Commissioner Brown -- I don't know what nose
23 under the tent means either, but it sounds good.

24 COMMISSIONER BROWN: It's a camel
25 thing.

1 March 27, 2014

2 COMMISSIONER BURMAN: But I do
3 think it is important to remember that they are, you
4 know, the -- the ones that we don't have jurisdiction
5 over, you know, they are working very nicely with us.
6 I think it's, you know, very important for us to
7 remember that we're partners in this process, and to
8 try to work through those issues.

9 So, you know, I have reviewed all
10 of the responses submitted after the November 2013
11 staff report was issued, listing out of the thirteen
12 recommendations. And I was very pleased to see the
13 seriousness which the carriers and others took in
14 responding to those recommendations.

15 Superstorm Sandy highlighted the
16 need to ensure that we all have a handle on effective
17 disaster planning. We need to stay ever vigilant for
18 being prepared for the next potential event, whether
19 it's a weather-related event or some man-made event.
20 We, as the regulators, need to ensure we do not
21 inappropriately micromanage, but rather, we help to
22 ensure effective preparation to undertake in, so we
23 are ready.

24 And I do think that we must allow
25 the carriers to maintain the flexibility they need to

1 March 27, 2014

2 effectively manage and deal with such events and
3 challenges that come from those events as they arise.
4 It's even more impressive to me that the responses
5 came not just from those carriers that we statutorily
6 regulate, but also from those that don't fall
7 squarely within our jurisdictional reach.

8 To me, that shows the cooperative
9 nature that exists among all the responding carriers
10 to work with our staff and with each other.
11 Something that I think came about directly from the
12 cooperative working relationship is the development
13 of improved communication and coordination between
14 the telecom carriers and the electric utilities. And
15 this mutual coordination is vital.

16 The goal articulated in the prior
17 report that the Commission was seeking to improve the
18 resiliency of telecommunication networks and restore
19 services as safely, efficiently, and quickly as
20 possible during emergency events is one that I could
21 tell from the responses is clearly a goal shared by
22 all of the carriers.

23 And, I believe our collective
24 efforts to improve storm response and improve service
25 restoration will have positive impacts in the wake of

1 March 27, 2014

2 future storms.

3 And I thank you for your
4 presentation today, Joe. It was excellent.

5 MR. YOKE: You're welcome.

6 CHAIR ZIBELMAN: Commissioner
7 Sayre?

8 COMMISSIONER SAYRE: Coming out of
9 the industry, I -- and the telecom industry, I'm --
10 I'm familiar with some of the concerns that companies
11 have about reporting a lot of outage data. They're
12 very competitive, particularly on the cellular side
13 where we don't have any regulation -- you know, clear
14 regulatory authority over them.

15 They don't want to be in a position
16 where AT&T can say, well, Verizon lost ninety percent
17 of its service in the Bronx for the first seven days
18 of the storm and we maintained something better. So
19 to -- to ameliorate that concern, I'm not sure how to
20 address it, but the more that can be done to -- to
21 keep that kind of -- of comparison from -- from
22 threatening the utilities, I think the more willing
23 they will be to share their information.

24 CHAIR ZIBELMAN: Thank you,
25 Commissioner Sayre.

1 March 27, 2014

2 we can be in storm events. So I hope -- would hope
3 that we -- our efforts in this sense. And I
4 understand that communication providers are working
5 with this is to make it work seamlessly, effectively,
6 not impose costs unnecessarily. But in the end, it's
7 all for the fact that their customers are dependent
8 on the effectiveness of what we do when we're in
9 storm situations. And we need that full cooperation.

10 So, I think we're on the right
11 road. And, again, you know, to the extent that we
12 run into issues that there is a matter of concern, I
13 would fully expect to -- it would be brought back and
14 we'd look for solutions.

15 So thank you.

16 COMMISSIONER BROWN: Thank you.

17 CHAIR ZIBELMAN: I think with that,
18 we are now -- it's in time for the consent agenda.
19 And with respect to that, there's -- I wanted to note
20 one item. We had a single Commissioner order around
21 the Con Ed's revision to its demand response tariff
22 that I wanted to just make a couple notes of. I
23 think, you know, going forward, one of the things we
24 recognize is the ability to use load control and
25 demand responses as a resource to maintain system

1 March 27, 2014

2 reliability, as well as economics, would continue to
3 be increasingly significant.

4 And I applaud the fact that, in
5 this instance, Con Ed worked with staff and we're
6 looking at tariff changes to provide greater
7 incentives, which really is a great opportunity to
8 take a look at what's the level of payments are --
9 are going to be necessary to get folks to participate
10 in these programs and participate in long enough time
11 with the right level of control and information so
12 that the utility can count on these resources to --
13 to maintain system reliability.

14 I think that there's a great effort
15 here to encourage that participation. I fully expect
16 that staff, as well as Con Ed, will be monitoring the
17 effectiveness of the tariff and will be coming back
18 to us to see if further improvements will be made.
19 But the issue here is really to say we're putting in
20 programs, they're going to be staying in place long
21 enough time so people can -- to really manage their
22 businesses, as well as get the aggregators so that
23 they can sell these -- these programs much more
24 effectively.

25 And in light of the overall work

1 March 27, 2014

2 we're doing with respect to utility reform, I think
3 this particular tariff is the type of thing that we
4 expect to see more of and -- and look forward to
5 seeing more of. So thank you for that.

6 Are there any other Commissioners
7 who want to make comment with respect to matters on
8 the consent agenda?

9 COMMISSIONER BURMAN: Yes.

10 CHAIR ZIBELMAN: Commissioner
11 Burman?

12 COMMISSIONER BURMAN: I have three
13 items I want to discuss. Item 162 which is Alliance
14 Energy Transmission, which is the petition to amend
15 its certificate environment compatibility and public
16 need to relocate pipeline in the City of Syracuse.

17 There was -- there is an ordering
18 clause in that order that says that it's being
19 approved subject to the one -- couple of conditions.
20 And one is designating a full-time welding inspector,
21 and the welding inspector shall be present anytime
22 there is active welding.

23 And it's my understanding, and
24 correct me if I'm wrong, Kevin, that having a welding
25 inspector present is typical and is required under

1 March 27, 2014

2 FERC 255 and A.P.I. 1104. Is that correct?

3 MR. SPEICHER: That is correct,
4 yes.

5 COMMISSIONER BURMAN: Okay. And
6 these requirements for welding were incorporated by
7 reference and contain the requirements for the
8 qualification of welders, welding, and the testing of
9 welders and welds, and then welding procedures.

10 Is that correct?

11 MR. SPEICHER: That is correct,
12 yes.

13 COMMISSIONER BURMAN: Okay. And
14 that really this condition is not atypical and really
15 is for helping to make sure that builders are a
16 hundred percent aware of this requirement prior to
17 starting construction?

18 MR. SPEICHER: That -- yes, that's
19 correct. We don't want to get into a situation where
20 a weld was not inspected and may need to be cut out.
21 So this -- we want to just make it clear that with a
22 welding inspector present that should not have to
23 happen.

24 COMMISSIONER BURMAN: Yeah, I very
25 much support that and I'm glad that it's, you know,

1 March 27, 2014

2 being flagged in the ordering clause. I think that's
3 very helpful. Thank you.

4 Item 262, which is a proceeding
5 National Grid motion of Commission and et cetera, it
6 talks about the economic development plan and the
7 approval for 2014.

8 I just wanted to comment that I was
9 very, very happy to see that comments were submitted
10 by a sister state agenda, Empire State Development.
11 And I was even more happy that these comments were in
12 support of approving these modifications to National
13 Grid's 2014 economic development plan.

14 E.S.D. stated, in their comments,
15 that the proposed modifications will strengthen
16 National Grid's economic development grant programs
17 by stimulating investment and providing additional
18 resources for infrastructure development and business
19 attraction and retention programs in National Grid's
20 upstate territory.

21 This item clearly lays out, to me,
22 the robust economic development program that National
23 Grid has. And to date, it's already shown tangible
24 significant results in capital investment, job
25 retention, economic benefits to its upstate electric

1 March 27, 2014

2 and gas service territories.

3 And the modifications adopted today
4 should further strengthen those programs. So I'm --
5 I'm very pleased to support approval of this item.

6 Item 362, which is the
7 implementation under the Recharge New York Power
8 Program Act, the agricultural consumer electric cost
9 discount program, I just really wanted to say kudos
10 to staff on this item. Kudos to the New York State
11 Farm Bureau. And I -- I know that comments were
12 submitted and Senator Maziarz was personally involved
13 in working through some of the issues with trying to
14 figure out what farmers, residential agricultural
15 growers, would be able to take advantage of this and
16 to how to get that information.

17 My understanding is that the folks
18 at the New York State Farm Bureau, their input on
19 this has been invaluable. I think it's very
20 important for us to be mindful of just how much the
21 New York Farm Bureau can be helpful in working
22 through a lot of these issues. And my understanding
23 is -- is that the utility has also made significant
24 contributions to this effort to identify the -- the
25 folks that would be able to take advantage of this.

1 March 27, 2014

2 And we also recognize that there's
3 going to need to be marketing and some education done
4 to get out to folks how to take advantage of this.
5 Whether they fall within this and work through those
6 issues, my -- my -- my hope is that there will be
7 continuing dialogue with the Farm Bureau and with
8 others in making sure that the information is
9 conveyed in -- you know, in an explanation in a
10 timely fashion and help work through whatever
11 process, the administrative issues there may be.

12 It's -- it's very, very important
13 to me that we, you know, do all that we can to make
14 this a robust program that people take advantage of.
15 And I can't thank enough staff and the New York Farm
16 Bureau and -- and Senator Maziarz, frankly, for --
17 for focusing on this as a priority.

18 So my understanding also is that
19 there is also even going to be maybe a meeting set up
20 with the Farm Bureau.

21 CHAIR ZIBELMAN: Doug, do you want
22 to respond?

23 MR. ELFNER: Yes, and very quickly.
24 Thank you, Commissioner. Yes. Next week is the very
25 first meeting with all the parties you mentioned.

1 March 27, 2014

2 All the three utilities involved, staff, and the Farm
3 Bureau. All the groups have the same common
4 interests, to identify the -- the customers that can
5 take advantage of this program.

6 So we're very optimistic that this
7 will move forward very quickly and address all the
8 concerns that you raised.

9 COMMISSIONER BURMAN: Okay. Great.
10 Thank you very much. I appreciate that.

11 CHAIR ZIBELMAN: Okay. Do any of
12 the other Commissioners wish to make any comments
13 with respect to the consent agenda?

14 Do any of the Commissioners wish to
15 abstain or recuse themselves from voting for any
16 items?

17 Hearing none, then all those in
18 favor of the recommendations of the consent agenda,
19 please say -- by -- indicate by saying aye.

20 ALL: Aye.

21 CHAIR ZIBELMAN: Hearing no
22 opposition and there being no opposition, the
23 recommendations are adopted.

24 Secretary Burgess, are there any
25 other matters to discuss today?

1 March 27, 2014

2 SECRETARY BURGESS: There are no
3 other matters to be discussed today. The next
4 Commission session is April 24th at ten thirty. And
5 that will be primarily water, tele-communications,
6 and cable matters.

7 There is one change to the
8 Commission's schedule. The technical conference that
9 was scheduled for May 22nd is going to be held on May
10 15th. And that's going to focus primarily on the
11 winter energy supply and pricing issues and P.C.
12 approval for power supply looking at lessons learned
13 and other changes that could be made.

14 CHAIR ZIBELMAN: Thank you.

15 And -- and just on that last item,
16 I do want to note that we have, obviously, gotten a
17 lot of concerns and questions about pricing this
18 winter on the commodity pricing. On next Monday of
19 this -- this coming week, we've been asked to
20 participate in a -- a technical conference meeting in
21 Washington that the FERC is handling to take a look
22 at what happened in winter crisis.

23 And that this second technical
24 conference that -- that we're going to be conducting
25 is actually very much focused on what happened to the

1 March 27, 2014

2 gas prices in winter and how it affected electric
3 prices and what we can be -- do going forward to look
4 at changes we can be making in order to avoid these
5 type of price spikes in the future.

6 So it's an important matter. Staff
7 is going to be inviting various panels to come in.
8 And, you know, clearly after the experience of this
9 winter, it's a recognition of an issue that -- that
10 we will be taking an aggressive stance on and to see
11 how -- what best -- how best we can start addressing
12 this in the future. So look forward to that. And
13 I -- I look forward to everyone's participation.

14 With that, I think our session's at
15 a close and thank you very much.

16 (The meeting concluded at 11:57
17 a.m.)

18

19

20

21

22

23

24

25

