

STATE OF NEW YORK

Public Service Commission

William M. Flynn, Chairman

Three Empire State Plaza, Albany, NY 12223

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FOR RELEASE: IMMEDIATELY

06041/06E0894

Chairman Flynn Initiates Broad Investigation of Queens Power Outage

Albany, NY – 7/26/06 – Public Service Commission Chairman William M. Flynn today issued a one-commissioner order to initiate a formal proceeding and investigation to examine thoroughly all issues associated with the power outages in Consolidated Edison's Long Island City network that began on July 17, 2006. In addition, as part of the investigation, Chairman Flynn announced that the Commission will take statements from affected customers and other interested parties on issues related to the outage and Con Edison's response at four public statement hearings in Queens on August 9th and 10th.

"With the restoration effort substantially complete, we will now focus our attention on a comprehensive and open review of the facts and circumstances surrounding the outage in Long Island City," said Chairman Flynn. "I have directed staff to meticulously go through the events of last week to determine whether the company's actions and response were appropriate, and whether the current infrastructure operating, design, maintenance and investment practices must be changed."

Department of Public Service staff's investigation will focus primarily on the Long Island City network, where numerous underground network distribution feeders failed, and some failed repeatedly during the restoration process. Con Edison's Long Island City network serves approximately 115,000 customer accounts in the northwestern portion of Queens.

Consistent with the Commission's responsibility under New York State Law to ensure safe and reliable service to customers, staff will conduct a thorough examination of the circumstances surrounding the power outages, the events that led to the failures and outages, Con Edison's response, communication and restoration efforts, the need for changes to Con Edison's practices and procedures to avoid similar failures and outages in the future, and the costs incurred by Con Edison related to the failure and outages. Staff's review will include, but not be limited to: the reasonableness of the time in which Con Edison accurately ascertained the magnitude of the customer outages; the reasonableness of the company's ability to provide service restoration estimates; the nature and extent of Con Edison's expenditures for maintaining the Long Island City network; budgeted and actual capital improvements made to the Long Island City network; effectiveness of the company's management of the distribution system before and during the feeder failures and outages; use of company and contractor resources in the restoration effort; and the quality of the company's communications with the public, state and local government officials and special needs customers. The Commission also will consider Con Edison's self-

assessment of its preparation and system restoration performance which, as required by Commission rules and regulations, must be filed by September 25, 2006.

Chairman Flynn said, "I expect Con Edison to cooperate fully with staff's investigation and to provide prompt and unfettered access to company personnel, documents, materials, and other information."

Public Statement Hearings

Affected customers and other interested members of the public may comment at one of the hearings listed below, or through other means listed below if they cannot attend any of the hearings.

Wednesday, August 9, 2006
The Steinway Intermediate School 141
(Auditorium)
37-11 21st Avenue
Astoria, N.Y.

1:00 p.m. and 7:00 p.m.

Thursday, August 10, 2006
LaGuardia Community College
(Main Stage Theatre)
31-10 Thomson Avenue
Long Island City, N.Y.

1:00 p.m. and 7:00 p.m.

The Public Service Commission is particularly interested in comments from customers that address the following questions:

- . How, exactly, were you affected by the outages?
- . Do you think you received timely, accurate and adequate information from the company or otherwise about what was happening before, during and after the service outages?
- . Did you attempt to contact the company for information or assistance immediately before, during or after the outages, and did you get what you were requesting?
- . What are your overall impressions about how the company responded to the outages and your reasons for those impressions?
- . What are your recommendations about actions you believe the company should or should not have taken before, during and after the service interruptions?
- . What actions do you recommend the Commission take in light of all that you know about these events?

It is not necessary to make an appointment in advance in order to speak. Speakers will be called after completing a card requesting time to speak when they sign in at the door. All public statements will be transcribed by a stenographer. It is not necessary to submit written statements, and all statements -- either written or oral -- will be included in the formal record of the investigation for consideration by the Commission.

Disabled persons who may require special accommodations should contact the Department of Public Service's Human Resource Management Office at (518) 474-2520.

Other Ways To Comment

Interested persons not wishing to attend or who are unable to attend the public statement hearings may comment (in English or Spanish) on the proposal by mailing their written statements to: Honorable Jaclyn A. Brillling, Secretary, New York State Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350. Statements should reference "Case 06-E-0894— Order Instituting Proceeding and Directing Staff Investigation" and should be received as soon as possible.

Other alternatives available for submitting comments for consideration include:

Toll-free Opinion Line: Interested persons may call a special toll-free Opinion Line at 1-800-335-2120. This phone line is set up to receive comments about the proceeding from in-state callers, 24 hours-a-day. Callers should select English or Spanish and press "1" to leave comments about the Con Edison case.

Internet: Comments also may be submitted via the "PSC Comment Form," in the "Contact Us" file, accessed through the homepage of the Commission's Consumer Web site. The Web site address is <http://www.AskPSC.com> and comments are downloaded regularly. Many libraries offer free internet access.

All statements and comments received will be considered by staff in its investigation and will be placed in the public case file and made available for public inspection in the Commission's file room.

A copy of the Commission's written order instituting its investigation of the customer outages in Con Edison's Long Island City network (Case 06-E-0894)) can be obtained from the Commission's Website at <http://www.dps.state.ny.us> by accessing the PSC Fileroom section from the homepage. Many public libraries offer free Internet access. The order also is available at the Commission's Files Office, 14th floor, 3 Empire State Plaza, Albany, NY 12223 (518-474-2500).