

**NEW YORK STATE ASSEMBLY
STANDING COMMITTEE ON ENERGY,
STANDING COMMITTEE ON CORPORATIONS,
AUTHORITIES AND COMMISSIONS
PUBLIC HEARING ON JULY 2006 POWER OUTAGES
IN CONSOLIDATED EDISON'S SERVICE TERRITORY**

**TESTIMONY SUBMITTED BY ATTORNEY GENERAL
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**LONG ISLAND CITY, NEW YORK
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Starting on July 17, 2006 and continuing for nine days, the neighborhoods of northwest Queens experienced a loss of electrical power that endangered residents and created great hardships for businesses. Con Edison left as many as 100,000 customers in its Long Island City network, encompassing Astoria, Long Island City, Sunnyside, Woodside, and Hunters Point, without power for days. During this time, while its workers labored tirelessly to fix the widespread damage to its network, Con Ed provided incomplete information about when power would be restored and how long that restoration would last. Even now, electricity is being supplied to many customers in the network by temporary on-site generators and above-ground cables. The underlying problems with the distribution system have not been resolved.

How could Con Edison let this happen, seven years after a major blackout in Washington Heights sounded the alarm that the distribution system throughout its service territory had been seriously neglected and warranted substantial long-term investment and upgrade? The very same problems that caused the 1999 blackout appear to be implicated here, namely, worn-out or defective feeder cables and related equipment that proves unable to carry the electric power load during hot summer weather. Con Ed's response is distressingly similar: an inability to identify and repair equipment that was likely to fail, an inability to identify how many and which customers were out of power, and an inability to communicate completely and effectively to its customers and to the public.

In 2000, after a thorough investigation and analysis, my office released a report on the Washington Heights blackout which called upon Con Ed to take numerous actions to ensure that such a widespread event did not reoccur.¹ Obviously, whatever actions Con Ed has taken since

¹ See "Con Edison's July 1999 Electric Service Outages," (March 9, 2000), <http://www.oag.state.ny.us/telecommunications/blackout/coned.pdf>

that time have proven utterly inadequate to meet the company's legal obligation under the Public Service Law to provide safe, reliable service.

The Attorney General's 2000 report actually identified problems with the Long Island City network that occurred at the same time as the Washington Heights blackout, but which fortunately did not lead to a blackout in northwest Queens. Our report showed that, in 1999, the Long Island City network served the most customers of any Con Ed network and served the highest maximum load of any network. Around the time of the heat wave that caused the Washington Heights blackout, the Long Island City network experienced seven feeder cable failures out of its total of 22.² Thus, Con Ed was on notice seven years ago that this network was teetering on the edge of failure and needed to be upgraded.

In submitting this testimony, I hope to contribute to the ongoing search for answers. Here are some of the most urgent questions about this massive breakdown in responsibility:

- What efforts has Con Ed made since 1999 to upgrade its networks, including the Long Island City network? Where has the money been spent, in what amounts, and for what kinds of capital improvements? Has northwest Queens been neglected in terms of capital improvements in favor of other networks?

- As our report noted, Con Ed's networks are designed to continue to operate with as many as two feeder cables out of service. When more than two cables fail, the rest of the network is placed at increased risk, as it has to carry the entire load with fewer cables. During the week of July 17, as many as ten feeder cables were out of service at the same time and a total of fourteen feeder cables failed at one time or another.³ Was the operational handling of the

²*Id.* at p. 45. Other networks identified in the report as having significant feeder cable failures during the 1999 heat wave that did not lead to a blackout included the Williamsburg network and the Cooper Square network, which supplies power to the East Village and Lower East Side. Given the increased residential and commercial development in those neighborhoods in the ensuing seven years, questions about how Con Ed has fortified and upgraded the distribution systems there must be answered.

³ See Initial Report On The Power Outages In Northwest Queens In July 2006, Con Edison, August 2, 2006.

outages a reasonable response to the extent of the feeder cable failures, or did Con Ed's management decisions actually precipitate more such failures and worsen the extent and duration of the outages?

- Why is Con Ed still unable to use modern technology to readily locate points of failure in its distribution system, rather than, as reported, going "manhole by manhole" to find the source of an outage? This antiquated approach lengthens the time before the damage is pinpointed, lengthens the time to correct it, increases the duration of a power outage and raises the danger of more failures occurring while the company spends time looking.

- Why, seven years after the Washington Heights blackout, is Con Ed still unable to determine how many customers are out of service during a power emergency except, as reported, by driving around at night looking for dark windows, or relying on customer complaint numbers? Con Ed's consistent lowballing of the number of affected customers, starting July 17, masked the extent of the outages and contributed to the lack of public awareness about the nature of the problem. Con Ed's numbers went up and up as the outages continued.

- Why was Con Ed unable to communicate effectively and accurately to the entire northwest Queens populace and to the public at large, regarding the extent and duration of the outages, thereby causing residents and businesses increased anxiety and confusion, increased loss of income due to spoilage and closings, and relegating northwest Queens to a condition of abject neglect in the premier city in the world?

- How will Con Ed make residents and businesses whole regarding the financial losses accumulated over the course of these outages? Con Ed's offer of remuneration is not equal, in all too many instances, to the damages actually suffered. Residents may well have endured more than \$350 in spoilage and other damage, while many small businesses have incurred enormous losses of customers, foodstuffs and other damages that Con Ed's \$7000 limit will not repay. The extreme length of the outages and the intermittent loss of power for many makes this situation cry out for greater compensation.

- How did Con Ed address special needs customers, including the elderly and those who rely on electrical apparatus for health reasons, such as oxygen supply, dialysis, and other life-sustaining equipment? Was the response in keeping with the law and regulations? How many such customers were identified and assisted and how many were left out?

- How did Con Ed communicate with customers in elevator buildings and how did it address their needs? Reports indicate that many elevator buildings in the Long Island City network were without power for days, with residents on higher floors suffering undue hardship. What should be done to mitigate these impacts in future?

Con Ed is not the only party that should provide answers.

- Where was the Public Service Commission? The PSC is charged by law with the

responsibility to oversee Con Ed, a regulated monopoly, and to ensure it provides safe and reliable service. Con Ed submits service quality reports each year to the PSC. According to the New York Times, those reports indicate that the Long Island City network had more feeder cable failures than any of the 56 other networks in 2004 and 2005, and was one of the four worst-performing networks in other years with regard to this metric. Yet, the Chairman of the PSC has admitted not knowing how closely these reports were actually read by the agency charged with overseeing Con Ed's performance.⁴ What has the PSC done over the years since the 1999 Washington Heights blackout to make sure Con Ed is upgrading its systems to meet modern demands? Where was the PSC during this outage and what steps was it taking to spur Con Ed to action on all fronts? What will the PSC do now to ensure that Con Ed's distribution system can meet the needs of New York City and Westchester residents and businesses?

- Appointments to the PSC of Commissioners who have no experience, knowledge or expertise about either energy or telecommunications, the very matters the PSC regulates, are cause for great concern about whether that agency is equipped to handle this difficult crisis or any of the myriad issues regarding electric power supply and demand which this state faces and will continue to face. In this life and death matter, the people of the state of New York are reliant on the thoughtful, knowledgeable and experienced oversight of our critical energy industries and infrastructures. Grave doubts exist as to whether the PSC, as currently constituted, can meet its responsibilities to New Yorkers.

My office will continue to monitor the Con Ed outages and the PSC response and will seek to help find answers to these and other questions in the public interest.

Thank you for providing the opportunity to submit this statement.

⁴ *Official Unsure of Monitoring on Con Ed*, New York Times, July 28, 2006, p. B1.