



International Brotherhood of Electrical Workers
LOCAL UNION 97

October 19, 2010

713 ERIE BOULEVARD W. • SYRACUSE, N. Y. 13204



Senator George D. Maziarz
Chairman, NYS Senate Committee on
Energy and Telecommunications
Room 947, Legislative Office Building
Albany, NY 12247

Senator Maziarz and Honorable Committee Members,

My name is Theodore Skerpon and I represent IBEW Local 97, including 4,800 employees located throughout Upstate New York in the transmission, distribution and generation of electricity and natural gas. We are geographically located throughout New York State - from Buffalo to the Vermont border and Canada to the Pennsylvania border.

We thank the Senate for being invited to this important hearing and appreciate your interest in our perspective.

We understand that there was discovery of accounting errors regarding National Grid, and we further understand that the Company has acknowledged and is correcting their errors, and appreciate their forthright cooperation with regulators and legislators, including this body.

We support and encourage the necessary corrective actions for these errors however, at the same time we are concerned that the timing may cloud the need and rationale for the current rate case pending before the New York State Public Service Commission, and respectfully request that their accounting errors be separated from the need for rate adjustments in the National Grid Service territory.

As a whole, we support the National Grid rate case, including the approach to push out the recovery of stranded costs that will result in little if any impact on most customers' monthly bill. As those familiar with electricity development in New York State are aware, the first commercially distributed electricity in the world was from Niagara Falls in the early 1900's that lit streetlights in Buffalo, and a lot of our electric infrastructure today reflects that aged history.

Rate Case and Workforce

Within the next 5 years, over 1/3 of our field crews that include line personnel, substation electricians, service personnel and relay testers are eligible to retire. It typically takes 4 – 5 years for an apprentice to become proficient in their craft. National Grid uses a combination of in house schools and on-the-job training in their job progression, resulting in highly trained personnel specialized in the unique utility specific skill-sets. Adequate in-house journeymen and

women and necessary infrastructure upgrades are paramount to safety and system reliability, which is our basis for supporting this rate case. Power interruptions are inconvenient, unsafe and particularly costly when it comes to manufacturing. I am proud of the work our members do in maintaining such an aged infrastructure and responding to power outages, often during extremely adverse circumstances. Through climate change or mere coincidence, there appears to be an increase in the frequency and intensity of major storms and subsequent impact on the electric system infrastructure, making rapid storm responses by familiar, qualified crews more critical than ever.

Rate Case and Capital Investment

Attached you will find some pictures of just one major substation in the Buffalo area that has sixty 23,000 volt circuit breakers delivering power to much of downtown, local commercial and industrial customers and multiple neighborhoods. Many of these circuit breakers are between 50 and 75 years old, as indicated by the attached nameplates from the switchyard. While our crews do an amazing job of keeping this antique equipment operational, everything mechanical has a shelf life where replacement is imperative for system reliability. National Grid has 59,000 miles of electric transmission and distribution lines, 737 transmission and distribution substations. Additionally there are 7,660 utility poles and towers that are in need of repair or replacement over the next three years.

Beyond the Rate Case

In addition and of major significance is the most recent 2010 New York State Independent System Operators (NYSISO) transmission congestion report that identifies the ability to move only limited electric generation from areas of surplus within upstate New York to the prime areas of need such as Long Island and New York City. The Federal Energy Regulatory Commission (FERC) has identified these areas as critical transmission corridors and further identifies the need to address substandard transmission lines. The economy has resulted in less power being manufactured at existing New York State power plants, made worse by congestion preventing these plants from being able to sell their power downstate where demand is always increasing.

This transmission challenge and problem has for a long time had efforts to address the issue, including the failed New York Regional Interconnect (NYRI) transmission line and a more recent transmission line known as the Champlain Hudson Power (CHP) Express, where Canadian developers are far along in gaining approval to deliver Canadian Power to New York City. The NYRI line would have facilitated the delivery of New York State generation from our employers such as Constellation, NRG and PSE&G to name a few. The CHP Express is totally independent, delivering only generation from Canada and will further threaten existing New York State generating assets unless and until the transmission congestion issue is corrected.

We would respectfully call on this body to direct agencies such as the New York Power Authority to begin work immediately with existing Investor Owned Utility's (IOU's) to solve the congestion issue by allowing them the ability to move power generated by New York State based

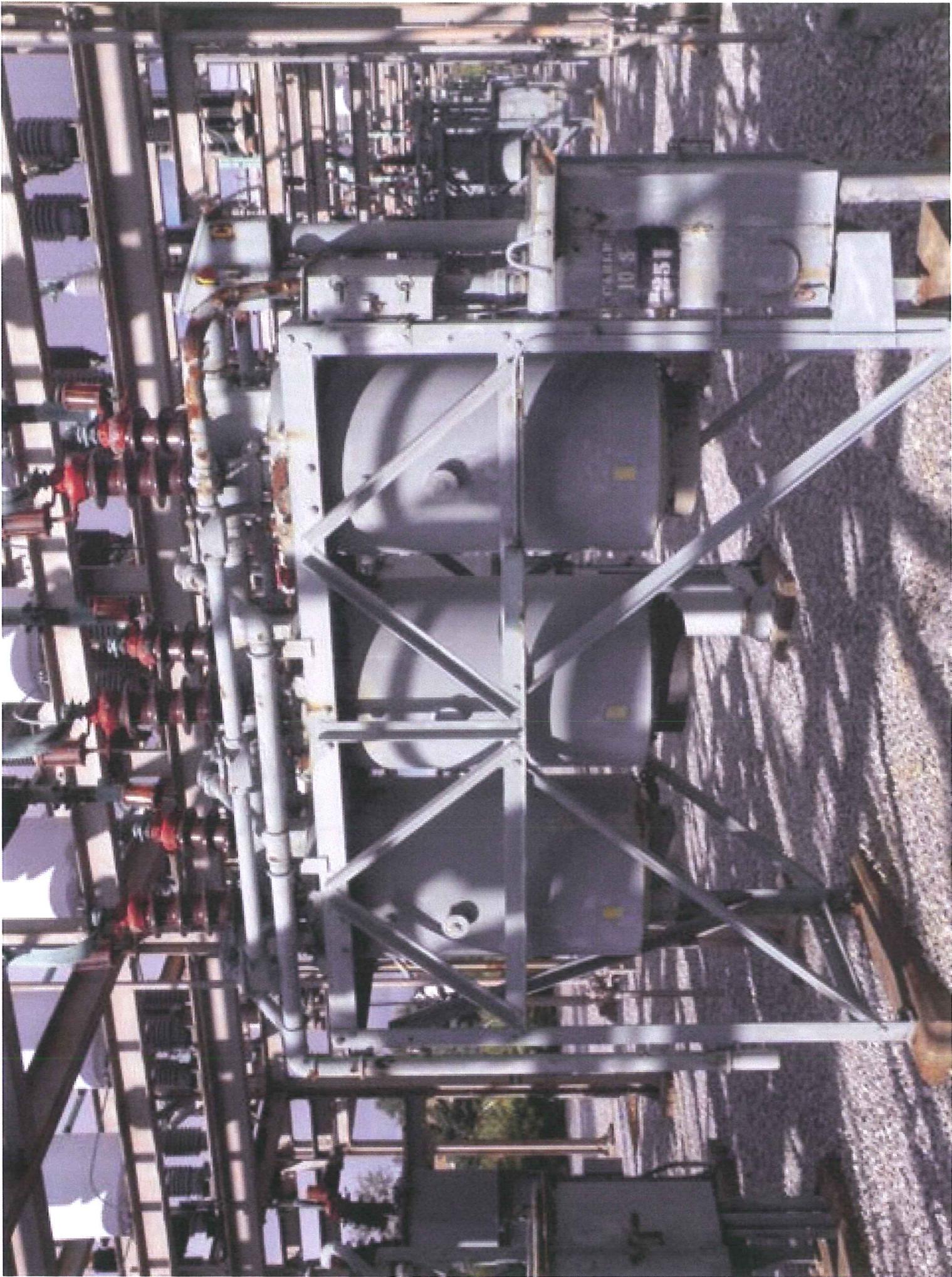
power generators to areas of demand, stabilizing and likely stimulating the New York State power generation industry, prior to approving any foreign investment harmful to our industry.

In closing, we respectfully ask that this body:

- Give positive consideration to the National Grid rate case as it relates to system safety and reliability after assurances that any related and unrelated accounting practices are made right.
- Ensure that the rate case support an adequate in-house workforce and critical capital improvements for safety and system reliability.

Thank you for your time and consideration.







OIL CIRCUIT BREAKER

TYPE

GO-3-B

SERIAL-S.O.

1-32Y1507

DATE OF MFR.

1953

INSTR. BOOK

33-750-4

GALS. OF OIL PER TANK

85

RATED VOLTS

34500 V.A.C.

RATED AMPS.

1200

CYCLES

60

IMPULSE WITHSTAND K.V.

200

TOTAL WEIGHT

WEIGHT OF TANK

SECONDARY TAPS

X1-X2

X3-X4

X2-X3

X1-X3

X1-X4

IN U.S.A.

E 60 CYCLES CONTROL VOLTS . 250

D. NO. 2-324900 INSTRUCTION-BOOK NO.

IL PER TANK 105 OIL LEVEL INCH

T OF BREAKER WITHOUT OIL 5700 POU

16998 (5-3-33)

1,132,772	1,199,478	1,318,784	395,327	1,442,289
1,680,671	1,732,801	1,899,605	1,899,612	1,899,613

HOUSE ELECTRIC & MANUFACTURING COMPA