

Good morning,

Thank you to the distinguished Assembly and Senate committee chairs that invited me to speak today and to all members of the legislature that are in attendance. My name is Carl Taylor and I am the President and CEO of New York State Electric & Gas (NYSEG) and Rochester Gas and Electric (RG&E). Before I get into our company's response to the recent tropical storm, I wanted to take a moment and reaffirm our company's commitment to serving our customers and communities that depend on us. Unfortunately, harsher more frequently occurring weather patterns have become the new normal, and as a utility, we have listened and learned from the feedback and recommendations provided from past response efforts and incorporated them into the company's recent response. While NYSEG had three geographically separate operating divisions impacted by Tropical Storm Isaias, for today's hearing, I will focus my attention on the hardest hit area, our Brewster division – which includes portions of Westchester, Putnam and Dutchess counties.

First, I'd like to reiterate that our company's mission is to provide safe and reliable electricity and natural gas service to our customers. When events such as Tropical Storm Isaias occur, we work around the clock to restore power as quickly and safely as possible and to communicate to our customers and community leaders. Preparing and responding to events such as Tropical Storm Isaias represent years, months, weeks and days of hard work by the employees of our company. I will now share how NYSEG prepared, executed, communicated and collaborated with various stakeholders to best serve our customers.

Preparations and Municipal Coordination:

In preparation for Tropical Storm Isaias the company planned for a significant event. That is to say we planned for the worst, while hoping for the best. Obviously, as we now know, Mother Nature brought the worst – plus some. While forecasts had the storm moving in an easterly direction, our preparations paid off when the storm shifted more than 150 miles west, bringing devastating winds from multiple directions and heavy rain

to our area – impacting the majority of our customers in the Brewster territory. In fact, the damage as a result of this storm has been likened to that of Superstorm Sandy, with some informal reports stating that in certain areas, the damage two weeks ago surpassed that of Sandy. This storm created over 350 broken poles and more than 2,400 downed wires.

To prepare for the storm, the company took a number of specific actions that put us in a strong position to respond. First, prior to the storm, the company worked with mutual aid response organizations and our own contractor companies to build and pre-stage resources strategically in the southeast portions of the state. In fact, more than 700 field resources and hundreds of support personnel were in place prior to the storm occurring. Knowing that the timing of the event would be a challenge – as nightfall would be just behind the end of the storm, the company made sure we had make-safe crews available to immediately respond throughout the overnight period, but also that additional crews arriving towards nightfall would be bedded and ready to work early the next day. This plan allowed us – prior to the first rain drop – to ensure we were set up to maximize our resources efficiently and effectively.

The second action we took that benefited our response was a lesson learned from past events. In recent years the company has worked to strengthen our relationships with municipal leaders during blue-sky conditions. In fact, twice a year the company holds annual meetings with local officials in this area to discuss storm preparations, critical facilities, and other emergency preparedness topics. I myself participate in these important meetings and the company places great emphasis on our coordination with municipalities. As a result, prior to the event and in each day of the response, the company held a situational awareness municipal call that included every municipal official in our service area. The call was an opportunity for counties and towns to learn about our weather forecast and work plan, to request resources from the company, ask questions and share feedback along the way. I'm proud to report that prior to and during the storm every request made by municipalities for additional resources was fulfilled. For those that may be asking what exactly this means – allow me to explain.

Prior to the event NYSEG provided make-safe crews to the municipalities – skilled line workers or tree crews to clear roads of fallen trees or other hazardous conditions. Our crews imbedded themselves into the DPW response efforts to assist the municipalities with their efforts. This allowed NYSEG and the municipalities to work together in clearing pathways to critical infrastructure, such as hospitals and nursing homes, and allowed the towns and counties to more quickly and safely open back up. While our emergency response plan dictates that municipalities be provided one resource, the company far exceeded that minimum, taking into account the past feedback that we received from members of the legislature and local governments. We heard and understand that the work of road clearing, along with our cutting and clearing downed wires, is the first priority.

The Event and Response

As the weather moved into the region and battered our communities, the company immediately respond to remove hazards. Due to continued wind gusts from multiple directions, the company focused on work that could be completed on the ground – as unsafe conditions prevented us from completing work in elevated buckets. The company immediately entered into “make-safe” mode to guard and clear downed wires, while tree crews began working to open up roads in conjunction with municipalities, focusing on municipal priorities and critical facilities first.

In parallel to our response and restoration efforts, the company also dispatched our pre-staged damage accessors to quickly survey the damage to help us understand the magnitude of the job ahead. Completing this early in our response was also a lesson-learned from prior events and served us well. While the damage was severe and required a thorough inspection of the system, completing this work allowed us to more effectively and efficiently build a detailed restoration plan. It also avoided past issues where we found extensive damage at the end of the restoration process, which slowed our restoration efforts.

Additionally, understanding the severity of the damage allowed the company to quickly increase the number of boots on the ground. I'm proud to say that in partnership with our mutual assistance organizations and others – including the New York Power Authority and municipal electric companies – the company continued to onboard additional resources throughout the entirety of this event. Restoring power as quickly and safely as possible was the goal and quickly increasing our resources was a key component to achieving that goal.

The company continued to secure additional resources throughout the restoration. As additional resources were onboarded, our operations team sought to ensure that we utilized every resource as efficiently as possible. While crews during the overnight period continued make-safe operations, tree work, pole setting and restoration of critical facilities, the company's local incident commander in conjunction with operations leadership worked throughout the night to design detailed work plans for the next day. The plans took advantage of as much daylight as possible and utilized a rotating 17-hour work schedule for our field resources. Simply put, we developed a tight work plan and worked the plan – repeating that process until the job was complete and every customer restored.

As a result of the efforts previously described, the company was able to continually update estimated times of restoration more accurately. The company set ETRs after surveying and understanding the damage to the system. As the restoration continued, the company further refined the ETRs based on the previous work completed and the current forward looking work plan. During this storm, the company had set a global ETR, or the time we expect to achieve 95% restoration, of 11 p.m. on Monday, August 10th. As our progress continued to exceed our original forecast, by midday Saturday, August 8th, we were able to move the global ETR up to 11 p.m. Sunday, August 9th and actually achieved it prior to noon that day. Additionally, individual times for customers were also adjusted depending on the severity of damage – with many times improving and some being extended as restorations continued.

Communications

Losing power is frustrating. It's frustrating for customers who are without service, for elected officials who want to help their constituents, and for us – the power companies who pride themselves on delivering service. While the company had some communications challenges during this event, we tried to ensure that the communications issued were transparent and truthful. When we made mistakes, we owned them and worked to address them.

Building on the theme of transparency, the company implemented new communications tactics that were well received by customers and stakeholders alike. First, as restorations progressed the company began issuing its daily work plan in an early morning release. In the afternoon, the company issued a number of press releases that sought to answer frequently asked questions from customers and elected officials. Lastly, in both our evening and late-night press releases the company provided updates from the work completed that day and the planned work for the overnight period. These communications were posted on our social media channels and also incorporated into our direct customer communications. Likewise, elected officials, regulators and others were provided copies.

All of our communications were designed with the customer top of mind. My personal motto of "Customers First" appears in every email that I write. My advice to all employees is to put yourself in the customer's shoes and treat them how you would want to be treated.

While we will have additional lessons-learned as a result of this event, I hope that our customers and you – their representatives – know that we care deeply about them and our role in powering our great state.

I will now take any questions that you may have.