

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEES ON LOWER MANHATTAN REDEVELOPMENT, CONSUMER
AFFAIRS, AND TECHNOLOGY

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January 18, 2013
Start: 1:11 p.m.
Recess: 5:30 p.m.

HELD AT: Council Chambers
City Hall

B E F O R E:

DANIEL R. GARODNICK
FERNANDO CABRERA
MARGARET CHIN
Chairperson

COUNCIL MEMBERS:
G. Oliver Koppell
Gale A. Brewer
Leroy G. Comrie, Jr.
Andy King
Rosie Mendez
Elizabeth Crowley
Letitia James
Mark Weprin
Domenic M. Recchia, Jr.
Charles Barron
Michael C. Nelson
Julissa Ferreras
Stephen Levin

A P P E A R A N C E S (CONTINUED)

John Miksad
Senior Vice President of Electric Operations
Con Edison

Michael Deering
Vice President of Environmental Affairs
Long Island Power Authority

Bob Rowe
Director of Smart Grid
National Grid

Jonell Doris
District Manager for the Rockaways
Long Island Power Authority

Ken Daly
President
National Grid

Brian McMorrow
Director of Field Operations in New York City
National Grid

Rich Windram
Director of Government Affairs
Verizon-New York

Chris Levendos
Executive Director of National Operations
Verizon-New York

Jimmy Slevin
Vice President
Local 1-2

James Shillitto
Senior Business Agent
Local 1-2

A P P E A R A N C E S (CONTINUED)

Robert Stahl
Senior Business Agent
Local 1-2

Pete Sikora
CWA District 1

2 CHAIRPERSON GARODNICK: Good

3 afternoon and welcome to this joint hearing of the
4 Consumer Affairs, Technology, and Lower Manhattan
5 Redevelopment Committees of the New York City
6 Council. Today is Friday, January 18th, my name
7 is Dan Garodnick and I have the privilege of
8 joining--of chairing the Consumer Affairs
9 Committee, and I'm joined by Chairs Cabrera of the
10 Technology Committee and Chair Chin of the Lower
11 Manhattan Redevelopment Committee, as well as
12 Council Member Koppell, Council Member Brewer,
13 Council Member Comrie, Council Member King, our
14 newest colleague, Council Member Mendez, Council
15 Member Crowley, and Council Member James, Council
16 Member Weprin. Did I miss anybody?

17 Okay. Today's hearing is the third
18 in a series of hearings that the Council will hold
19 on emergency planning and management during and
20 after Hurricane Sandy. We will focus today on
21 public utilities, like Con Edison and the Long
22 Island Power Authority, or LIPA, National Grid,
23 and telecommunications companies to explore how
24 Hurricane Sandy impacted services and what steps
25 these companies have taken in Sandy's aftermath to

2 mitigate the risk of service interruptions from
3 future storms.

4 Weather forecasts for Hurricane
5 Sandy promised a massive storm with high winds,
6 10-foot high storm surge, extensive flooding,
7 torrential rains, and widespread power outages.
8 Sandy lived up to those expectations and then
9 some.

10 In advance of the storm, Con Ed
11 began preemptive power cuts to some of Zone A
12 communities, reportedly to minimize flood damage
13 to its equipment and to allow power to be restored
14 more quickly after the storm. While Con Ed
15 preemptively cut power to two Lower Manhattan
16 networks in Zone A and another in Brighton Beach
17 in Brooklyn, it continued to supply power to
18 networks serving other Zone A communities. We
19 will be asking Con Ed today to explain the basis
20 for its preemptive cuts as well as their success
21 and their thinking regarding the preemptive cuts
22 in some, but not all, of the Zone A communities.

23 In addition to Con Ed's preemptive
24 power cuts, the failure at the 13th Street Con
25 Edison substation in Manhattan--the one that

2 exploded--knocked out power to 250,000 customers
3 south of 39th Street to the tip of Manhattan. I
4 will say that I saw the flash myself and, while I
5 did not know precisely what it was at the time, I
6 knew it was not a good sign. The light in the
7 buildings all around me started going out one at a
8 time shortly thereafter. By the morning after the
9 storm, there were reports of more than 750,000 New
10 Yorkers without power.

11 Of course, not all power outages
12 were due to flooding and Con Ed's preemptive cuts.
13 Throughout the city, high winds and downed trees
14 toppled above-ground power lines causing
15 widespread power outages. By the middle of
16 November, the City had received more than 15,000
17 reports of down trees.

18 During Wednesday's Public Safety
19 hearing on Hurricane Sandy, the administration
20 clarified that tree removal from power lines and
21 streets is given priority over private property,
22 however, the City was vague about which entity,
23 the Department of Parks or Con Edison, is actually
24 responsible for removing downed trees from
25 streets, homes, and power lines in order to begin

2 power line repairs. Today, the committees will
3 want clarification on that question as well.

4 We will also hear a bill related to
5 underground power lines. Intro 985 would require
6 the Mayor's Office of Long-Term Planning and
7 Sustainability to conduct a study to assess the
8 utilization of underground power lines in the city
9 and to determine locations where it would be
10 advantageous to move above-ground lines below
11 ground. The mayor's office has submitted written
12 testimony which is generally supportive of this
13 study with a request that it be narrowed and we
14 will enter that into the record. It is dated
15 January 18th, 2013, and it is signed by the
16 director of Long-Term Planning and Sustainability,
17 addressed to me as the chair of the Consumer
18 Affairs Committee.

19 It also needs to be noted that New
20 Yorkers were not just frustrated with having to
21 live in homes that lacked heat, hot water, and
22 electricity for many days, and in some cases,
23 weeks, but also because Con Ed provided little
24 substantive information regarding when service
25 would be restored to a particular area. For

2 example, although Con Ed has an outage map that
3 indicates an approximate location rather than the
4 specific address of an outage, many outages did
5 not actually make it onto this map during and
6 after Sandy, including, by way of just example,
7 the 110 residential buildings of Peter Cooper
8 Village in Stuyvesant Town on the east side of
9 Manhattan in which more than 25,000 of my
10 constituents live. That many power outages all
11 across New York City were not indicated on the
12 outage map suggested to already-frustrated New
13 Yorkers, accurately or not, that Con Ed was
14 unaware that their homes did not have power.

15 The committees will explore changes
16 Con Ed and LIPA have made to their emergency
17 management plans to better communicate with their
18 customers, including small businesses and even
19 with telecommunications and cable companies during
20 and after a storm. We expect the Utility Workers
21 union to testify that Con Edison's inventories for
22 spare parts was insufficiently stocked in advance
23 of the storm and that its failure to properly
24 prepare for Sandy led to power restoration delays.
25 We will certainly have questions for Con Ed

2 regarding its inventory of supplies, such as
3 cables and poles, as well as the qualifications of
4 the visiting workers from around the United States
5 and Canada that reported to our area to help with
6 repairs. We will have similar questions for LIPA
7 and National Grid regarding an update on repairs
8 to power lines in the Rockaways.

9 We will also have procedural
10 questions regarding how the power companies
11 communicate with electricians regarding the
12 necessary electrical inspections that must be
13 conducted before power can be restored to a home.
14 Sandy had devastating and lasting impacts on many
15 homes and businesses in New York City, and in
16 particular on Staten Island, Lower Manhattan,
17 Coney Island, other parts of Brooklyn and the
18 Rockaways. The New York City Department of
19 Buildings red or yellow tagged many properties in
20 these communities, indicating repairs were
21 necessary before it was safe for a home's occupant
22 to return. The committees want a better
23 understanding of how private electricians
24 communicate to power companies that it is safe to
25 restore power to a property.

2 Lastly, we would like an accounting
3 of the circumstances under which Con Ed would
4 reimburse customers for losses and damages. Con
5 Ed posted on its website that, due to the severity
6 of impacts of Hurricane Sandy, it was not
7 responsible for "property damage or other losses"
8 that consumers suffered due to power losses, even
9 when Con Ed made the cuts preemptively.

10 Now as to the telecommunications
11 companies, New Yorkers also endured cell phone and
12 landline service interruptions during and after
13 Hurricane Sandy. Flooding caused extensive damage
14 to many underground cables and, just as with the
15 electrical systems, workers could not enter some
16 buildings immediately to assess damage and begin
17 necessary repairs until water was pumped out of
18 the basements and equipment dried. Complicating
19 earlier service restoration for landline customers
20 was the extensive damage to copper lines.

21 Verizon, for example, has opted to replace damaged
22 copper lines with fiber optic cable. It is not
23 clear if installing fiber optic cable is more time
24 consuming than making the necessary repairs to
25 existing copper cable, we will explore that with

2 them, and reportedly some owners have denied
3 telephone companies access to their buildings--
4 further delaying repairs.

5 Many cell phone users also
6 experience service interruptions because cell
7 towers require a power source and not all cell
8 towers have backup power supplies. This was one
9 of the biggest surprises to many New Yorkers who
10 realized that their cell phones were no longer
11 working in the aftermath of Sandy and many asked,
12 it's 2012, 2013, how is it possible cell phone
13 service is fundamental here and we should always
14 have some backup source for the cell towers. For
15 many New Yorkers, no power and no cell phone
16 service meant that there was no way to implement
17 their family's own emergency plans.

18 So we are going to explore all of
19 these issues today at this hearing. I am going to
20 turn in a moment to the chairs of both the Lower
21 Manhattan Committee and also the Technology
22 Committee, but before I do, I want to give a shout
23 out to the lowly pay phone, whose days may be
24 numbered in New York City. Long queues could
25 actually be seen at public pay phones in the

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2 immediate aftermath of Sandy, extremely useful in
3 an emergency and we need to keep that in mind as
4 we plan for their future.

5 So I want to thank everyone who
6 will be testifying today and for your presence at
7 today's hearing. And before we go to our
8 witnesses, and we're going to start with Con Ed
9 today, let me first turn the microphone over to
10 Council Member Margaret Chin, the chair of the
11 Lower Manhattan Redevelopment Committee, and then
12 we will hear from Council Member Cabrera, who is
13 the chair of the Technology Committee. Council
14 Member Chin.

15 CHAIRPERSON CHIN: Thank you,
16 Chair. Good afternoon, I am Margaret Chin, Chair
17 of the Committee on Lower Manhattan Redevelopment
18 and the City Council representative for District
19 1, Lower Manhattan. I'd like to thank my
20 colleagues, Council Member Garodnick, Chair of the
21 Consumer Affairs Committee, and Council Member
22 Cabrera, Chair of the Technology Committee, for
23 jointly hosting this hearing on emergency planning
24 and management during and after the storm. I
25 would also like to welcome the newest member of

2 the City Council and a new addition to the Lower
3 Manhattan Redevelopment Committee, Council Member
4 King.

5 Hurricane Sandy affected my entire
6 district of Lower Manhattan, from residents who
7 had to climb up and down 30 flights of stairs to
8 get to their apartments and for a whole week in
9 the village, to residents in Knickerbocker Village
10 in the Lower East Side, who made due without heat
11 or electricity for even longer, to those of my
12 constituents who are still without essential
13 services in the financial district and the
14 seaport. We are still struggling to return to
15 normal life down here in Lower Manhattan.

16 A large part of recovery work that
17 remains is dependent on the restoration of
18 essential utilities. We need electricity to pump
19 out water, remove damaged floorings and walls,
20 remediate mold, and to move mechanical instrument
21 to higher, less vulnerable parts of the building.
22 Many are using temporary generators to power
23 repairs in buildings that are still unable to
24 receive power from electrical grid. Buildings
25 also need working electrical and

2 telecommunications system before FDNY will approve
3 building for re-occupancy.

4 Residents, businesses, and
5 nonprofits are still struggling to function
6 without Internets or landline. Those that were
7 lucky enough to get temporary service have
8 complained to us that the temporary Internet boxes
9 provided are not enough for multiple people to use
10 the Internet and that they spend an enormous
11 amount of time now just trying to get online.

12 Because of the high cost of initial
13 installation of utility infrastructure, utility
14 company often get to operate with a quasi-monopoly
15 in their service areas. Because of this, I
16 believe they have a higher level of responsibility
17 to the public they serve to address service
18 problem and be as perfect as possible in their
19 response to emergencies. We as government must
20 also hold the companies to a higher standards in
21 these situations.

22 I am eager today to begin delving
23 into what we as a city and what utility companies
24 can do at the policy and infrastructure level to
25 prevent such protracted utility outage in the

2 future, including developing smart grid that isn't
3 vulnerable to damage at weak points and looking at
4 burying utility lines where they are not already
5 buried.

6 I also would like to look at how
7 temporary services can be better provided in the
8 future, perhaps including temporary charging
9 station and the provision of a higher quality of
10 wireless service.

11 I also hope that we can examine
12 some of the impacts that have come along with some
13 of the infrastructural change planned, for
14 example, switching from copper to fiber optics,
15 burying utility wire, and moving mechanicals to
16 higher floors.

17 And I would like to examine what
18 utility companies are doing now to help their
19 customers, including providing temporary services,
20 keeping customers informed with regular status
21 updates, offering rebates for service outage to
22 contract holders, and allowing customers to leave
23 contracts without penalty if services are no
24 longer being provided or are changing.

25 Thank you to all of you who have

2 come to testify today and I look forward to having
3 a productive conversation on all these issues.

4 Thank you.

5 CHAIRPERSON GARODNICK: Thank you
6 very much, Council Member Chin. Now before we
7 turn to Chair Cabrera, I just want to recognize
8 that we have been joined by Council Members
9 Domenic Recchia and Charles Barron. Chair
10 Cabrera.

11 CHAIRPERSON CABRERA: Thank you so
12 much to both the co-chairs. Good afternoon and
13 welcome to this joint oversight hearing that
14 concerns assessing and improving public utility
15 risk mitigation measures in light of Hurricane
16 Sandy.

17 The day after Hurricane Sandy
18 devastated New York City, nearly 2 million
19 residents had lost power. In the days after the
20 storm, many New Yorkers who were without power had
21 trouble getting basic information from utility
22 companies, such as when service crews will be
23 dispatched to their area. Service was not
24 restored to many areas for several days and in
25 other areas it took weeks. Some residents are

2 still without power and other services.

3 In addition to electricity, the
4 storm resulted in widespread landlines and
5 wireless communication disruptions throughout New
6 York City. The Tuesday following the storm, as
7 much as 25% of cell phone towers in the storm-
8 affected areas remained out of service. Six days
9 after the storm, many customers in the hardest hit
10 areas were still without cell service. And I
11 personally know, be in the Rockaways helping my
12 fellow Council Member James trying to make phone
13 calls to people to help us out, it seemed almost
14 impossible to just get even a minute of a phone
15 call out, it was very frustrating to say the
16 least.

17 With respect to landline, service
18 disruption had continued for many customers,
19 especially those in Lower Manhattan, for months
20 afterwards.

21 Finally, there were numerous
22 reports that Con Edison, LIPA, and Cablevision
23 continued to bill customers who suffered outages
24 as a result of the storm for services that they
25 were no longer receiving. Although some companies

2 have waived charges and fee for customers who
3 suffered outages, other companies have require
4 customers to notify them before receiving such a
5 waiver.

6 The committees look forward to
7 hearing from utility companies and others about
8 what steps they took before the storm and how
9 effectively they have managed the restoration of
10 these services. Thank you so much.

11 CHAIRPERSON GARODNICK: Thank you,
12 Chair Cabrera. And now we're going to get right
13 into it, and we'd like to welcome John Miksad from
14 Con Edison and anybody else who is here to testify
15 on their behalf. Mr. Miksad, welcome. As soon as
16 you are settled, just go ahead and introduce
17 yourself and you can begin. And the Sergeant may
18 give you a hand here turning on the microphone.

19 Let me note that we have been
20 joined by Council Member Mike Nelson.

21 [Pause]

22 CHAIRPERSON GARODNICK: Welcome.

23 JOHN MIKSAD: Okay. Thank you,
24 Chairperson Garodnick, Chairperson Cabrera, as
25 well as Chairperson Chin, for having this

2 important session today. This is something that
3 we've been saying ever since Sandy hit, that we
4 need to have a public conversation about the
5 lessons learned in the wake of Sandy. It
6 certainly has changed, I think, all of our
7 thinking and planning around the weather and the
8 events that can occur in this area as a result of
9 the unprecedented nature of that storm.

10 I would just also like to take a
11 moment to acknowledge and recognize the 13,000 men
12 and women of Con Edison who did a really heroic
13 job in the restoration of 1.1 million customers in
14 the wake of Hurricane Sandy, despite the fact
15 that, as residents of New York City and the area,
16 they themselves were--lost property, lost homes,
17 and in many cases left homes in the dark
18 themselves in order to restore our customers.

19 We took the liberty of putting
20 together a presentation and I think the
21 presentation will answer some of the questions you
22 talked about in your opening remarks, not all of
23 them, but I did jot them down, so I'll look to
24 answer those questions that you highlighted in
25 your opening, and, obviously, any others that you

2 have for me today.

3 So I'll just run through this
4 quickly and sort of bring you up to speed on where
5 we've been and where we're heading in the
6 aftermath of the storm.

7 Just to, sort of, I've said that
8 already. So I just wanted to take you back for a
9 second. This was not the first severe weather
10 we've had, obviously, 1992 was the highest tides
11 that I've experienced in my 32-year career at Con
12 Edison. And we did take action, raised equipment,
13 changed specifications, changed the designs of the
14 system, both for our own equipment, as well as
15 customer's equipment that we connect to. We also
16 learned, not only from events in our service
17 territory, but we were down helping our friends in
18 Entergy in New Orleans when Katrina hit them and
19 we learned a number of lessons from them as well.

20 With regard to the overhead system,
21 since 2006, we've changed our standards, we have a
22 very aggressive tree trimming program right now,
23 one of the most aggressive in the country, to
24 increase the clearances around the overhead
25 system. That is fine, it helps, it has helped for

2 limbs coming down or limb contact, but when trees
3 are uprooted completely or broken in half, like
4 was the--what happened in Sandy, there's no line
5 clearance program that can prevent those kind of
6 events when tons of trees are coming down on your
7 lines. We also do inspections of our lines
8 monthly and semi-annually.

9 We've modernized the system,
10 someone alluded to smart grid, we've got probably
11 one of the smartest grids in the country with more
12 telemetered points than anyone else, any other
13 utility around.

14 We'll bring up to the few days
15 before Hurricane Sandy hit. We were tracking the
16 storm very early, as early as October 22nd, and if
17 you remember, the forecast pretty much called for
18 the typical of run out to sea until the 24th,
19 where some forecast, including the National
20 Weather Service and the National Hurricane Center,
21 forecasted that left turn into New Jersey, which
22 left us in the northeast quadrant of a storm,
23 which are the most severe winds. So we reviewed
24 our plans and mobilized our staff, looked at
25 inventories to make sure we had enough material

2 and equipment, we moved equipment to higher ground
3 in a number of locations. We looked and
4 sandbagged a number of locations, as well as using
5 water dams in both in the field and in
6 substations, and started the mutual assistance
7 process, which is critical for our industry
8 because no utility can staff for the kind of
9 restoration effort that's required in the wake of
10 a Hurricane Sandy. And that has served us well in
11 the past, but certainly Sandy has shown some
12 vulnerabilities there, which I'll talk about.

13 We deployed the thousands of Con Ed
14 workers, as well as communicated to our customers
15 of the impending storm. We did that through blast
16 e-mails, press releases, and Web updates. Called
17 all of our life-sustaining equipment customers, as
18 well as critical care customers and told them of a
19 potential outages, as well as offered guidance on
20 what to do about it.

21 We established our Corporate
22 Emergency Response Center, which is the
23 organization that really brings all the resources
24 of Con Edison to bear on any major event that we
25 experience, and we've used that successfully ever

2 since 9/11 and it has served us well.

3 We are dealing in our situation
4 with high voltage, high temperatures, high
5 pressures in our systems and we wanted to make
6 sure first and foremost that we kept the public
7 safe. I think we did a good job with that. We
8 preemptively shut down steam service to about 30
9 miles of steam pipe, realizing that East River
10 water and hot steam under pressure is a bad
11 combination so we preemptively shut down parts of
12 that system. And as you mentioned, we
13 preemptively shut down three networks, two in
14 Lower Manhattan and one in Brooklyn when the water
15 started entering the equipment in customer
16 basements, and as well as our structures that were
17 not submersible, and then we secured the gas
18 system to make sure it was also safe.

19 Mutual assistance, as I mentioned,
20 is a critical component. We needed ultimately
21 5,700 employees from around the country as far out
22 as California--first time ever we've gone to
23 California for help. And the reason for that was
24 the wingspan of this storm was so wide, it
25 affected 21 states, 8.5 million customers

2 throughout the country. And I'll just give you a
3 sense of what the storm--this says that 800-mile
4 wingspan, peak wind gusts of 90 miles an hour, and
5 the thing that really took, I think, everyone by
6 surprise, and you mentioned the 10 foot 7 foot
7 forecasts for the storm tide, and we hit a record
8 by far, 14 feet at the Battery, and that
9 overwhelmed the flood protection that we had at
10 the 13th Street substation, as well as some other
11 locations. This is a picture of the FDR Drive,
12 which looks more like a river than a highway and
13 this is, you know, I think just an example, as you
14 know, of many of the scenes we saw throughout our
15 city.

16 As far as the impact to Con Edison
17 in addition to, obviously, the loss of life that
18 Sandy incurred as well as property damage in homes
19 that were destroyed, I did want to touch on the
20 13th Street, what actually happened there. You
21 mentioned the flash, that certainly was one event
22 that occurred there, but it was not the event that
23 took that substation down. What took the
24 substation down was actually the water that
25 entered into the control panels and saturated with

2 saltwater, the controls systems and the wiring and
3 those controls then short-circuited and took the
4 substation out. And there was some question as to
5 whether a preemptive shutdown of the station would
6 have reduced the restoration time of the
7 customers, the 250,000 customers that you alluded
8 to, Chairperson, on the--if we preemptively shut
9 down, would that have shortened the restoration
10 and the answer to that is no. The process was
11 pumping out, cleaning, drying, repairing the
12 existing equipment, there was no collateral damage
13 that resulted, we would have had to do those
14 efforts regardless of whether we shut down the
15 station or not.

16 This is a picture of the area that
17 you described in Manhattan that was out. The pink
18 is the area associated with the 13th Street
19 substation failure, the yellow is the two networks
20 that we preemptively shut down because they're in
21 the lowest lying areas that were most affected by
22 the floodwaters as they pushed over the bulkhead
23 in Lower Manhattan. And as you also mentioned,
24 Brighton Beach serving Coney Island, was also
25 preemptively shut down for the same reasons.

2 The overhead system was the other
3 part of the story, not affected by floods, but
4 affected by wind, and those 90 mile an hour gusts
5 took out what--when it all was said and done, 70%
6 of our customers were in the dark as a result of
7 damage to that system. And the failure mechanism
8 was exactly what you see up here, trees taking
9 down wires taking down poles, and we had thousands
10 of trees down that resulted in damage and required
11 an immense amount of work, five times more than
12 we've ever experienced before. And it was just a
13 year prior, during Hurricane Irene, where we had
14 experienced a record storm, and this one exceeded
15 Irene by five times in every category.

16 And you also mentioned clearing
17 roads and certainly coordinating that work with
18 the City is a challenge. We thought we did a
19 better job, but I assume from your remarks that we
20 need to do even better there.

21 From a restoration effort, you can
22 see that the restoration effort was--it's
23 difficult in any aftermath of any storm with wires
24 down, trees down, but this added floodwater,
25 standing water in a number of places which,

2 obviously, we want to make sure that the safety of
3 our crews were also protected and we did a very
4 good job of that.

5 And I just wanted to give you a
6 sense of the restoration effort. You can see the
7 almost 800,000 customers that were interrupted in
8 the city and this shows the progress--the march
9 toward that restoration to full restoration and
10 you can see that on the 30th we had some just
11 under 100,000 customers restored, and by the 2nd,
12 we had 50% of customers restored, and then stepped
13 up to 80%, and that last leg of the restoration is
14 always the hardest and longest 'cause the big
15 restorations have been done and now we're hand-to-
16 hand combat, door-to-door, customer-by customer to
17 get them restored. I will say this shows full
18 restoration on the 11th, and what we mean by that
19 is that this does exclude those hard-hit areas of
20 Staten Island, Brooklyn, and Queens that where the
21 homes and businesses just could not be restored
22 until after they were certified safe by an
23 electrician. So there were 30,000 of those
24 customers that we excluded from this count.

25 We coordinated with all the

2 agencies, OEM was terrific, very helpful to us in
3 every way, the federal government helped in this
4 storm, the state and local agencies. As I
5 mentioned, we focused on public safety and we made
6 sure that the public did not get hurt.

7 We prioritized the restoration, I
8 do want to talk a little bit about that. As I
9 said, public safety first with downed wires and
10 road closures, we target critical customers--
11 hospitals, nursing homes, and the like--and then
12 we go from, as I alluded to, largest outages first
13 so that we get the most customers restored as
14 quickly as possible and then work our way down to
15 the end, where we're working one customer at a
16 time to get those last customers back. We
17 distributed wet and dry ice, some 280 tons of
18 that, which helped, not a great help, but it is
19 somewhat of a help to some of our customers. And
20 we set up command buses in those hardest hit areas
21 in Staten Island, Queens, and Brooklyn so that we
22 had folks on the ground that where customers could
23 come to talk to to make sure we help them through
24 that, I'm sure, very confusing and emotional
25 process of trying to rebuild their lives.

2 This, again, is a typical scene
3 that we saw with multiple trees down pulling down
4 our facilities, as well as the other facilities on
5 the pole.

6 And the hard-hit areas, which you
7 also alluded to in your opening remarks,
8 obviously, homes destroyed, some will never be
9 reconnected to the grid and it will have to be
10 rebuilt, but for those that are repaired, there's
11 a certification process, as you alluded to. We
12 have people still on the ground out there, which
13 is basically waiting for a certification from an
14 electrician and we will turn that around quickly
15 within 24 hours, in many cases within one shift,
16 eight hours, to re-energize that customer, either
17 whether business or residential property. And
18 that process has been in place ever since the
19 storm and it continues as we speak.

20 I mentioned the 30,000 customers
21 that were originally in the hardest-hit areas and
22 we have--we're now down to about 900 customers
23 that are still remaining and, as I mentioned, some
24 of those will never be reconnected until they
25 rebuild their homes.

2 Unprecedented is the word that
3 keeps getting used in this storm, and in mutual
4 assistance, it was no exception. We built five
5 base camps, basically tent cities, around the city
6 and Westchester County to house these crews from
7 around the country. We fed them there, they slept
8 there, we gave them their work there, their safety
9 discussions were there. Equipped them, fueled
10 their vehicles, we did everything there. Woke
11 them up at around 4:30, 5 o'clock, fed them, and
12 then got them out so we maximized daylight for
13 maximum restoration efficiency.

14 This shows a bucket truck from
15 California being off-loaded a U.S. Air Force
16 transport. First, another one of these first
17 unprecedented things that we experienced, there
18 was so many of them during this storm.

19 You probably remember, November
20 7th, we had a setback with a nor'easter that came
21 through in the midst of our restoration effort.
22 We were down to about 55,000 customers out at this
23 point, and I should say I think we were at 70,000
24 customers out at this point and then another
25 55,000 were interrupted with the nor'easter came

2 through and so it did slow us down and we had to
3 then come back and do additional restoration.

4 These were the breakdown by borough
5 of the outages in New York City, just to give you
6 a sense of where they occurred.

7 And as you mentioned, as important
8 as restoration is communication and, although we
9 did a lot of communication, I mentioned the pre-
10 storm communication, there was also a lot of
11 communication during the storm: 1.2 million
12 inbound calls from customers, 1.4 million outbound
13 calls to customers. We did the press releases and
14 the press briefings and the daily calls with
15 elected officials and municipalities. Obviously,
16 there's more to be done and we'll certainly talk
17 more about that. We increased the use of social
18 media, again, it's meeting customers where they
19 are and this is how they want to communicate so
20 this is where we're meeting them, and that was
21 used quite extensively during the storm.

22 I want to talk about just sort of
23 what we're doing now, at least some of the things,
24 I won't go into all the things because there are
25 many more than we have time for right now, but we

2 are working on 13th Street and the other
3 substations that are in the floodplains and making
4 sure that all of them are protected to at least
5 the Sandy level, that 14-foot level, if not
6 higher, and we will have all of our steam-
7 generating stations as well as the substations
8 that are in the floodplains protected, albeit some
9 of them with just makeshift barriers, but they
10 will all be protected to the 14-foot level at
11 least by this summer. So if Sandy were to happen
12 in this hurricane season, 13th Street and the
13 customers associated with 13th Street would not be
14 impacted as a result of a shutdown of the station.
15 We are benchmarking with other utilities and
16 manufacturers around the country about what
17 they're doing to make sure we're up-to-date, I
18 think we are, but we want to make sure.

19 With regard to the preemptive
20 shutdown networks with Brighton Beach in Coney
21 Island, we are installing switches that will allow
22 us to isolate basically a handful of customers,
23 like the aquarium and Kingsborough Community
24 College, those that we know will go under water
25 with a Sandy-like event, that we can isolate just

2 those handful of customers and spare the 28,000
3 other customers from preemptive shutdown, and that
4 will be in place by this summer. Obviously, if
5 those other customers have water in their
6 basements and affecting their electrical
7 equipment, that, obviously, will take them out
8 also, but I'm just saying that we can isolate to a
9 handful of customers the preemptive shutdown
10 requirement in Brooklyn.

11 With regard to the two Manhattan
12 networks, we're working on a plan to split those
13 networks and divide them into sort of the coastal
14 region and then the inward--the areas inward from
15 the sea and we'll split that basically in half.
16 So instead of 6,500 customers that will be
17 interrupted, it'll be more like 3,500 customers
18 and significant, important customers will be
19 spared from a preemptive shutdown, including the
20 Downtown-Beekman Hospital, the Federal Reserve,
21 and the New York Stock Exchange, so we think
22 that's an important move. And it's a step, not
23 the be-all, end-all, but it's a step in the right
24 direction. We'll have that done by the end of
25 2014. And then we are, as I mentioned, there's a

2 number of other things that we're doing in the
3 flood-prone areas to allow it to be submersible.

4 On the overhead system, we are
5 looking at selective hardening. I know the bill
6 that we're going to talk about is about perhaps
7 burying all overhead lines, and we've looked at
8 that in the past, it is very pricey, but we think
9 perhaps targeted undergrounding may be something
10 that is appropriate. But we're also looking at
11 other system designs, with different polls,
12 different connectors, different wire that would be
13 more storm resilient. There will be outages when
14 there is a storm when the wind blows, but we could
15 minimize those outages and that will allow faster
16 restoration for those customers that are affected.

17 And then finally, we're reviewing
18 all options, nothing is off the table, and we
19 really think dialogues like this are critically
20 important because there are--these are complex
21 issues, many are costly issues, and if, for
22 example, the city or state decides to put a
23 seawall out in the New York Harbor, that would
24 eliminate the need for some hardening. So we need
25 to make sure that we're coordinating all the

2 efforts to make sure we're getting the most bang
3 for the buck and not wasting taxpayer and
4 ratepayer dollars. So we will continue with our
5 hardening, as I said, we're taking some steps
6 already which would help us in a Sandy-type
7 scenario, but, obviously, there are other
8 scenarios where we need to look at also.

9 We are continuing to look at the
10 restoration process to streamline it to improve
11 it. Mutual assistance is certainly an area that
12 we're looking at. I'll just mention the
13 traditional way mutual assistance was invoked was
14 when the damage hit, that's typically when the
15 trigger was pulled, and what we're realizing is
16 we've got to pull the trigger days in advance.
17 Now that could mean we have false alarms where
18 we're pulling the trigger, bringing crews in, and
19 then the storm goes out to sea and we've expended
20 those dollars and used those resources but haven't
21 really needed them because they haven't had any
22 wire to put up or anything to restore. That's a
23 possibility, and that's the risk you take when you
24 do take an action like that.

25 And then the other critical thing

2 for us is improve damage assessment, we have got
3 to shrink the amount of time. And Sandy really
4 showed us this because there was just so much
5 damage, but we need a good damage assessment
6 basically in a day so that we have our hands
7 around what damage and what work we have to do.
8 And if we can do that, if we can know the amount
9 of work we have in basically a day after the storm
10 and know the resources we have at our disposal, we
11 can then put together a plan that can lay out what
12 I think everyone wants is a solid, accurate
13 estimated time for restoration. And I think with
14 those two components, we can provide that. And
15 that is, really, I think, the holy grail and I
16 don't think any utility in the country, that I
17 know of, has mastered that but we know we have to.

18 And then we are also looking at all
19 technology solutions, and that includes smart
20 meters. We have looked at those before, another
21 pricey solution, but we think that the time is
22 come where we're not going to be able--we
23 shouldn't have to rely on our customers to call us
24 to tell us they're out of service, and that kind
25 of technology is available. There are some

2 issues, it's not just about putting meters in,
3 changing out meters in our customers' homes and
4 businesses, we also need to make sure that we can
5 manage all that data, 'cause you can imagine the
6 amount of data that's coming in during an event
7 like this. So we've got to make sure that it
8 actually is going to result in the outcomes that
9 we're looking for.

10 And that really is what I had
11 prepared, and certainly we can talk about anything
12 that you would like to talk about.

13 CHAIRPERSON GARODNICK: Well thank
14 you very much for your testimony, and I know that
15 there are a number of questions for you. Let me
16 kick it off very briefly and then I will come back
17 after all my colleagues have had a chance to pose
18 a few questions to you.

19 One of the points of frustration
20 that a lot of people had with Con Edison was
21 related to the communications after the storm.
22 Pre-storm communication is one thing, it sounds
23 like you made a lot of outbound calls and e-mails,
24 but the post-storm communications--and this may go
25 to your point about damage assessments--but the

2 issue for many was that the outage map when people
3 would go to look or have somebody go to look for
4 them, they would know that their property was out
5 and they would look at the Con Ed map and it would
6 say nothing about their neighborhood or their
7 building being out. And when they would inquire
8 to Con Ed, the response would be, we don't do
9 specific addresses, which people would understand
10 except for the fact when they looked at the map,
11 the entire area that they lived in appeared to be
12 with power when they knew, in fact, that it was
13 without. Can you address that particular
14 challenge?

15 JOHN MIKSAD: Yes, indeed. Yeah,
16 we employ that outage map, the Internet-based
17 outage map, I think we did that in 2007 or 2008.
18 I think it was a really good step, but it's
19 certainly just a step, we need to go further with
20 it. You alluded to, you know, sort of the general
21 area information but without customer-specific
22 information. What we're working on now is
23 actually, you know, through basically where a
24 customer can confirm by password where they can
25 actually go and get their specific, their own

2 information directly from that outage map, which I
3 think will be a huge step forward as opposed to
4 just whether the area is in or out.

5 And with regard to the
6 misinformation that was on there or absence of
7 information, that is certainly something that we
8 need to work on also. And I do think that goes
9 somewhat to the point--two points that I made, one
10 is the damage assessment, which actually took us
11 probably five days to complete in this storm, the
12 longest ever, and we had 700 people doing damage
13 assessment out there, but certainly Sandy showed
14 that we needed either more or to come up with a
15 different method.

16 I know there are some utilities
17 that are looking at drones that can do aerial
18 patrols of the system to do a quick damage
19 assessment, we're certainly considering that. But
20 we also do think that the smart meter type
21 approach will give us certainly, you know, will be
22 locked in in terms of who's in and who's out if we
23 can crack the nut of data management that I
24 alluded to in my remarks. But we acknowledge that
25 we have more to do.

2 The other thing I would say is that
3 will happen in terms of communication in April of
4 this year, we will employ a system that the City
5 has really been using for a while now and the MTA
6 where it's an opt-in program our customers can
7 sign up for texting where we will text our
8 customers an estimated restoration time and other
9 information that they are looking to receive. So
10 there are communication breakthroughs in the
11 short-term.

12 CHAIRPERSON GARODNICK: That's good
13 and encouraging, provided, of course, that people
14 actually have the cell phone service to be able to
15 receive--

16 JOHN MIKSAD: [Interposing] Yes,
17 indeed.

18 CHAIRPERSON GARODNICK: --those
19 updates, and we're certainly that's part of our
20 discussion today.

21 One other question from me relates
22 to your communication with property owners, either
23 at a large-scale, like in a Peter Cooper Village,
24 Stuyvesant Town context, which I experienced
25 firsthand, or with the individual homeowners in

2 the Rockaways to know the moment at which power
3 can be restored safely to those individual or
4 communities of buildings. I will tell you that we
5 saw an example in Peter Cooper Village where the
6 property owner was not ready to receive Con Edison
7 power at the moment that Con Ed power was
8 restored. There was still water in the basements,
9 they hadn't done the cleaning, and the results of
10 the restoration too fast was a miniature explosion
11 in the basement of one of the buildings, a fire,
12 carbon monoxide, you know, 20 fire trucks and a
13 possible evacuation, and people were appropriately
14 concerned about that. And also to try to get Con
15 Edison to reverse course was a very difficult
16 thing to do in the midst of everything else that
17 you all had going on. So this is a broader
18 question, which is, how do you know the moment
19 when it is safe and how would you rate your
20 performance on that in the course of this storm?

21 JOHN MIKSAD: Yeah, on the
22 individual building-by-building restoration, I
23 think I would rate us high. When Peter Cooper and
24 Stuyvesant were part of the, obviously, part of
25 the outage of 13th Street and when that substation

2 was restored and those networks were restored on
3 the Friday and Saturday following the storm, the
4 second and third, we did not do a house-to-house
5 inspection of every building prior to restoring
6 those networks. Someone can call that--could
7 certainly call that a vulnerability and I would
8 agree. We had to make a tradeoff there, we sort
9 of weighed whether we can take the time, we had
10 the luxury of time to do that sort of detailed
11 inspection, we felt we didn't, and we basically
12 made the restoration attempt at that time.
13 Fortunately, the incident that you described at
14 Peter Cooper was one of the few that we did
15 experience, but, certainly, I'm aware that we had
16 to then pull back and we had troops on the ground,
17 as well as the fire department, to make sure that
18 we de-energized and then worked with the building
19 owner to restore.

20 But that certainly for, when we
21 talk of this massive 230,000 customers, that
22 certainly could be considered a vulnerability here
23 when we are looking to make a rapid restoration.

24 CHAIRPERSON GARODNICK: Well we'd
25 like to--I certainly would like to talk to you

2 further about that. I mean, the challenges are
3 enormous to you and everybody is pushing you to
4 restore power as quickly as possible--

5 JOHN MIKSAD: Yeah.

6 CHAIRPERSON GARODNICK: --and yet
7 at the same moment, if there had been people in
8 those basements working to clean them--

9 JOHN MIKSAD: Yes.

10 CHAIRPERSON GARODNICK: --we could
11 have had a real tragedy on our hands.

12 JOHN MIKSAD: Yes.

13 CHAIRPERSON GARODNICK: So, you
14 know, weighing that in the balance is a very
15 significant weight in, you know, in the balance of
16 public safety, but that's a conversation we should
17 continue to have--

18 JOHN MIKSAD: Absolutely.

19 CHAIRPERSON GARODNICK: --as to
20 that neighborhood and others like that. I'm going
21 to turn now to Chair Cabrera and then to the rest
22 of our colleague.

23 CHAIRPERSON CABRERA: Thank you so
24 much. I noticed that you had in your PowerPoint
25 presentation a little phrase, exceeded

2 expectations. Explain me, do you have experts
3 that you call upon:? You know, we don't see a lot
4 of hurricanes coming through New York City, did
5 you call upon experts in light of the fact that I
6 know, you know, just looking at what was happening
7 through the television, that we were going to have
8 a monster, and it had all kinds of names that were
9 attached to it, to Sandy, did you call upon
10 experts? And if so, were they the ones who
11 recommended to have only 700 standby workers that
12 were coming from out of state? Should we'd had
13 more waiting on the sidelines? Help me understand
14 what was happening behind the scenes.

15 JOHN MIKSAD: Okay. So with regard
16 to our forecast, we actually have two
17 meteorologists on staff that were tracking this
18 storm. As I mentioned, I think we started
19 tracking it on either the 19th or--either the 20th
20 or 22nd of October. And you know, the typical
21 path for a hurricane for the vast majority of
22 these sorts of tropical storms is to, you know,
23 sort of kind of curve, hug the coast, and then to
24 break out to sea--

25 CHAIRPERSON CABRERA: Right.

2 JOHN MIKSAD: --and that's why we
3 don't see a lot of hurricanes up in our area in
4 New York City.

5 So we were paying attention to this
6 storm from its formation, as we do, I mean,
7 obviously, we're very weather-sensitive so we are
8 always looking at the weather, we're like farmers
9 in that respect, and heat, cold, rain, snow,
10 sleet, we're always looking at the weather, and in
11 hurricane season we are particularly attuned to
12 the weather. So we were watching this storm from
13 either the 20th or the 22nd. As it was forming,
14 it was somewhat unusual in the formation, and you
15 could certainly talk to our meteorologists more
16 about that. And then I believe it was either the
17 24th or the 25th where--is when the forecast that
18 I think you're referring to, Chairperson, where
19 the forecast showed this left hook, that the
20 storm's path was going to move right into the
21 Jersey shore, and leaving us in a very vulnerable
22 position. As this storm pushes up and pushes all
23 that water as result of its forward movement, as
24 well as the winds, up into the New York Harbor.
25 That's when the forecast--and I think in your

2 opening remarks you alluded to 10.7 foot tides and
3 that's sort of the range that we were hearing at
4 that time, and we were prepared for a 10 foot, 7
5 foot tides. We experienced, you know, a 9 1/2
6 during Irene and a 9 1/2 during the '92
7 nor'easter, so we were certainly prepared for
8 that. And I don't think anyone, especially since
9 it never occurred in the city, I don't think
10 anyone predicted or forecasted 14-foot tides--

11 CHAIRPERSON CABRERA: [Interposing]

12 I was hearing 13 a couple of days before, and
13 Irene, to be honest with you, was technically a
14 Category 1, but it was basically at the lower end,
15 it was dying when it came in. I mean, but just
16 looking at the massive and also the combinations
17 that you just mentioned, you know, that it was--
18 couple of days before we had a pretty good picture
19 that--and the fact that you call in 700, I'm sure
20 you guys were somewhat concerned that something
21 was about to happen that was out of the range of
22 what we're used to [off mic]. So, you know,
23 something to look at. My, you know, and just
24 hearing the mayor's response on the 29th that we
25 could handle all this by ourselves, I just hope

2 that we never get to the point that we have these
3 all right, that we could handle everything and all
4 we need is a little bit of troops because the fact
5 is, we're probably in the future going to get it
6 Cat 3 one of these days. And, God forbid, but if
7 we do, I'm just curious to know if that were to
8 happen, a Cat 3, I hope not--

9 JOHN MIKSAD: Me too.

10 CHAIRPERSON CABRERA: --but if we
11 do, it seems like the Nino effect is happening in
12 the East Coast now, if that were to happen, are
13 we--the suggestions that you have made, the
14 recommendations, would that suffice in helping, or
15 is there anything else that we could do that will
16 help us? For example, you're talking about walls,
17 would it make more sense to raise the equipment up
18 20-feet high? I don't know, please help me
19 understand.

20 JOHN MIKSAD: Yes, yes, yes. Yeah,
21 what I've learned is not all Category 3s are the
22 same, not all Category 2s are the same--

23 CHAIRPERSON CABRERA: True.

24 JOHN MIKSAD: --that's what you're
25 alluding to too, and it sort of depends where the

2 eye hits and where we are in relation to the eye.
3 Obviously, this was the worst case scenario at
4 full moon, so there were all the stars, sort of,
5 aligned on this one that--

6 CHAIRPERSON CABRERA: Right.

7 JOHN MIKSAD: --resulted in these
8 high tides. But the numbers I have seen for a
9 Category 3, going to your example there, I have
10 seen tides as high as 24-foot for a hurricane--
11 Category 3 hurricane, which is--although I can't
12 imagine it, that would make Sandy look like a dry
13 run.

14 CHAIRPERSON CABRERA: Indeed. So
15 we will be--

16 JOHN MIKSAD: [Interposing] Yeah,
17 so to your point, to your point, yeah, that would
18 require, obviously, much more. And there's only
19 three things you can do with these sorts of
20 systems: You can make them submersible, you can
21 raise walls to keep the water out, or you can
22 raise up, as you indicated, raise up equipment
23 above where the water will reach. Those are
24 really the only three options that we have, and
25 that's not just true with the electrical grid, but

2 with all of the systems. Some systems you're not
3 going to be able to do that, but at least with
4 ours, those are the three options that are at our
5 disposal.

6 CHAIRPERSON CABRERA: I have more
7 questions, but I'll just leave it at this: Would
8 it make more sense, because we never know how high
9 it's going to go up, you know, now 14, maybe 20,
10 you know, would it make more sense that we should
11 just focus on making the equipment submersible
12 because that way we would never have to worry
13 about the fact, how high, you know, it will go?

14 [crosstalk]

15 JOHN MIKSAD: Well--

16 CHAIRPERSON CABRERA: Does it make
17 a difference?

18 JOHN MIKSAD: --yeah, and that's
19 why I think that hearings like this and other
20 conversations that are, you know, involve a wide
21 range of stakeholders is just so important
22 because, you know, we could evaluate any and all
23 options, as I said, they're all on the table. We
24 could look at raising everything above the 24-foot
25 elevation level. My feeling is that would result

2 in probably tens, I'm not sure if it's hundreds,
3 but I'm sure we're talking probably tens of
4 billions of dollars in order to do that. And when
5 you add onto that the communication
6 infrastructure, the gas, the steam, the cable,
7 subway, water, all of the other infrastructure,
8 when you add that all together, you know, we're
9 talking about a high price tag. That's when, you
10 know, a 5 billion or \$6 billion solution, one
11 solution that keeps the water out into the harbor,
12 that's when it starts looking to be a reasonable
13 alternative.

14 So I just think what we need
15 probably the best solution would be for all of us
16 to work up our options, to look at the costs
17 associated with those options, and then come back
18 to the table and have that conversation
19 collectively about, okay, how do we want to
20 proceed and what's the best way and most efficient
21 way to proceed.

22 CHAIRPERSON CABRERA: Right, and
23 let me just say, I know it's very easy sitting
24 from this side playing Monday morning quarterback,
25 very easy to do that, but let me just commend your

2 workers that did, in my estimation, you know, I
3 saw them out there working long hours, had an
4 opportunity to speak to some of them, did, you
5 know, as best they could, they did a great job.
6 Thank you so much.

7 JOHN MIKSAD: I really appreciate
8 that.

9 CHAIRPERSON GARODNICK: Thank you
10 very much, Chair Cabrera. Chair Chin has
11 graciously offered to go after the rest of our
12 colleagues and ask her questions. Thank you,
13 Chair Chin. We'll now go to Council Member
14 Koppell.

15 COUNCIL MEMBER KOPPELL: Thank you,
16 Mr. Chairman. My constituency is fortunate that
17 most of my district lies above the water, however,
18 that did not spare us from considerable outages
19 and damage because much of my district has
20 overhead power lines, and I want to focus on the
21 undergrounding issue. First of all, Mr. Chairman,
22 I see that there is Intro 985, which calls upon
23 the City to study undergrounding of power lines,
24 and I would like, if my name is not already on
25 that, I would like to add my name because I. And

2 I'd like to discuss this with you for a moment.

3 First of all, I notice in your
4 presentation you said there will be some looking
5 at strategic locations where you could
6 underground. How are you going to decide what's a
7 strategic location?

8 JOHN MIKSAD: That's a great
9 question. We haven't decided how we're going to
10 decide which is a strategic location. We do think
11 that the decision is made in concert with City,
12 County of Westchester officials on what is the
13 right method, whether it's population density,
14 whether it's the critical customers that are
15 supplied from those particular lines. It could be
16 any of those strategies or others, but we'd
17 certainly be open to input as to how we go about
18 that.

19 COUNCIL MEMBER KOPPELL: Well
20 certainly, I mean, if you look at, as I say,
21 especially the Riverdale section of my district
22 that's--

23 JOHN MIKSAD: Yes.

24 COUNCIL MEMBER KOPPELL: --heavily
25 treed--

2 JOHN MIKSAD: Yes.

3 COUNCIL MEMBER KOPPELL: --we've
4 had repeated instances of lengthy outages, Sandy
5 outages were up to 12 days, we had outages with
6 Irene, we had outages with the tornado, we had a
7 tornado a couple of years ago--

8 JOHN MIKSAD: Yes.

9 COUNCIL MEMBER KOPPELL: --and that
10 caused outages in part, so I think we have a
11 strategic area. But the other question is, and
12 I've talked about undergrounding power lines for a
13 decade, but each time we raise the issue of
14 undergrounding power lines, we get back the
15 response from Con Ed, oh, that's going to be very
16 expensive. And we've had a meeting only in the
17 last few weeks, as you may or may not be aware,
18 and we got estimates of millions of dollars to
19 underground the power lines. Now, what confuses
20 me, if you will, is, has it always been adjacent
21 property owners that have paid for undergrounding
22 power lines or has that been a general charge to
23 all the customers as you've undergrounded lines?
24 'Cause most of Manhattan, and I don't think all of
25 it, but most of Manhattan is underground now and

2 other areas are underground, some parts of my
3 district are underground. Has that always
4 resulted in specific charges to adjacent
5 customers?

6 JOHN MIKSAD: Well we've never gone
7 after--we've never done an undergrounding program
8 in our territory. Manhattan has--well, actually
9 since 1910 or 1920, Manhattan has been underground
10 exclusively. The densely populated areas of
11 Brooklyn and Queens, as well as the Bronx, have
12 been underground from the beginning. The lower
13 density population, typically the residential
14 areas, are where we generally use overhead
15 distribution methods. So we've never actually
16 said consciously, okay, we're going to take these
17 lines and now move them underground, so the
18 question really hasn't come up until now.

19 And what, really, I'll just talk a
20 little bit about what's involved. So it would
21 certainly involve--the one obvious thing was we'd
22 be taking the wires down off the pole and
23 excavating the street along that lane in order to
24 then put conduit and cables in the ground, and
25 then to interconnect to all the customers on that

2 street from the underground system as opposed to
3 the overhead system. What we've talked about--
4 and, again, this is certainly something that we
5 can talk further about--but that we would--to do
6 this, we would bear the cost of moving the lines
7 underground on the street and that would be--those
8 costs would be borne by all customers, not the
9 customers on the street. The work to convert the
10 individual customer's home, the meter pan and the
11 weather head that meets our cables, which is
12 customer property, that is what we've talked about
13 traditionally has been borne by the individual
14 customer, and that would need to be changed and
15 reconfigured by an electrician in order to accept
16 an underground service.

17 So the way we've looked at it in
18 the evaluations that we've done to date has been
19 sort of a two-pronged, you know, there's a Con
20 Edison component of cost and a customer component
21 of cost. But certainly if the regulator and the
22 elected officials decide that this would all be
23 done, you know, through the company and spread
24 through all customers, that's something that we
25 can certainly, you know, talk about.

2 COUNCIL MEMBER KOPPELL: Well I
3 appreciate that. In my conversations with Con Ed,
4 at least it's my impression that they're still
5 talking--your representatives are still talking
6 about charging the adjacent customer, not only for
7 the connection between the street line and the
8 home, but for the whole ball of wax, putting the
9 lines under and the connection. Let me say, I'm
10 not saying that I endorse the option you're
11 talking about, but that certainly would be better
12 than charging the customers for both putting the
13 line in the street and then the line between the
14 street and the home.

15 But what I would ask, Mr. Chairman,
16 I think that this--Mr. Chairman, if I may address
17 to you, I think that we should formally ask the
18 Public Service Commission to study this issue
19 because charging the individual homeowners becomes
20 exorbitant, the charges are enormous. I think
21 they talked about--I don't remember anymore the
22 numbers, but it was millions of dollars per mile,
23 so it's very substantial, and out of the budget
24 range of most customers. At the same time, if
25 it's put into the tariff, yes, everybody's going

2 to have to pay, but everybody pays for a lot of
3 the Con Ed infrastructure. So--

4 JOHN MIKSAD: Yes.

5 COUNCIL MEMBER KOPPELL: --I think
6 we should--this committee should ask the Public
7 Service Commission to study this issue and how the
8 charges should be spread to the customers. And I
9 think that, you know, obviously, there are a lot
10 of different views of it, and if you have--get
11 your power now from an underground source, you're
12 probably not happy about my suggestion. But at
13 the same time, looking at it from the point of
14 view of my constituents and many others in places
15 like Queens and Brooklyn, where you have overhead
16 lines, the only way you can do it in an affordable
17 way is if you spread it through all the customers.

18 So I think we really have to pursue
19 that, and I would ask, you know, Con Ed to come up
20 with various scenarios and proposals, as you
21 yourself indicated. As I say, I'm delighted to
22 hear you're at least thinking of bearing the cost
23 of the mainline and then charging customers, I
24 believe that that would be, certainly, a positive
25 middle ground as far as I'm concerned.

2 And I don't want to take more time
3 of the panel, but let me just say that I'm glad to
4 hear you say about improving the speed with which
5 you do damage assessment 'cause in my view, the
6 biggest problem--the greatest frustration I had in
7 my district was that it took you days to do damage
8 assessment--

9 JOHN MIKSAD: Yes.

10 COUNCIL MEMBER KOPPELL: --when my
11 own sense was I could drive around in a couple of
12 hours--

13 JOHN MIKSAD: Yes.

14 COUNCIL MEMBER KOPPELL: --and have
15 you told you what the damage was. So I think that
16 is a key priority--

17 JOHN MIKSAD: Yes.

18 COUNCIL MEMBER KOPPELL: --to get
19 the damage assessment done in the first 24 hours
20 and then start to address it. 'Cause we had
21 situations where, for four days, nothing was being
22 done--

23 JOHN MIKSAD: Yes.

24 COUNCIL MEMBER KOPPELL: --because
25 they said you were still examining the damage.

2 So--

3 JOHN MIKSAD: Yes.

4 COUNCIL MEMBER KOPPELL: --that is
5 a real priority.

6 JOHN MIKSAD: Yes.

7 COUNCIL MEMBER KOPPELL: Thank you.
8 Thank you, Mr. Chair.

9 CHAIRPERSON GARODNICK: Thank you,
10 Council Member Koppell. And I just want to note
11 on the subject of Public Service Commission, the
12 Governor's 2100 commission report did make some of
13 those requests already to the Public Service
14 Commission, but I certainly agree with you that
15 that's an issue that they should be looking at, as
16 well as we should have it studied at all levels of
17 government and also certainly by Con Ed.

18 I have some Council Members who
19 have lots of questions here, a couple who have
20 very few questions and reps from districts which
21 were very severely affected. So let me just start
22 with the folks who have a couple of questions,
23 which is Council Members Crowley and Weprin, and
24 then we're going to go on to Council Members
25 Recchia and Comrie.

2 COUNCIL MEMBER CROWLEY: Thank you
3 to our chairs. I have a quick, few questions.
4 One, back in 1912 when the borough of Manhattan
5 was entirely put underground, were homeowners
6 charged? Those that lived in individual houses
7 versus bigger buildings, and were customers
8 charged to be hooked up to the grid from an
9 underground source when they were, prior to that,
10 getting billed from an overhead wire?

11 JOHN MIKSAD: I wasn't here at the
12 time--

13 COUNCIL MEMBER WEPRIN:
14 [Interposing] Let's ask Oliver Koppell.

15 [Laughter]

16 COUNCIL MEMBER CROWLEY: I raised
17 that question because I believe we all pay the
18 same amount for the service, whether it be from an
19 underground power line or above ground, yet the
20 delivery of service is not the same. And, you
21 know, with the absence of this storm, definitely
22 within the district I represent. And I introduced
23 a bill about two years ago after the tornado
24 whipped through my district and many were left,
25 you know, for days without power, which wasn't so

2 bad compared to the severity of those that were
3 affected during Sandy. However, in my district,
4 it happens at least once a year for some
5 customers, some customers a number of times a
6 year.

7 And, you know, it's not just the
8 service interruptions, earlier we spoke about the
9 number of trees that have come down and affect the
10 power lines, but I think the integrity of a tree
11 is affected when we're cutting around it just to
12 have the space for the lines and continuously
13 altering that tree. So I think that there is a
14 monetary value to those trees and, of course,
15 aesthetically, overhead power lines are
16 unattractive. So for those reasons, but most
17 importantly, for the service, I believe they need
18 to go down, especially in districts that have been
19 so severely disserved by this.

20 I agree with a lot of what my
21 colleague, Cabrera, has said about the storm. You
22 know, I don't think New York City was prepared,
23 the national weather channel said it was going to
24 be a serious storm in New Jersey, the governor was
25 yelling at mayors to get their people out of those

2 coastal towns. However, you know, our utilities
3 and our public service, I don't believe was
4 prepared enough. Just quickly, could you--I don't
5 know if you said it before, but I don't remember
6 hearing how many more men and women were brought
7 in to work on the system, how many more trucks in
8 preparation for the storm?

9 JOHN MIKSAD: Sure. First, I just
10 wanted to--I didn't say it before, but I just want
11 to say we support the bill to study--that is in
12 question here, to study undergrounding for the
13 city, and we will cooperate and provide any
14 information that we have to--

15 COUNCIL MEMBER CROWLEY:

16 [Interposing] I just think we need to be brought
17 into the 21st century, us outer borough folks, the
18 people in Staten Island, the people in the Bronx
19 or Queens. If Manhattan has a service and has had
20 it for over a century, then we deserve the same
21 service. So a study or not, it has to get done.

22 JOHN MIKSAD: To your question on
23 mutual assistance, we saw the forecast change, as
24 I mentioned, October 24th or 25th, and that's when
25 many of the models were converging on the eye of

2 Sandy hitting the Jersey shore and, certainly,
3 that meant that we were going to get the impact by
4 both wind and water, and that's when we made our
5 initial requests out to the regional mutual
6 assistance group for support. I think I said in
7 the presentation about 28th or 29th we doubled
8 that request. So we were asking for--

9 COUNCIL MEMBER CROWLEY:

10 [Interposing] Like, if on your average typical day
11 you have 100% workforce, did you double it to 200%
12 or 300%--

13 JOHN MIKSAD: [Interposing] Okay,
14 okay, great. Yeah, normally, in my organization I
15 have, round numbers, 4,000 employees and we
16 brought in 5,700 employees, so we more than
17 doubled, we--

18 [Crosstalk]

19 COUNCIL MEMBER CROWLEY:

20 [Interposing] So like 125%.

21 JOHN MIKSAD: Correct.

22 COUNCIL MEMBER CROWLEY: I want to
23 thank the workforce of Con Ed, you know, those men
24 and women who were working the overhead power
25 lines or working in the manholes, they went above

2 and beyond. I know they took a lot of abuse out
3 there from some of my constituents, but I really
4 do appreciate their hard work, I know it was such
5 a difficult situation they were in. And--

6 JOHN MIKSAD: Thank you.

7 COUNCIL MEMBER CROWLEY: --that's
8 it, I have no other questions.

9 JOHN MIKSAD: Okay.

10 CHAIRPERSON GARODNICK: Thank you
11 very much, Council Member Crowley. Now we're
12 going to go Council Member Weprin very briefly. I
13 have to apologize, I failed to recognize the bill
14 sponsor for an opening statement, we're going to
15 go to him immediately after Council Member Weprin,
16 that, of course, is Council Member Comrie.
17 Council Member Weprin, please proceed.

18 COUNCIL MEMBER WEPRIN: Thank you,
19 Mr. Chairman; thank you to Council Member Comrie
20 and Council Member Recchia, I know you have things
21 to say. I just want to get a couple of points on
22 the record and ask about. First, I'll just
23 quickly say that we were very impressed, I know
24 other elected officials I spoke to, with Con Ed's
25 effort to inform elected officials about the storm

2 and what was going to happen. There was a daily
3 conference call, usually with John Banks or Kevin
4 Lanahan. Also, I want to mention Mike Clendenin,
5 who I spoke to offline very often, that was
6 terrific, we love that. However, one of the
7 biggest complaints I got during the storm was,
8 once the lights went out in people's areas, that
9 we were unable to give them any idea of when they
10 may get their power back. You would go on to the
11 Con Ed outage map that Council Member Garodnick
12 gone to, and it was really useless in a lot of
13 ways. It either had the wrong information or it
14 just said, we'll get back to you in about ten
15 days, was the, you know, the spirit of it. That
16 seemed very frustrating to me.

17 I listened to the radio and I'd
18 hear Governor Christie and PSE&G and New York, New
19 Jersey Power and Light talk about this map which
20 tells you not only where you're out, but what day
21 you're going to be coming back. And we had a lot
22 of people out of their homes either in shelters,
23 some staying in their mother-in-law's houses and
24 other places who just wanted to know when, not
25 exactly when, we understand it was the biggest

2 storm we've ever had, but give us an idea.

3 So one of the things I raised on
4 the conference call actually to John Banks, and it
5 was during the storm so it was harder to make this
6 case, but it seems to me that there needs to be
7 more of an effort by Con Ed to work on that
8 system. And you say you are talking about it--

9 JOHN MIKSAD: Yes.

10 COUNCIL MEMBER WEPRIN: --but what
11 can you do to improve the system for the future to
12 try to get that tech aspect of it where you
13 communicate directly with customers through either
14 through e-mail, through voicemail, or through
15 their elected officials just to give us an idea of
16 where you are. We're understanding, but we want
17 answers and just a timetable of when that power
18 would come back.

19 JOHN MIKSAD: Yes, yep, I could not
20 agree more. So I sat in on a customer focus group
21 probably a year ago and I heard customers say what
22 they want and how they want it. And what they
23 want is exactly what you said, they want a good,
24 early, accurate estimated time for restoration
25 period. First of all, they don't want their

2 lights to out; but, secondly, if they do go out,
3 they want a good, accurate ETR. The way they want
4 it, it was what they told us was a text, a text
5 message or a smart phone app, that's what they
6 want. So that's what we're working on.

7 And as I mentioned, I do think
8 there are some big changes that need to be done to
9 get us there. If you may recall that, for the
10 network areas of, like, Manhattan, we said fairly
11 early after the storm that we would have them back
12 by the following weekend, in other words, by 11/4,
13 and we did live to that commitment, we restored
14 everyone either Friday the 2nd or Saturday the
15 3rd.

16 For those areas that were affected
17 by the overhead, and that was definitely the
18 bigger nut to crack, the more difficult challenge
19 because there were thousands of damaged locations,
20 what we had to do is do damage assessment in order
21 to get our arms around the scope of the effort.
22 That's the first piece, and I mentioned we are
23 looking at any and all ways to shrink that damage
24 assessment down to a day so that we can know very
25 quickly what work we have that needs to be

2 addressed.

3 The second thing that we need to
4 address was the mutual assistance process. It has
5 served us well in the past, but it really did
6 somewhat break down in Sandy. And it broke down
7 because this storm was so big it affected 21
8 states that the folks who normally would be
9 helping us, were busy restoring customers on their
10 own. So we had to go further and further out in
11 order to get that assistance. And as I mentioned,
12 we went to Canada and California, including
13 airlifting crews in to help us, but that took
14 time. We ramped up, you know, a couple of days
15 after the storm, but it took us several days to
16 get that full strength to the 5,700 workers that I
17 referred to earlier.

18 So we have got to do, to me, we've
19 got to figure out a way to make sure that we got
20 those resources that we can count on very early in
21 the storm, and that may mean pulling the trigger
22 earlier, you know, perhaps five or six days to
23 allow travel time for folks to come from very far
24 away to get to our service territory, that they
25 could then be in a position to make restoration.

2 And those are changes that are on the table and
3 that we are looking at now.

4 COUNCIL MEMBER WEPRIN: Well we
5 need--that is absolutely, I mean, you don't think
6 [off mic] that they weren't here fast enough or in
7 time, but people just need to know, that was the
8 biggest--

9 JOHN MIKSAD: Yes.

10 COUNCIL MEMBER WEPRIN: --
11 frustration of all is the not knowing part.

12 JOHN MIKSAD: Right.

13 COUNCIL MEMBER WEPRIN: So that ETR
14 time should become a priority--

15 JOHN MIKSAD: It is.

16 COUNCIL MEMBER WEPRIN: --and not
17 to tell you, you know, your hiring decisions, but
18 you may want to fire one of the meteorologists and
19 put a new tech person in in order to try to
20 accomplish that, because the meteorologists didn't
21 do as well and we really do need some extra tech
22 work there.

23 And I apologize, and I compliment
24 Council Member Comrie for the legislation he's
25 putting forward 'cause those overhead power lines,

2 especially in our area of Queens and in other
3 parts, are really a problem. Thank you.

4 JOHN MIKSAD: Thank you.

5 CHAIRPERSON GARODNICK: Thank you,
6 Council Member Weprin. Again, with apologies to
7 Council Member Comrie, the sponsor of the bill
8 that we're hearing today, the floor is yours.

9 We've been joined by Council Member
10 Julissa Ferreras as well.

11 COUNCIL MEMBER COMRIE: Thank you,
12 Chair Garodnick and the other chairs, Cabrera and
13 Chin, for hosting this hearing today. I wanted to
14 ask a couple of questions regarding the cost of
15 what it took to do all of the repairs and bring in
16 the mutual aid in and everything.

17 And before I ask that question, I
18 do want to acknowledge that Con Ed, out of all of
19 the utilities, did make the strongest amount of
20 communications in the daily conference calls
21 where, you know, after they got started were
22 helpful to us and to give us some sense of what
23 was going on. And I think that we were able to,
24 in fact, add to the issues and the problems and
25 were able to better highlight the concerns. But I

2 do want to agree with Council Member Koppell, the
3 quicker that we can get full assessment of a
4 damage situation is critical.

5 But I wanted to find out what were
6 your costs for, you know, restoration and mutual
7 aid repairs? Because, to me, you know, the bottom
8 line in creating an underground system is to
9 offset those costs and to, you know, I think that
10 from my understanding of what I heard the costs
11 were, we could start putting in these lines and
12 start, especially with the repairing of lines,
13 installing them underground now.

14 JOHN MIKSAD: Yes.

15 COUNCIL MEMBER COMRIE: So could
16 you give us a break down on that?

17 JOHN MIKSAD: Yes, I don't have a
18 detailed breakdown, but I can tell you Sandy was,
19 by far, the most expensive storm we've ever
20 experienced in terms of the restoration effort.
21 The highest cost storm prior to that, you know,
22 and it just took us a year to exceed it, was
23 Irene. Irene was basically a \$50 million storm,
24 that's the most we ever spent on a storm
25 restoration with Hurricane Irene. A year later,

2 with Sandy, we are talking about \$450 million for
3 restoration. So, you know, almost ten times the
4 magnitude and the restoration effort.

5 And that's as a result of that much
6 more damage, that much more mutual assistance,
7 that much more effort in order to make that
8 restoration. There were 200,000 customers
9 affected during Hurricane Irene and 1.1 million
10 affected during Sandy.

11 COUNCIL MEMBER COMRIE: Right, and
12 since we're spending, you know, large amounts of
13 monies now, why can't we, you know, do those type
14 of re-installations that put systems underground
15 now? Isn't the technology available to make it
16 happen?

17 JOHN MIKSAD: With regard to
18 undergrounding, the technology is there, we've
19 done it in good portions of our system--all of
20 Manhattan is underground and a good portions of
21 the Bronx, Brooklyn, and Queens are underground.
22 It really is a couple of issues, we've talked
23 about the cost. We did an estimate and, you know,
24 very early on estimate, rough, so don't quote me
25 on this, but we're, you know, in the ballpark of

2 it's \$25 billion, with a B, to bring all of the
3 overhead system in the five boroughs underground.

4 COUNCIL MEMBER COMRIE: Yeah, but
5 I'm talking about--and, you know, before we get
6 into Bs and Ms and all of that, you know, we're
7 talking about doing restoration of damaged
8 systems, so if we're going to do a restoration to
9 try to either hardwire it or create a safer
10 system, why don't we--what can Con Ed do to
11 facilitate the process to meet the governor's
12 mandate which he put in his 2013 address to do
13 more underground installation and his comment
14 started a process to look at, instead of worrying
15 about a 20 billion or a 50 billion or whatever,
16 you know, aggregate, what can we do in a specific
17 or on a piecemeal to start undergrounding the
18 major transformers or substations or critical
19 points so that we won't have a 14-day wait period
20 for, you know, 70% of the customers, or I think
21 you said it's 3,900 customers are still out, I'm
22 sure those 900 are probably damaged homes, but--

23 JOHN MIKSAD: Yes.

24 COUNCIL MEMBER COMRIE: --you have
25 like 30,000 customers still out after 14 days.

2 You know, what can we do to start undergrounding
3 at least pieces of the system while you are having
4 structural damage to the system in whole?

5 JOHN MIKSAD: Yeah, and the 900
6 customers are out, as you mentioned, are out
7 because of damage internally, we're ready to
8 accept them to the grid and they're still working
9 on their internal equipment. And this goes to the
10 point about safety, you know, with those 30,000
11 customers, we did have the certification process
12 in place to ensure that we weren't re-energizing a
13 home that was unsafe--where it was unsafe to do
14 so.

15 But with regard to--I mean, I
16 mentioned a number of things we're doing, you
17 know, really it's two-pronged. I mean, we've got
18 the floods to deal with and we've got the winds to
19 deal with. On the flood side, I mentioned that
20 13th Street substation, as well as the other
21 substations, will be protected for a Sandy-like
22 storm if it should occur this summer. I mentioned
23 that with Brighton Beach, we would not have to
24 shut down the 28,000 customers in Brighton Beach,
25 we could selectively shut down a handful, and I

2 mean a handful, like six or seven customers, of
3 the large customers that were under water and the
4 remainder of those 28,000 customers could be
5 spared an outage. We are, I mentioned we're
6 undertaking a split of the Fulton and Bowling
7 Green networks in Lower Manhattan so that we would
8 not have to preemptively shut down the New York
9 Stock Exchange, the Federal Reserve, and Downtown
10 Hospital, it would only be the coastal areas that
11 were actually flooded--experienced flooding in the
12 basements. And we are talking about selective
13 undergrounding and we talked about what criteria
14 to use, and that's something we need to discuss
15 about where we do this.

16 Again, looking to prioritize the
17 work given it's a big, big effort and that would
18 take time and a lot of money, we're saying well
19 let's prioritize and let's selectively choose
20 which lines we put underground. But we're also
21 looking at more storm-resistant designs that would
22 remain overhead, which would reduce the impact of
23 a Sandy-like event.

24 There's smart grid technology that
25 we're using currently and that's being expanded,

2 that is happening, but the other thing we're
3 looking at is, I mentioned the smart readers,
4 which would tell us definitively customers are out
5 of service and when they are restored to service
6 so that we would not be relying on a customer call
7 in order to determine that.

8 COUNCIL MEMBER COMRIE: Right, and,
9 you know, a lot of those things you said in your
10 opening statement, but I'm asking you a specific
11 point of question, working to try to create
12 underground opportunities from the worst case
13 scenarios now if you started putting those 30,000
14 people that are still without power to an
15 underground situation so that they would be able
16 to not have as long wait times. Because my
17 understanding from the National Weather Service is
18 now we're going to get these types of storms more
19 frequently, or at least once a year now where
20 we're going to get a major tornado or a hurricane
21 starting to affect us and especially in the areas
22 where we have primarily over ground systems that
23 are aboveground, we're going to have this
24 situation where you're going to be spending at
25 least 50 million to 450 million a year on, you

2 know, restoration. How much of that system can we
3 start looking at putting underground now and can
4 we look at that as part of the assessment. And I
5 would hope that, you know, Con Ed and the other
6 utilities would start looking at doing that now,
7 which is, you know, the point of the bill.

8 I'm realistic to understand that
9 we're not going to get everything underground, you
10 know, in one year or ten years, but if we could
11 start with every restoration to look at the
12 feasibility of doing underground installations and
13 repair, we could probably cut those costs down as
14 well. So I would hope that we look at that as
15 part of our overall strategy that we meet the
16 governor's mandate and that we're asking the long-
17 term sustainability office to look at that, and I
18 would hope that you would work with that as well.

19 So, you know, I understand your
20 answers and, you know, clearly, having all of
21 those immediate options with breakaway lines and
22 other things to, you know, to try to help mitigate
23 long-term damages are good, but I think the more
24 of the system that we can get underground to have
25 long-term sustainability because in the outer

2 boroughs, we don't have those heat inversion
3 issues or the other issues that you have in
4 Manhattan or the denser areas. You know, we need
5 to try to make sure that we can do as much
6 underground now as possible because, while Wall
7 Street's important, I also have--we also
8 especially have a lot of seniors that were stuck
9 in their homes for 14 days or people that were on
10 medical assistance that, you know, couldn't dial
11 out, couldn't reach out. And, granted that you do
12 have everyone that is on a medical breathing
13 system or on emergency system tracked in your
14 system and the response time was okay, but your
15 overall assets could be better served with the
16 things that we do to hardwire the system now in
17 repair mode as to try to do it as a large project.
18 And I think we need to move away from the large
19 project thinking and look into the repair and
20 restoration with hardwiring it underground, so
21 that's what I'm asking to consider.

22 JOHN MIKSAD: Okay.

23 COUNCIL MEMBER COMRIE: Mr. Chair,
24 in deference to all of the other questioners, I'm
25 not going to ask a ton of questions, even though I

2 have some, I just really want to make the point
3 that I think we need to re-look at this to try to
4 create opportunities to make the system as safe
5 and as durable for our homeowners as possible,
6 especially in the better boroughs where we have
7 mostly over ground systems, that we look to try to
8 get this as a priority as well. Thank you.

9 CHAIRPERSON GARODNICK: Thank you,
10 Council Member Comrie, and the Manhattanites among
11 us take no offense. Let me go to Council Member
12 Recchia, who represents one of the districts that
13 was most severely hurt during this storm. Council
14 Member Recchia.

15 COUNCIL MEMBER RECCHIA: Thank you.

16 [Pause]

17 COUNCIL MEMBER RECCHIA: Hello?
18 Oh, there we go. Thank you, Dan Garodnick, for
19 today's hearing. Thank you for Leroy Comrie for
20 your bill.

21 And first I want to start out in
22 saying that Con Edison, you know, you did an
23 overall a good job--

24 JOHN MIKSAD: Thank you.

25 COUNCIL MEMBER RECCHIA: --but

2 there are rooms for improvement--

3 JOHN MIKSAD: Of course.

4 COUNCIL MEMBER RECCHIA: --there
5 are ways to make it better. My district was
6 devastated. And I just want to start off, you
7 talked about the Brighton Beach grid, okay? The
8 Brighton Beach grid, what areas does that cover
9 that went underwater?

10 JOHN MIKSAD: If you're looking for
11 the boundaries, I'm not--I don't have them the top
12 of my head.

13 COUNCIL MEMBER RECCHIA: But it
14 covers Coney Island.

15 JOHN MIKSAD: It does, yes.

16 COUNCIL MEMBER RECCHIA: And what
17 was the actual problem there? You know, and why
18 did it take so long? 'Cause we were the last part
19 to go up.

20 JOHN MIKSAD: Yeah.

21 [Crosstalk]

22 JOHN MIKSAD: Right, so the issue
23 at Brighton Beach and Coney Island was really the
24 same as Manhattan, the two networks I described in
25 Fulton and Bowling Green. It was basically, I

2 mean, we had people on the ground in that area on
3 October 29th when that storm hit, when that storm
4 surge came in who were really watching the flood
5 level rise and they saw the salt seawater making
6 its way into the high voltage equipment in the
7 underground system out there in places like the
8 aquarium and Kingsborough Community College and a
9 number of other locations. And at that point we
10 knew that saltwater and that the high voltage did
11 not mix and we got--they talked to our control
12 centers immediately and we then preemptively shut
13 down those networks to avoid, essentially, fires
14 and explosions, electrical fires and electrical
15 explosions. We did that in the two networks in
16 Manhattan as well as the area of Brighton Beach
17 that I described. That was really the problem,
18 that the saltwater inundated the underground
19 network system in that area.

20 COUNCIL MEMBER RECCHIA:

21 [Interposing] So and what should be the solution
22 for the future?

23 JOHN MIKSAD: So the immediate
24 solution that we're working on is installing these
25 flood switches that will isolate a number of these

2 locations that are--we know will go under water as
3 a result of Sandy. I mentioned Kingsborough
4 Community as well as the aquarium, and then as I
5 mentioned, there's about five others that are--
6 there's one of the housing developments right
7 there along the shore that--

8 COUNCIL MEMBER RECCHIA:

9 [Interposing] There's many.

10 JOHN MIKSAD: I know, I know, but
11 there's, I think there's two of them, two of the
12 housing developments that were particularly
13 affected, and so those handful, it's six or seven
14 customers, we'll open up those switches and
15 isolate those customers and prevent the outage,
16 the necessity for preventive outage for the 28,000
17 customers that are supplied.

18 But there is a caveat to that and
19 that is, for any of the other homes or businesses
20 that are underwater and their electrical equipment
21 becomes submerged, that then may become a public
22 safety issue where we need to de-energize either
23 those individual customers or the area.

24 So I do think it's a step, I don't
25 think it's the--a silver bullet, the be-all, end-

2 all, I think we have work to do to make that
3 equipment in those basements, really, essentially,
4 in the basements of all of our customers either
5 higher, raise it up, or make it submersible.

6 COUNCIL MEMBER RECCHIA: I agree,
7 and leading into one of the things that you just
8 said is that those other buildings, if the
9 electrical is not--was damaged also, then there is
10 a lot of work that has to be done.

11 JOHN MIKSAD: Absolutely.

12 COUNCIL MEMBER RECCHIA: One of the
13 biggest problems that we had during the storm and
14 getting people's electricity back up and running
15 was that we didn't know if it was a Con Ed problem
16 or a electrical problem inside the people's house.
17 Con Ed would show up, they would say it's the
18 homeowner's responsibility to get electrician; a
19 private electrician would come and say it's a Con
20 Ed problem. Hundreds of homes this happened to.
21 The communication was, wow, and I was trying to
22 find somebody to, you know, 'cause it was just
23 getting like the runaround. So how do we correct
24 this so when this happens again we know exactly
25 what has to happen?

2 JOHN MIKSAD: Yeah, I understand
3 completely what you're talking about. We've never
4 done what we did out there in those hard-hit areas
5 of Staten Island, Brooklyn--

6 COUNCIL MEMBER RECCHIA: Yeah.

7 JOHN MIKSAD: --and Queens.

8 COUNCIL MEMBER RECCHIA: This is
9 happening in Staten Island too.

10 JOHN MIKSAD: It is happening in
11 Staten Island, absolutely.

12 COUNCIL MEMBER RECCHIA: Staten
13 Island, people are getting the runaround.

14 JOHN MIKSAD: Yeah, I don't know if
15 they're still getting the runaround, I certainly
16 hope not, but I know early on we created this
17 process on, really, on the fly, it had not existed
18 previously. And we worked with the City, the
19 Building department and bringing in those
20 electricians and I know there were, you know, some
21 hiccoughs along the way, I know we had the
22 communication issues that you're referring to
23 early on. What I think the ultimate solution is I
24 think we have a process now that is pretty
25 efficient. Folks know their roles, they know how

2 to coordinate, and I think what you're, what I
3 hope you're finding now is that the customer,
4 business, homeowner, knows they've got the
5 electrician, they're doing the repairs, they're
6 bringing in that certificate to Con Edison and we
7 are out there, I'm telling you, very quickly, it's
8 within a day, if not within a shift, within eight
9 hours--

10 COUNCIL MEMBER RECCHIA: Yep.

11 JOHN MIKSAD: --in order to make
12 that restoration.

13 COUNCIL MEMBER RECCHIA: To be
14 honest with you, the way I resolve these problems
15 now, I call Rapid Repairs, they send out their
16 electrician and they tell me if it's a Con Ed or
17 the people's house, that's the way I've been
18 handling this in the last few weeks.

19 But moving right along, there's a
20 serious problem. That Monday, as the storm
21 started, at 4:30 in the afternoon, I was at Coney
22 Island Hospital, there was an explosion, smoke in
23 front of the hospital, and I'm talking to the
24 director of the hospital, I said what is going on
25 at Coney Island Hospital, do you need help, so I

2 was right outside, he says, no, Con Edison,
3 something happened with one of your grids at Coney
4 Island Hospital, and the smoke started. I called
5 an hour later, the smoke was still coming, they
6 said Con Edison has it under control. The storm,
7 6 o'clock, 6:15, the storm started to hit. Seven
8 o'clock, the tide starts coming in, the ocean
9 starts coming down Ocean Parkway, Coney Island
10 Hospital, Con Edison, I don't know what was the
11 final result, and I need an explanation from Con
12 Edison because the reason why Coney Island
13 Hospital is still not open today is because of
14 what happened with Con Edison. It got flooded
15 too, but they had no power, nothing, because of
16 this fire that started at 4:30 in the afternoon.
17 'Til today, no one from Con Edison has called me
18 or any elected officials to explain what happened
19 at Coney Island Hospital because of Con Edison.
20 So do--

21 JOHN MIKSAD: [Interposing] I will
22 get you that answer, I will get you that answer.

23 COUNCIL MEMBER RECCHIA: This is
24 very important. What is happening with Con Edison
25 and Coney Island Hospital, no one knows, no one

2 can give anyone a story. And the hospital is
3 still not open. And they're working around the
4 clock. That is something that we really in this
5 next storm is that I'm going--you know, we have to
6 figure out who the go-to person is and we have to
7 figure out another system of communicating. Cable
8 was out, Internet service was out, cell phones
9 were out, everything was out. You know?

10 And getting back to what my
11 colleague said earlier, who was in charge of
12 communication on the radio? 'Cause everybody was
13 listening to the radio, and could you explain to
14 us why wasn't more information being given on the
15 radio so people could listen?

16 JOHN MIKSAD: Yeah, I'm not sure, I
17 know I was holding a daily press call which
18 included the radio outlets and prints to bring
19 folks daily updates of the status of our
20 restoration effort, but we could certainly talk--
21 if we need to do more, we're certainly open to
22 doing more.

23 COUNCIL MEMBER RECCHIA: Well part
24 of the problem is that in my district no one had
25 any service, any kind of service, and everybody

2 was listening to the radio and no one could get
3 any information. Unfortunately, we couldn't look
4 up on the Internet, we weren't that privileged.
5 Everybody was listening to the radio and there
6 wasn't information on the radio. No one was
7 saying if you lived in Coney Island, if you lived
8 the Rockaways, if you lived here, you know, I
9 mean, we weren't getting information about
10 Seagate, about Coney Island, Brighton Beach,
11 Manhattan Beach, Gerritsen Beach, Red Hook. I
12 believe the way of communicating was through the
13 radio and no one was taking advantage of it.

14 JOHN MIKSAD: Understood.

15 COUNCIL MEMBER RECCHIA: And I just
16 need to know why.

17 JOHN MIKSAD: Yeah, that may be,
18 certainly, an area that we can improve on.

19 COUNCIL MEMBER RECCHIA: Because,
20 you know, people were really looking into that,
21 you know, and, you know, listen, I know it was a
22 tough storm.

23 Getting back to the trees, okay,
24 and your tree pruning--I saw your PowerPoint
25 presentation--

2 JOHN MIKSAD: Yes.

3 COUNCIL MEMBER RECCHIA: --branches
4 came down and you prune your trees. I had an
5 experience once where I stopped my car and I tried
6 to ask the guys that were pruning the tree, they
7 said, oh, we're here for Con Edison, we're pruning
8 the trees, and I'll tell him why don't you take
9 this branch or that branch, right? They said no,
10 it's not close enough, it's too far away from the
11 wire, but it's all these branches in the storm
12 that just comes down, you don't know which way the
13 wind will blow, so they have to do a better job at
14 tree pruning. 'Cause I believe, you know, that
15 was a big issue.

16 JOHN MIKSAD: Trees were the major
17 source of the outages on the overhead system,
18 absolutely. We, currently, our specification
19 guides those tree trimming crews to clear 10 feet
20 on either side of the lines and 15 feet below.
21 That's one of the most aggressive tree trimming
22 programs in the country, but we could certainly
23 take a look at it, and actually, we do have folks
24 looking at what we could do differently.

25 But I will say, as you know, Sandy

2 didn't take down branches, it took down trees.

3 COUNCIL MEMBER RECCHIA: Well tell
4 me about it, I know.

5 JOHN MIKSAD: Yes.

6 COUNCIL MEMBER RECCHIA: Listen--

7 JOHN MIKSAD: Yes.

8 COUNCIL MEMBER RECCHIA: --you
9 know, my district, you know, we're still
10 recovering and, like I said, I just want to, you
11 know, overall, you were overwhelmed and it was
12 tough, but we have to--really, I would like to set
13 up a meeting with somebody from Con Edison who
14 knows about what exactly what happened at Coney
15 Island Hospital 'cause I'd really like to hear
16 from your end what exactly transpired with--

17 JOHN MIKSAD: Absolutely.

18 COUNCIL MEMBER RECCHIA: --the
19 hospital not up and running.

20 [Crosstalk]

21 JOHN MIKSAD: Absolutely.

22 COUNCIL MEMBER RECCHIA: --much.

23 CHAIRPERSON GARODNICK: Thank you,
24 Council Member Recchia, and we certainly hope that
25 you will follow up with the--

2 JOHN MIKSAD: We will.

3 CHAIRPERSON GARODNICK: --

4 Councilman on the Coney Island Hospital issue.

5 JOHN MIKSAD: Absolute.

6 CHAIRPERSON GARODNICK: And on the
7 subject of the tree removal, before I go to
8 Council Member Levin, there was a lack of clarity
9 at one of our last hearings as to whose
10 responsibility it actually is when a tree ends up
11 on a power line. I call 311 and I say that
12 there's a tree down on a power line in my
13 neighborhood in the middle of a public street.
14 Who gets the call, what happens?

15 JOHN MIKSAD: Yeah, so I'll hit on
16 the jurisdiction first and then I'll try to cover
17 what happens. Jurisdiction is, it's a city or a
18 private property owner's tree, Con Edison doesn't
19 own any trees, to my knowledge. We, as I
20 mentioned, I mean, our responsibility when we're
21 giving guidance out to our crews is to clear, you
22 know, in the area around to give us enough
23 clearance to prevent limb contact. So the tree is
24 the responsibility of the City, Parks department,
25 or a private property owner; lines, overhead power

2 lines are obviously Con Edison's.

3 The question is what happens when
4 they come together. So the tree comes down on the
5 wires, bring them down onto the street, very often
6 then blocking the road, and you call 311. I can't
7 say I know for a fact that, you know, who all gets
8 the call from 311, I imagine on the City side,
9 that's going to Department of Sanitation or Parks.
10 I know on our side when 311 calls our--contacts
11 us, we are putting in, what we call a ticket,
12 creating a job, and we get a report that we have
13 wires down, trees on them. We will respond,
14 typically, with either or both tree crews who only
15 do tree work or line crews that can do some
16 limited tree work, limited, they don't have the
17 powerful chainsaws and the like, plus they're a
18 resource that can be better spent in putting wires
19 up, and it's a higher skill task. So typically,
20 what will happen is we will respond with tree
21 crews and line crews in order to just clear the
22 trees off of our lines enough for us to get
23 access. We will generally not--we're generally
24 not clearing the road, we generally clear the
25 lines so that Sanitation or Parks can then clear

2 the tree.

3 That's the way it's supposed to
4 work, but it very often can get bounced back and
5 forth between the companies. The Sanitation can
6 come out and say, well we can't move this tree
7 because there's lines in it. We may have already
8 cut the lines, de-energized the lines, making it
9 safe for them to do so.

10 So one of the things we're actually
11 looking to do is to come up with a universal
12 process that all parties understand so that when
13 we've de-energized the circuits--'cause that's
14 really the concern--and we don't--and, by the way,
15 this is a--we don't want Sanitation department,
16 Parks department, or our customers and the public
17 touching any downed lines, we're the experts in
18 that area and we're the ones who are trained to
19 handle them, so we always advise everyone else,
20 treat everything as a live. So what we are
21 looking to develop is a process that when we cut
22 lines or de-energize lines, that we can somehow
23 tag those lines so that even after we've left the
24 location, the Parks or Sanitation folks will know
25 it is safe to work on those--clear the roads,

2 those trees, and they can do their thing without
3 scratching their head and saying I'm not sure if
4 these things are de-energized.

5 So that process improvement, I
6 think, will clear up a bunch of the
7 miscommunication that typically happens in an
8 event like this.

9 CHAIRPERSON GARODNICK: So it
10 sounds like there's a reason why there was
11 vagueness or lack of certainty at the last
12 hearing, which is simply that there is some lack
13 of certainty in these circumstances as to who
14 exactly is going to pick up that tree, is that
15 fair?

16 JOHN MIKSAD: Yes.

17 CHAIRPERSON GARODNICK: Now if the
18 report through 311 was there is a tree on a power
19 line, there is no way for a 311 operator at that
20 moment in time to know whether that is a de-
21 powered power line or whether it's an active power
22 line, correct?

23 JOHN MIKSAD: [Interposing] That is
24 correct--

25 [Crosstalk]

2 CHAIRPERSON GARODNICK: So as far
3 as you know, they are routing that call to both
4 the Department of Sanitation and to Con Ed?

5 JOHN MIKSAD: Yes.

6 CHAIRPERSON GARODNICK: So whoever
7 gets there first says, oh, this is either my
8 responsibility or it's not, and in the scenario in
9 which Con Ed shows up first and you say, okay,
10 well look, we've got an active line here we need
11 to cut off the power to be able to remove the
12 tree, do you actually remove the tree if it's in
13 the middle of the street?

14 JOHN MIKSAD: No.

15 CHAIRPERSON GARODNICK: So Con Ed
16 says, okay, we're here to turn off the power and
17 you hope that the Department of Sanitation at that
18 point hasn't gone on to their next call, is that
19 right?

20 JOHN MIKSAD: Well I don't know if
21 it's hope, there is some--

22 CHAIRPERSON GARODNICK:
23 [Interposing] Well I would hope, as the person on
24 the street--

25 JOHN MIKSAD: Yes, yes.

2 CHAIRPERSON GARODNICK: --I would
3 hope that they haven't gone--

4 JOHN MIKSAD: Yes.

5 CHAIRPERSON GARODNICK: --because
6 you guys have at least made it safe, but nobody
7 who actually can take the tree away.

8 JOHN MIKSAD: That's right.

9 CHAIRPERSON GARODNICK: Okay. So
10 that's obviously something that we need to get
11 straight between--

12 JOHN MIKSAD: Yes.

13 CHAIRPERSON GARODNICK: --Con Ed
14 and the City--

15 JOHN MIKSAD: Yes.

16 CHAIRPERSON GARODNICK: --and
17 that's a big frustration, at least as I understand
18 it.

19 Sorry--

20 JOHN MIKSAD: Yes.

21 CHAIRPERSON GARODNICK: --Council
22 Member Levin, but now it's--

23 FEMALE VOICE: Council Member King.

24 CHAIRPERSON GARODNICK: --it's
25 actually Council Member King. Council Member

2 King, it is you, the floor is yours.

3 COUNCIL MEMBER KING: Good
4 afternoon, thank you--

5 JOHN MIKSAD: Good afternoon.

6 COUNCIL MEMBER KING: --Mr.
7 Chairman, and I thank you for coming out this
8 afternoon and, you know, fielding our questions.
9 I know you're in the hot seat, but you're doing a
10 great job in answering questions, so I really
11 appreciate that.

12 I'm not going to beat you up at all
13 because I am the new kid on the block, but I also
14 want to say my district was one that didn't really
15 get--it got hit, but it didn't get hit as my
16 colleagues out in the Rockaways, you know, still
17 going through the devastation. But one of the
18 main issues that we did have, and you talked about
19 it a little bit, was the communication between Con
20 Ed, Department of Sanitation, and 311, which was
21 very frustration for homeowners who have the
22 children, to the NYCHA developments that were out
23 of power, and when we ran into a truck on the
24 street, they could only say I don't know.

25 I want to ask you, how is it

2 coordinated far as in each borough when it comes
3 down to a crisis like this, is each borough
4 responsible for its borough; is there a central
5 command in Manhattan somewhere then everyone
6 filters out from that way? Because I'm trying to
7 understand if we have Con Ed sites in the Bronx,
8 would they be responsible to get out early to do
9 an assessment as opposed to trying to get and
10 report into Manhattan somewhere and then get back
11 to the boroughs that they already are located in
12 and try to figure this coordinated effort when you
13 already have supervisors and workers already in
14 the ground and in all the boroughs. How does the
15 organizing start to be able to get the assessments
16 done?

17 JOHN MIKSAD: Okay. There is a
18 central command structure, we call it our
19 Corporate Emergency Response Center, or CERC. I
20 was the incident commander during the restoration
21 of Sandy, so we are at our headquarters building
22 in Manhattan. We have four-hour conference calls
23 with all of the boroughs so I'm on the phone,
24 videophone, with the incident commanders from each
25 of the boroughs and they're reporting back to me

2 on a four-hour period.

3 I'm not hearing every single
4 detail, obviously, in an event like this with all
5 of the things that we're dealing with, but I am
6 hearing about any issues, manpower issues,
7 material issues, vehicle issues, any issues
8 whatsoever, obviously, any safety issues. So we
9 are looking at--maybe talking a little bit about
10 the restoration philosophy will help you also. It
11 generally is, first and foremost, the public
12 safety issues where with wires down that we've
13 just been talking about, closed roads, those are
14 certainly a high priority, critical customers--
15 hospitals, nursing homes, police departments,
16 firehouses--those are certainly on our radar.

17 In this storm, if you remember, it
18 was just prior to election day, getting the
19 schools and polling places open was certainly a
20 priority during this storm so folks can exercise
21 their constitutional right to vote. So we work
22 those critical customers. And then finally, the
23 last sort of bucket is to restore customers in the
24 largest amount possible. And if you saw the
25 restoration curve that I showed, you see that we

2 restore a lot of customers early on and that's
3 because we're restoring large, wide areas in--for
4 example, I mean, November 2nd and 3rd we were able
5 to restore essentially all of the Manhattan
6 outages that were interrupted. And that also
7 happened in the outer boroughs, as well as
8 Westchester County.

9 And after we've taken care,
10 restored all of those big, large, widespread
11 outages, we then work our way down to the hundreds
12 of customer outages, and then tens of customer
13 outages, and then individual single customer
14 outages, and we work our way down that way.

15 That's the prioritization that
16 we've used, I know it's the prioritization scheme
17 that other utilities use, it's the one we've used
18 for years. It seems to serve us well, it doesn't
19 discriminate, it basically says let's get the most
20 back as quickly as possible. And that is, sort
21 of, the effort.

22 Now, if Staten Island has just a
23 handful of customers left and we've got thousands
24 of customers out or tens of thousand customers out
25 in Queens because they were hit by a tornado, as

2 has happened in--as was mentioned earlier, we will
3 shift resources to where they're needed most,
4 again, in terms of that getting the most back as
5 quickly as possible.

6 So that is just a sort of a general
7 structure and general philosophy in terms of
8 restoration about how it happens.

9 COUNCIL MEMBER KING: Okay. Well I
10 thank you, thank you for that answer, it does
11 clear up, so when I go back, I can share what you
12 just shared with me. 'Cause one of the most
13 frustrating things that did occur on that day is
14 that my district's adjacent to Koppell's district
15 so I know what he was experiencing and it came to
16 the point that we felt that we're being neglected
17 because we're more on solid land than everybody
18 that was on the coastal line. So even though we
19 didn't have the waters all over, we did have a lot
20 of trees down, a lot of power outages. And even
21 the residents had to take to the streets to get
22 something done because they just felt that it was
23 so neglected.

24 But as we move forward, I just hope
25 our communication is a little better and having a

1 LOWER MANHATTAN REDEVELOPMENT, CONSUMER AFFAIRS, AND 102
TECHNOLOGY

2 system that maybe we don't have to call 311 'cause
3 311 doesn't know and somebody who is riding around
4 with a radio should be able to answer something
5 than the I don't know--

6 JOHN MIKSAD: Yeah.

7 COUNCIL MEMBER KING: --especially
8 when everybody's emotions are flying and going all
9 of the... But I thank you, I really thank you for
10 today.

11 JOHN MIKSAD: Pleasure, thank you.

12 CHAIRPERSON GARODNICK: Thank you,
13 Council Member King, our newest colleague, we're
14 glad to have you. And, Council Member Levin,
15 you're up.

16 COUNCIL MEMBER LEVIN: Thank you
17 very much, Mr. Vice President. First, I do want
18 to just say for the record that my experience with
19 Con Edison in the month after the storm, really
20 about three or four weeks, was overwhelmingly
21 positive. I was in constant communication with
22 Con Ed staff, Paul Kerzner, Phil Halliburton, Toni
23 Yuille, Phyllis White-Thorne. They would take my
24 phone calls at 3 o'clock in the morning and
25 consistently and would help with specific

2 customers. I had six NYCHA buildings that were
3 out for 12 days, they were in constant
4 communication and advising me on what the Housing
5 Authority wasn't doing and what Con Ed needed to
6 get the development back up and running. And then
7 the actual workers, the Con Ed workers, that would
8 come out in the middle of the night were
9 professional, they were working under extremely
10 difficult conditions. I had a guy come out in the
11 middle of the nor'easter and work in a manhole on
12 his own, I mean, he had a partner, but he was a
13 guy that was he wasn't even supposed to be doing,
14 he had a red truck and he was doing work that he
15 wasn't even supposed to be doing necessarily, but
16 he was doing it really well and he was doing a
17 great service to the city. I really just have to
18 commend all of Con Ed's staff that I worked with
19 because they were extremely professional and
20 worked through a lot of difficult problems on a
21 very individual basis. And so I do want to really
22 make sure that that is recognized for the record.

23 JOHN MIKSAD: And thank you for
24 that.

25 COUNCIL MEMBER LEVIN: I wanted to

2 ask about the cogeneration plant in the Brooklyn
3 Navy Yard. I know that they were outed--I know
4 that Con Ed--there's an arrangement or--do you
5 know what is going on there now? It took a long
6 time for them to get back online and how is Con Ed
7 playing a role in that?

8 JOHN MIKSAD: Yes, yeah, the
9 Brooklyn Navy Yard plant, obviously, is not Con
10 Ed's but we, as you pointed out, there's an
11 arrangement for us to buy steam from that plant.
12 It was preemptively shut down, along with one of
13 our plants at East River, because of the tides. I
14 know it did take a long time to restore, I really
15 don't have the latest status of it, but I can
16 certainly get that to you and, sort of, the
17 process for restoration, if that would be helpful.

18 COUNCIL MEMBER LEVIN: Thank you.
19 I know that this may have been asked before, but
20 in terms of infrastructure, so the wall
21 surrounding the east 13th East River plant, is
22 that--you're looking to build that to sustain a
23 higher surge or is it--is that in the works?

24 JOHN MIKSAD: That's correct, yeah.
25 So by this summer, we'll be able to sustain a 14-

2 foot surge at 13th Street.

3 COUNCIL MEMBER LEVIN: Okay. And
4 lastly, were there any injuries sustained in the
5 city due to downed power lines after the storm?

6 JOHN MIKSAD: Yeah, there were--
7 members of the public we're talking about?

8 COUNCIL MEMBER LEVIN: Yeah.

9 JOHN MIKSAD: Yeah, there were two
10 injuries, one was a young woman in Queens who
11 actually went out the night of the storm, the way
12 I understood it and, obviously, I wasn't there, I
13 don't know all the details, but her boyfriend
14 strongly urged her not to go out, she went out,
15 she was looking to take pictures, as I understand
16 it, and she actually touched a downed wire and she
17 was killed.

18 And then I know of a dog whose
19 owner was out walking them that night, the next
20 evening in the Bronx and the dog was killed.
21 Those are the public injuries that I know about.

22 COUNCIL MEMBER LEVIN: Okay. They
23 were both just due to downed lines and--

24 JOHN MIKSAD: [Interposing] Yes.

25 COUNCIL MEMBER LEVIN: And then I

2 just want to also ask in terms of--I know that
3 LIPA had a situation where they had run out of
4 poles, did Con Ed suffer the--did you guys find
5 that you were in the same situation, or if you
6 did, how did you deal with it?

7 JOHN MIKSAD: Well that was
8 actually one of the points that I did want to
9 bring up, so thank you for bringing it up again,
10 because it was mentioned in the opening remarks
11 about material shortages. And I will say that
12 Sandy certainly stretched us, I mean, we were
13 pushing up against a number of material needs, not
14 the least of which was fuel. You know, there were
15 gasoline shortages and diesel fuel shortages in
16 the city, and actually in the northeast that we
17 were also dealing with. We ended up buying
18 tankers, we ended up getting tankers from other
19 utilities to help us out. And I will say that not
20 one vehicle ran out of fuel, fuel did not stop any
21 vehicle from doing its mission of restoring
22 service.

23 And I would say the same about
24 material. We pushed up against it in a number of
25 places and I know in the morning after the trucks

2 were out of the yard, you know, there was not much
3 left, but no material shortages delayed any
4 restoration in Hurricane Sandy, although we were
5 certainly challenged and we were pushed right up
6 against it and we were looking--turning over every
7 rock to find material, which included our normal
8 suppliers, other suppliers who we didn't even have
9 contracts with, and other utilities, as well as
10 assistance from the federal government. So it
11 certainly challenged us, but it did no way delay
12 any restoration during this storm.

13 COUNCIL MEMBER LEVIN: Okay. And
14 just, again, I can't say enough how meaningful it
15 was to have an agency that was as responsive as
16 Con Ed was, I really, by the bottom of my heart, I
17 mean that, so--

18 JOHN MIKSAD: Thank you.

19 COUNCIL MEMBER LEVIN: --I want to
20 commend you and your entire staff for that.

21 [Crosstalk]

22 JOHN MIKSAD: Thank you, thank you
23 very much.

24 CHAIRPERSON GARODNICK: Thank you,
25 Council Member Levin. Now Chair Chin.

2 CHAIRPERSON CHIN: Thank you. I
3 mean, first of all, I also wanted to join my
4 colleagues in commending the Con Ed workers who
5 were, like, doing 24/7 in our district, and also
6 your staff who were always there when we called.
7 I mean, my office and my staff were, like, the
8 people our constituents go to when they could not
9 get any answer. When buildings weren't coming
10 back online and the building managers weren't
11 giving them information, they would just say it's
12 Con Ed's fault, so we'd say, okay, let's call Con
13 Ed and see if it's really Con Ed's fault or
14 something else. And I really wanted to thank, you
15 know, John Leo and David Comlauk [phonetic], they
16 were our liaison and they were really helping us
17 with a lot of these--answering these questions for
18 our constituents.

19 So within Lower Manhattan, we still
20 got a lot of commercial buildings running on
21 generators, they're still--we started off with,
22 like, a 105 generators and I think now we still
23 have about over 50 large commercial buildings that
24 are still running on generators, and we just want
25 to make sure, it's like how is Con Ed--'cause when

2 we met with the Con Ed staff and they told us that
3 they're ready for these building to receive power,
4 so are you helping some of these, especially these
5 large commercial building to really do as quickly
6 as possible to really help them so they could be
7 plug back into you guys and bring life back in,
8 you know, in Lower Manhattan? 'Cause right now
9 it's devastating when we don't have these building
10 online means workers are not there and our small
11 business are hurting.

12 JOHN MIKSAD: Yeah, so, yeah, the
13 number that I have in my mind is that we have got
14 31 buildings still left to connect to the grid in
15 Manhattan, I think nine of them are small, very
16 small buildings, but then the rest are the large
17 buildings that I think you're referring to. And
18 we are working hand-in-hand with the customers,
19 the building owners, their contractors to ensure
20 that nothing gets in the way of restoration. But
21 I assure you, the grid is ready to accept all of
22 those customers. As soon as they give us the
23 indication that they are ready, we will
24 interconnect them and there will not be delay on
25 our side.

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2 COUNCIL MEMBER CHIN: Well and I
3 just urge you to really work with them, give them
4 the help they need, whatever--

5 JOHN MIKSAD: Yes.

6 COUNCIL MEMBER CHIN: --to help get
7 them back on--

8 JOHN MIKSAD: Yes.

9 COUNCIL MEMBER CHIN: --the
10 generating--I mean, the generators are creating a
11 lot of noise pollution and--

12 JOHN MIKSAD: Yes.

13 COUNCIL MEMBER CHIN: --air
14 pollution in our district and we just really want
15 to get rid of them as quickly--

16 JOHN MIKSAD: Yes.

17 COUNCIL MEMBER CHIN: --as
18 possible.

19 JOHN MIKSAD: And I don't blame
20 you.

21 COUNCIL MEMBER CHIN: The other
22 issue that I wanted to perceive on that we really
23 didn't talk about much about was the steam heat.
24 You know, a lot of the buildings down here in
25 Lower Manhattan relied on steam heat, so, great

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2 the lights back on, I mean, by Saturday, most of
3 the building in the district had electricity--

4 JOHN MIKSAD: Yes.

5 COUNCIL MEMBER CHIN: --but they
6 had no heat because the steam was not ready, and
7 what we were told that was because the pipes has
8 water in it and the water is cold and so you could
9 not send the steam back up.

10 JOHN MIKSAD: Yes.

11 COUNCIL MEMBER CHIN: And it took
12 about another week.

13 JOHN MIKSAD: Yes.

14 COUNCIL MEMBER CHIN: And we had a
15 lot of seniors in the district, they're like in
16 Southbridge and in Chatham Green, who just, you
17 know, really were having a tough time, even though
18 the lights were back on, they didn't have the
19 heat. So is there any kind of precautions that
20 you're looking at now that can provide emergency
21 backup power that can help restore the steam if
22 this ever happen again, to come back as quickly as
23 possible?

24 JOHN MIKSAD: Yeah, not my area of
25 expertise, but I will say that it was a tremendous

2 effort on the folks in the steam organization to
3 go basically underground structure by underground
4 structure pumping out the structure itself and
5 then, as you indicated, getting that water out of
6 the steam pipe so they can then put steam back
7 into the pipe and avoid the safety concerns. I
8 mean, you're familiar, if you're in any of the old
9 apartment building, the water hammer that occurs
10 in the old steam heat where it bangs the--the
11 pipes bang, well just imagine that, you know,
12 times 1,000 with our high-pressured steam system.
13 So once again, the laborious process that they
14 went through was really to ensure the safety of
15 the public and our customers to make sure that
16 there was no chance of a water hammer that could
17 result in a steam pipe rupture, and that was the
18 time it took.

19 Now I'm sure--again, this was, you
20 know, another first, so I'm sure there were
21 lessons learned that we can do that in a quicker
22 way. We still have not figured out a way to avoid
23 the need to preemptively shut down a portion of
24 the system because the installation of that system
25 is it will cool down and cool that pipe down and

2 result in condensation of that steam so we need to
3 de-energize it. The thing we can really work on
4 is can we expedite the restoration, either by
5 putting more people on it or shrink the amount of
6 area through additional valving that needs to be
7 de-energized and that would a faster restoration.

8 COUNCIL MEMBER CHIN: I think
9 that's really, really important because even our
10 office building at 250 Broadway didn't have heat
11 'cause we rely on steam heat and--

12 JOHN MIKSAD: Right.

13 COUNCIL MEMBER CHIN: --staff had
14 to work with hats and gloves and coats, and it
15 was--all that was, you know, happening at the same
16 time.

17 What about this whole smart grid
18 technology? What's the feasibility of ensuring
19 that there's more reliable supply of electricity
20 for the city? Are you expanding on that and--

21 JOHN MIKSAD: [Interposing] We are,
22 and we have been for a number of years now. I
23 think it's the most complex distribution grid in
24 the country and perhaps the world, but we are
25 expanding that effort. But I will say smart grid

2 is not the be-all, end-all either. I mean, if the
3 communication equipment is on a pole and the pole
4 comes down, there goes your smart grid also. So
5 also, as we talked about earlier, if the
6 communication system is out, for whatever reason,
7 as a result of power outage or whatever, that
8 limits the ability for that system to communicate
9 back and there goes your smart grid also. So the
10 smart grid is not a be-all, end-all solution, but
11 it has helped us and it will continue to help us.

12 The one area that we've looked at
13 before and that we're looking at again now that
14 really is under the smart grid umbrella is smart
15 meters. To change out the existing meters that
16 require a meter reader that only communicate to us
17 when a meter reader goes out and reads it and but
18 rather have a meter that can do a number of other
19 functions, including tell us the quality of the
20 power, can remotely connect and disconnect, and
21 can, most importantly for this conversation, to
22 tell us when the customer is out of service or
23 back in service. That will have a huge--if we can
24 make that work in this sort of event, that will
25 have huge benefits in a Sandy-like event in

2 expediting the restoration and help us greatly in
3 communicating better accurate information to our
4 customers. And I think both of those fronts are
5 really worth the exploration, that's why we're
6 doing it.

7 COUNCIL MEMBER CHIN: Another
8 question of in terms of when you talked earlier, I
9 think you said that the costs of the damage was
10 around \$450 million?

11 JOHN MIKSAD: I did.

12 COUNCIL MEMBER CHIN: So how are
13 you going to recover that costs, from the federal
14 government or whatever, and are you going to have
15 to raise the rates of your customers?

16 JOHN MIKSAD: Right, so we are
17 looking for federal reimbursement, we have
18 submitted the application to the governor's
19 office, so hopefully the governor and his folks
20 will consider Con Edison in part of the
21 reimbursement, and we certainly hope that the
22 senate passes the relief bills to make sure that
23 money starts coming to this area. So we hope to
24 be part of that reimbursement so that those costs
25 are covered. We also, obviously, have insurance

2 claims and the like.

3 But that's really what we're hoping
4 for in terms of payment for the restoration.

5 COUNCIL MEMBER CHIN: Okay. And
6 then just one last question on when we were talk--
7 when Council Member Comrie was talking about
8 really looking at maybe a piecemeal approach to
9 laying underground, you know, the wiring or
10 whatever, and so you were talking about \$25
11 billion, so do you have, like, a breakdown, like a
12 per mile cost for laying, you know, the utility
13 underground?

14 JOHN MIKSAD: Yes, our estimate is
15 \$6 million a mile, and there are studies around
16 the country that are in that ballpark, I've seen
17 \$3 million a mile, \$4 million a mile. We're at
18 six, we're probably at the high end of that
19 spectrum, and, really, it's more of a challenging
20 environment in our service territory, a lot more
21 things are already underground that are in the way
22 that we need to consider.

23 We feel that it's going to be on
24 the higher end of the range in terms of
25 undergrounding.

2 COUNCIL MEMBER CHIN: Okay. Thank
3 you.

4 JOHN MIKSAD: You're welcome.

5 COUNCIL MEMBER CHIN: Thank you,
6 Chair.

7 CHAIRPERSON GARODNICK: Thank you,
8 Chair Chin. I'm going to clean up here with a few
9 final questions for you before we go on to our
10 next witnesses.

11 Let's just go back to the
12 preemptive cuts for a moment. We know that Con Ed
13 cut power preemptively to 34,500 and we also know
14 that there were preemptive cuts in some, but not
15 all, of the areas that are Zone A areas. Help us
16 understand the factors that go into that decision,
17 as well as if you can rate yourself as to how you
18 did and whether or not there were other areas that
19 if such a storm were to be looming on the horizon
20 tomorrow, whether you would do preemptive cuts
21 there.

22 JOHN MIKSAD: Sure. Really, the
23 data that we used on this the idea of preemptive
24 de-energization was some studies that we did. We
25 actually took our equipment and put it in a lab

2 and submerged it in saltwater and we saw the
3 effects and so we knew, based on those studies,
4 that the outcome would not be good, that there
5 would be fires, that equipment would fail and, in
6 some cases, fail violently. So that really was
7 the information that we had at our disposal to
8 make that call.

9 It really at that point it became a
10 much easier decision, despite the fact that it was
11 the first time we've ever done it, which is
12 unprecedented, you know, another unprecedented
13 thing in our 120-year history, but it was the
14 first time we actually called for de-energization.
15 Of course, the subway system, you know, in the
16 last couple of years for the first time and--first
17 and second time called for preemptive shutdown
18 also so we were not alone. But we really knew,
19 again, with this focus on public safety that that
20 was the right call, no second-guessing, no doubts
21 whatsoever in my mind that if we do have high
22 voltage equipment that is not submersible and
23 saltwater enters into it, we do need to go to
24 preemptive.

25 That said, I mentioned we are

2 looking at a number of different ways to avoid the
3 need for a preemptive shutdown of a network and
4 affecting that large an area, that many customers,
5 I talked about Brighton Beach, how we're going to
6 have switches that can isolate some of the larger
7 customers that will go underwater and spare the
8 portions that won't, I talked about splitting the
9 Bowling Green and Fulton networks in Manhattan so
10 that only the customers that go underwater would
11 be de-energized preemptively, the rest of the
12 customers, including the Stock Exchange and the
13 Federal Reserve and downtown hospitals stay in, I
14 think those are positive steps.

15 We've got a prototype out there
16 for--and you may or may not know this, but a good
17 portion of our underground system is submersible,
18 the lower voltage equipment is submersible. We
19 have never been able to create a submersible high
20 voltage gear, we call it 460 volt equipment. It's
21 open-air installation, it's generally in a vault
22 right outside the customer on the sidewalk and
23 then it goes into the basement of the customer and
24 meets up with the customer's electrical gear.
25 We've got a prototype to actually encapsulate and

2 allow our equipment, that 460 volt equipment, to
3 be submerged. When we do that, we could, in
4 theory, just isolate the building as opposed--the
5 buildings that are affected as opposed to all of
6 the network, so that's the other thing we're
7 working. If that pilot is successful, then we
8 certainly can--we'll have some promise on that
9 front.

10 I would also say that, and I've
11 been saying for several times that there are
12 customers, most of our customer's equipment is in
13 the basement also. I know some of our customers
14 are evaluating whether to move their equipment up,
15 that's a tough call for them, costly, it takes up--
16 -it moves from the basement up to rentable space
17 up on the second floor, and they've all got to
18 make that call. Whether building codes can or
19 will change to require that is certainly something
20 that we should be considering. I've already said
21 that for all new buildings, all new installations,
22 we require equipment to be either submersible or
23 above the floodplain, but there's, obviously, a
24 large population of buildings out there that do
25 not have that that we need to consider.

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2 CHAIRPERSON GARODNICK: That's all
3 extremely important and useful information. Let
4 me just thank you for the approach by Con Edison
5 for the future which would be a little more
6 precise in terms of the way to cut off power--

7 JOHN MIKSAD: Yes.

8 CHAIRPERSON GARODNICK: --because,
9 you know, you look at the vast area in Manhattan
10 south of 39th Street which was not anywhere near
11 Zone A or B--

12 JOHN MIKSAD: Right.

13 CHAIRPERSON GARODNICK: --but had
14 to have power, you know, shut down, or had power
15 shut down because of the flooding on 13th Street,
16 but to be able to isolate the most difficult areas
17 is something that we certainly will count on your
18 doing in the future.

19 But just to go back to my question
20 for a second, I heard you say that you would not
21 second-guess at all the areas in which you did do
22 preemptive shutdowns in unprecedented way, but do
23 you think that there were other areas in which you
24 should have done preemptive shutdowns?

25 JOHN MIKSAD: Well the one thing I

2 will say that really didn't come to anyone's
3 attention is we did shut down individual feeders
4 supplying networks for the same reasons, because
5 we knew that the equipment that those in the areas
6 of those feeders would be submerged, but it didn't
7 require the full shutdown of the network so the
8 customers went unaffected. So we did do selective
9 other preemptive shutdowns but they were really
10 just equipment shutdowns and not customer
11 shutdowns.

12 CHAIRPERSON GARODNICK: Okay. A
13 couple more questions from me, you talked about
14 all of the outbound calls that you do before the
15 storm and that included people who have critical
16 life-saving machinery on which they rely, you said
17 that you reach out to them. What is the process
18 for reaching out to the folks who fall into that
19 category? Presumably, they need to self-identify
20 themselves to you, but how do you ensure that your
21 message has actually been received by those folks?

22 JOHN MIKSAD: Yes. Yeah, so they
23 do self-identify. Every new customer who comes to
24 us, we inform of the program, and they have the
25 option to sign up for it, and then we

2 periodically, I know, send out in bill inserts the
3 just informing--reminding folks of the program
4 that if something has changed, they can sign up
5 for it.

6 So the way we contact those
7 customers is with a call from a representative to
8 say, or a VRU, a recorded message, to say, hey, in
9 this case, a storm is coming, we have potential
10 for widespread power outages and should your power
11 go out, just make sure you have an emergency plan
12 and that could include going to the nearest
13 hospital. And we will do that in advance of the
14 storm.

15 Now during the storm, we're also
16 reaching out to those customers that are actually
17 now out, and if we don't get a hold of them, I
18 think that was, sort of, one of the scenarios you
19 were referring to, we do work through OEM and the
20 police department and we will actually, if we try
21 to get a hold of folks and we don't get a hold of
22 them, we will actually get typically a PD to go
23 out and knock on a door to make sure they're okay.

24 CHAIRPERSON GARODNICK: How big a
25 list is that?

2 JOHN MIKSAD: There are 4,000
3 customers that are signed up on our life-
4 sustaining equipment list and there are another
5 4,000 customers or so in the medical hardship,
6 which is a, sort of, a lower tier of that, but
7 still requires a--a doctor indicates that they
8 need some device to help them--their health.

9 CHAIRPERSON GARODNICK: And now
10 we're going to be turning a little later on to
11 cable or telecommunications companies, those are
12 also entities that need to know where Con Edison
13 is heading when it comes to power restoration so
14 that they can actually anticipate where they need
15 to deploy their resources and staff. Can you help
16 us understand what your level is of communication
17 with the telephone companies, the cable companies,
18 et cetera, to keep them posted on what's going on?

19 JOHN MIKSAD: Yeah, I guess the
20 private--one of the points, the hubs, is at New
21 York City OEM at their command post, we are
22 staffed there, as are the cable and
23 telecommunication companies so information is
24 exchanged there at their periodic briefings,
25 status reports back on both sides of that

2 equation. So that's probably the primary, but I
3 do know we, I mean, we are customers of the
4 communication companies and the communication
5 companies are customers of ours so we also have
6 contact information that we will treat them like
7 our other customers and we will give them
8 estimated times of restoration, just like we do
9 for any other customer. And then we generally
10 have, sort of, an account executive for those
11 corporate type customers that are also dealing
12 with them and dealing with any issues that they
13 may face.

14 CHAIRPERSON GARODNICK: Okay. And
15 lastly, I expect that we're going to hear from the
16 union because we have their testimony here, that
17 they feel that Con Edison was not prepared to
18 handle the supplies that were necessary, and by
19 your own testimony a few minutes ago, you noted
20 that Sandy stretched you, and that's not a
21 surprise at all in light of what you were dealing
22 with, but they have cited as an example that Con
23 Ed ran out of poles, I don't know if that is
24 accurate from your perspective, if you'd like to
25 address that. And also while you're at it, let's

2 talk about the workers who came in from the
3 outside, it was a significant number of people who
4 you brought in, it sounds like it almost even
5 doubled your--actually more than doubled your
6 workforce, and whether the people who came in had
7 the qualifications requisite to actually do what
8 we wanted them to do or whether they actually
9 ended up being a burden on your regular repair
10 people who might have needed to educate them on
11 how to handle an urban environment.

12 JOHN MIKSAD: Okay. First, on the
13 poles, as I mentioned earlier, when that army went
14 out to work, left those staging areas and those
15 base camps, they took with them in many cases all
16 of the material that we had, but no crew was
17 delayed for an hour with regard to because we
18 didn't have a pole. Did it push us, were we
19 constantly replenishing once the crews left and
20 replenishing? Absolutely. So could you have gone
21 there at noon and found no poles? Absolutely, but
22 all the crews were out of the yard, were doing the
23 work that they needed to do with the poles that
24 they needed and the other materials they needed.
25 So as I said, Sandy certainly stretched us and we

2 went to great lengths to make sure that material,
3 that supply chain kept that army fed with the
4 material and equipment and fuel that it needed.

5 With regard to mutual assistance,
6 you know, I cited the 4,000 employees that I have
7 in my organization and the 5,700 that came in, but
8 sort of, I think a better apples to apples
9 comparison is, you know, the major effort, the
10 real resources were required to reinstall poles
11 and put up wire and deal with the damage to the
12 overhead system, that was the bulk of the real--
13 the grunt work that was required. What we have on
14 a normal day, on a day like--a blue sky day like
15 today, we have some ballpark numbers, 150 overhead
16 crews on the Con Edison system, maybe it's 160,
17 170, but ballpark numbers, let's just--we'll call
18 it 150. The equivalent of the 5,700 people we
19 brought in, that's probably 1,200 crews, overhead
20 crews to do overhead line work. We don't need on
21 a blue sky day like today or the vast majority of
22 the time when Sandy has not affected us, we don't
23 need 1,200 overhead line crews doing on the work
24 on the system, I don't have the work for them, our
25 customers can't afford them, and there is no

2 reason for us to have them. The mutual
3 assistance, the beauty of the mutual assistance
4 program, when it's working right, and, again,
5 Sandy certainly pointed out some issues here, but
6 when the mutual assistance program is working
7 right, the beauty of it is that we can go along
8 with the resources that we need for 360 days of
9 the year and when the storm hits on those five
10 days, we could get the resources we need basically
11 for those five days and those five days alone.
12 And that really is a system that has served, I
13 think, the country, not only the city, very, very
14 well.

15 And I think that in the cases where
16 we did split crews up, Con Ed crews in order to
17 guide, to be crew guides for those foreign crews,
18 that is leveraging the talent that we have so that
19 we can multiply it. So rather than one of our
20 lineman being able to put up one wire at a time or
21 one pole at a time, they are now responsible for
22 five or seven or ten crews where they can leverage
23 their talents to get more work done.

24 So that, in my mind, is a very
25 positive thing, it's something that we--to me, it

2 allows us to use our talent in an optimal way
3 given the immense amount of work that we have, it
4 allows--it makes sure that we've got a highly
5 qualified person with every crew, foreign set of
6 crews that come in to our service territory.

7 I would also say in addition to
8 that, prior to them doing work, we have--and you
9 could have seen it at any one of those base camps,
10 we're talking to them in advance, we're talking
11 about the system design, we're talking about the
12 system rules, the work policies, and all of that
13 is communicated to the forces that come in to work
14 for us.

15 And I think it's an efficient and
16 effective use of resources and it's something that
17 I don't think we want to give up.

18 CHAIRPERSON GARODNICK: Okay. And
19 I'm certain that we'll hear from the union
20 representatives themselves on their perspective.

21 So my very last question here is on
22 the 13th Street substation and whether or not the
23 wall that you are improving by the summer is
24 actually forward looking enough to actually be
25 able to deal with what might come. I feel like we

2 are reacting, this is not a problem of Con Ed
3 specifically, but we as a city are reacting to
4 what we know and we're reacting to what we have
5 seen or what we can reasonably anticipate. How
6 confident do you feel about the size of the wall
7 that's going up around 13th Street?

8 JOHN MIKSAD: Well the thing that
9 gives me confidence is the uniqueness of Sandy,
10 the way she hit, the fact that the stars aligned
11 at high tide and we were in the northeast quadrant
12 where the winds are the highest, the long push. I
13 mean, it had 800 miles of push to push water into
14 the harbor. So it was a fairly unique if you talk
15 to meteorologists and, you know, can it repeat?
16 I'm never going to say anymore that it can't
17 repeat. But I do feel somewhat confident by the
18 fact that the stars kind of had to align with
19 Sandy.

20 Now that said, I don't think that
21 we're done, I think this is a step, I think it's a
22 good step, but we are also evaluating other plans,
23 as was suggested by some of your colleagues today,
24 about looking at do we just raise equipment up to
25 a much higher level or figure out a way to make it

2 submersible. So I think we've got more work to
3 do, I don't think that it's the end of the story
4 when we have 13th Street and the other stations
5 protected to 14 feet.

6 CHAIRPERSON GARODNICK: Well thank
7 you and we will look forward to being supportive
8 of having future conversations to deal with those
9 issues that you're struggling with. We've
10 identified a number of the issues, I assume most
11 of them you are well aware of before the hearing,
12 and just we do very much appreciate your approach
13 to the hearing, your presence, and certainly, the
14 candid way in which you acknowledged what went
15 right and what did not go right, and certainly
16 this committee--all of these committees do
17 appreciate that, so thank you for that. And we're
18 going to call our next witnesses, so thank you.

19 The next witness will be Michael
20 Deering and Jonell Doris, both of the Long Island
21 Power Authority. And as soon as you are up and
22 settled, you may go ahead and begin.

23 [Long pause]

24 CHAIRPERSON GARODNICK: Welcome.

25 MICHAEL DEERING: Thank you.

2 [Pause]

3 MICHAEL DEERING: Okay. I got it.

4 Thank you for the opportunity or inviting us today
5 to provide testimony in our response to Hurricane
6 Sandy. I am Michael Deering, I'm vice president
7 of Environmental Affairs for LIPA. Okay, thank
8 you. And I'm joined by Bob Rowe, who's the
9 director of Smart Grid for our service provider,
10 National Grid; and Jonell Doris, who is the
11 district manager for the Rockaways. We welcome
12 the opportunity to address this Council and to
13 discuss our storm preparedness, as well as what we
14 can do to help you further your efforts as we go
15 forward.

16 In particular, I would like to
17 recount of the some activities and efforts that we
18 undertook in the Rockaways to address the needs of
19 our customers who suffered some of the worst
20 damage delivered by this storm. It's my hope that
21 as we proceed with this assessment of the event,
22 the process will lead to lessons learned that will
23 help us to improve our system and to help
24 coordinate with our other agencies and utilities
25 in future storms 'cause I think the question is

2 not whether we're going to get another storm, but
3 when we're going to get that storm and how we're
4 going to address it differently as we go forward.

5 I also want to just take a moment
6 to thank the workers from LIPA National Grid, IBEW
7 1049 and all the federal, state, and local
8 agencies, the emergency response organizations
9 that worked together to help us to safely restore
10 power in just over two weeks' time. And I know
11 two weeks is not satisfactory in terms of
12 restoration and the expectations, but two weeks
13 for a storm of this magnitude and given the not
14 one storm we had, but two actually, was a
15 wonderful accomplishment in that scheme.

16 Just for the purposes of setting
17 the stage, the Long Island Power Authority, as
18 you're aware, was a public power authority, we're
19 a not-for-profit, we were created by the state
20 legislature in 1998. It's our responsibility to
21 supply electric service to both Nassau and Suffolk
22 counties and our customers on the Rockaway
23 peninsula. We provide retail electric service to
24 about 1.1 million customers, and approximately
25 32,000 of those customers are located on the

2 Rockaway peninsula. Now when I say customers, I'm
3 talking meters, so the population is probably
4 somewhere in the area of about 112,800 in the
5 Rockaways. And that's a mix of both residential,
6 predominantly residential customers and a mix of
7 business and industrial customers.

8 Under a management services
9 agreement with National Grid, they are responsible
10 for our day-to-day management of our system. They
11 also help maintain the electric transmission and
12 distribution system, and they also supply delivery
13 of energy that is produced by some of our
14 generating plants. So LIPA basically owns the
15 system and National Grid is our contractor, helps
16 us to maintain and operate the system on a daily
17 basis.

18 As was mentioned before, this was
19 an unprecedented storm, exceeded the predictions
20 of experts from the National Ocean--NOAA, from
21 FEMA, the U.S. Coast Guard, and it was
22 particularly exceeded those expectations as it
23 dealt with the storm surge that greatly affected
24 the south shore of Long Island and the Rockaway
25 peninsula, and we'll talk a little bit about that

2 as we go along.

3 On Long Island--and when I say Long
4 Island, we do include the Rockaways--we did
5 experience about 1.2 million outages, that's more
6 than twice the number of outages that we
7 experienced in Tropical Storm Irene. I mentioned
8 the storm surge, and that is very significant. It
9 was unprecedented, it brought water levels to
10 between 9 and 11 feet above average high tide
11 levels, with a surge that was reported in Long
12 Beach of 16 to 18 feet. That was well in excess
13 of what was anticipated by NOAA in the pre-storm
14 activities.

15 As we planned for a storm, any
16 storm, we are doing this many days in advance and
17 we were actually monitoring this when it was down
18 in Jamaica, and based on the weather reports, we
19 predicted a tropical storm event and we commenced
20 with storm meetings, we identified the
21 availability of materials and acquired those
22 materials that were going to be necessary.
23 Outreach began to our customers and key
24 stakeholder groups urging them to be aware of the
25 storm event that was coming and for them to help

2 make appropriate preparations for a multiple day
3 event.

4 One of the lessons learned from
5 Hurricane Irene that we incorporated this time
6 were daily municipal calls. We had begun those in
7 anticipation of this storm and continued those
8 throughout the storm. And in fact, once the
9 devastation was in the Rockaways, we held separate
10 calls for municipal leaders in the Rockaways to
11 discuss this area in particular, as well as the
12 broader municipal calls.

13 Based upon those National Weather
14 Service reports, LIPA and Grid anticipated
15 initially about 200,000 to 350,000 outages. We
16 looked at a 7-day restoration plan for a storm of
17 that type of a magnitude, and in an effort to
18 reduce the restoration period, LIPA authorized the
19 immediate request for almost 1,300 off-island
20 workers. The number of off-island workers
21 requested continued to rise as it became apparent
22 that Sandy would be a far greater magnitude than
23 initially forecast. And you heard from our
24 colleagues from Con Edison about the difficulty in
25 obtaining mutual aid crews because this was a

2 system that was very large, widespread, affected
3 the south, the entire eastern seaboard, and we,
4 just like them, were accepting and getting crews
5 from across the country and were part of that
6 airlift that was spoken about earlier with crews
7 coming from as far away as California.

8 We do have a set process for
9 restoring power to ensure the safety of those
10 working on the lines as well as to restore the
11 largest number and critical infrastructure
12 customers in the initial stages, and then we work
13 backwards. So the plan that we followed during
14 Sandy was generally to repair the transmission
15 lines to enable power to be supplied to our area
16 substations, to repair those substation damaged to
17 permit power to be supplied to the distribution
18 system, restore the core infrastructure of the
19 distribution system, which typically is larger and
20 runs along our main roadways; restore distribution
21 feeds into neighborhoods; and then restore
22 individual pockets and individual homes. This
23 also takes into consideration a prioritization of
24 critical infrastructure, which includes the Long
25 Island Rail Road, subways, hospitals, nursing

2 homes, fire and police stations, schools, and as
3 we saw in the last storm, gas supplies, which
4 became a critical issue throughout the storm.

5 I mentioned the flooding along the
6 south shore, that resulted in numerous--in damage
7 to numerous substations and to address the
8 significant impact in these communities, we had
9 crews that were immediately dispatched to those
10 substations to both assess the situation,
11 formulate recovery plans that could address the
12 restoration activities. And Bob Rowe was one of
13 the directors of that program and had spent many,
14 many weeks in Far Rockaway, in the Rockaways to
15 address that.

16 Responding to the needs of the
17 customers in these flooded areas was also treated
18 as a priority. The flooding along the south shore
19 damaged an estimated 100,000 homes and businesses.
20 Saltwater intrusion into electric panels, electric
21 outlets and wiring made it unsafe to re-energize
22 affected premises without proper inspection and
23 necessary repairs made by the customers. We
24 worked with many of the agencies here to literally
25 go house-to-house and business-to-business trying

2 to ensure that those facilities were going to be
3 safe to energize, and, in fact, to de-energize
4 some areas in order to energize additional
5 facilities. So it was a very deliberate process
6 that was done in cooperation with many of the
7 agencies here.

8 I also mentioned, despite the
9 magnitude of Sandy, we anticipated that about 90%
10 of our customers would be restored by the end of
11 day ten, and we had about 85% of our customers
12 restored by day seven. However, we did get hit
13 with the nor'easter that brought with it
14 additional winds and snow, that caused an
15 additional 123,000 outages. Also, forced us to
16 stand down in terms of our restoration because of
17 the winds and the snow. And even with this
18 setback, our crews moved forward and, again,
19 within 16 days we did have all of our customers
20 who could safely accept power to their homes and
21 businesses--and that's an important feature 'cause
22 we do still have people who are not yet ready to
23 accept that power.

24 Our efforts in the Rockaways, LIPA
25 and National Grid implemented a storm restoration

2 plan specific for the Rockaways, which was
3 executed in coordination with local, state, and
4 federal agencies and included the focus on
5 addressing the needs--the information needs, as
6 well as the energy needs of the communities that
7 we serve here. Damage assessment teams were
8 deployed here. And the unprecedented flooding, as
9 we mentioned, surpassed the height of the sandbags
10 that had been proactively placed around
11 substations to protect against the projected storm
12 surge. This resulted in significant damage to
13 these facilities and necessitated that the initial
14 focus of restoration efforts here be targeted to
15 repairing the substations. And as part of that
16 was we also brought in generation, mobile
17 generation to try to address the needs of the
18 community while we were restoring some of those
19 substations.

20 Conversely, and you heard--we've
21 been talking about overhead and undergrounding
22 lines, a detailed survey of the overhead lines
23 here found that most had withstood the effects of
24 the storm. That can't be said for the rest of the
25 island. We took significant damage in terms of

2 trees falling, wires down, poles coming down, but
3 in this area, it was predominantly a flood surge
4 event.

5 Accordingly, we had an extremely
6 large contingent of repair personnel supplemented
7 by experts from National Grid and other service
8 territories and they were assigned to the severely
9 flooded substations here in the Rockaways, as well
10 as the adjacent Woodmere substation to begin the
11 repair and the rebuilding of these facilities.
12 Within days, progress was made in advancing
13 repairs and, as I said, arrangements were made to
14 site mobile generation at various sites, providing
15 the ability to re-energize customers that could
16 safely accept power.

17 LIPA also established an operation
18 center at the Rockaway Beach substation and placed
19 a second mobile trailer to support the community.
20 Given the complexity of the process and the need
21 to closely coordinate with residents, building
22 owners, and other key local stakeholders, working
23 through the Office of Emergency Management, we
24 engaged with the New York City Housing Authority,
25 the police department, fire department, Department

2 of Transportation, FEMA, and the DEP to
3 coordinate, develop, and execute a plan.

4 Cooperatively, the priorities were identified as
5 LIPA worked with the New York Police Department
6 and DOT to install generation and energize traffic
7 and street lights to address public concerns.

8 Power was also restored to FEMA's community
9 outpost, while generation was sited at key public
10 health and safety facilities and housing complexes
11 across the Rockaways.

12 Efforts were also initiated through
13 a taskforce consisting of LIPA, Grid, and the OEM,
14 along with electricians and plumbers to
15 immediately begin the inspection process to
16 determine which homes and businesses were
17 structurally fit and safe to accept power.

18 As has been raised before, efforts
19 focused on isolating those premises unsafe to
20 accept power while the backbone of the electric
21 system was rebuilt. We did, at a deliberate pace
22 and under very safe conditions, restore power to
23 key facilities, including hospitals, nursing
24 homes, schools, housing complexes, and the MTA
25 stations.

2 Additionally, as homes and
3 businesses were deemed safe, LIPA personnel were
4 dispatched quickly to re-energize these premises,
5 in many cases, immediately dispatched, and within
6 24 hours was the timeframe from notification that
7 they were safe to energize for LIPA to go out and
8 actually energize those facilities. And we still
9 have, I believe, it's about 8,000 or so homes and
10 businesses that have yet to be energized, some of
11 which may never come back, we don't know what the
12 loss may have been in the overall scheme of
13 things.

14 Just in terms of communication, we
15 did have personnel that went door-to-door to
16 distribute informational flyers that detailed the
17 re-energization process, we had walk-in centers
18 established at numerous locations, including the
19 Battalion Pentecostal Assembly, Waldbaum's
20 Shopping Center, St. Francis de Sales Church,
21 Belle Harbor, and Fort Tilden Park. Employees
22 staffed these centers around the clock and
23 remained on site during the holidays to provide
24 assistance to customers. Additionally, a LIPA
25 engineer was assigned to work with FEMA to assist

2 in the execution of the Rapid Repairs program. We
3 also had newspaper and radio ads that were going
4 out. And, as the gentleman from Con Ed spoke
5 earlier, we do have texting ability to notify
6 customers of their restoration times, and used all
7 of our methods mechanisms to get out and try to
8 give the community as much information as we had.

9 To-date, we continue to maintain a
10 presence at these command centers, and we have
11 restored service to all customers' homes and
12 businesses can safely accept power, and we're
13 ready to connect the remaining customers that are
14 out once those necessary repairs have taken.
15 Concurrently, we are also progressing with efforts
16 to protect our substations and equipment against
17 any future storms.

18 Because time is short, I'll
19 conclude there and just thank you for your
20 opportunity to be here today and we do look
21 forward to providing additional information and
22 working with the Council as you go forward on the
23 bill and help in any way we can.

24 CHAIRPERSON GARODNICK: Well we
25 thank you and certainly thank you for your

2 presence here today and for your testimony. Let
3 me just follow up on a few points, the first one
4 relates to communications, both before and after
5 the storm.

6 Con Edison previously, or just
7 before you, had testified that they had made \$1.4
8 million--million dollar, 1.4 million robocalls--

9 MICHAEL DEERING: Right.

10 CHAIRPERSON GARODNICK: --before
11 the storm and that that they had a list of people
12 who are on life saving equipment, et cetera.

13 MICHAEL DEERING: Yep.

14 CHAIRPERSON GARODNICK: Can you
15 give us some of the stats on the level of outreach
16 that LIPA did before the storm, how you did it,
17 and how successful you were?

18 MICHAEL DEERING: I can provide you
19 specific stats, but generally speaking, all of our
20 critical care customers throughout Long Island
21 were contacted prior to the storm. We did--

22 CHAIRPERSON GARODNICK:

23 [Interposing] By phone.

24 MICHAEL DEERING: By phone and
25 follow up during the storm. So if we did not get

2 a response from a critical care customer, there
3 was a follow up and, ultimately, it was an onsite
4 follow up so that was--

5 [Crosstalk]

6 CHAIRPERSON GARODNICK:

7 [Interposing] By LIPA itself or--

8 MICHAEL DEERING: [Interposing] By
9 LIPA and National Grid to inquire about the status
10 of the customer. That was something that was a
11 lesson from Irene, so we have done that, and we
12 will continue to do that. Because critical care
13 customers on a blue sky day like today are given
14 priority in terms of a restoration effort, but in
15 a situation that we had in Sandy where we've got
16 the majority of our customers out, it's not
17 necessarily going to be a critical care customer
18 that we can get to immediately so we want to make
19 sure and clarify that, A, they know what that
20 means in that situation and, B, that they do have
21 alternative plans to try to address their
22 situation.

23 In addition, we did do, I believe,
24 it was in excess of half a million robocalls prior
25 to that, we have also done e-mail contacts. We do

2 have the text-in, text-out information so we have
3 contacted customers through their cell phones or
4 e-mail addresses that they have given us, and I
5 will get you all of the numbers. And that was
6 prior to the storm as well as during the storm.

7 Again, I think the communication
8 we're getting out to the public is giving them
9 this kind of general window of be prepared for
10 seven days, be prepared for ten days, be prepared
11 for fourteen days and the end day. It's what
12 customers are really looking for is a more
13 granular set of information: When is my power
14 going to be turned on.

15 So that's the challenge for us is
16 to get that granularity and that timeliness of
17 information so that customers, after the immediate
18 damage assessment is done, we can begin to give
19 them, you know, better crew locations, better
20 estimates of when their power is going to be on.
21 So I think that's the challenge that I know we
22 face. We have gone through a series of upgrades
23 to our outage management system, we clearly need
24 to do more to get more timely information to the
25 crews, get the crews back to us so that we can

2 then get it on our outage system maps and get it
3 to our customers.

4 CHAIRPERSON GARODNICK: Speaking of
5 the maps, LIPA had some of the same issues that we
6 had identified with Con Edison previously, which
7 is just information which was flat-out wrong and
8 gave the perception to the customer that LIPA did
9 not actually know what was happening. What steps
10 have you all taken to deal with the inaccuracies
11 on the maps so that you can give proper
12 information to customers and also avoid that
13 perception?

14 MICHAEL DEERING: Yeah, generally,
15 we are looking--we're--and Bob could probably help
16 answer this question--we are looking for
17 technological advances, for example, having crews
18 with touchpads to be able to communicate back to
19 us where they are, what the damages are so we get
20 a better handle on what is the repairs that are
21 necessary and what the timeframe for those repairs
22 could be. So part of it is getting crew
23 information out, getting that damage assessment
24 done more quickly, and then having it fed into the
25 computer system in a quicker fashion to be able to

2 be put on the system.

3 Right now, what we have is a large
4 outage showing everybody on Long Island out. How
5 do you now synthesize that and break it down?
6 We're able to do that later on in the storm, I
7 think we were at that point around the eighth day,
8 ninth day, tenth day, but how can we do that in a
9 much sooner and quicker fashion, that's something
10 we're looking at. In fact, we've engaged a--and
11 we've been engaged in conversations with the State
12 University of New York, at Stony Brook, the AERT,
13 the AERTC, Advanced Energy Research Center, to
14 begin to see how we might have some technology
15 that can help us do that.

16 Did you want to add?

17 BOB ROWE: Sure.

18 CHAIRPERSON GARODNICK: What's your
19 timeframe for being able to have some
20 recommendations on these issues? Because,
21 obviously, looking at them, we appreciate--

22 MICHAEL DEERING: Yeah.

23 CHAIRPERSON GARODNICK: --but we
24 also want to know that there is a concrete
25 timeframe for--

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2 MICHAEL DEERING: Yeah.

3 CHAIRPERSON GARODNICK: --for this
4 advancement.

5 MICHAEL DEERING: Yeah, I wish I
6 could sit here and tell you I have a concrete
7 timeframe. We did have one meeting with them
8 already, we have a follow up meeting set up this
9 month, we're working with National Grid and our
10 senior team to see what additional steps we can
11 take and how quickly we can do those [off mic].
12 One of the meetings we have next week, in fact, is
13 to talk to a contractor that does have wireless
14 technology capabilities to go out and do damage
15 assessments through laptops to--through iPads, I'm
16 sorry, to do touch points that can then be
17 transferred back, which would greatly enhance our
18 ability to give timeframes.

19 CHAIRPERSON GARODNICK: So are we
20 talking about a three-month or a six-month time
21 horizon here? Are we talking about a five-year
22 time horizon? What are we talking about?

23 MICHAEL DEERING: I don't think
24 we're talking about a three-month and we're not
25 talking about a five-year, I think we've got to

2 figure out how to do this in a reasonable
3 timeframe and I don't know what that technology
4 is, but I will come back to you with that--

5 CHAIRPERSON GARODNICK:

6 [Interposing] Have you set any internal goals at
7 this point on ways to address that?

8 MICHAEL DEERING: In terms of...
9 We're moving forward, I don't think we've set a
10 specific timeframe. We've also had, just so you
11 know, we've had conversations with New York State
12 on a number of other areas, communication is one
13 of them, infrastructure upgrades are second ones.
14 You know, so there are a number of things that
15 we're looking for and we're putting together
16 packages of potential improvements that could be
17 made and then we're going to work with our
18 partners to try to do that. DPS is very
19 interested in this and something we're going to
20 work with them on as well.

21 CHAIRPERSON GARODNICK: So,
22 obviously, our constituents want to know--

23 MICHAEL DEERING: Yep.

24 CHAIRPERSON GARODNICK: --that you
25 have a time table and that you have a plan and so

2 to the extent that you would be willing to share
3 that publicly--

4 MICHAEL DEERING: Sure.

5 CHAIRPERSON GARODNICK: --I think
6 it would go a long way to restoring confidence
7 and--

8 [Crosstalk]

9 CHAIRPERSON GARODNICK: --so that
10 people know what you are doing and what you're
11 shooting for.

12 MICHAEL DEERING: Totally.

13 CHAIRPERSON GARODNICK: As I've
14 said repeatedly through this storm and in the
15 aftermath, and even some of my colleagues cited it
16 here already today, it's not that people will
17 necessarily criticize you for precisely hitting
18 the mark--

19 MICHAEL DEERING: Right.

20 CHAIRPERSON GARODNICK: --of that
21 six-month or nine-month or three-month target, but
22 it is a fair criticism that there is no target
23 that you are seeking to achieve. That's an issue
24 with residential buildings around the city, it's
25 an issue with power companies, and so we want you

2 to put those numbers out there and we want you to
3 have something to strive for.

4 MICHAEL DEERING: Understood. I
5 would just add one other thing that we have done,
6 in fact, just this week. We have upgraded our My
7 Account pages on our website, which is that
8 texting in and texting out. So the more that we
9 can get customers engaged in alternative
10 mechanisms to communicate with them, and that's
11 kind of a joint process is getting the customer to
12 actually register and then for us to continue to
13 do that, that's one of the improvements that we
14 have already made at this point in time.

15 CHAIRPERSON GARODNICK: You did
16 note it in your testimony, did you do any
17 preemptive cuts?

18 MICHAEL DEERING: Preemptive cuts.

19 CHAIRPERSON GARODNICK: Cuts to
20 power in the Rockaways?

21 BOB ROWE: Not in the Rockaway.

22 MICHAEL DEERING: No, we did--we
23 de-energized in Fire Island--

24 CHAIRPERSON GARODNICK:
25 [Interposing] Sorry, de-energized is the proper

2 term so that's actually what I'm asking.

3 MICHAEL DEERING: But we did not do
4 that in the Rockaways and we--

5 CHAIRPERSON GARODNICK:
6 [Interposing] Should you have, in looking back, do
7 you think that that would have helped the
8 restoration process?

9 BOB ROWE: I think similarly to--

10 CHAIRPERSON GARODNICK:
11 [Interposing] Identify yourself.

12 BOB ROWE: Oh, sorry, I'm Bob Rowe
13 from National Grid. I think similar to the Con
14 Ed's testimony, the issues with the damage is a
15 lot around the control wiring, that is not
16 affected whether you de-energize or not, so I
17 think our restoration process would have been
18 about the same whether we had de-energized or not.

19 CHAIRPERSON GARODNICK: Let's talk
20 for a moment about the coordination with the City
21 on downed trees. We heard from Con Edison that
22 there is an amorphous--and it sounds like a rather
23 poor process between the City and the power
24 companies that serve the city on how to deal with
25 trees that are on power lines. Would you describe

2 the situation the same way that we heard from Con
3 Ed, which is you get routed a ticket from the 311
4 system saying there is a tree on a power line, you
5 go there, the Department of Sanitation goes there,
6 and if it's powered, you will de-energize it, and
7 then the Department of Sanitation needs to remove
8 it, is that consistent with your understanding of
9 how things work?

10 BOB ROWE: I would say typically
11 when trees are involved in a power line, as Con Ed
12 said, LIPA does not own trees, so we will respond
13 with a crew that's capable of clearing the lines,
14 but we will just clear enough of the tree to be
15 able to reestablish the lines, and in some cases,
16 in storms of this magnitude, we also go out and
17 cut the lines clear so that other crews can safely
18 clear them. But it's typically left to, you know,
19 the municipality to clear the road and remove the
20 tree from the road. We don't have the equipment
21 to pull a whole tree out of the road, we really
22 just respond with trucks with saws to make it
23 clear and get it out of the way.

24 CHAIRPERSON GARODNICK: And if the
25 Department of Sanitation were to have arrived

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2 there before you, there is nothing that they would
3 be able to do at that moment in time because they
4 have a live wire, is that correct?

5 BOB ROWE: That's correct.

6 CHAIRPERSON GARODNICK: Okay. How
7 many extra workers did you all bring in as part of
8 that worker sharing program to be able to help
9 deal with the challenges?

10 [background noise]

11 MICHAEL DEERING: Yeah, we have
12 6,100 crews?

13 BOB ROWE: Mm-hmm.

14 MICHAEL DEERING: We brought in
15 about 6,100 out-of-state crews.

16 CHAIRPERSON GARODNICK: Did you
17 have adequate supplies to be able to do
18 restoration or did you find yourself short?

19 MICHAEL DEERING: Yeah, there is
20 this perception that we ran out of poles at some
21 point in time, which is not true. We did not run
22 out of any materials during the storm. We
23 continued to replenish that, and that included gas
24 supplies and fueling our trucks and keeping our--
25 keeping the workers who were out on the streets.

2 So, you know, these are challenges, but I give
3 National Grid kudos for this 'cause the logistics
4 of bringing 6,100 crews in, bedding them down,
5 providing them with all the equipment that they
6 need, the fuel, and to get them out and managed,
7 that was done throughout the process with adequate
8 materials.

9 CHAIRPERSON GARODNICK: Let's just
10 do a little self-reflection on things that in
11 hindsight you might have done if you had known
12 what you were up against. Obviously, the
13 testimony focuses on everything that you did, and
14 we get that, but, obviously, there are also people
15 who were without power for a very long time. What
16 were the lessons here that if you had all of the
17 perfect information that you would have done, but
18 were not able to do?

19 MICHAEL DEERING: Well first we'd
20 certainly be having the Long Island crews here--
21 the off-island crews here, I'm sorry. So the
22 mutual aid that, as Con Ed spoke about earlier,
23 has worked very well in the past, in this
24 situation, because of the size and scope of the
25 storm, left many of us at a disadvantage for the

2 storm of this size. So having those crews here
3 ready to go on day one.

4 I think the other thing I mentioned
5 before is to equip our surveyors with better tools
6 to get faster damage assessments and more
7 comprehensive damage assessments. That's part of
8 the conversation that we're having with Stony
9 Brook and the AERTC is how can we know a pole is
10 down without necessarily having to send somebody
11 out there, that's technology that may or may not
12 be available at this point in time, but certainly
13 to have an assessor go out, be walking the line,
14 which is what we do, we have our assessors
15 actually walking all of our lines and then taking
16 damage notations. But to have that iPad
17 availability so that they're punching in what that
18 damage is, that's something that would be
19 tremendously advantageous in the early stages, I
20 think, and help move it forward. So that's
21 something that we're looking at.

22 I think those two things are
23 predominant. And I think the other thing is, you
24 know, storms are very unpredictable, the
25 predictability, if we can get better

2 predictability of storms, and I don't know if we
3 can ever beat Mother Nature, but that's something.

4 I think the other thing is and
5 we're doing now is hardening some of the
6 infrastructure that we have and dealing with the
7 substations in the potential flood zones.

8 And I think the other thing that
9 we're going to be doing, clearly, I think
10 everybody's going to be doing, is working with
11 FEMA as flood maps get changed and potential areas
12 that heretofore weren't considered flood zones
13 perhaps are.

14 So I think we got to look at
15 hardening, I think we have to look at better
16 damage assessment, I think we have to look at the
17 mutual aid groups. And I turn it to Bob if there
18 was anything else.

19 CHAIRPERSON GARODNICK: So you
20 cited the number of 85% of your customers having
21 been restored by day seven, tell us about the
22 remaining 15%.

23 MICHAEL DEERING: Well, again, I
24 think it gets to that gradation, you know, you're
25 getting large customer blocks when you're

2 improving--when we're restoring the transmission
3 system, for example, and the distribution system,
4 so you're, you know, in the beginning, you're
5 getting large groups of folks. As you begin to
6 get down to the individual wires or groups of
7 wires or distribution feeders into the
8 neighborhoods, you're getting fewer and fewer
9 restored with each job that you're producing. So
10 you really do begin to see the drop off as the
11 days go on as it becomes really a--it gets to a
12 point where it's one-on-one, one line for one home
13 as you get to the end of it so you will see that
14 slowdown in restoration. But conversely, with the
15 workforce that we actually had at point in time
16 and at that stage, that began to, you know,
17 continue to move forward rather quickly.

18 CHAIRPERSON GARODNICK: Right, but
19 do you have the numbers for us as to the timing of
20 the restoration for that final 15?

21 MICHAEL DEERING: Oh, I didn't
22 bring that with, the 15%. Well all of the--I
23 don't have the breakdown, but all of our customers
24 were restored within day 16. Sixteen. And,
25 again, we were on track to restore our customers

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2 within 10 to 12 days until that second nor'easter
3 came in--

4 [Crosstalk]

5 CHAIRPERSON GARODNICK:

6 [Interposing] All right, and my last question
7 before we go to Chair Chin, you've, in your
8 testimony, you cited a number of 80,000 of, I
9 think it was either 80,000 or 8,000, you said it
10 quickly--

11 MICHAEL DEERING: I'm sorry.

12 CHAIRPERSON GARODNICK: --and I
13 missed it, as to the either customers or lines
14 that are yet to be energized--

15 MICHAEL DEERING: I think--

16 CHAIRPERSON GARODNICK: --what was
17 that number? Because we missed it over here and--

18 [Crosstalk]

19 MICHAEL DEERING: [Interposing] I
20 think it's about 8,000 customers.

21 CHAIRPERSON GARODNICK: Eight
22 thousand.

23 MICHAEL DEERING: Eight thousand.

24 CHAIRPERSON GARODNICK: And what
25 was the 8,000 number referring to?

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2 MICHAEL DEERING: I think that's
3 the number of customers in the Rockaways that are
4 of yet to be re-energized because they are not
5 ready to accept power.

6 CHAIRPERSON GARODNICK: I see, so
7 by day 16, LIPA was prepared to give them power,
8 but there are 8,000 that are not--

9 MICHAEL DEERING: It's exact--

10 CHAIRPERSON GARODNICK: --still not
11 ready to receive--

12 [Crosstalk]

13 MICHAEL DEERING: [Interposing]
14 It's exactly right.

15 CHAIRPERSON GARODNICK: Okay.

16 MICHAEL DEERING: And there are
17 some also in Nassau and Suffolk counties that are
18 in a similar situation.

19 CHAIRPERSON GARODNICK: Chair Chin.

20 CHAIRPERSON CHIN: I think just on
21 the question of Intro 985, the whole idea of
22 putting power lines underground, have you guys
23 considered that, the feasibility of that, and also
24 the costs that you think would incur?

25 MICHAEL DEERING: We have--and if I

2 can just pull out my notes--it is about 20% of our
3 transmission system is underground, and
4 approximately 30% of our distribution lines are
5 underground. As it relates to the Rockaways,
6 actually, the overhead distribution really was not
7 the issue, the predominant issue here was the
8 flooding and the impact on the substations. So
9 while we are looking at areas that might be, just
10 as Con Ed is, that might be appropriate for
11 undergrounding in the future, you know, I think
12 this area in particular is one where the system is
13 working and we have to be concerned with, I think,
14 the substations and the infrastructure that we
15 have or generation that we have that are in
16 flooded areas that, for the first time in this
17 storm, saw inundation that we had never seen
18 before. Bob, if you have anything.

19 CHAIRPERSON CHIN: So do you agree
20 with what Con Ed laid out in terms of the costs?

21 MICHAEL DEERING: I think the cost
22 that we have estimated at is somewhere between 2
23 1/2 and \$3 million a mile. As a general
24 statement, you're going to have, you know, some
25 areas are going to be more complex than others.

2 I would point out undergrounding is
3 not always a solution, we did have an issue,
4 actually, out east with a transmission line out by
5 Shelter Island that was undergrounded and, because
6 of the storm, actually scoured away and actually
7 became damaged. So you can have the alternative
8 problem and that--and when you have an under line
9 damaged, it tends to take longer to find and tends
10 to take longer to fix.

11 CHAIRPERSON CHIN: Okay. Thank
12 you, Chair.

13 CHAIRPERSON GARODNICK: Thank you
14 very much. I think that's the last question we
15 have for you, and we're going to call our next
16 panel, and we appreciate it.

17 MICHAEL DEERING: [Interposing] And
18 I will provide you with some of those detailed
19 questions that you asked us.

20 CHAIRPERSON GARODNICK:
21 [Interposing] Please, we appreciate that.

22 MICHAEL DEERING: Thank you.

23 CHAIRPERSON GARODNICK: Thank you.
24 And our next panel is going to be Brian McMorro
25 from National Grid and Ken Daly, National Grid.

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2 [Long pause]

3 CHAIRPERSON GARODNICK: Gentlemen,
4 welcome, and whenever you are ready--

5 KEN DALY: Sure.

6 CHAIRPERSON GARODNICK: --we're
7 ready for you.

8 KEN DALY: Well good afternoon. We
9 have a formal statement, in the interest of time,
10 I was going to recommend we submit that.

11 CHAIRPERSON GARODNICK: That's
12 fine, and introduce yourself.

13 KEN DALY: Sure, I'm Ken Daly, the
14 president of National Grid's gas business.
15 National Grid has a gas business in New York City
16 in Brooklyn, Staten Island, and two-thirds of
17 Queens. We are not the gas business in Manhattan
18 or the Bronx. I am the president of the gas
19 business and I have responsibility for our New
20 York City business, as well as Long Island and our
21 upstate New York business.

22 Brian, would you like to introduce
23 yourself?

24 BRIAN MCMORROW: Brian McMorro, ,
25 Director of Field Operations in New York City,

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2 covering Brooklyn, Queens, and Staten Island--

3 CHAIRPERSON GARODNICK:

4 [Interposing] Hold on one second, that microphone
5 is not on and we've got to help you out. Maybe on
6 the back.

7 BRIAN MCMORROW: Okay.

8 CHAIRPERSON GARODNICK: That all
9 right? Why don't you do that one more time? I'm
10 sorry.

11 BRIAN MCMORROW: Okay. Brian
12 McMorrow, Director of Field Operations in the New
13 York City area over the gas business coverage
14 Brooklyn, Queens, and Staten Island.

15 CHAIRPERSON GARODNICK: So I think
16 that's a fair recommendation, the idea of
17 submitting this, but we would like you to take us
18 through a little bit of it--

19 KEN DALY: Sure.

20 CHAIRPERSON GARODNICK: --that you
21 believe is the most salient. We don't need to go
22 through what exactly happened in the storm and how
23 significant, we've covered that with the others,
24 but anything that you believe is unique to your
25 situation, we would like to hear.

2 KEN DALY: Sure, well first let me,
3 you know, thank you and all the Council Members
4 for the opportunity to hear National Grid's
5 perspective on the implications of Sandy to our
6 gas business, and then likewise, thank all the
7 emergency responders--fire department, police
8 officers, Sanitation, who we worked very, very
9 quickly with.

10 You know, as the gas company, we
11 certainly understand that whenever our customers
12 are unable to heat their homes or businesses,
13 whether it's because of something National Grid
14 did or something the customer did or, in the case
15 of Sandy, because of the storm, it's a very
16 serious issue and we take that responsibility with
17 incredible commitment. And what I'd like to do is
18 just outline our comments in terms of our
19 preparation prior to Sandy, our efforts as part of
20 the restoration, and then finally, and perhaps
21 something you haven't heard much about so far
22 today, our efforts right now in rebuilding these
23 communities that were hard hit.

24 So let me start first with the
25 preparation. Like the others you've heard from,

2 we drill year-round for events like Sandy and for
3 a specific storm, we actually started a full week
4 prior with very, very intensive preparations. A
5 checklist similar to what you've heard earlier--
6 monitoring the weather; very, very frequent
7 planning calls; working closely with the city, the
8 state; monitoring our gas system to make sure we
9 have adequate supplies at all time, which we did
10 prior, during, and throughout the event; safety
11 alerts for our customers; and then very, very
12 specific work in the flood zones.

13 What we do is we go through
14 isolation drills so that in the event there was a
15 serious event like Sandy, we could limit the
16 damage to those areas in the flood zones and by
17 doing so, really protect the bulk of our gas
18 system from that damage. So I think the
19 preparations we took protected and prepared our
20 system very well and, in fact, the bulk of the
21 damage was limited to the flood zone.

22 What that meant for New York City,
23 a system where we have 1.2 million gas customers,
24 only about 7,000 outages were as a result of
25 National Grid isolating the system. The remaining

2 nearly 1.2 million customers were insulated and,
3 in fact, did not have a gas outage.

4 Having said that, having said that,
5 the damage we incurred from Sandy, if you can
6 imagine, was greater than the damage to our system
7 in the 100-year history of the company on a
8 cumulative basis. What that means, in one night
9 we saw more damage than we had in over a century
10 of running the former Brooklyn Union, the former
11 KeySpan, and now the National Grid gas business.
12 So our restoration efforts, you know, very, very
13 labor intensive, we went home-to-home in each of
14 the communities that you've been hearing about--
15 New Dorp, Staten Island, Manhattan Beach, Coney
16 Island, Gerritsen Beach in Brooklyn, Howard Beach,
17 and certainly, the Rockaways in Queens. I myself
18 was at each of those sites many, many times.

19 Give you some of the numbers, we
20 did over 72,000 safety inspections, we changed out
21 40,000 gas regulators--just to give you a metric
22 there, that's about a decade's worth of change
23 outs for one storm--and we're well underway to
24 changing out over 100,000 gas meters. We did all
25 this immediately following Sandy and our

2 restoration efforts took about one week. So by
3 day seven, any customer who was able to take gas,
4 we were able to provide that gas service to.

5 But I don't want to understate the
6 impact of this storm to National Grid and to our
7 gas business. To give you another perspective, it
8 was by far the largest ever natural gas mutual aid
9 in the history of the country. So National Grid
10 coordinated 46 different utilities coming here to
11 New York City to support our restoration efforts,
12 included among those 46 was our upstate New York
13 affiliate, as well as our Rhode Island and
14 Massachusetts peers from National Grid. So a lot
15 of help came from within National Grid. I should
16 also add that Con Edison sent over their gas crews
17 and we worked very closely with Con Ed in terms of
18 the restoration.

19 I should also point out for areas
20 like Breezy Point and New Dorp, where the
21 devastation was even more extreme, we essentially
22 rebuilt the entire gas network, and that work has
23 been completed, both Breezy Point and New Dorp,
24 those systems are up and running. Again, any
25 customer who could take the gas from us at this

2 point in time, we are able to provide them with
3 the service.

4 The challenge after the first week,
5 similar to what you heard from Con Ed and LIPA,
6 is, even though we were done on our end of the
7 meter, the customers, in many cases, were many,
8 many days away from being able to take the gas
9 service because of massive damage to their
10 equipment. So we went and organized a program of
11 going out into the communities and we opened up
12 eight what we call community centers. Many in the
13 Rockaways, many in Brooklyn, and in Staten Island
14 as well, where we staffed them with 100 National
15 Grid employees essentially around the clock, and
16 these employees helped meet the needs of those
17 customers, giving them estimates as to what they
18 needed to do to get their boilers fixed, to get
19 their heating equipment fixed. But, again, we
20 went far beyond our normal remit, just to give you
21 a perspective, we actually donated over \$4 million
22 worth of equipment to these communities, a total
23 of over 300,000 flashlights, blankets, electric
24 space heaters, batteries, water bottles, et
25 cetera, et cetera, really to help these

2 communities get back on their feet prior to the
3 point where they were able to fix their gas
4 equipment.

5 So normally we're only responsible
6 to the work up to the meter, but, as you've heard,
7 these were not normal times, so we went well
8 beyond the meter and went into the premise, if you
9 will. We organized a network of 250 plumbers, on
10 our own, we helped those plumbers procure boilers,
11 and we helped our customers get in touch with
12 those plumbers to facilitate the reconnection
13 process.

14 And then finally, and I think most
15 importantly, we're now into what we call the
16 rebuild phase. These communities, which have been
17 our communities for over a century, were very,
18 very hard hit and our commitment on day one was
19 that we would be there to the very end until
20 they're all back up and running so we launched a
21 \$30 million economic development program. I would
22 like to say it's the first of its kind, it's
23 actually the second of its kind. Last year at
24 about this time, we did the same thing in our
25 upstate New York business. You'll remember right

2 after Irene and Lee, although downstate New York
3 was not impacted dramatically by the flooding, in
4 upstate New York, in the Hudson Valley region,
5 certainly very, very significant flooding, so we
6 offered a similar program last year, we've now
7 replicated that in downstate New York. If I could
8 just take a moment and give you highlights of that
9 program. Effectively, it has three tiers. Tier
10 one is a program where we funded the cost of the
11 plumbing inspection for the customer. So, again,
12 normally that's not something that the utility is
13 responsible for, we felt it was necessary.

14 Secondly, for any of our low income
15 customers, for any customer who could not afford
16 the new heating equipment, we paid up to \$6,000
17 for them to get a new boiler, new hot water
18 heater, and have a plumber come and install that.

19 And then finally, the phase we're
20 in now is we call tier three, it's working with
21 the commercial customers. As you mentioned
22 earlier, a number of the stores, laundromats,
23 pizza shops, they're still not up and running, we
24 are giving economic development grants of up to
25 \$250,000 to these commercial customers, not loans,

2 grants. We have a chocolate factory in the
3 Rockaways, there's a bagel shop in Staten Island,
4 there's restaurants in Brooklyn that we're helping
5 them with these grants for their heating equipment
6 for their construction to really get them back up
7 and running. To-date, over 15,000 of our
8 customers have participated in one of those three
9 aspects of our economic development program.

10 So when we look at Sandy, you know,
11 we believe we were well-prepared, we believe we
12 performed as well as we could based on the
13 information we had at that time, but as you
14 mentioned earlier, you know, we've learned from
15 the experience from Sandy and we certainly have
16 recommendations as we go forward.

17 So with that, I will turn it to you
18 and be happy to take any questions you may have
19 regarding National Grid's gas business.

20 CHAIRPERSON GARODNICK: First of
21 all, thank you for your presence, and it is clear
22 that you all went above and beyond and we
23 certainly appreciate that and I'm sure your
24 customers appreciate that.

25 Let's talk for a second about the

2 interplay between National Grid and Con Edison and
3 what you lean on Con Edison for when you're trying
4 to deliver gas service to the folks that you
5 serve. How does it work and what challenges did
6 you face here in the process of accessing power to
7 be able to provide that service?

8 KEN DALY: Yes, well Con Edison and
9 National Grid have a relationship that goes back,
10 you know, well over a century in that we have
11 overlapping territory.. So in Brooklyn, Staten
12 Island, and two-thirds of the Queens, we're the
13 gas company there, the electric company, we work
14 every day together. You know, if you were to go
15 to our dispatch center or their dispatch center,
16 you'll see a red phone, that's Con Ed; and
17 likewise, if you went to their center, that's
18 National Grid. So our folks are in constant
19 dialogue. We have a very, very strict and formal
20 protocol that before we would relight any of our
21 gas infrastructure, we clear it through Con Ed;
22 likewise, before they re-energize their electric
23 infrastructure, they clear it through National
24 Grid. We work on a day-to-day basis like that,
25 certainly, never moreso than during Sandy.

2 We also provide one another mutual
3 aid, in particular, when there are water outages.
4 Water outages are a very, very big challenge for a
5 gas system. Not that long ago, Con Edison had a
6 water outage, National Grid sent its crews, we
7 sent our supervision, we sent our camera
8 technology so they can go inside the pipes,
9 inspect for water. And then likewise, Con Edison
10 was kind enough to return the favor during Sandy,
11 we relied on their crews, their cameras, their
12 level of sophistication as well.

13 CHAIRPERSON GARODNICK: The notice
14 that you gave to customers in advance sounds like
15 you were reaching out, like LIPA and Con Ed. You
16 were using robocalls and the e-mail both?

17 KEN DALY: Yeah, we have, you know,
18 probably very, very similar outreach to other
19 utilities whereby we contact utility customers,
20 both in the way they prefer to be contacted, so if
21 that's text in this day and age or, traditionally,
22 through phone calls, depending on their
23 preference.

24 CHAIRPERSON GARODNICK: So you use
25 text, phone, and also e-mail too.

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2 KEN DALY: Text, phone, e-mail--

3 CHAIRPERSON GARODNICK:

4 [Interposing] Whatever it is. When you realized
5 that you needed to isolate sections of the gas
6 system, it sounds like that was done at a time
7 contemporaneous with the storm, is that correct?
8 Or even slightly after--

9 KEN DALY: Yeah, that--

10 CHAIRPERSON GARODNICK: --is that
11 fair?

12 KEN DALY: --that is correct. The
13 decision on whether or not to isolate a gas system
14 is a very, very big and important decision. The
15 problem is if you do isolate the system and then
16 the storm doesn't hit, you have a very long
17 extended outage without having had a storm, so we
18 monitor it very, very closely and carefully, and
19 then effectively make a real-time decision. So on
20 the Sunday prior to Sandy, we had all of our crew
21 in place, they were effectively manning the
22 isolation valves so they knew exactly where each
23 valve was, they knew what the protocol was, they
24 knew who the supervision was accountable for
25 making that decision, and then they would give

2 constant updates from the field, as we saw, you
3 know, the tidal surge is coming and what the
4 conditions were right on the ground. And then on
5 a case-by-case basis, you make a decision as to
6 whether or not to isolate the system. By doing
7 so, you then have an outage and it will take time
8 to restore, but in the case of Sandy, you then
9 wind up protecting the remainder of your
10 infrastructure.

11 CHAIRPERSON GARODNICK: So you
12 really need to get it right because it sounds like
13 the restoration process is much tougher than the
14 isolation process and when you have to go house to
15 house, building to building, whatever the case is.
16 So if you overreact and cut off gas and suddenly
17 there is no storm that materializes, people are
18 very angry at you for being as aggressive as you
19 are; and similarly, if you don't protect the
20 integrity of your system, people are very, very
21 angry at you because you have not acted
22 aggressively enough. It sounds like, in a way,
23 the precision for the gas company is actually even
24 a little tougher than for other entities the way
25 you describe it.

2 KEN DALY: Yeah, you accurately
3 described that.

4 CHAIRPERSON GARODNICK: Let's talk
5 about refunds to customers. We know you've done a
6 fair amount, the community centers, the grants,
7 what have you done, if anything, for customer
8 refunds?

9 KEN DALY: Yeah, so as soon as
10 Sandy hit, we spoke to our regulators and we
11 recommended that we would not charge any of our
12 customers for any of the distribution charges for
13 the period whereby we were unable to provide them
14 with gas service, so we waived, you know,
15 voluntarily any fees to the customer for that
16 period. We then went a step further, and to this
17 day, for any of our customers in the flood zone,
18 and in fact, we took it a step further, for all of
19 our downstate customers, we waived all of our
20 normal customer collections and other billing
21 processes. So we said between the time Sandy hit
22 and February 1st, we would not proceed with our
23 normal collections or other billing type
24 activities.

25 For the flood-impacted customers,

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2 to your point, we went, you know, much further, we
3 gave them plumbing inspections; if they were low
4 income, we paid for the entire boiler replacement;
5 and we have a number of other grant programs in
6 place.

7 CHAIRPERSON GARODNICK: All right,
8 gentlemen, thank you very much for your testimony,
9 and we appreciate the steps that you have taken
10 and continue to take to help bring a level of
11 normalcy to a very, very difficult situation, and
12 so thank you for that.

13 KEN DALY: Great, thank you again.

14 CHAIRPERSON GARODNICK: We
15 appreciate it. We're going to call our next
16 panel, which is Rich Windram and Chris Levendos of
17 Verizon. And then we're going to be followed by
18 the Local 1-2 of UWUA, it's UA.

19 Thank you. And to the Sergeant, if
20 you could grab testimony.

21 Welcome, as soon as you are ready
22 to go, please begin.

23 [Pause]

24 RICH WINDRAM: Good afternoon,
25 Chairs Garodnick and Chin, thank you very much for

2 having us here. My name is Rich Windram, I'm
3 Director of Government Affairs for Verizon-New
4 York, and I'm joined by Chris Levendos, who is
5 executive director of our National Operations, and
6 who is also leading the restoration here in
7 downtown Manhattan. We appreciate the opportunity
8 to appear before you today to address Intro 985
9 and Verizon's preparation and response to
10 Superstorm Sandy.

11 Regarding Intro 985, Verizon
12 believes substantial challenges exist to the
13 undergrounding of power lines and the power-
14 related infrastructure throughout the city.
15 However, we will participate in any study of this
16 issue, if one is conducted.

17 In regards to our storm
18 preparation, Verizon provides wireline and
19 wireless services throughout New York City. My
20 comments today will be focused mostly on wireline,
21 however, we will touch upon wireless also.
22 Verizon recognized early that Sandy had the
23 potential to be a highly destructive storm to many
24 parts of our territory. Internal preparations
25 began on October 25th, followed by communications

2 to our customers on the 26th. We posted consumer
3 tips on company websites, issued news releases,
4 engaged customers through social media and e-
5 mails. Our crisis management teams along the East
6 Coast closely monitored the storm's path and
7 completed required preparations, such as
8 confirming fuel supplies for backup generators;
9 adding critical inventory such as spare smartphone
10 batteries and car chargers; moving vehicles and
11 other portable equipment from low-lying areas;
12 stocking critical supplies to centralized
13 locations for rapid deployment, and we also staged
14 many other equipment in and around the areas that
15 may be affected by the storm. We also maintained
16 a disaster recovery fleet of emergency vehicles,
17 which include a 51-foot mobile command center and
18 two 53-foot mobile emergency calling centers.
19 These satellite trailers were moved close to the
20 area along with our industry's--it's actually
21 Verizon is the only one in the industry that has
22 an environmental hazmat response team, we moved
23 both close to the area to be prepared to move in
24 if necessary.

25 The effects of Sandy were

2 substantial, both to our infrastructure and to the
3 many customers and employees who live in the
4 affected areas. In spite of the many challenges
5 presented by the storm's devastation, Verizon has
6 made great progress in restoring customers to full
7 service and rebuilding our damaged facilities.

8 Crews comprising of over 700 managers and
9 technicians were loaned from upstate New York, New
10 England, and Florida to assist our local teams
11 with repair and restoration efforts throughout the
12 downstate area. While the bulk of our outages
13 were related to the loss of commercial power,
14 there also was significant damage to our
15 infrastructure due to water and wind damage. Our
16 teams repaired switches and other electronics
17 damaged by flood waters, as well as began
18 restoring the--as well, we began restoring the
19 damaged copper infrastructure with fiber wherever
20 possible. The emergency vehicles that I mentioned
21 before helped serve over 650 customers in
22 different parts of the city once we deploy them.
23 We continue to rebuild our network damaged by
24 Hurricane Sandy to ensure that it is efficient and
25 effective to all our customers.

2 Our partnership with the City's
3 Office of Emergency Management was critical in our
4 ability to commence our restoration efforts,
5 coordinate with Con Edison and power companies,
6 lessen many of the logistical hurdles we faced,
7 and communicate with necessary stakeholders. In
8 the immediate aftermath of Sandy, fuel
9 availability was a daily concern. Verizon's
10 command center worked with fuel suppliers at the
11 federal, state, and local levels to secure the
12 fuel essential to keep our generators and service
13 vehicles running.

14 Verizon's network was challenged by
15 the effects of Sandy. In some areas, copper
16 cabling was rendered inoperable as the result of
17 the unprecedented flooding, the mixture of
18 saltwater and diesel fuel in some buildings, and
19 the loss of air pressurization systems. We have
20 now taken on a effort to modernize the
21 infrastructure so it's more resilient and able to
22 adapt to these types of events. As part of the
23 modernization, we have completed a major milestone
24 here in Lower Manhattan by placing more than 500
25 miles of fiber strands, which will enable us to

2 dramatically upgrade the communications
3 capabilities. Once the restoration is complete,
4 the area will have the nation's most advanced
5 communications infrastructure, providing the
6 highest level of service and reliability. While
7 the company has been installing the robust fiber
8 infrastructure, it also has been working with
9 landlords as they ready their properties for the
10 return of tenants.

11 As building owners and managers
12 complete their work, Verizon is rapidly completing
13 the work of connecting the newly-laid fiber to the
14 new electronic systems and turning up service.
15 The steps these building owners are taking, in
16 conjunction with the new fiber, will provide
17 additional protection for the communications
18 infrastructure in the event of future large-scale
19 weather events.

20 During the restoration process,
21 Verizon has provided alternate communication
22 solutions to thousands of small businesses and
23 residential customers. The company has provided
24 call forwarding capabilities to consumers and
25 small businesses so calls are automatically

2 forwarded to a working landline or cell phone
3 number. In addition, the company has provided at
4 no charge to customers more than 2,600 Verizon
5 wireless home phone connect products and Verizon
6 4G LTE Jetpack Mobile Hotspot devices.

7 Verizon continues to operate two
8 command centers in New York City where its
9 operations and engineering teams can swiftly
10 design and reconfigure new systems and routes and
11 then work with building managers to identify space
12 within their structure to locate the new
13 equipment, electronics, and cabling.

14 Verizon has also had an open and
15 continuous dialogue with the manufacturers and
16 vendors that supply the industry with electronics
17 necessary to terminate these sophisticated fiber
18 solutions--fiber networks. The great need for
19 equipment prompted by Hurricane Sandy restoration
20 efforts continues to put pressure on supply chains
21 of specialized equipment, which, in turn, affects
22 restoration efforts.

23 During and after the storm, Verizon
24 customers were able to call or go online to report
25 service issues and receive updates on the status

2 of their repairs. Call center hours and employee
3 work shifts were extended to better meet
4 customers' needs, and a company state of emergency
5 was issued on November 3rd, enabling us to deploy
6 essential employees on 12-hour shifts. Where
7 possible, Verizon Wireless stores remained open
8 during and immediately following the storm to
9 provide device charging and free domestic phone
10 calls to all local residents regardless of the
11 carrier. We also increased device and accessory
12 inventories at our stores to meet customer needs.

13 Verizon landline customers who have
14 reported an out-of-service condition related to
15 Hurricane Sandy will be receiving credit, and
16 customers have been allowed to suspend their
17 services free of charge if they currently are
18 unable to live in their home or operate their
19 business as a result of Sandy. Verizon technical
20 support continues to help customers determine if
21 their equipment, such as set-top boxes, home
22 broadband routers, are inoperable or need
23 replacement. Verizon is repairing or replacing
24 any of this equipment damaged by Sandy without
25 charge.

2 Verizon Wireless and the Verizon
3 Foundation partnered with the Red Cross to set up
4 a Text-to-Donate program for Sandy relief. To-
5 date, that program has raised close to \$3 million
6 committed to the Red Cross's Sandy relief by our
7 customers and the company. Additionally, we
8 provided some local support to the likes of City
9 Harvest, Metropolitan Council for Jewish Poverty,
10 United Federation of Teachers, Catholic Charities,
11 and the Stephen Siller Tunnel to Towers
12 Foundation.

13 While these comments have focused
14 mostly on Verizon's landline service, our wireless
15 service also leveraged its years of investment and
16 planning in providing wireless service support
17 throughout and after Sandy. Our wireless network
18 performed well in the immediate aftermath of Sandy
19 due in large part to the billions of dollars of
20 investment made in our network. Our network teams
21 worked around the clock on restoration efforts,
22 and by November 8th, the wireless network in the
23 Northeast was once again operating at pre-
24 Hurricane Sandy levels. Among other efforts,
25 Verizon Wireless employed mobile generators and

2 fueled permanent generators to replace power lost
3 from traditional power grid. We also deployed
4 Cells on Wheels to provide coverage and capacity,
5 set up mobile stores on wheels, and stationed
6 Wireless Emergency Communications Centers. After
7 the storm, Verizon Wireless removed any domestic
8 voice and text coverage charges that wireless
9 customers in the affected areas may have incurred
10 between October 29th and November 16th.

11 As our restoration efforts
12 continue, we remain committed to providing the
13 best service to our customers and most efficient
14 manner--in the most efficient manner possible and
15 coordinating with local officials to expedite the
16 recovery. Thank you very much. If you have any..

17 CHAIRPERSON CHIN: Thank you. I do
18 have some questions. I know that it's good that
19 you are not charging, you know, customer who had
20 overage on their text message and all that
21 because, for a while there, texting was the only
22 message that was getting across and people
23 couldn't get calls and everything like that.

24 I represent Lower Manhattan and
25 down here, we still have customers that don't

2 have--I mean, we still have constituent that don't
3 have landline service. And so this whole issue of
4 fiber optic versus the copper wires, has Verizon,
5 in taking care of the damage, are you also
6 replacing any of the functioning copper wire in
7 Lower Manhattan as part of your current plan?

8 CHRIS LEVENDOS: Yes, we have, from
9 the immediate aftereffect of the storm, any viable
10 opportunity that we had to fix copper
11 infrastructure, we have done so. I'll give you
12 one example, the water intrusion that we took into
13 the West Street Central Office or West Street
14 Network Center, we took water intrusion to the
15 cable vault there, where all the cables aggregate
16 back to, we took about 70 faults to the 400 copper
17 cables that go out of there and we have fixed them
18 all. We saw other damages throughout the streets,
19 as well as other damages into our customers'
20 buildings. So the faults that impacted the copper
21 infrastructure were not only at Verizon's
22 location, they were throughout the streets and
23 manholes and conduit systems of Lower Manhattan,
24 as well as in the subbasements of our customers.
25 So where there was an opportunity to make a ready

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2 fix to any piece of copper cable, we have done so.
3 Where the damage is been complete, where it has
4 failed in many fault points, that's where we have
5 looked to build parallel fiber optic systems or,
6 in many cases, actually to leverage off of
7 existing fiber optic systems that we already had
8 in place here in Lower Manhattan.

9 And, as Rich described, one thing
10 we're doing in the interim while we're working to
11 build out new fiber optic systems to impacted
12 small businesses and residential customers of
13 Verizon, is that's why we're looking to--that's
14 why we are providing alternative wireless service
15 for free while we are making those new fiber optic
16 connections.

17 CHAIRPERSON CHIN: So are you
18 saying that if the area where the copper wires
19 were not damaged, you sort of left it alone, you
20 didn't--

21 CHRIS LEVENDOS: [Interposing]
22 Absolutely correct.

23 CHAIRPERSON CHIN: --upgrade them
24 to fiber optic.

25 CHRIS LEVENDOS: Certainly not,

2 we're prioritizing them where we have service
3 outages. Verizon has plans in place with the
4 build out of FiOS throughout the city of New York
5 to build out fiber to every block and lot
6 according to those franchise agreements, but right
7 now, obviously, priority is around service
8 restoration.

9 CHAIRPERSON CHIN: So are customers
10 aware that that's what's happening? Because, I
11 mean, constituents has come in to us and they're
12 wondering why all of a sudden they're getting
13 upgraded to FiOS.

14 CHRIS LEVENDOS: Yeah, so we're
15 certainly explaining those transitions during the
16 service restoration. I will tell you that I've
17 heard from Community Board 1, as well as Community
18 Board 3, where we have appeared a number of times
19 over the last so many weeks that we have certainly
20 recognized that there have been gaps in
21 communication and awareness, so we have taken that
22 feedback squarely and have looked to supplement
23 where we can with Community Boards helps as well.
24 We have given additional flyer notices and worked
25 with the Community Boards, as well as our own

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2 outreach in trying to close any communication gaps
3 about what our restoration process is about, what
4 the impact and process is customer by customer.

5 CHAIRPERSON CHIN: That is very
6 important--

7 [Crosstalk]

8 CHAIRPERSON CHIN: --and I really
9 urge you to continue to do that because we have
10 constituents coming to us and say, you know, are
11 they just basically trying to upgrade everybody to
12 FiOS and making us pay for services that we might
13 not want.

14 CHRIS LEVENDOS: Yeah, certainly
15 not, this is about restoring service. There is no
16 charge for this restoration process, there is no
17 change in price in restoring voice service,
18 whether it's over copper or whether it's over
19 fiber. There's no change for that, there's no
20 different charges for that process. And during
21 that transaction, during that restoration, we look
22 to explain that to our customers.

23 CHAIRPERSON CHIN: Definitely,
24 that's really important. Also, does the FiOS
25 require electricity to function?

2 CHRIS LEVENDOS: It does, the fiber
3 optics eventually have to turn back to electrical
4 signals. Phones, as well as computers, don't
5 accept optical signals, so at the last point
6 within a customer's location we use a device
7 that's called an optical network terminal and what
8 that simply does is it takes the fiber optic
9 signals, turns it back to voice signals and data
10 signals that can be accepted by the customer's
11 equipment, and that device does need electrical
12 support, it does need to be plugged in.

13 CHAIRPERSON CHIN: So what are you
14 looking at in terms of in case of an emergency,
15 like another blackout?

16 CHRIS LEVENDOS: There is--

17 CHAIRPERSON CHIN: How do you--

18 CHRIS LEVENDOS: --so there is
19 battery backup power, so if there's a loss of
20 commercial power, there is a battery backup device
21 that supplies eight hours of talk time for that
22 device, and that's only when it's utilized. So if
23 it's not being utilized, the power draw on the
24 battery is not going down. So that's the support
25 in a commercial power outage with a fiber optic

2 system.

3 RICH WINDRAM: If I can also add,
4 because the network is passive and there's no
5 electronics in it, it is more resilient in case we
6 are faced with any catastrophic events like Sandy
7 again. It would be able to be more resilient for
8 any type of water intrusion.

9 CHAIRPERSON CHIN: So is that
10 backup power also for landlines?

11 CHRIS LEVENDOS: Yes, voice service
12 will continue to work in the loss of commercial
13 power because the battery will support the power
14 necessary to provide voice.

15 CHAIRPERSON CHIN: Because right
16 now, what happened during the storm is that when
17 customers could not get the landline back it's
18 because of the damage to the copper wires.

19 CHRIS LEVENDOS: Correct, and as
20 Rich was just saying, the fiber optic cables have
21 certainly proved to be much more resilient to
22 flooding. We did not have any situation in Lower
23 Manhattan where any of our fiber optic cables were
24 impacted because of water intrusion. We had
25 incidences where we had infrastructure that was

2 physically damaged from some forced pressure
3 impact, but nothing from water intrusion. Again,
4 as an example, our West Street central office,
5 which once we restored power to it within 27 hours
6 after the storm, all of our fiber optic systems
7 immediately turned back on and all of our
8 customers having fiber optic facilities and power
9 on our end and power on their end, those systems
10 were working.

11 The copper infrastructure that was
12 damaged, obviously, did not come back even with
13 the restoration of power.

14 CHAIRPERSON CHIN: There were
15 other, I mean, just curious as there were other
16 company that offer phones and Internets and they
17 were able to come right back on after the
18 electricity was restore.

19 CHRIS LEVENDOS: Yeah, they
20 obviously did not suffer the same cable damage
21 that we did.

22 CHAIRPERSON CHIN: Oh, okay. The
23 other issue was, I mean, I was very disappointed
24 to see that Verizon filed a petition with the
25 Public Service Commission saying that there were

2 landlords or management office in Lower Manhattan
3 that were charging, demanding fees, and blocking
4 access to their buildings?

5 CHRIS LEVENDOS: Yeah, I would tell
6 you today on a positive note that we are actively
7 engaged with almost all of those landlords and
8 moving things forward in a positive direction.

9 CHAIRPERSON CHIN: Because some of
10 those buildings that the New York Times article
11 mention, resident wasn't even allowed to move back
12 in, I mean, it's like 2 Gold Street and I think
13 201 Pearl Street. So I guess my question was why
14 are those building a priority for you to go in
15 there and do the FiOS when there are other
16 buildings that had people living in there or
17 working in there that really need the services?

18 CHRIS LEVENDOS: Yeah, I wouldn't
19 suggest they were a priority certainly if we
20 didn't have tenants back in the building, but we
21 have to have a plan for when they do return. My
22 understanding is that the 2 Gold occupancy would
23 occur sometime in February, perhaps later in the
24 first quarter. So we did have to have a plan at
25 some point in time that when those customers

2 return, that we'd be able to restore their
3 service. And so since we were having difficulty
4 executing on having a plan, we needed to move
5 forward. But, as I say, I sit here now and I will
6 tell you that we are in very positive
7 conversations about 2 Gold Street and other
8 addresses that were part of that filing.

9 CHAIRPERSON CHIN: So did you find
10 it was necessary for you to file a petition with
11 the Public Service Commission?

12 CHRIS LEVENDOS: [Interposing]
13 Yeah, it wasn't my filing or my decision so I can
14 only speculate to the point, as I said to you,
15 that it was our want to restore service and we
16 felt that we were not moving along in a positive
17 direction for the benefit of our customers and
18 that had us concerned to seek some feedback from
19 third parties.

20 CHAIRPERSON CHIN: So, I mean, all
21 along you have a plan to install FiOS throughout
22 Lower Manhattan.

23 CHRIS LEVENDOS: Throughout all of
24 New York City, yes.

25 CHAIRPERSON CHIN: Throughout all

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2 of New York City.

3 CHRIS LEVENDOS: Including Lower
4 Manhattan, yes.

5 CHAIRPERSON CHIN: Oh, now what is
6 Verizon's plan to restore landlines to a lot of
7 the small businesses and customers who still to
8 this day don't have phone service?

9 CHRIS LEVENDOS: Right, so it is
10 our intentions to where our copper infrastructure
11 has been destroyed and we don't have immediate
12 fiber optics available to make use of. As I said,
13 in the interim, we're providing free wireless
14 voice and data service and it is our intention to
15 rebuild those networks with fiber optics block by
16 block and lot by lot, and we are in the process of
17 doing that.

18 CHAIRPERSON CHIN: So how are you,
19 I mean, 'cause we were still getting complaints
20 from businesses who were not getting Internet
21 service or wireless service, so how are you doing
22 the outreach to them so that they know what's
23 available? I mean, couple of weeks after the
24 storm, we were still getting complaints from, you
25 know, they're not small company, they're--

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2 CHRIS LEVENDOS: Yeah, so--yeah.

3 CHAIRPERSON CHIN: --companies that
4 rely on a lot of phone service and they weren't
5 getting it.

6 CHRIS LEVENDOS: As I said before,
7 we certainly took the candid feedback that there
8 was feelings, certainly from Community Board 1 and
9 Community Board 3, that there was an information
10 gap. We had teams that were out in the street
11 communicating these issues, we had teams going
12 door-to-door communicating these issues. We're
13 communicating through e-mail and other cell
14 numbers that we have, alternative reach numbers we
15 have for customers, so we're continually looking
16 to reinvigorate that message because we don't want
17 to lose those customers, see, so it's in Verizon's
18 best interests to provide alternative service
19 measures while we have permanent ones, otherwise,
20 they'll go elsewhere. So for us, it's a different
21 story than when we talk about electrical service
22 restoration. If we don't do a good job in
23 maintaining our customers and maintaining those
24 relationships as well as services, they have other
25 options and so we certainly don't want to see that

2 happen. We've taken the candid feedback that
3 we've gotten from our customers, as well as other
4 third parties, and that's why I said we're
5 aggressively looking to close any communication
6 gaps that we have.

7 CHAIRPERSON CHIN: One of the thing
8 during the storm is that people had no facility to
9 charge their phones, right? And we didn't see
10 Verizon out there, I mean, in Lower Manhattan in
11 terms of having mobile stations or mobile charging
12 station so that is something that, no, Verizon
13 needs to think about in the future.

14 CHRIS LEVENDOS: Yeah, we did have
15 mobile charging stations out there and, in fact,
16 our Verizon Wireless stores, as well as our
17 Verizon landline stores, were open and available
18 and provided charging for many of our customers.
19 So we can provide you the details of where we were
20 and how we did that.

21 CHAIRPERSON CHIN: Yeah, I mean, I
22 would love to see that because down where we were,
23 my staff and I, when we were down in Lower
24 Manhattan in many community, we didn't see, we
25 didn't see anything. There was no mobile station.

2 At least one of your competitor was out there,
3 they showed up one day, you know, with a
4 generators and a charging station.

5 CHRIS LEVENDOS: Yeah, I can assure
6 you--

7 CHAIRPERSON CHIN: And we didn't
8 see Verizon.

9 CHRIS LEVENDOS: --we were out
10 there, we were out there as well.

11 CHAIRPERSON CHIN: Okay. So, yeah,
12 please share the list that you were at with us.

13 That's all I have, Chair, thank
14 you.

15 CHAIRPERSON GARODNICK: Thank you
16 very much, Chair Chin. I just want to follow up,
17 I know that everybody is on a timeframe here and
18 it's getting late in the day, I only have a couple
19 quick questions and mine are specifically about
20 cell phone service. Because we had the challenges
21 with the landlines, we had the challenges with the
22 cell phones, and I think that was one of the
23 biggest surprises to New Yorkers, that they saw
24 such big gaps in cell phone service--this is not
25 specific to Verizon, this is just across all of

2 the cell phone service providers. And we
3 appreciate your being here, so we're not going to,
4 you know, have you bear the brunt of all
5 challenges out there. But help us understand the
6 absence of backup generators or the absence of the
7 ability to power backup generators, what's the
8 source of the problem here? So when we see a
9 major coastal event like what we had, what can we
10 do to help prevent the loss of cell phone service
11 in the future?

12 CHRIS LEVENDOS: So we have battery
13 backup power at many of our cell sites and as well
14 we have generator power at many of our cell sites.
15 Now not all of our cell sites have generator
16 backup power and oftentimes, our cell sites sit on
17 private property locations, they sit on tops of
18 buildings. So oftentimes, it's a private property
19 negotiation that we have to go through to have
20 beyond just battery backup power, to be able to--
21 the ability to have generator power. So we
22 certainly see as a learning and a feedback to the
23 process where we had challenges in bringing some
24 cells back as quickly as we wanted to, the
25 opportunity to, you know, revisit those

2 conversations with where they're deployed, how
3 they're deployed, and the opportunity to advance
4 the backup power so that it can be maintained
5 throughout a power failure or, at the very least,
6 recovered as quickly as possible. And, as Rich
7 described, we certainly bring in additional mobile
8 cellular infrastructure to be able to quickly plug
9 any gaps that get created, so that's certainly the
10 purpose of those that we do have things happen, we
11 need to be able to bring in temporary cellular
12 coverage to try to fill in those gaps and help
13 support service.

14 CHAIRPERSON GARODNICK: So of the
15 cell towers that have either a battery backup or a
16 generator or nothing, like, what's the breakdown
17 of Verizon's--

18 RICH WINDRAM: [Interposing] They
19 all have battery backup--

20 CHAIRPERSON GARODNICK:
21 [Interposing] Okay. For how long?

22 RICH WINDRAM: It depends, roughly,
23 average about eight hours battery backup, but,
24 again, it all depends on, you know, how the
25 battery is used and if there are power issues

2 where the battery has to get drawn from.

3 In New York City though, to add to
4 what Chris was saying, we have challenges to get
5 generators out there. It's our preference to have
6 generators at most of these locations, so anything
7 that we could do--I don't want to speak for the
8 industry, but I think the--Verizon and others
9 would love to work with New York City closer to
10 see how alternative and backup power can be at
11 these sites so we don't lose it. 'Cause to your
12 point, after the storm and how technology is
13 changing, everybody was looking for their cell
14 phone as opposed to their other means of
15 communications.

16 CHAIRPERSON GARODNICK: That's
17 right, it's become a bigger and bigger part--

18 RICH WINDRAM: [Interposing] Yeah,
19 without a doubt--

20 [Crosstalk]

21 CHAIRPERSON GARODNICK: --of
22 emergency action because it's mobile and because--

23 RICH WINDRAM: Right.

24 CHAIRPERSON GARODNICK: --people
25 lean on it very heavily, you know--

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2 RICH WINDRAM: Right, the--

3 CHAIRPERSON GARODNICK: --nobody
4 makes plans anymore because they know that they
5 can wing it with their cell phone, and that's not
6 great in an emergency situation.

7 RICH WINDRAM: Yeah.

8 CHAIRPERSON GARODNICK: So that's
9 why, you know--

10 RICH WINDRAM: Yeah.

11 CHAIRPERSON GARODNICK: --it's
12 incumbent--

13 [Crosstalk]

14 RICH WINDRAM: [Interposing] But
15 there's a--

16 CHAIRPERSON GARODNICK: --to figure
17 that out.

18 RICH WINDRAM: --lot of space in
19 weight requirements and restrictions that are on
20 us, you know, for generators and if that can be
21 re-looked at, that would be--

22 [Crosstalk]

23 CHAIRPERSON GARODNICK:
24 [Interposing] Are there so--

25 RICH WINDRAM: [Interposing] I

2 don't have the actual specifics but there are some
3 building code and some environmental and safety
4 issues that have always been the reason why we
5 can't get generators in some areas.

6 CHAIRPERSON GARODNICK:

7 [Interposing] What about alternative power sources
8 like solar? Do you employ that in any of your
9 cell towers and is that something you've explored?

10 RICH WINDRAM: I would have to get
11 back to you on that, that I don't know.

12 CHAIRPERSON GARODNICK:

13 [Interposing] 'Cause that seems to me at least
14 intuitively a good idea, it's obviously it has a
15 cost associated with it, but if you have a battery
16 backup that diminishes potentially up to eight
17 hours but not more and you have the potential for
18 a source which actually could rejuvenate itself as
19 it goes, that seems like something that you might
20 want to take a look at.

21 One other question from me to
22 follow up on Chair Chin's questions about the
23 installation of fiber optics. Is there anything
24 about that plan--and Crane's reported that you
25 have put in 20 years of material purchases and

2 installations into a matter of months, which is
3 very impressive--but is there anything about that
4 which is making it slower for customers to
5 actually get their service restored?

6 CHRIS LEVENDOS: So what makes that
7 challenging is not simply the scale, what makes it
8 challenging is we now have fiber optic-fed
9 electronic equipment working in buildings in Lower
10 Manhattan, the equipment didn't exist before
11 Sandy. The equipment has been manufactured, the
12 equipment has been shipped, it has been installed
13 and it has been enabled in the so many weeks post-
14 Sandy. So we had some amount of that equipment
15 available to us, but the sheer scale of the damage
16 that occurred at our customer locations where
17 we've had to--where all of the subbasements in the
18 large commercial buildings in Lower Manhattan,
19 where those had been flooded and damage occurred
20 to that infrastructure, the sheer scale of that,
21 putting tremendous pressure on our industry and
22 the manufacturing industry, and that's been the
23 process is getting the equipment.

24 But we have harnessed those
25 resources, we have reached out to our competitors

2 to be able to help in getting resources as well,
3 and that pipeline is functioning. And I said,
4 things are being made, things are being shipped
5 and they're arriving here, and as soon as they
6 come off the truck, they're going into buildings
7 and work crews are turning those systems on.

8 Two positives for me for the area
9 of Lower Manhattan, and Rich had commented how
10 well positioned this area will be on a going
11 forward basis from a service quality perspective,
12 as well as the potential for service opportunities
13 because of all being fiber optic-fed. While we
14 have worked this upgrade and restoration to the
15 Lower Manhattan area, a critical, you know, piece
16 of the region to be completely fiber optic, thus
17 providing better quality, as well as the bandwidth
18 for future services, so thus future proofing the
19 capability of the infrastructure we put
20 underground. But we're also working hand-in-hand
21 with these buildings as we're restoring service,
22 we are putting these teleco rooms in many cases
23 above grade. And I think it was described before
24 in some similar aspects with the Con Edison
25 testimony is that these interconnection points of

2 electrical gear, as well as telecommunication
3 gear, has often taken place in subbasements, and
4 so many of the building owners are taking the
5 opportunity now as we work with them to restore
6 service, that we're making these interconnections
7 many floors up above grade level.

8 So that's a positive should we have
9 any instance of even remote instance of a storm
10 like this in the future, the fact that we'll be
11 completely fiber optic-fed, we'll be sustainable
12 to flooding, and that the electric infrastructure
13 that is at the end point of these fiber optics,
14 the fact that that is many floors above grade,
15 that will also help in any sustainability and
16 recovery efforts. So some silver linings out of
17 this process.

18 There are other buildings that are
19 having us restore service immediately and then in
20 a post-process, we will work with them to move
21 those situations above grade.

22 CHAIRPERSON GARODNICK: Thank you.
23 I'm going to go back to Chair Chin before we call
24 our next panel.

25 CHAIRPERSON CHIN: Yeah, just to

2 follow up just to make sure I understand that. So
3 one of the problem that's causing the delay in
4 terms of getting services restore, you're talking
5 about not enough supplies in terms of--

6 CHRIS LEVENDOS: [Interposing] Only
7 for the most sophisticated situations with the
8 large commercial buildings. We have plenty of
9 fiber optic cable, we have plenty of the materials
10 that we need to build out FiOS for small
11 businesses and residential customers, so that
12 process is moving forward, that process does not
13 have any material shortages. It's the large
14 commercial buildings with very sophisticated
15 electronics that sits at the end of the fiber
16 optics to provide the very intensive bandwidth
17 that these customers need for both voice and data,
18 that's where there certainly is a challenge on the
19 material side.

20 But as I said, that pipeline is
21 working and it is arriving, we are on track to
22 restore service through the month of January to
23 over 100 million square feet of commercial office
24 space in Lower Manhattan.

25 CHAIRPERSON CHIN: Okay. So you're

2 talking about all the big building, commercial
3 building that we have right now who is still out
4 of--and some of them are still running on
5 generators and--

6 CHRIS LEVENDOS: [Interposing] Yes,
7 so well many of them are back and many come back
8 each and every day, and so we're working through
9 that. Some of them are on generator power, but we
10 can still install our equipment and be supported
11 by generator power, we don't necessarily need the
12 permanent power. As long as we have a power
13 source, our equipment can work and function so we
14 will work through those processes with building
15 owners. And we've done situations like that where
16 we've installed our equipment, it's functioning on
17 temporary power, they tell us when they're going
18 to cut over, we turn the equipment off during safe
19 time and late hours in the morning, they cut over
20 to the commercial power, we turn the equipment
21 back on. So we work through those things with
22 each passing day with the building owners.

23 CHAIRPERSON CHIN: Okay. Thank
24 you.

25 CHRIS LEVENDOS: Thank you.

2 CHAIRPERSON GARODNICK: Thank you
3 very much, gentlemen, we appreciate your being
4 here today. And now I will call our next panel,
5 James Slevin, James Shillitto, Robert Stahl, Edwin
6 Lopez, and Pete Sikora. Thank you very much, and
7 come make yourselves comfortable, and we will get
8 started.

9 [Pause]

10 [Off mic]

11 JAMES SLEVIN: Yeah, okay?

12 CHAIRPERSON GARODNICK: Yeah, sure,
13 that's absolutely fine.

14 JAMES SLEVIN: Good evening. Am I
15 on? Okay. Good evening, my name is Jimmy Slevin,
16 I'm the vice president of Local 1-2, the Utility
17 Workers Union of America. To my left is Jimmy
18 Shillitto, my senior business agent, and my other
19 senior business agent, Robert Stahl.

20 Good evening, like I said, ladies
21 and gentlemen, I appreciate the opportunity to be
22 here on behalf of the 8,000 members that have work
23 around the clock since October 29th to restore the
24 essential utility service.

25 The importance of our efforts as

2 first responders cannot be over-cited. If our
3 first-class city is to continue to foster economic
4 development, it has to have a first-class
5 electrical distribution system. Our members
6 pursue this objective 24/7. And our members are
7 not just utility workers, they are community
8 residents, whose family's lives, if not home, were
9 also upended by this storm. We welcome the
10 opportunity to be involved both in assessing the
11 efforts that were undertaken and developing ways
12 to improve our ability to respond to future
13 events.

14 In the weeks since the storm's
15 waters receded, we have begun our own internal
16 investigation of the state of Con Ed's system. In
17 the days leading up to the storm, through the
18 restoration, and near and long-term future, our
19 investigation has focused on information that we
20 have obtained from our members. They have a
21 unique perspective to offer in that Con Ed men and
22 women have been in the forefront's lines in both
23 operating the system on a day-to-day basis and in
24 restoring service house-by-house, to the millions
25 affected by Sandy. Our investigation is ongoing

2 and we will be pleased to brief you on our
3 conclusion once our assessment is completed.

4 In the meantime, our major findings
5 thus far is the following: As the Council well
6 knows, the issues surrounding Con Edison's
7 distribution systems are longstanding. There are
8 no doubt several causes, but a central focus
9 should be the scope of the company's workforce.

10 In the years since the advent of deregulation, Con
11 Ed has slashed its union workforce to the bone.
12 Since 2008 alone, the company's workforce has been
13 cut by nearly 1,500 members. The problem is
14 simple: There is too much work on the system for
15 too few utility workers.

16 Concerns with the system were
17 exacerbated since last summer's ill-advised
18 lockout. When our members came back to work, we
19 found out that the company's makeshift workforce
20 has been dealing exclusively with emergency
21 situations while essential day-to-day maintenance
22 was not being performed. Our members have been
23 playing catch up ever since.

24 Since the storm hit, our
25 restoration efforts were supplemented by several

2 thousand utility workers from other part of the
3 country. While mutual aid is an acceptable
4 practice among utilities, we appreciate the help,
5 the cost and inefficiencies of these efforts may
6 well exceed any benefit to the Con Ed ratepayer.
7 No two utility systems are identical, and the
8 difference can be very significant. For example,
9 the California utility had their trucks flown into
10 New York, where the streets in Brooklyn and Queens
11 were too narrow to navigate. Our firsthand and
12 first line impressions is that the majority of the
13 utility workers brought in to help had no training
14 on performing service restoration in its unique
15 urban environment in which we operate day-to-day.
16 As a consequence, trained Con Ed workers had to
17 take time away from their tasks to ensure that
18 mutual aid workers with the ability to conduct
19 their operations without injuring themselves or
20 customers. Inadequate material management impeded
21 our efforts.

22 While Con Ed had advance warning of
23 the storm, it failed to secure necessary spare
24 parts. Worse, some of those parts were secured
25 were the wrong ones, and their inability to return

2 them.

3 Staffing deployments were
4 mysterious. The few and grossly inadequate number
5 of linemen responsible to address issues in the
6 Bronx were diverted to Westchester, while Bronx
7 residents sat in the dark. Neither the union nor
8 the public has been provided an explanation for
9 this staffing deployment decision.

10 Our efforts were also hampered by
11 simple things. Our members function as first
12 responders but do not have this official status.
13 As a result, workers responding to emergencies
14 were stuck on the same long gas lines as other
15 city residents. Also, they were turned away when
16 vehicle restrictions were imposed by the mayor.
17 We suggest actions to ensure that when our members
18 are engaged in storm restoration activities or any
19 power emergency, they are treated as first
20 responders, which will facilitate them entering
21 into and movement throughout the five boroughs.

22 Even now, after the storm, Lower
23 Manhattan, just blocks from the Stock Exchange,
24 still has office buildings running off those
25 backup generators located on those city streets.

2 Part of the city are receiving services at lower
3 voltages. Lower quality electricity service can
4 damage consumer appliances, home computers, and
5 cause erroneously increased record electrical use.
6 To provide a service in an adequate voltage is an
7 essential needs for meeting the needs of high-tech
8 industries. These services are issues are used
9 and to putting mildly consistent with efforts to
10 promote an economic development. If we are to
11 achieve this goal, we can neither, nor should,
12 treat this situation as the new norm. It is
13 unacceptable.

14 A recent statement by the Consumers
15 Union to the Moreland Commission summed up the
16 summary well, stating that in an emergency the
17 capability of utilities to respond and to provide
18 good customer service comes down to the basic
19 issue of having people and equipment to do the
20 job. Based on our investigation to-date, Con Ed
21 had neither trained sufficient trained personnel
22 nor all the needed equipment.

23 Once that evaluation is complete,
24 we will please to present our results, which we
25 also plan to share with that Moreland Commission.

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2 We look forward to working with you to ensure that
3 New York City is a place where electrical service
4 is provided a safe, reliable, and durable manner.
5 Thank you again, and if you have any questions,
6 I'll be feel free to answer.

7 CHAIRPERSON GARODNICK: Thank you.
8 Jimmy, anything--

9 [Crosstalk]

10 CHAIRPERSON GARODNICK: Okay. And-
11 -

12 JAMES SLEVIN: I briefed it up.

13 CHAIRPERSON GARODNICK: --did you--

14 JAMES SLEVIN: [Interposing] No, I
15 briefed it up.

16 CHAIRPERSON GARODNICK: All set.

17 [Off mic]

18 CHAIRPERSON GARODNICK: All set.

19 [Crosstalk]

20 JAMES SHILLITTO: --manpower and
21 deregulation issue--

22 CHAIRPERSON GARODNICK: If you want
23 to add anything, great, otherwise, we'll just let
24 it stand. Okay. So let me just ask one question,
25 'cause we have heard from Con Ed, we've heard from

2 LIPA about how concerned they were about their
3 ability to deliver quick and appropriate repairs
4 with the workforce that they have. Goes to your
5 point about do they have the appropriate sized
6 workforce, and that's an open question. But as to
7 what they did in this circumstance where they
8 brought in so many people from the outside,
9 putting aside the trucks which may not have been
10 able to fit down city streets, what would you have
11 recommended that they do as to the personnel
12 instead of bringing, I think it was 5,700, at
13 least in the Con Ed category, workers in to help
14 provide extra support? What should they have done
15 in that situation?

16 JAMES SLEVIN: Well they need to
17 [off mic] that, right now, the utility workers
18 that we represent is at a all-time low. Just
19 alone over the year we've lost hundreds, and like
20 I've stated here, 15,000--1,500 since '08, okay?
21 During the lockout during the summer, we had a
22 roughly a little under 8,000 members working just
23 for Con Ed, and close to 5,000 management at that
24 time. During this storm, they decided to separate
25 the workforce so that they took care of the mutual

2 aid people, the 5,000 management didn't have the
3 knowledge to go out and assess those mutual aid
4 people so they took vital workers that could have
5 went out to the system that they are familiar with
6 day-in and day-out and performed what they do as a
7 living, which is put the wires back for the
8 consumers. So they were taken away from their
9 task because of the lack of manpower that's out
10 there in the workforce.

11 CHAIRPERSON GARODNICK: Thank you.
12 Chair Chin.

13 CHAIRPERSON CHIN: Yeah, I think
14 we're definitely all very interested in looking at
15 your evaluation report. The thing is that one of
16 the point that you raise was that during the
17 lockout in terms of the maintenance. Do you feel
18 that because of lack of regular maintenance that
19 that also hamper the recovery efforts?

20 JAMES SLEVIN: Yes, there has been
21 open mains on the system or wire upgrades that
22 haven't been got to yet since the lockout. Since
23 our members came back, you know, it's not just the
24 workforce that's there, that workforce has been
25 working extreme amount of hours and days since

2 that lockout and now a storm comes through and
3 they're left their homes again for those lengths
4 of periods of time. It's an exhausted workforce,
5 it keeps getting stretched and stretched. And
6 that's from our linemen that are out in the street
7 to our call center people that are in the call
8 centers in 30 Flatbush.

9 CHAIRPERSON CHIN: I think somehow
10 we have to figure out how we do sort of get some
11 regular reporting in terms of status report so
12 that we can, you know, hold Con Ed accountable and
13 be able to ask them about their maintenance
14 records and having sufficient personnel to do
15 that. I think that's something that I think with
16 all the utility and all the wireless network, how
17 often do they really maintain their services. So
18 that should be one part of the preparation or
19 taking care of emergency, if they don't maintain
20 their equipment, then it's going to be more
21 difficult when emergency happen. So definitely
22 when your report is available, please share it
23 with us.

24 JAMES SLEVIN: We will.

25 CHAIRPERSON CHIN: Thank you.

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2 JAMES SHILLITTO: I might say, a
3 big part--

4 [Crosstalk]

5 CHAIRPERSON GARODNICK:

6 [Interposing] Let's make sure your microphone is
7 on and--

8 JAMES SHILLITTO: [Interposing]
9 Press the button.

10 CHAIRPERSON GARODNICK: --identify
11 yourself too.

12 JAMES SHILLITTO: James Shillitto,
13 senior business agent, Local 1-2. As each of the
14 utilities spoke glowingly about is how to utilize
15 mutual aid, that has become the norm in the
16 industry, they've decided to downsize their
17 workforce, rely on when they have more work on,
18 not only mutual aid when there's storms, but on a
19 daily workday on outside contractors increasingly.
20 You know, and, yes, of course, we want more
21 members, but to rely on a outside workforce that
22 is not as well trained or--

23 JAMES SLEVIN: Familiar.

24 JAMES SHILLITTO: --not familiar
25 with the system or not even just invested because

2 they don't work for the company, okay? And
3 they're from other regions, they're here to do a
4 job and then they move on. It takes away the
5 taxes, it takes away the spending 'cause they're
6 not city residents, they have no vested interest
7 in being here, they're here to do a quick job and
8 leave. They're increasingly relying upon that
9 type of workforce, rather than the workforce that
10 has, for lack of better terms, skin in the game
11 here in New York City. Okay? And as Mr. Slevin
12 related to in our report, a classic example is
13 they're short on linemen, they said they have 150
14 line crews, that's far more than they actually do
15 have, okay? And, yeah, they needed a lot more
16 because it was a hurricane, but, for instance, in
17 the Bronx, they have a workout location in Van
18 Ness, okay, and all of the overhead crews from
19 there were sent to Westchester County. Drove
20 through the neighborhood in which they are based,
21 which was out of power in Morris Park, and went to
22 Westchester and left the city out of lights.

23 So we feel that does need to be
24 changed and relying on mutual aid, as you see in
25 this, when we have bigger storms, everybody needs

2 mutual aid and the further out you go, the longer
3 it takes and the more costly it is.

4 CHAIRPERSON GARODNICK: Well thank
5 you for that and for the insight about mutual aid,
6 which was really my point of interest in your
7 testimony, and we appreciate your sharing those
8 insights. And please do pass on that report to all
9 three chairs: Chair Chin, myself, and Chair
10 Cabrera, and we will certainly pass it along to
11 our colleagues.

12 So thank you very much.

13 [Crosstalk]

14 JAMES SHILLITTO: Thank you.

15 CHAIRPERSON GARODNICK: And with
16 that, Chair Chin, I will say I think this has been
17 a very useful exercise in exploring some of the
18 challenges that--I'm sorry?

19 [Off mic]

20 CHAIRPERSON GARODNICK: Sorry, it
21 sounded like you didn't want to, but if you want
22 to, you're welcome to. It's--

23 [Crosstalk]

24 [Off mic]

25 CHAIRPERSON GARODNICK: Would you

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2 like to testify?

3 PETE SIKORA: Yeah.

4 [Crosstalk]

5 CHAIRPERSON GARODNICK: Please.

6 Please. No, no, absolutely, we called you, we're
7 ready for you.

8 PETE SIKORA: Yeah, it's sort of up
9 to you how long you want us to go, I mean, I can
10 be--

11 [Crosstalk]

12 CHAIRPERSON GARODNICK:

13 [Interposing] I would, at this point--

14 PETE SIKORA: --I'm very mindful of
15 the time.

16 CHAIRPERSON GARODNICK: --in light
17 of the time--

18 PETE SIKORA: Yeah.

19 CHAIRPERSON GARODNICK: --of day, I
20 would only add something that you believe has not
21 yet been added but--

22 PETE SIKORA: [Interposing] Okay.

23 So, you know, one thing nobody's mentioned is that
24 we--

25 CHAIRPERSON GARODNICK:

2 [Interposing] Why don't you identify yourself and-
3 -

4 PETE SIKORA: [Interposing] It's
5 Pete Sikora with the CWA, District 1, we represent
6 telecommunications workers at Verizon, a few at
7 Verizon Wireless, AT&T, and Cablevision now.

8 I just want to echo what these guys
9 have said, that deregulation is really setting the
10 stage here for manpower shortages and equipment
11 shortages. You can use--you don't have a lot of
12 regulatory authority here is a big problem, what
13 you can do though is potentially use the franchise
14 process on the telecommunications side to actually
15 hold the companies accountable for some of the
16 standards. Now that's on--the franchise is
17 obviously federally granted right for licensing
18 video service, so it's not directly, arguably, not
19 a utility service, but it's the same network that
20 is providing telephone and Internet, which I don't
21 think anyone would argue in this day and age are
22 both utility services, right? So you may want to
23 explore use of the franchise process to actually
24 hold them accountable on some of this stuff.

25 But state and federal regulators

2 are really dropping the ball here, both on the
3 electric side and on the telecommunication side,
4 and that's because of the lobbying that these
5 companies have done and a broader ideological
6 shift in this country to the right. Right? So
7 that's setting the stage for this kind of
8 situation where you have shoddy day-to-day
9 maintenance, lack of equipment, lack of people to
10 do the work, and then you have a big disaster that
11 becomes much, much worse.

12 A few other quick points. The
13 battery backup that Verizon talks about as eight
14 hours, that's an ideal 8-hour time period, in
15 reality, those batteries probably last less time
16 than that. The copper network is conductive,
17 fiber optic cable is not, so you can get
18 electricity to it. So to your point earlier, the
19 lonely pay phone, it works in a blackout because
20 there's auxiliary backup power from a central
21 office that's running on it. Now, in a Sandy-type
22 emergency where everything gets flooded, that
23 probably goes out as well, but in many cases it'll
24 stay up. That's incredibly important for public
25 safety, particularly as a backup for police, fire,

2 any places where there might be shelters, health
3 care, et cetera, et cetera, right?

4 Another thing to keep in mind is
5 that wireless is not a secure form of
6 communication, there are security issues on it,
7 it's over the air so it's not a perfect solution
8 and we can see what happens here when the system
9 actually just goes out largely. Right? So we
10 really ought to prepare; really, really ought to
11 think this through. The copper network is out
12 there, it's being replaced in some places by
13 fiber, fiber has unlimited information capacities,
14 virtually speaking, so it's really, really fast
15 Internet, but it isn't conductive and that's a
16 really serious downside. So those are some of the
17 things we wanted to add.

18 Just on a final note, somebody
19 ought to talk about prevention of global warming
20 also, it would be nice to see the big companies
21 actually engage here.

22 Councilwoman Chin, we really feel
23 your pain, we just got back into our building at
24 80 Pine Street, which is one of the commercial
25 buildings that is just getting restored to

2 service.

3 So everything's in there, in the
4 stuff that you got. Thank you for this
5 opportunity to testify.

6 CHAIRPERSON GARODNICK: Terrific,
7 thank you, and we'll let you have the last word,
8 and we're glad the last word included global
9 warming so--

10 PETE SIKORA: There you go.

11 CHAIRPERSON GARODNICK: --because
12 we do need to address that and that's certainly
13 been a priority of this Council, and we appreciate
14 your patience with us too.

15 [Crosstalk]

16 PETE SIKORA: Of course.

17 CHAIRPERSON GARODNICK: So with
18 that, Chair Chin, I think that we've covered a lot
19 of territory, we have a lot of work to do,
20 clearly, and I know that your constituents and
21 small businesses are still very much struggling
22 and, certainly, if there's any way I can help to
23 support them or you, I am happy to.

24 [Pause]

25 CHAIRPERSON CHIN: ...Wanted to thank

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2 the unions for staying 'til the end and I just
3 really look forward to continue discussion and
4 making sure that you give us, you know, your side,
5 the information, so that we can have a
6 comprehensive picture. Thank you for being here
7 today.

8 CHAIRPERSON GARODNICK:

9 [Interposing] And we were very careful to make
10 sure that we used some of your testimony when we
11 had a chance with some of the companies that were
12 here.

13 So with that, we are adjourned,
14 with great thanks to all.

15 [Gavel]

C E R T I F I C A T E

I, Tammy Wittman, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature *Tammy Wittman*

Date February 5, 2013