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June 30, 2017

John McAvoy
Chief Executive Officer, Con Edison
4 Irving Place
Rm 1600
New York, NY 10003

Veronique Hakim
President, MTA New York City Transit
2 Broadway
New York, NY 10004

VIA E-MAIL AND REGULAR MAIL

Re: 17-00849 -- In the Matter of an Investigation Into the April 21, 2017 Metropolitan Transportation Authority Subway Power Outage and Consolidated Edison Company of New York, Inc.'s Restoration Efforts.

Dear Mr. McAvoy and Ms. Hakim,

Yesterday Governor Cuomo directed a 90-day joint review of the electrical systems of Con Edison and the MTA. I am writing today to seek your full cooperation in this endeavor. The review will identify the electrical equipment owned and operated by Con Edison and that owned and operated by MTA; it will identify the party responsible for maintaining a state of good repair for this equipment; and it will review the condition of the equipment.

As you know, this work has already begun as a result of our investigation into the April 21, May 7 and May 9 power-related incidents that affected subway service. With your cooperation and ongoing dialogue, we have determined the causes of the April 21 and May 7 events, and we have begun to identify appropriate remediation activities to reduce the risk of such incidents in the future. The 90-day joint review will be a continuation of these efforts.

The April 21 investigation determined that failure of Con Edison's electricity supply to the Seventh Avenue subway station led to a loss of the subway signals. It has also been determined that the secondary service to the MTA facility was rerouted and not documented properly by Con Edison. As a result of the difference between field conditions and the utility drawings, crews took longer to determine the cause of the outage.

We understand that there are 102 subway stations identified by the MTA as "interlocking" stations like the Seventh Avenue station served by Con Edison, where a loss of power to signals can affect multiple subway lines. These were deemed by the MTA as the highest priority stations to inspect for similar Con Edison power issues. As of this week, Con Edison has completed its inspection of these stations. It identified several problems during these inspections and has completed repairs in those instances. As part of the 90-day review, Con Edison and MTA will need to work together to complete the inspections of the remaining subway stations served by Con Edison.

The May 7 power-related incident affecting MTA's switching capability in the DeKalb station was triggered by a failure of Transformer 3 at Con Edison's Farragut transmission substation. While there was no loss of power related to this event, the change in voltage appears to have negatively impacted MTA equipment. As part of the 90-day review, we will evaluate appropriate steps Con Edison should take to improve power quality, and whether MTA equipment should be hardened to better handle fluctuations in power quality.

On May 9, there was a loss of signal power to DeKalb station. Neither MTA nor Con Edison documented change in power voltage on their equipment, and a root cause of this event has not been determined. Both MTA and Con Edison have installed more sophisticated monitoring technology to determine if there are problems on their equipment, and there is no evidence of malfunctioning equipment.

Other priority work to improve reliability of Con Edison service to the MTA should not be delayed by the 90-day review. Specifically, Con Edison should move forward with (1) replacement of aluminum feeders serving MTA stations, as it has been determined that aluminum cables are more vulnerable to failure; (2) install where feasible redundant power supplies to the few subway stations that do not currently have such redundancy; and (3) procure and deploy remote monitoring technology on its power sources for signal services at subway stations to accelerate utility response if there are future power failures. MTA's cooperation will be essential to facilitate this work, and to ensure it is prioritized for the highest value to the transit system.

We intend to retain consulting services to assist us in our review. I request that your teams provide appropriate access to our consultant to allow timely completion of our work.

Our project lead for this review is Michael Worden, Director of the Office of Electric, Gas and Water. Mr. Worden will continue working with his contacts identified in the April 21 Investigation unless you indicate otherwise. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "John B. Rhodes". The signature is written in a cursive style with some stylized flourishes.

John B. Rhodes
Chief Executive Officer