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Audrey Zibelman, Chair

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PSC APPROVES CON EDISON STORM HARDENING PLANS FOR 2015

— **Energy Infrastructure Improvements Will Help System Withstand Climate Change Impact** —

Albany — The New York State Public Service Commission (Commission) today announced that it has approved a storm-hardening and resiliency plan for Consolidated Edison Company of New York, Inc. (Con Edison) for 2015. The plan, called for as part of the company's 2014 rate plan, will invest nearly \$375 million to strengthen the company's electric, natural gas, and steam distribution system. The approval of this storm-hardening plan is not related to the proposed 2016 rate plan recently submitted by Con Edison, but the improvements being made will be reviewed as part of the 2016 proposal.

"Superstorm Sandy caused billions of dollars in property damage, and damage to energy systems causing electric service outages to over two million New Yorkers," said Commission Chair Audrey Zibelman. "Sandy exposed the urgent need to more fully develop emergency planning and advance planning to address impacts on the utilities of extreme weather events exacerbated by a changing climate."

Con Edison's work this year will include:

- Further protection of the company's coastal networks from storm surges and water infiltration;
- Installing submersible transformers to ensure continuity of service;
- Installing equipment on the overhead electric system to isolate outages that will limit overall customer impact;
- Strengthening the gas transmission and distribution systems to prevent infiltration of water; and
- Improving the steam generating and distribution systems to ensure continuity of service.

In its 2014 rate order, which kept flat the charges paid by customers for delivery service, the Commission found that Con Edison needed to develop new tools and flexibility to adapt to climate changes. As a result, the utility adopted a new design standard to protect its utility systems located in flood zones, and committed to revisit its design standards every five years. This standard includes anticipating future flood levels above the levels currently predicted by the Federal Emergency Management Agency in anticipation of future sea level rise and other risks.

In addition to developing new design standards to protect its system from future storm impacts, the company is working on a pilot program to reduce natural gas leaks and identify other alternative resiliency approaches. The pilot program will assess and identify technologies that could be applied for quantifying methane emissions from non-hazardous leaks with a goal to develop cutting-edge technologies to quantify and reduce global-warming methane emissions from leaking gas pipes.

In terms of the electric system, Con Edison will invest \$294.4 million in 2015 for electric system storm hardening and resiliency projects related to the company's coastal networks, overhead system, substations, transmission structures and electric generation. The company has developed plans to protect 16 substations from future flood conditions and storm surge by utilizing measures such as reinforced perimeter walls, installing gates and floodwalls, and raising critical equipment. The installation of these storm-hardening measures, including work at the company's East 13th Street substation, is critical to maintaining the operational integrity of these facilities during extreme storm events. Flooding at the East 13th Street substation as a result of Superstorm Sandy resulted in a significant power outage in New York City.

Con Edison will invest \$51.5 million in 2015 for gas-related projects related to main replacements in flood zones, vent line protector installations, regulator stations, remote operated valves, liquefied natural gas plant hardening and tunnel hardening. For its steam business, Con Edison will invest \$27.7 million in 2015 in storm hardening and resiliency projects for its steam generating stations.

In recognition of the impact climate change is having on Con Edison's systems in New York City and Westchester County, Con Edison is investing \$1 billion over a four-year period to harden and make more resilient its electric, gas and steam systems. Con Edison's storm-hardening spending this year will be more than double the \$187.3 million spent in 2014 for its three primary businesses. Over the terms of the two-year electric rate plan and three-year gas and steam rate plans, the forecasted expenditures approximate the spending amounts reflected in the 2014 rate order.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 13-E-0030 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.