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

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

Secretary Burgess, are there any changes to the agenda?

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

CHAIR ZIBELMAN: Okay. Thank you. We're going to begin with a presentation item. I've asked Kevin Speicher, who heads up our gas safety division, to give the Commission a -- basically an update on the process that we're being -- that we're using to inspect the Harlem explosion.

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

It's a -- certainly a disaster,
regardless of what the cause is, is something we
never -- none of us ever want to see happen again.

But today, it's really -- I just asked Kevin to come
in and -- and talk to us about how -- what -- how
we're proceeding with the investigation.

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

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

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

The Department has fielded an
investigation -- investigative team, which is
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conducting an investigation pursuant to our
independent authority under New York Public Service
Laws 65 and 66. This investigation will focus on
whether any Con Edison facilities or actions may have
been the contributing factor to this incident.

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

As a result of the N.T.S.B.

involvement, we've also fielded a second team to
respond to and investigate. They are assisting the
N.T.S.B. as subject matter -- subject matter experts.
So, we do have two investigative teams, one working
under us and one that is assisting the N.T.S.B.

Both -- the investigations are
ongoing and it is still too soon to draw any types of
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conclusions about what caused the incident, itself.

This concludes my statement.

CHAIR ZIBELMAN: Thanks, Kevin.

One of the things I do want to note that I think we have thirteen or fourteen staff members engaged, in addition to Cynthia McCarran, who heads up our gas division, and, of course, Raj Addepalli, who runs our gas and electric division.

So -- and it's a full-on press on -- on the part of our staff. And I want to thank them because I know we've had people there, essentially, around the clock.

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

So thank you. And any other comments?
Okay. We'll move on. This next item is -- we're going to move to our regular agenda, which is item 301, and that's regarding the establishment of policies and proceedings regarding transmission planning for public policy purposes. And this relates, of course, to order one thousand issued by FERC. And Liz, as our managing attorney, is going to be presenting the items.

So go ahead, Liz. Thank you.

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

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

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

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

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

NYISO then has the job of conducting a threshold viability and sufficiency analysis of the various proposals that are submitted. At that point, taking the results of that analysis into account, the Commission here may determine that
transmission is not necessary to meet the public policy need. And in that case, the Commission is free to pursue non-transmission alternatives.

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

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

The Commission also has the key
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role of determining whether transmission or some alternative solution will best meet the public policy that -- that the Commission has identified. And, again, this Commission has responsibility for system planning in the public interest.

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

Thank you, very much.

CHAIR ZIBELMAN: Thank you, Liz.

You know, we were talking about cooking. This is like making the most intricate of intricate stews. But I think that the -- that the policy outrun that we've gotten is -- is that it's actually a nice way to intersect the fact that we have the New York ISO with certainly jurisdiction now under order 1,000, expanded jurisdiction over transmission with the authority to look at
transmission not only for reliability but for economic reasons and public policy, which, of course, then asks the question, well, what's public policy. And public policy is -- is then again developed by this Commission, this state, relative to what we want to achieve.

And, so, I think that the process, anyone looking at it from outside of our little arcane world would say what are they doing. But I think it looks like, to me, that it makes sense and it's only the sensible way to proceed because, clearly, anytime we're looking at transmission it begs the question are there non-transmission alternatives. And oftentimes, you don't understand what the best alternative is until you look at them all. And, so, I -- I -- I get it, but it is complicated and I -- I note my appreciation both for the staff but everyone who was involved in the ISO process, and helping think through how these two jurisdictions will -- will merge together. With that, it sort of begs the obvious question and -- and, Peter, maybe you can address this for us. You know, clearly the A.C. --
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pending A.C. case involves public policy determination because we're looking at it to interconnect generation. We're looking at it in terms of access to wind, as well as economic justifications. So could you explain to us how you see that proceeding relating to what we're going to be doing in order 1,000 and particularly around the issues of cost recovery?

MR. McGOWAN: Yes. As just described, the item 301 initiates a generic process for work -- working with the ISO to identify public policy requirements. I would anticipate that the Commission will, in the near future, address how the NYISO cost recovery mechanism for public policy requirements should apply to the PSC's ongoing A.C. proceeding, because the A.C. proceeding predates the effective date of FERC's order 1,000.

Application of that process requires a little additional thought, so we'll be coming back to -- we have outstanding proposals and we will be coming back to the Commission to wrap that up in the next month or two or three.

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

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

CHAIR ZIBELMAN: Great. And I'm
glad to hear that. And I -- you know, as soon as we
can get that in front of the Commission to give
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everybody certainty on the process, the better. So I
would ask us to do that.

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

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

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

CHAIR ZIBELMAN: Diane?

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

I think this is very positive that
we now have three planning processes that we can
utilize. And public policy requirement is a
significant one. One that I'll be very much focused
on, making sure that we look to, you know,
innovation, as well as clarity and certainty and
what's best for the state.

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

Thank you.

CHAIR ZIBELMAN: Thanks,

Commissioners.

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

ALL: Aye.

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

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

Christian, welcome and please
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proceed.

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

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

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

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

The plans were filed for the first time on December 15th to comply with the recently
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revised Public Service Law. You may recall the plans were previously filed with us on April 1st of every year. The plans must also be formally approved by you following the review process, as was done for the April plans last year.

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

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

Following the December 15th filing, staff met with utilities numerous times as part of its review to supplement the plans to ensure that the plans would comply with Public Service Law Part 105, previous orders, and recommendations included in
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storm reports by staff and the Moreland Commission.

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

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

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

The second improvement relates to critical facilities. Restoring power to facilities such as hospitals, police stations, and water treatment plants is vital following a storm.
Therefore, utilities need to have the ability to readily identify if power is impacted at locations that are essential for the public health and safety or provide a significant public service.

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

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

Additionally, the plans have requirements for interacting with critical facility managers, both before and after events, to ensure all parties are aware of the situations being encountered.
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and as well to plan appropriate next steps.

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

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

All the -- all the electric emergency plans now identify contacts and all the critical facilities owned by the wire -- wireline cable and wireless providers. They also provide a means for direct information sharing through liaison interaction, focused conference calls, or by having
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the telecommunication providers physically in the electric utilities operation center.

By exchanging information regarding outage locations, priorities, restoration times, responses to the event for both telecommunications and electrics should be improved.

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

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

The fourth improvement relates to flooding procedures. The emergency plans identify
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processes that will be used during widespread flooding events, as well as instances where a relatively low number of customers are affected.

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

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

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

The group was established by combining three regional groups from New York, New England, and the Mid-Atlantic. By being combined, assistance from outside of the state may be easier.
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obtained when damage in New York outweighs that of
the neighboring states.

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

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

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

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

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

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

This concludes my presentation.

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

CHAIR ZIBELMAN: Thank you, Christian.

And -- and let me just start by, in
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reviewing the order, it's -- it's hard not to remark
or see the immense amount of coordination and work
that needs to be done during storm events.

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

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

I think we note that also in our
use of the scorecard of continuing to evaluate how
well are we doing, what can we improve. So I think
that the emergency plan, which I -- you know, are
a -- a great improvement, I'm glad to see it, work
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nicely with what we're also doing with the scorecards in terms of making certain that we're continuously looking at these activities and seeing how -- how we can improve. So, you know, in my -- I -- I appreciate all of that.

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

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

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

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

MR. WORDEN: Just paying attention.

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

Garry?

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

Michael, we've talked about, and I just want to go -- talk about it very briefly, those -- the one concern that I still have is mutual assistance. I think there's been some great work done in -- in making the region bigger that we can draw from, but I'm still concerned that we kind of
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start reaching out on mutual assistance. There's calls before a storm, but we kind of wait to see where the storm hits, who's really affected, each utility has to make an individual determination about how many they may need and when they want them.

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

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

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

And if we could figure out a way to make more efficient use, get the trucks here earlier,
and not hold the utility responsible if the storm
doesn't happen to hit them that was forecast to hit
them, but to get -- figure out a way to socialize
that and -- and move it over various utilities, I
think that would be a useful addition to try to make
things move quicker. And then these plans really do
get into the details of once you've got the crews,
what -- how you going to utilize them the best. And
I'll stop there.

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

And, you know, Christian mentioned
in his briefing about the North Atlantic Mutual
Assistance Group. They also have created a national
response event team for a Sandy-type event. So
something like this would have to be coordinated with
that. And that's something we'll put on our to-do
list to -- to come back to.
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COMMISSIONER BROWN: Right. I think it was last year that one of the Nor'easter's that we were very worried about ended up skirting us and hitting Connecticut very hard. And they have the same problem, I know, getting mutual aid crews there quickly enough. So maybe we could make this even a more regional basis than just New York utilities.

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

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

MR. WORDEN: Sure, we can do that.

CHAIR ZIBELMAN: Commissioner Acampora, go ahead.

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

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

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

LIPA's plan or PSEG Long Island's
plan will not come before the Commission for a vote
because of the Long Island Reform Acts application pertains to the Department. But our great staff, who's now been able to take a look at not only investor-owned utilities, but also PSEG's plan to have a holistic state look at utility emergency response, that will happen and that -- and PSEG and Long Island ratepayers will have the benefit of that expertise.

MR. WORDEN: And that's exactly what Kim said. One of the things we're trying to bring to the PSEG plan is consistency with what we're doing with the rest of the utilities. So all the areas that Christian touched on, we're -- we're looking at those same areas, many of those same areas with -- with PSEG.

And PSEG, you know, has previously -- you know, when we report -- when we -- you all hear about the State Office Emergency Management. When we go over there we report on utility outages and stuff, we -- we've long been getting data from PSEG, formerly National Grid. That's part of the statewide picture. We present that picture to the -- to that entity.

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

COMMISSIONER ACAMPORA: Yeah, I --

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

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

CHAIR ZIBELMAN: Thank you.

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

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

MR. WORDEN: So, Commissioner, Sayre, you know we -- after Sandy, we had a technical
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conference where the electric companies and the
tel-co companies were there. And I think you're
aware, we had one of those after Irene as well. And
both of those were intended to be, you know, getting
those sides together to help work better together.

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

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

COMMISSIONER BROWN: Madam Chair,
could I just make one comment on Gregg's? It -- it's
in everybody's interest. You cannot sell a pay per
view movie to a customer that doesn't have
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electricity. And it's -- was frustrating to me that those companies didn't work together, because they've got the same exact interest.

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

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

But it does seem rather silly in this day and age if somebody knows if someone's out or someone's on that the companies can't figure out a way to communicate it to each other. So -- and -- and like I said, it also seems that for a New Yorker to be able to just go to one website and get all the information they need, over time would be a good
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goal, too, to make it easier for people and give them the -- the security of knowing when things are going to happen. So let's -- let's talk about it. But I think we -- let's bring it back and make that a focal point.

Commissioner Burman?

COMMISSIONER BURMAN: Thank you. I very much agree with Commissioner Brown's comments about the mutual aid and assistance and also working with other states. I think it's very important. I do think that we've evolved from Superstorm Sandy. We've learned a lot of lessons. And I think as we work together, I think we've become partners in this.

I did hear Christian talk about the flexibility, the drills that will be coming, and looking at even further ways that we can improve. So -- so, to me, we need to also allow that flexibility to our partners to -- to work through some of those issues and understand that the plan is only as good as it's executed. And, you know, you always learn from, you know, events what you can do better or what you thought was going to work that didn't, necessarily.
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I'm particularly proud of all the utilities. They submitted robust plans within the statutory time periods and worked diligently with staff, who I know worked very hard with them in reviewing them in anticipation of the Commission approving them, as we are today.

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

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

This is one of many initiatives that the Commission has been working on involving utilities, preparation for and response to emergencies. And really our clear goal, I believe, is to make the underlying infrastructure more
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resilient. And this item is really further strengthening those efforts to protect New York. And I look forward to the collaborative process that we really set out to do.

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

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

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

And it's really something, too, that when Commissioner Acampora spoke about LIPA and its emergency electric plan, while it may not be a voting item that comes before the Commission, I think that we also need to make sure that we look
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holistically at the state and make sure that we can figure out, you know, certain things that work. Obviously in different parts of the state, it may work better for -- for some things.

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

Thanks.

CHAIR ZIBELMAN: Well, thank you.

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

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

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

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

But thank you, Joe, and welcome.

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

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

Our update will be discussing some action items that have been reviewed and implemented by companies. And it will also include some items
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that remain in progress and we talked about that with some of the item 302 actions.

This is much a work in progress for some items, but we'll be continuing moving them forward. This is an information purposes only item, so if we can turn to the presentation, I'd like to begin.

So, back in November of 2013, staff provided a report to the Commission. This was focused on coordination of utility response to restore services as quickly and safely and efficiently as possible. Out of that report came thirteen recommendations and they were in six key functional areas. They're included as attachment one in the -- in item 501.

But these recommendations were based on observations and findings, discussions with the companies, interactions with consumers, staff's view from the ground in looking at what happened prior to, during, and after Superstorm Sandy hit New York State and the restoration progress that went on. We asked companies to look at our storm report and the recommendations and then provide us some response within sixty days.
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Next slide, please. So one of the first things that we -- that we discussed was emergency plans. Again, this is -- a lot of what you'll hear this morning will tie back into item 302 because it's such an important thing integrating telecommunications and electric utilities.

The good news, very good news is that all of the telecommunications providers, whether it's in the cable industry, the wireline industry, or the wireless industry, all have emergency plans. They all review their plans and they update them on things like lessons learned from storms, not only here in New York State but on a national basis. So they integrate lessons learned from a wide area. And they're also involved in -- in activities like disaster response exercises.

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

And then also in June of 2013, we met with all the wireless carriers, the four national
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carriers, and we discussed with them preparations for their emergency plans for the coming hurricane season. So there's a lot of things that go into the telecom emergency plans and they're continually updating them.

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

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

Also during Superstorm Sandy, there was a lot of outages. There was a lot of customers affected with service. Millions of dollars of customer credits were issued to consumers. And,
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again, that's good news. When people are dealing with being displaced from their homes and all these myriad of problems, the last thing that they want to worry about is how to pay that bill. And so to their -- to their credit, companies did issue a lot of money back to consumers for service credits. They'll take that one step further. It's not just the monetary piece. The credit also comes into different service that can be provided to customers to help alleviate some of the problems that they're having if their primary service is out. And things like call-forwarding, wireless alternatives like home phone connect or wireless services, waiving domestic voice and texting charges, and having roaming available and wireless networks, so consumers have alternatives that they can utilize while their primary service is out. These things were offered to all customers in the affected area. And they were offered at no charge. So customers weren't worrying about that, but they had an alternative means in order to have some communications capability.

Next slide please. And that brings us to customer communications. We had two recommendations here regarding customer
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communications. And as we talked about earlier, information exchange is critical. When customers have information, it helps alleviate some of the concerns and fears that they have with their service problems. And we saw that there was tremendous effort made subsequent to Superstorm Sandy in order to improve those customer communications. And we saw a lot more use of social media. And -- and people, you know, want to have information available at their finger -- fingertips twenty-four hours a day. And so by use of Facebook and Twitter and YouTube and things like that, consumers could reach out and they could see what was going on.

So aside from the more traditional things like call centers and phone calls, you know, there was website activity, e-mail blasts, and there was just a lot more information available to consumers to have that back and forth interaction with companies to find out what was happening and when their service would be restored. And so we saw that there was a much bigger success here in Sandy than there was in Hurricane Irene and previous events.
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Network restoration, we have five recommendations. And -- and all these recommendations really hinge on communications and coordination that occurs not only within the telecom industry, but between the telecom industry and the electric industry. So the more they're talking, the more they're communicating, the better these recommendations and the actions that occur between both industries come together. So we're looking at better communications between telecom and electric. And as Christian and Mike mentioned, that's now part of the electric utility emergency plan. So in every utility service footprint, every telecom provider that's there, contact name information is available.

And we talked earlier about the technical conference that was held in May of last year. And that was a great step. What it really did was set the stage for some of the changes that happened with the emergency plans. Just got the leaders together between the telecom industry and the utilities, face to face, to break the ice, exchange information, start talking about that emergency response effort and how they can work better together, because ultimately, as he said, the
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companies work more efficiently, customers are back in service quicker. It's a safer process and -- and every -- everybody wins in that. It's a win-win for everyone.

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

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

So it's very, very important that when outages are occurring or network-affecting events, that we're getting that information from companies so that we have a good status of the
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network and we know what's going on. It makes it much more difficult if we have to try and do outreach and figure out what may be happening in a network.

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

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

Companies looked at their infrastructure and places where they had electronics and other critical facilities that were below ground that were subject to flooding and water inundation,
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those pieces of equipment were raised. And, again
that will prevent future outages from happening.

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

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

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

The architectures between
telephone, cable, and wireless are all different.
They're designed differently, so what may work for
one company may not necessarily work for another
company. So they have to evaluate their networks on
an ongoing basis. And they make those enhancements
so they can. And -- and we see that there's been a
lot of progress made.
There's also a lot of new technology coming out with types of backup batteries and other backup systems. So it's an evolving -- it's an evolving area and it's something that they looked at regularly.

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

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

The number of generators that were -- with all these things need fuel and so, of course, there was going to be short-term shortages. And so that's an area that we see that we need to look at further. And also restoration crew access.
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It wasn't just the local resident crews that were in there. Contract crews came in from outside the area and credentialing was a problem in some cases where with a lot of local authorities and municipalities working at bridges, roadways, and difficulty getting into areas. We see that as something that there is an area for improvement.

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

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

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

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

We're going to continue reinforcing the outage reporting protocols, and that's something that we do all the time. We do formal notifications at least once a year with the telecom companies. And
then we have informal communications with them,
basically, every day of the year or every week of the
year. Something that we're on top of we need to stay
on top of it, because there's so much dynamic
activity and -- in the telecommunications industry.
So we're asking companies to continue, redouble their
efforts in talking with us. And we're going to do
the same.

We're collaborating with the
disaster prepared -- disaster preparedness commission
to help improve emergency response capabilities,
including things like the fuel accessing
credentialing. Because some of this may not
specifically be directly within the scope of the
Department of PSC, it's a much broader situation,
because not only is telecom and electric industries
affected, but virtually any business that's operating
in New York State may have the same type of issue.
So it's a bigger issue, but we're
certainly engaged and involved in it. And we
continue our emergency response efforts at the
federal, state, and local level.

So, I'd just like to conclude by
saying we're in a very complex and diverse telecom
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environment, but the interaction between electric utilities and telecom is certainly one that we want to continue fostering. There's been good efforts. The companies had very solid efforts and restoration. Again, this was a very, very severe storm and -- and to their credit, the restoration activities that did occur between all the telecom companies was admirable.

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

CHAIR ZIBELMAN: Thank you, Joseph. First of all, I -- I appreciate the -- the fact that this is a -- an extremely well-balanced approach towards recognizing these are complex issues. We've made a lot of progress. We continue to identify some Achilles heels and we're working the issues. And I -- you know, and I think that's -- that's great. And I -- and I would fully expect that staff is going to continue to push on these
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issues and would come back to the Commission if -- if you're aware of any concerns.

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

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

I think that the -- I have no questions. I think that from the standpoint of moving forward, it sounds like you have a plan. And
really, the only thing we would ask -- I would ask is that if the event that you run into obstinance and resistance you bring it back to the Commission and we continue to look at it.

Mr. Brown -- Commissioner Brown?

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

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

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

I know we had some fits and starts during Sandy about getting that information on a
timely and consistent basis. I know you've had a lot of discussions with the company since then, but I just want to emphasize we're not doing this in any way to try to exert jurisdiction over companies. We're doing this because we need the information. The State counts on the Department of Public Service, you folks, being able to have accurate, timely information. And that's what we're trying to accomplish here.

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

CHAIR ZIBELMAN: Commissioner Acampora?

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

And thank you, Chad, also.

Could you just tell me about, you know, we're talking about electric utilities and telecom utilities, better communications. But within the area of telecommunications, cable companies, how -- how is that going?
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MR. YAKEL: It's going -- I would say it's going well. One of the things that we talked about is the inter-industry communications. 

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

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

We actually serve as an interface for the telecom industry and the electric industry. So, if there's a problem with cell sites that are
out-of-service with back hall network that has been
damaged, and they're having some difficulties, for
whatever reason, getting the restoration to a
critical site, we're in a position that we can reach
back out to that back hall service provider and relay
information related to that critical facility or a
cable television head and or central office.

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

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

MR. YAKEL: For the most part,
areas that had the long-term customers that were
out-of-service were areas of -- all in Manhattan and
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some portions of Long Island. They're all generally
restored. And either they had an alternative service
available or there was a -- another network like the
F.T.T.P. FiOS network where customers were migrated
because the facilities, the copper facilities were so
damaged that they couldn't essentially be restored.

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

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

Since, as Commissioner Brown said,
it's not an intent to regulate, it's an intent to
preserve public safety in storm situations, what's
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their -- do they offer if there are challenges, what the challenges are, and how they intend to solve them?

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

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

And that's where we come into play. There are jurisdictional issues, but I try to -- I'm not a lawyer and -- and I'll never wear that hat when I talk about these things. So I put that to the side and I'm really dealing one on one with that individual company. And -- and, again, it's -- it's
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to make everything as best it can be for all involved, the customer, the company, and -- and the state's emergency response role.

CHAIR ZIBELMAN: Thank you.

Further questions or comments?

Yes?

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

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

COMMISSIONER BROWN: It's a camel thing.
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COMMISSIONER BURMAN: But I do think it is important to remember that they are, you
know, the -- the ones that we don't have jurisdiction
over, you know, they are working very nicely with us.
I think it's, you know, very important for us to
remember that we're partners in this process, and to
try to work through those issues.

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

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

And I do think that we must allow
the carriers to maintain the flexibility they need to
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effectively manage and deal with such events and
challenges that come from those events as they arise.
It’s even more impressive to me that the responses
came not just from those carriers that we statutorily
regulate, but also from those that don't fall
squarely within our jurisdictional reach.

To me, that shows the cooperative
nature that exists among all the responding carriers
to work with our staff and with each other.

Something that I think came about directly from the
cooparative working relationship is the development
of improved communication and coordination between
the telecom carriers and the electric utilities. And
this mutual coordination is vital.

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

And, I believe our collective
efforts to improve storm response and improve service
restoration will have positive impacts in the wake of
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future storms.

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

MR. YOKEL: You're welcome.

CHAIR ZIBELMAN: Commissioner Sayre?

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

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

CHAIR ZIBELMAN: Thank you,

Commissioner Sayre.
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And thank you, Commissioners, for your report. I -- I think that when I think about this and -- and Joe's comments, here -- I think here's our issue is that, quite frankly, as we become more and more dependent on wireless communications it becomes a significant public safety issue.

But, I also think that the wireless communication providers, they themselves know that to the extent that we can be effective in restoration and safety, it helps them in their business. It helps their employees.

So, it's -- we are all in this boat together, to use another analogy, not under the tent. It is certainly not -- not our intent at all to say we're going to be asserting regulatory authority. It's common sense. The state is depending on us to talk to the communication providers so that we can make certain that we can have effective restoration. And we are integrated in with the electric utility providers, as well as transportation, road, getting people to where they need to be safely.

And so I think the staff's effort in these regards are simply to -- to make sure that we can all be effective and -- and be as prepared as
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we can be in storm events. So I hope -- would hope
that we -- our efforts in this sense. And I
understand that communication providers are working
with this is to make it work seamlessly, effectively,
not impose costs unnecessarily. But in the end, it's
all for the fact that their customers are dependent
on the effectiveness of what we do when we're in
storm situations. And we need that full cooperation.

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

So thank you.

COMMISSIONER BROWN: Thank you.

CHAIR ZIBELMAN: I think with that,
we are now -- it's in time for the consent agenda.
And with respect to that, there's -- I wanted to note
one item. We had a single Commissioner order around
the Con Ed's revision to its demand response tariff
that I wanted to just make a couple notes of. I
think, you know, going forward, one of the things we
recognize is the ability to use load control and
demand responses as a resource to maintain system
reliability, as well as economics, would continue to be increasingly significant.

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

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

And in light of the overall work
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we're doing with respect to utility reform, I think this particular tariff is the type of thing that we expect to see more of and -- and look forward to seeing more of. So thank you for that.

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

COMMISSIONER BURMAN: Yes.

CHAIR ZIBELMAN: Commissioner Burman?

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

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

And it's my understanding, and correct me if I'm wrong, Kevin, that having a welding inspector present is typical and is required under
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FERC 255 and A.P.I. 1104. Is that correct?

MR. SPEICHER: That is correct, yes.

COMMISSIONER BURMAN: Okay. And these requirements for welding were incorporated by reference and contain the requirements for the qualification of welders, welding, and the testing of welders and welds, and then welding procedures. Is that correct?

MR. SPEICHER: That is correct, yes.

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

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

COMMISSIONER BURMAN: Yeah, I very much support that and I'm glad that it's, you know,
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being flagged in the ordering clause. I think that's very helpful. Thank you.

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

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

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

This item clearly lays out, to me, the robust economic development program that National Grid has. And to date, it's already shown tangible significant results in capital investment, job retention, economic benefits to its upstate electric
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and gas service territories. And the modifications adopted today should further strengthen those programs. So I'm -- I'm very pleased to support approval of this item.

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

My understanding is that the folks at the New York State Farm Bureau, their input on this has been invaluable. I think it's very important for us to be mindful of just how much the New York Farm Bureau can be helpful in working through a lot of these issues. And my understanding is -- is that the utility has also made significant contributions to this effort to identify the -- the folks that would be able to take advantage of this.
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And we also recognize that there's going to need to be marketing and some education done to get out to folks how to take advantage of this. Whether they fall within this and work through those issues, my -- my -- my hope is that there will be continuing dialogue with the Farm Bureau and with others in making sure that the information is conveyed in -- you know, in an explanation in a timely fashion and help work through whatever process, the administrative issues there may be.

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

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

CHAIR ZIBELMAN: Doug, do you want to respond?

MR. ELFNER: Yes, and very quickly. Thank you, Commissioner. Yes. Next week is the very first meeting with all the parties you mentioned.
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All the three utilities involved, staff, and the Farm Bureau. All the groups have the same common interests, to identify the -- the customers that can take advantage of this program.

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

COMMISSIONER BURMAN: Okay. Great.

Thank you very much. I appreciate that.

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

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

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

ALL: Aye.

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

Secretary Burgess, are there any other matters to discuss today?
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SECRETARY BURGESS: There are no other matters to be discussed today. The next Commission session is April 24th at ten thirty. And that will be primarily water, tele-communications, and cable matters.

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

CHAIR ZIBELMAN: Thank you.

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

And that this second technical conference that -- that we're going to be conducting is actually very much focused on what happened to the
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gas prices in winter and how it affected electric
prices and what we can be -- do going forward to look
at changes we can be making in order to avoid these
type of price spikes in the future.

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

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

(The meeting concluded at 11:57
a.m.)
STATE OF NEW YORK

I, Kirsten Lemire, do hereby certify that the foregoing was reported by me, in the cause, at the time and place, as stated in the caption hereto, at Page 1 hereof; that the foregoing typewritten transcription consisting of pages 1 through 76, is a true record of all proceedings had at the hearing.

IN WITNESS WHEREOF, I have hereunto subscribed my name, this the 1st day of April, 2014.

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Kirsten Lemire, Reporter