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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Case 06-M-1078 - Proceeding on Motion of the Commission to Audit the Performance of Consolidated Edison Company of New York, Inc. In Response to Outage Emergencies.

Case 06-E-1158 - In the Matter of Staff's Investigation of Consolidated Edison Company of New York, Inc.'s Performance During and Following the July and September Electric Utility Outages.

Public Statement Hearing
PS-11
54-25 Skillman Avenue
Woodside, New York

November 2, 2006
5:00 p.m.

PRESIDING:

ELEANOR STEIN,
Administrative Law Judge

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1 JUDGE STEIN: I am Administrative Law Judge
2 Eleanor Stein, and I am the Judge presiding over the
3 investigation of the Con Edison electric outages in Long
4 Island City on behalf of the New York State Public
5 Service Commission. And this is case 06-E-0894, a
6 proceeding on motion of the Commission to investigate
7 those outages.

8 And the Public Service Commission instituted this
9 investigation in order to look at all of the
10 circumstances and all of the causes that contributed to
11 these events in July and August of this year, and to
12 examine in depth the conduct of Con Edison in
13 maintaining its network before the outage, its conduct
14 in communicating with its customers, with the city, and
15 with emergency personnel during the outage, and its
16 actions in restoring power to the network, with a view
17 that the most important thing was to get changes in
18 place to prevent a recurrence of those events as we will
19 be going into what will undoubtedly be a hot summer in
20 2007.

21 This proceeding--we have had numerous public
22 statement hearings like this in this case and hundreds
23 of people from these communities have come and
24 testified. Your remarks tonight will be recorded by a

1 court reporter and will be placed in the official record
2 of this proceeding, and all of the record of this
3 proceeding is actually available for you to view and
4 read on the Public Service Commission website.

5 And Jill and the other people from our Consumer
6 Services Office have information in the back so that you
7 can find out how to access that.

8 Last week we held something called a technical
9 conference in this case in which all of the parties,
10 which is--this is not just Con Edison and the
11 Commission. We had Western Queens Power for the People
12 Campaign came and questioned Con Edison at the technical
13 conference at length. Assemblyman Brodsky, the New York
14 State Assembly, questioned Con Edison. The Attorney
15 General, Eliot Spitzer's staff, participated. The City
16 of New York, the Consumer Protection Board, and the
17 Public Utility Law Project, were among the people and
18 organizations who came and are participating in this
19 investigation.

20 And we welcome your participation here tonight.
21 We know it's hard to come out on a weekday night and we
22 very much appreciate you sharing your experiences with
23 us.

24 If you have specific issues about your account,

1 if you, for example, put in a claim for reimbursement by
2 Con Edison and your claim was denied, or if you don't
3 know how to put in a claim and you would like to do
4 that, or you have any other specific information about
5 your own account, please talk to our Office of Consumer
6 Services people who are here in the back of the room
7 tonight and they will do their best to help you process
8 those claims, and if necessary help you file an appeal
9 of the denials at the Public Service Commission.

10 Among the issues that the Commission is
11 particularly interested in hearing about from you, and
12 of course you get the mike and you can speak as long as
13 you want and give us whatever information you think is
14 important, but among those issues are to tell us how you
15 were affected by the outages, do you think you received
16 timely and accurate information from Con Edison, did you
17 attempt to contact Con Edison for information and how
18 did they respond, and what would your recommendations be
19 about what kinds of actions should be taken by the
20 Commission to ensure that Con Edison's management
21 doesn't lead to a recurrence of these events.

22 So, with that, I am going to call up the first
23 speaker. I am going to ask Assemblyman Lafayette to
24 speak if you care to.

1 ASSEMBLYMAN LAFAYETTE: Since none of the
2 Commissioners are here, I will speak to my friends and
3 you, Judge.

4 I came tonight--unfortunately I was told that the
5 questions and answers would start at 5:00, and so I came
6 prepared to listen to your questions and responses by
7 our Commissioners, but I guess my timing is off.

8 I had really--I had attended one of the Assembly
9 hearings that we held and a lot of information was
10 exchanged there and that's been digested by our staff in
11 Albany. However, one of the pieces of information--so,
12 I had a question I wanted to ask, and I have been trying
13 to get the answer without having to come here and have a
14 chance to talk to one of the Commissioners or two.

15 I will put the question out there for the record
16 and hopefully I will get fairly prompt response. I do
17 represent a part of Woodside, not where the school is,
18 although at one time I represented this area, but the
19 portion that disappeared and came back again, and I
20 represent across the street. I represent not St.
21 Sebastian's church but the parish house and school. The
22 line goes right there.

23 Part of my district down off 37th Avenue, between
24 37th Avenue and 9th Street and 65th Street, was without

1 power for about three days before anybody even knew
2 anything about it, because the people who lived there
3 really didn't know who to contact and, worst of all, Con
4 Ed didn't know that hundreds and hundreds of families
5 were without electricity.

6 I think that was sort of a very peculiar type of
7 experience. As I was listening to a lot of conversation
8 go on, one of the things--I thought since Con Edison was
9 a monopoly, and that's why their rates have to be
10 examined and approved by the Public Service Commission.

11 They have a monopoly and they have an obligation
12 to take all the tasks of delivering energy to the areas
13 in which they have the monopoly. That's their
14 obligation. Part of what they do though is the rate
15 setting process they go to the Public Service Commission
16 and ask for increases. In other words, it's a question
17 of who pays for the cost of the energy. Is it the
18 ratepayers or is it the owners, stockholders of Con Ed?
19 It's got to come from someplace.

20 It's my understanding--and I can't verify this
21 and nobody denies it, but nobody--also nobody is giving
22 me the proper information--that Con Ed did go to the
23 Public Service Commission sometime in the spring of '05.
24 That's a year before the outage, at least a year before

1 the outages happened, and they asked for money and in
2 order to repair the lines, the method of distribution,
3 the whole infrastructure. I think the amount of money I
4 have been told is somewhere around \$3 billion, that \$3
5 billion was approved, as I heard, by the Public Service
6 Commission.

7 The question I want to ask: If that's so and the
8 taxpayers got increased for the power--which I did and
9 you did, I know when you look at the bill you see that
10 bill going up fairly sharply--what happened to the
11 money? How was it used? Where was it used? How did
12 they determine the priority of how the money is spent?
13 Or was it spent or did it go out to increased dividends
14 for the stockholders or for higher pay for executives
15 and boards of directors?

16 I think that's a question that has to be
17 answered. Or why did they give them--or why did the
18 Public Service Commission award that amount of money
19 without having the details and a schedule of what had to
20 be done? And how was this to be reported to the Public
21 Service Commission?

22 Or do they just give the amount of money and turn
23 their backs and wait for some terrible occurrence, like
24 we just had, in order to sort of focus attention on

1 something that should have been done at the time they
2 approved an increase?

3 So, since they are not here I hope that the
4 message and question I am asking will be answered. I
5 have asked the question. My staff has approached the
6 staff of the PSC. I haven't got the answer, and I am
7 used to getting answers.

8 JUDGE STEIN: I will venture one answer. I don't
9 think it's--it obviously doesn't answer your question in
10 full, but many of the issues that you raise are actually
11 part of the investigation that is going on now.

12 ASSEMBLYMAN LAFAYETTE: I am glad to hear that.

13 JUDGE STEIN: There is a very detailed financial
14 investigation going on as well as the engineering
15 investigation, and we expect that the staff report will
16 include some analysis of those issues as well as the
17 engineering issues.

18 ASSEMBLYMAN LAFAYETTE: Because if the job wasn't
19 done correctly, or if the money wasn't used for the
20 purpose for which it was intended, then I think Con Ed
21 has to pay a rebate to the people who pay for electric
22 service. They shouldn't be allowed to keep the money
23 for profit or other types of expenses when this money
24 was awarded specifically for infrastructure maintenance

1 repair or replacement.

2 So, from that point, I don't know what the other
3 legal consequences could be for either giving particular
4 statements to the PSC for the rate increase or I don't
5 know what the consequences are in that act.

6 So, that's why I am here for that purpose and I
7 hope I get the answers and I hope the public gets those
8 answers because that certainly was a terrible experience
9 of people having severe problems, health problems, as
10 well as the confusion that was caused, possible crime
11 incidences and not being able to have a lot of
12 communications.

13 That and to find out that a huge corporation
14 doesn't have the ability to know at any one time who
15 they are servicing.

16 So, I wish you luck in your determining the facts
17 in this case and basically providing the proper remedies
18 to this situation.

19 Thank you for your attention.

20 JUDGE STEIN: Thank you very much for your
21 contribution.

22 (Applause.)

23 Al Volpe.

24 MR. VOLPE: Assemblyman Lafayette, thank you very

1 much for coming. We go back many, many years together
2 in Woodside. You have been a great support, great
3 helper and greater leader for our neighborhood.

4 Just mention Joe Conley is here, he's the
5 president of the--executive director of the Community
6 Board 2. Community Board 2 is meeting tonight and
7 therefore I am speaking here. I much prefer to have a
8 larger audience, what do you call the prime time.

9 My name is Al Volpe. I am a member of Community
10 Board 2. I have been on the board of directors of my
11 co-op for 30 years, no longer there. I've been an
12 officer of the Federation of New York Housing
13 Cooperatives, also a member of the board of the National
14 Association of Housing Cooperatives.

15 There is a major program that would prevent
16 outages. It's been around since 1981 and it's been
17 underutilized. The electric capacity is limited. This
18 is not. We have 500,000 co-op units in New York City,
19 approximately 35 percent of private housing. Only a few
20 of them, few hundred buildings, I should say, use the
21 tool that could help, and that is submetering.

22 There is proven benefits. Use less capacity, use
23 less electricity, maybe ten percent, 15 percent and in
24 some cases they would use 35 percent saving. Now, that

1 would be an enormous help against that limited top
2 demand capacity.

3 The advantages to me are self evident. NYSERDA
4 has had a program since 1981 but the cost has been
5 shifting. Once it was \$99 to implement then \$199 then
6 \$299. Right now I think it's about \$600 per unit to
7 install.

8 My co-op, we have 440 units. That's a quarter of
9 a million dollars. That's a lot of money to install
10 submetering. We don't have that. Oh, well, you will
11 get half the money back after a year. My thing is: How
12 do we get started?

13 So, a few things I would like to say. Number
14 one, we need up front financing for co-ops, there is
15 500,000 units, up front financing so they can implement
16 submetering. They need a rebate once the program works,
17 some kind of forgiveness. They need incentive to put it
18 in.

19 The reason for submetering in the first place,
20 there is huge capital savings for Con Edison in the old
21 days or whoever generates the electricity. They don't
22 have to spend hundreds of millions of dollars to add
23 capacity. Right now the huge cost on the spot market
24 has happened in July.

1 What do we have to do now? We have to put money
2 into the program up front and we have to stay
3 consistent. Don't change the amount year from year
4 while the window is going to be you will have a window
5 until January 1st and on January 2nd there is a
6 different thing.

7 Co-ops are very slow on the board. Takes us two
8 years to do anything to begin with. If you are shifting
9 the sands under us it makes it very difficult for us to
10 say here's something, we are going to get the financing
11 up front and it's going to stay there. Let's push it
12 and get moving and maybe we will be able to save money
13 and put the program in, but they have to stay consistent
14 and not to switch the incentives.

15 Finally, maybe NYSERDA or somebody should put
16 somebody on Commission, somebody would go around and
17 push co-ops to put this in. There are lots of
18 independent contractors. They are just sitting there.
19 They are waiting for the co-ops to come to them. Nobody
20 is really pushing it and the program that's been sitting
21 there for 25 years, and that's the problem. It's
22 sitting there. It needs a lot of push and lets push it.
23 Thank you.

24 JUDGE STEIN: Thank you very much.

1 (Applause.)

2 Mr. Conley, would you like to speak?

3 MR. CONLEY: I would like to thank you for the
4 opportunity coming back to the communities where people
5 have the chance to be heard on this major event that
6 happened in our community.

7 Couple of points I would like to focus on
8 tonight. One is about the issue of customers. I think
9 clearly the lesson learned has to be a better reporting
10 process and I think the utilities should be held to task
11 to say that how many people were actually affected by
12 the blackout.

13 Al Volpe was talking about his building the
14 counting was one customer because there was one meter.
15 So, clearly we didn't know the impact of the blackout
16 for several days until we were able to do an assessment
17 in the area by listening to news reports and telling
18 people that we had problems with the numbers we were
19 talking when we talk about 2,000 customers out of
20 electricity.

21 The other point we think that it's grossly unfair
22 that businesses that were so adversely affected are
23 limited to such a small amount. If the business owner
24 is able to prove that they have lost inventory, lost

1 businesses, or even lost wages, we firmly believe that
2 the utility should be held accountable for that.

3 We have heard a number of stories of businesses
4 that are not in the food business that were equally hit
5 hard and suffered just as much damage, even down to a
6 person that has an Internet store that was not able to
7 do wire transfers for their companies, not be able to
8 provide Internet access for people in other countries.

9 And what happened in his case when the power was
10 out for nine days he was still without service because
11 Road Runner was not back up and running at the same
12 time. So, everybody was hit pretty hard and I think the
13 economics need to be looked at and say how do we fairly
14 compensate back to the businesses.

15 The other item that we want to speak about is for
16 the people with special needs. Lists that were handed
17 to the police department were out of date, and there was
18 not the best use of resources for the police department
19 to start calling people and then to find out they were
20 calling somebody's house where a loved one past maybe
21 two years ago.

22 We think the appropriate measure would be the
23 utility should be responsible for sending out maybe
24 twice a year an updated list requesting special needs

1 for people that might need services.

2 And lastly, as coordination of services during
3 the blackout, I think the biggest frustration is about
4 information, not being told when to expect power to come
5 back up, and then also about where the ability was to
6 anybody to find out that information, go get the
7 information, or to find out where to go for services
8 such as water and ice, simple things.

9 So, those are recommendations we feel the Public
10 Service Commission should take under advisement. And
11 then, lastly, we would like to say that I think the
12 community here time and time again should not have to
13 pay for this.

14 This should be like any other corporation. It
15 should be within their profit and loss to say this was
16 their oops and they need to figure out a way to do out
17 of income stream which should not be coming back to the
18 consumers.

19 Thank you for your time.

20 (Applause.)

21 JUDGE STEIN: Thank you. Paul Margingelli.

22 MR. MARGINELLI: How this affects me personally,
23 I would like to add on to what Joe Conley just said.

24 I am a graphic designer. I do a lot of freelance

1 work over the Internet. Prior to Sunnyside, Woodside
2 going black Long Island City had a power outage. But on
3 the news good old Con Ed told us don't worry. We are
4 handling the problem.

5 The next day I was home. I had to work. I
6 turned my computer on. I went on line. There was
7 nothing on T.V. telling us there would be a brownout,
8 blackout, anything. As I was on line the power went
9 out.

10 When the power went out I was on line. As every
11 computer user knows it destroys your motherboard, it
12 destroys your computer. I had to take my computer to
13 get it repaired because I have to keep doing business.
14 It wasn't a big bill really, it was only \$243.83, which
15 I supplied to Con Ed.

16 Con Ed, through their legal department, the
17 claims manager, told me we are sorry to inform you,
18 however, that we must deny your claim seeking
19 reimbursement for property damage. Under the terms of
20 our electric rate schedule, approved by the Public
21 Service Commission, Con Ed only provides reimbursement
22 for food spoilage.

23 If the day before you told me maybe we would have
24 a blackout or brownout I wouldn't have turned my

1 computer on. So, I think it's Con Edison fault. I am
2 just a little guy.

3 You are right. There was computer stores. There
4 was Internet cafes. There was a lot of people that were
5 working on the computer at the time everything went
6 down. There was no notice on line at even Con Edison
7 website that we are having a problem. They didn't
8 notify us on the radio. They didn't notify us on T.V.

9 Come on, Con Ed. Get off the stick. Just give
10 us a little more warning. Admit you have a problem.
11 Pay us for the damage. Thank you very much.

12 (Applause.)

13 JUDGE STEIN: Billy Baby Mordente.

14 MR. MORDENTE: Let it be known to people all over
15 this planet that we are facing human extinction. It's
16 on the record right now. Basically we don't know what
17 we are doing.

18 Our whole planet is being polluted and we are
19 being cancered to death. Statistics, about 150 years
20 ago only one person out of 300 was cancer and was
21 killed, was dead. Today it's one out of two or three
22 people who are cancer.

23 We have enough information to change what we are
24 doing to ourselves, to our forest, to our oceans, to our

1 children, and we are not doing enough about it.

2 The Con Edison issue is one small issue out of
3 hundreds, out of thousands, that are leading to human
4 death. It's called many things. It's called
5 extermination. It's called eradication. It's called
6 self genocide. It's called Armageddon.

7 JUDGE STEIN: If you could focus on the Con
8 Edison piece of this because a lot of people need to
9 speak about their experiences.

10 MR. MORDENTE: Con Edison, to speak about it
11 individually and singly, leaves out us. We can talk
12 about the pollution factors; is that okay? We can talk
13 about what happened in Chernobyl and we have got 444
14 Chernobyls all over this planet.

15 Con Ed pollutes. Nuclear cancer factories
16 pollute. I am not going to take more than another
17 minute or two to tell you what's going on that you
18 should know.

19 We now make weapons that can kill everybody on
20 the planet in just 24 hours. Depleted uranium that we
21 are bombing people in another country, the depleted
22 uranium is cancerous and it's little dust that goes up
23 into the air, it goes into the clouds all around the
24 planet, and it's falling down here right now.

1 I am going to give you just one--I am going to
2 give you two reference pieces and then I will quit.

3 JUDGE STEIN: Why don't you give us one example
4 and I think we hear your point.

5 MR. MORDENTE: Okay. American Dynasty, it's a
6 book, it's in the libraries and on websites. It's by
7 author Kevin Phillips. It's about the Bush family
8 history. Before World War II they gave \$1 million every
9 year to Adolph Hitler.

10 And I will close with this information. Go to a
11 website called garyknoll.com and get a documentary
12 called friendly something and it's about what's going on
13 so that you are educated so we can save ourselves and
14 put the criminals, some of the criminals in our
15 government, in jail.

16 JUDGE STEIN: Thank you, Mr. Mordente.

17 Lov Kumar.

18 MR. KUMAR: First let me express thanks to Judge
19 Stein and also to New York State Department of Public
20 Service for conducting this very good investigation into
21 exactly what happened in the Con Edison outages.

22 I would like to specifically mention that we had
23 two outages on 44th Street and Sunnyside, first on
24 July 20th to 23rd, and second one on July 25th to 26th.

1 And in these outages, for these outages Con
2 Edison is trying to process some claims for food
3 damages. But what happen to the damage, for example, I
4 was working on computer on my second outage during that
5 time and our computer was completely damaged, and
6 because of that for many days we do not have any news
7 off the computer.

8 And quite a lot of effort and pain which went
9 into bring it to the right working. We had to spend
10 money to buy a new monitor and things like that and
11 those damages. Who pays for those damages?

12 Con Edison should be responsible to compensate
13 for the damages which was in news during that time.
14 Second thing is--

15 JUDGE STEIN: Before you go to the second thing,
16 I wanted to ask you a question. The gentleman who spoke
17 earlier who also had computer damages.

18 MR. KUMAR: There are number of people.

19 JUDGE STEIN: He was making the point if he had a
20 warning he would have been able to take his system down
21 or at least been on alert that his system might be
22 compromised.

23 MR. KUMAR: I totally agree for that. That if
24 there would have been advance communications that there

1 is going to be some damage or there is going to be some
2 outage then probably we would have saved our computer,
3 but this kind of information was not given.

4 I think this was my second point. That there is
5 a very urgent need on behalf of Con Edison to improve
6 upon their practices and procedures for information and
7 communication.

8 And my question, this is very--I say because what
9 will happen if there is sudden emergency again?
10 Emergency can happen what is happening in the world. It
11 certainly can happen, right?

12 So what is the remedy for that? What is the
13 secondary line of some kind of treatment that we won't
14 suffer these kinds of outages? I personally feel that
15 Con Edison should be actually--should be more
16 accountable for their increases in rate, increases in
17 their charges, increases for gas, for power, for
18 anything.

19 There should be complete moratorium on that for
20 the next two or three years. This is very important.
21 There are factors which have been mentioned and I
22 believe they have already been and we are support that.

23 And once again, thank you so much for coming down
24 to Sunnyside and listening to us.

1 JUDGE STEIN: Thank you for your remarks.
2 Yarrow Regan.

3 MS. REGAN: Hello. I was getting worried that
4 only men were going to be allowed to speak today. I
5 have a thing I already filled out.

6 How was I affected. I did not have electricity
7 for 16 days. I was not comfortable with this situation.
8 I could not use my refrigerator, computer, telephone or
9 answering machine. I had to throw out all of my
10 groceries, medicine and vitamins.

11 I spent money eating out, replacing groceries,
12 buying batteries and candles, and spent money on
13 traveling to where I could access the Internet. It was
14 rather dangerous to use candles for lighting purposes.
15 I could not use my fan, but when my service was restored
16 apparently that killed the fan.

17 I become uncomfortable when I hear that air
18 conditioning overuse was the reason for the outage
19 because I don't have an air conditioner and I never
20 have, but that's just me.

21 I did try to contact--initially I contacted HPD,
22 Housing Preservation and Development, with regard to the
23 electricity being shut off. I also called the apartment
24 building, the Bureau of Electrical Control. I contacted

1 my elected officials. I contacted the Community Board.

2 When I contacted the elected officials, often I
3 would get a very harried person working there who told
4 me they were the only person but I believe it was
5 another Assembly or Congressman's office who directed me
6 to some of the services.

7 When I finally contacted Con Edison I was on hold
8 for a long time and I felt they were rude and
9 unprofessional and I was not given accurate information,
10 just more of a run around.

11 Let's see. On July 26, 2006, the Community Board
12 communicated with Con Edison on my behalf. I believe
13 they came to the building where I live and they told me
14 that Con Edison said that electricity had been restored
15 to my building, but it was my landlord who shut off the
16 power.

17 On Saturday, July--I still didn't have any
18 electricity. On Saturday, July 29th, New York One came
19 to my building and the reporters interfaced with Con
20 Edison on my behalf. Con Edison came to the premises,
21 inspected the premises; however, I was never allowed
22 access to where--the locked area where the meters are
23 and I was again told that it was the landlord who shut
24 off my electricity.

1 Now at that point I wish Con Edison had simply
2 restored my electricity as I didn't have the ability to
3 do that. It was by going to Housing Court that I got my
4 electricity restored.

5 Let's see. What are our overall impressions
6 about how the company responded to the outages and your
7 reasons for those impressions? Well, I felt that
8 despite the fact I kept calling Con Edison nothing was
9 being done about the fact that I didn't have service to
10 my premises, and that while people became a little bit
11 more professional, I felt I was still being given
12 misinformation and being misled.

13 Let's see. I felt that on Saturday, July 29th,
14 that Con Edison could have simply restored the
15 electricity. I believe it was a matter of screwing in a
16 fuse yet they did not do that. Why, I have no idea.

17 My recommendations would be to lower our
18 electrical rate and make it easier to access wind power.
19 I tried to--there was some kind of a special where if
20 you got wind power you would get like \$25 off on your
21 bill, but then I could never find it. I called a whole
22 bunch of places but I could never--I was never able to
23 get that.

24 And perhaps, I don't know, I feel that at this

1 point that the Public Service Commission isn't actually
2 doing anything and is misrepresenting Con Edison after
3 the comments that were made earlier, because Con Edison
4 did go on the record on the New York Times and in the
5 media stating that they chose to shut off the
6 electricity.

7 So, thank you very much.

8 (Applause.)

9 JUDGE STEIN: Thank you. Mr. Davis.

10 MR. DAVIS: Again, I want to thank you for being
11 here to give us an opportunity to speak our piece.

12 On the second day of the outage, I contacted my
13 Councilman's office, Mr. Vallone, and his office had
14 informed me that they were in touch with Con Edison but
15 Con Edison said they are working on the problem. They
16 are going to hold a news conference 11:00 the next day.

17 Apparently Mr. Vallone was not the only one
18 involved because several elected officials from the
19 affected areas were present at the news conference.

20 I read the Con Edison 600 page report, high
21 lighted it. The fact they want to spend more money on
22 communications is ridiculous. The elected officials
23 were in contact with Con Edison and didn't get the
24 reply, so why is Con Edison turning around and in their

1 report and say they want to spend millions of dollars
2 here and there to improve the communications.

3 The lack of communications wasn't because they
4 couldn't get in touch, it was because there was no
5 feedback except for working on the problem.

6 The second day of the outage when these elected
7 officials contacted Con Edison, Con Edison on the third
8 day says we didn't know. Why are all the elected
9 officials calling me if we don't know there is not an
10 outage?

11 There is a lot of questions and answers that
12 don't make sense and that's one of the them. As far as
13 the reference to what the young lady previously was
14 talking about, in the 600 page report Con Ed high lights
15 themselves as being in control and shutting off the Long
16 Island City network to protect the rest of the city.

17 In that wisdom, being that they were in control
18 of the whole situation, they chose to do this. I
19 question that because I didn't hear that. Mr. Burke
20 says they didn't know why this happened, and I can
21 believe that statement.

22 As far as the third, about the outage being the
23 break at the substation tripping and the substation
24 operator couldn't determine--couldn't assist them back

1 on line, if there was a ground fault present that was
2 causing the breaker to trip or not.

3 Being that the system was defective, the
4 secondary system including the transformers, they
5 replaced eight transformers already in the secondary
6 system. This would cause a breaker to trip and see a
7 ground fault. All this takes matters of seconds to
8 determine whether it's normal load or ground fault which
9 is detrimental to the system.

10 Maybe the circuit breaker was doing its job. The
11 fact that Con Edison had to replace 58 of the 82
12 transformers, and they intend to replace 82, 80 percent
13 of the network. If they were maintained properly and
14 circuit breakers were maintained properly and reported
15 and tested periodically and semiannually or annually
16 that might have not happened.

17 As far as putting the system back on line, you
18 don't throw a full load on to a breaker. It goes back
19 on line in steps. The same way you take it off the line
20 is the same way you put it back on line. There is
21 standard operating procedures. I don't think that was
22 followed.

23 Again, I came here to lambaste the Commission for
24 not overseeing all this, but realizing the staff is only

1 400 people and you do cover the whole New York State
2 network, I can see where you couldn't be on top of
3 everything, that you have to rely on statements from Con
4 Edison, and those I would question.

5 The credibility of the company has a lot to be
6 desired. That's all I have to say. Thank you very much
7 for hearing me.

8 JUDGE STEIN: Thank you for coming again and
9 sharing your experience.

10 (Applause.)

11 JUDGE STEIN: Thomas Ryan.

12 MR. RYAN: I am a business owner and a homeowner
13 here in Woodside and I just want to tell you about my
14 personal matters. Power started going out on Monday the
15 17th, was not returned until Monday the 24th. Affected
16 the operation of my office and my home here in Woodside.

17 Because of the nature of this whole--I went out
18 and spent \$5,000 on a generator for my office. I bought
19 equipment. Have to pay for gas to run the generator and
20 electrician to put in wire for the generator.

21 My house was off limits, the air conditioning was
22 out, the refrigerator was out, and young children who
23 need medicine and formula, obviously without any power
24 it was hard to do that. I had to take them out to the

1 Rockaways and stay there until power was restored a week
2 later.

3 I did get this, like the other gentleman said. I
4 thought I was the only one to get such a nice letter.
5 Kindly accept our apology. We are sorry to inform,
6 however, you must be denied the claim seeking
7 reimbursement for property damage. Under the terms of
8 Public Service Commission Con Edison must only provide
9 reimbursement for losses of commercial origins. Blah,
10 blah. Again, we are sorry. Gives me a number. We are
11 working very hard to restore your trust and confidence
12 and continue to do our best to provide safe and reliable
13 electric service to all our customers.

14 Going back here, you asked about the outage
15 information. Their public relations work is a
16 nightmare. There was no information at all, nothing.
17 Con Ed basically eliminating the amount of damages. Few
18 isolated incidents, we are on it, it was complete BS.
19 The information was never forthcoming during this whole
20 duration nor the extent of the outage.

21 I read the reports. They said they did wonderful
22 public relations. I didn't see anywhere--I know this
23 area like the back of my hand so I think someone is
24 lying. I find that disturbing that they would not only

1 let this happen but continue the lie and lie through
2 today.

3 The attempts to contact. People call them. The
4 funny thing is they had to rely on people to call them.
5 When you tried to call them on the phone the lines were
6 busy. When you tried to go to the website, website was
7 down. And that's if you had power to do that.

8 The fact they were relying on people to tell them
9 in this world is incredulous. Anyone in this area could
10 figure out what was going on. Didn't take a rocket
11 scientist to do that.

12 The fact the Con Edison, multi-billion
13 corporation, had their head between their legs is just
14 unacceptable.

15 I also want to talk about my clients because the
16 affect was multi economic damage. It wasn't just the
17 loss of power, loss of the merchandise, whether it was
18 perishable or not. Equipment was damaged because them
19 not saying anything to us about the power being out.
20 Lying to us the power was fully restored was a lie.

21 I went out to Radio Shack and bought a simple
22 voltage meter regulator to read my voltage. Now,
23 voltage should be if it's completely fine 120 service to
24 both residence and businesses. Ten percent cushion.

1 Most voltage systems run from 110. Even when power was
2 restored to me over a week later my voltage was under
3 100 volts. If you talk to any electrician they will
4 tell you that's damaging to your equipment.

5 Not only was the power out but when it's restored
6 it still wasn't restored without damaging equipment.
7 This affected businesses, affected mine. I had to spend
8 money to generate my own power to protect my equipment.

9 When this happened three years ago when the
10 northeast grid went out I was a naive electrician and I
11 lost my system, cost me \$4,000 to restore that, so when
12 this happened I immediately knew what to do.

13 The fact this is costing me this money is absurd.
14 I have to protest that something much more has to be
15 done. This is not--we are not in Iraq or Watertown, New
16 York. We're New York City, heart of the big apple, and
17 this is happening on too regular a basis.

18 The fact that Con Edison is out there right now
19 restoring and repowering this area tells you how bad the
20 system is. I don't know to what extent they are doing
21 it.

22 JUDGE STEIN: I just wanted to ask you just to
23 clarify for the record. You said your power was
24 restored but in a low voltage mode.

1 MR. RYAN: Yes. They said full service was
2 restored but it was a voltage reduction service.

3 JUDGE STEIN: Right, and when was that?

4 MR. RYAN: That was at least another week.

5 JUDGE STEIN: You were at low voltage for another
6 week?

7 MR. RYAN: Yes. Full voltage should be about
8 120. 110 is the service that we all get. My meter was
9 reading 100 or less for the week after that. So, what I
10 would have to do is I would watch it and it would
11 change. When it went to 120 I turned my generator off.
12 When it went down to 100 I turned my generator back on
13 again. This was an ongoing thing. It wasn't just
14 restored when they said it was. That's another
15 fabrication.

16 Another thing here is overall impression how the
17 company responded. They downplayed the whole thing,
18 only a few customers. Understanding the extent of the
19 outages, I can't fathom how they could look at this grid
20 and not be able to determine how many people were out of
21 power.

22 Their response was they drove up and down the
23 street. We have technology services. We have
24 satellites. We have so many different ways information

1 to have--we could have got into airplane and looked
2 around and see how dark it was. The fact they were
3 doing things on such a level is outrageous.

4 Now, you asked about recommendation. First of
5 all, I recommend that the Public Service Commission sink
6 some teeth into this because this has happened too many
7 times and there's no reason for this.

8 I think we need to have better public relations.
9 We need to have this information instantaneously. I
10 watched New York One, I watched 1010 WINS. I was
11 getting information I needed, but it wasn't coming from
12 Con Edison. Con Edison was telling us a completely
13 different story.

14 There's got to be a greater ongoing maintenance
15 program. I talked to a lot of people, electricians, the
16 stories they were telling me how Con Ed does repairs and
17 maintains the system. It's incredible, so, looks like
18 the Local 3 electricians knew what was going on but the
19 rest of us were out of the loop.

20 Crisis management. The crisis management of the
21 whole thing was ridiculous. Con Edison didn't respond.
22 The city came in late because of what Con Edison
23 responded. City had to call in the Red Cross and
24 everybody ended up in Astoria and only until later on

1 did they realize the eastern half of the grid no one was
2 getting any services.

3 Red Cross came in but that was much later, much
4 to do after the Astoria crisis broke. It wasn't just
5 Astoria, it was Woodside also. That was another
6 problem. The extent of the outage was never even--one
7 more thing.

8 JUDGE STEIN: Let the record reflect that the
9 speaker is gesticulating in frustration.

10 MR. RYAN: Please do. First of all, I think Con
11 Edison should be fined so they won't do this again. The
12 way we affect the shareholders and affect the
13 rateholders is fining them.

14 Something was done wrong here. They need to be
15 penalized. This happens again, it's going to cost us
16 money. I think they need to have a future overview of
17 the network system and I don't think Con Ed can do it.
18 It's like the wolf watching the chicken ranch. Doesn't
19 work.

20 The other thing is the system has to be upgraded
21 to today's technology. There is so much new technology.
22 It's going to cost money.

23 Some of these speakers told you how they got \$3
24 billion, \$3 billion, they could do a lot of upgrades

1 they have the wrong finger up. I would like to end with
2 that.

3 Thank you very much.

4 JUDGE STEIN: Thank you very much.

5 (Applause.)

6 Jim Condes.

7 MR. CONDES: I am going to be very brief and to
8 the point. To me it boils down to two priorities. One,
9 preventive maintenance and systematic periodic checks of
10 the equipment and, two, better and more up to date
11 equipment that could bear the brunt of power surges.

12 Our population is growing and newer technology
13 draws a tremendous amount of energy. Con Ed has to come
14 into the modern age of the 21st century. I just thought
15 of something, maybe they could emulate some other states
16 and how they do it. You know what I am saying? Because
17 supposedly there are other states that have a better
18 system, so, if they could possibly do that.

19 As far as information, there was about 20 trucks
20 on 58th Street where I live, and I just asked the
21 workers on when the power would be coming on. I got all
22 different answers, so it didn't mean anything, but those
23 are the two things I think that should be done.

24 Thank you.

1 with this. I would really like to know why the system
2 isn't kept to where it should be.

3 Also they need to have a better emergency plan.
4 Something of this small scale, looked like a repetition
5 of this again, they didn't know what was going on, they
6 didn't know where to respond, they didn't know who
7 needed the services. This said to me this is five years
8 after 9/11 we haven't learned anything.

9 Public Service Commission, Con Edison, the city,
10 have to have a much better emergency plan in fact and be
11 able ascertain the damage more quickly and get the
12 services out there to them. A lot of people were
13 affected, when it was hot out people didn't have
14 refrigeration, stuck in their apartments, no air
15 conditioning, information not getting out there.

16 There was really--I know a lot of people didn't
17 die, but needless suffering could have been avoided if
18 word was getting out. The fact Con Edison sort of
19 pooh-poohed the whole thing and said everything's okay,
20 the sky is not falling, no riots.

21 One more thing. They could spend less money in
22 advertising and public relations and charitable
23 contributions because if they have that much money to
24 spend and get the finger's up, "we are on it". I think

1 JUDGE STEIN: Thank you very much. Anete Laba.

2 MS. LABA: Good evening, all. I would like to
3 thank Judge Stein for coming to listen to us. I will be
4 very brief because I want to get straight to the point.

5 The Public Service Commission is the entity that
6 is overseeing supposedly Con Edison, but it seems that
7 they have not always done their duty. Even today, if
8 you want to make a phone call to Public Service
9 Commission you need half an hour and then there is a
10 recorder, not a human being.

11 With reference to Con Edison, and there is a--we
12 had in the month of August where income and wage losses
13 incurred by the business people and of course private
14 residents, it was a failure of Con Edison tariff rates
15 that supposedly was limited only to loss and
16 perishables. How is that possible?

17 A giant company like Con Edison that is dealing
18 with providing electricity for businesses, small and
19 big, they have liability only for perishable food. And
20 Public Service Commission said fine, that's okay.

21 That is not okay. Tens of thousands of dollars
22 spent by Con Edison on public television to show how
23 good they are could have been taken and given to those
24 people that lost their businesses and their wages for 10

1 to 12 days.

2 I would like to point out that the deregulation,
3 which Con Edison has blamed their failure on, is
4 something that we have to look again at because we have
5 to remember that deregulation was a victory of greed of
6 a performance. And this must be discussed again by the
7 Public Service Commission and by the public.

8 We must re-regulate if the deregulation is the
9 cause of so many problems. This goes for the gas
10 company also, and KeySpan and other gas companies that
11 have charges that are not the same one month after
12 another. They are increased every time. Is actually
13 the Public Service looking at that? I don't think so.

14 I would like to touch on another subject because
15 coming from the Public Service Commission it is being
16 said KeySpan is going to sell part of its service or
17 merger with a German company. They probably will need
18 Public Service Commission to look into that.

19 We appreciate very much if this is analyzed very
20 thoroughly because they would need the Public Service
21 agreement, I suppose, right?

22 I would like to just say that the losses that Con
23 Edison has afflicted not only economically but also
24 psychologically, keeping people in the dark, frightened,

1 in the month of August, in the biggest heat, 100
2 degrees, without any air conditioning or ventilation or
3 anything helpful. Candle light is not enough to sustain
4 living for ten days.

5 I certainly hope and I urge the Public Service
6 Commission to look into re-regulating whatever was
7 deregulated and caused so much harm to so many people.
8 Thank you.

9 JUDGE STEIN: Thank you very much for your
10 remarks and they will be on the record for the
11 Commission.

12 I don't have any other cards. Is there anyone
13 else here who would like to speak at this point? We are
14 going to reconvene at 7:00 p.m. for another educational
15 forum by staff and at 8:00 p.m. there will be a second
16 public statement hearing.

17 I very much appreciate people came out here and
18 shared their thoughts and their concerns and their
19 experiences. And seeing no other speakers, at this time
20 it is 6:15 p.m., and this hearing is adjourned. Thank
21 you.

22 (Applause.)

23 (Hearing adjourned.)

24