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Gas Safety Performance Measures in New York State

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Safety Performance Measures
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Purpose of Safety Performance Measures

- Ensure safety in a changing environment
 - Address risks
 - Measure performance
 - Motivate companies to maintain and improve performance



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Safety Performance Measures

- Damage Prevention
- Leak Management
- Emergency Response Times
- Infrastructure Enhancement



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Damage Prevention

- Reduce Damage that Occur
 - Damages caused by third party excavators
 - Damages caused by utility or utility hired excavators
- Damages Due to Company Error
 - Failure to accurately mark the underground facilities
- Damages Due to Excavator Error
 - Failure to notify the one call system
 - Failure to verify the facility location
 - Operating excavation equipment too close to the facility



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Damage Prevention

Damages per 1000 Locate Requests

Metric	2003	2004	2005	2006	2007
# Tickets	481,179	522,204	560,257	598,603	636,338
Damages/1000 tickets Due to:					
Mismarks	1.14	1.05	1.11	0.89	0.73
Co. & Co. Contractor Error	0.27	0.31	0.22	0.17	0.14
Excavator Error	3.28	2.61	2.55	1.83	1.84
No-Calls	1.84	1.78	1.70	1.33	1.05
Total (per 1000)	6.53	5.75	5.59	4.21	3.76



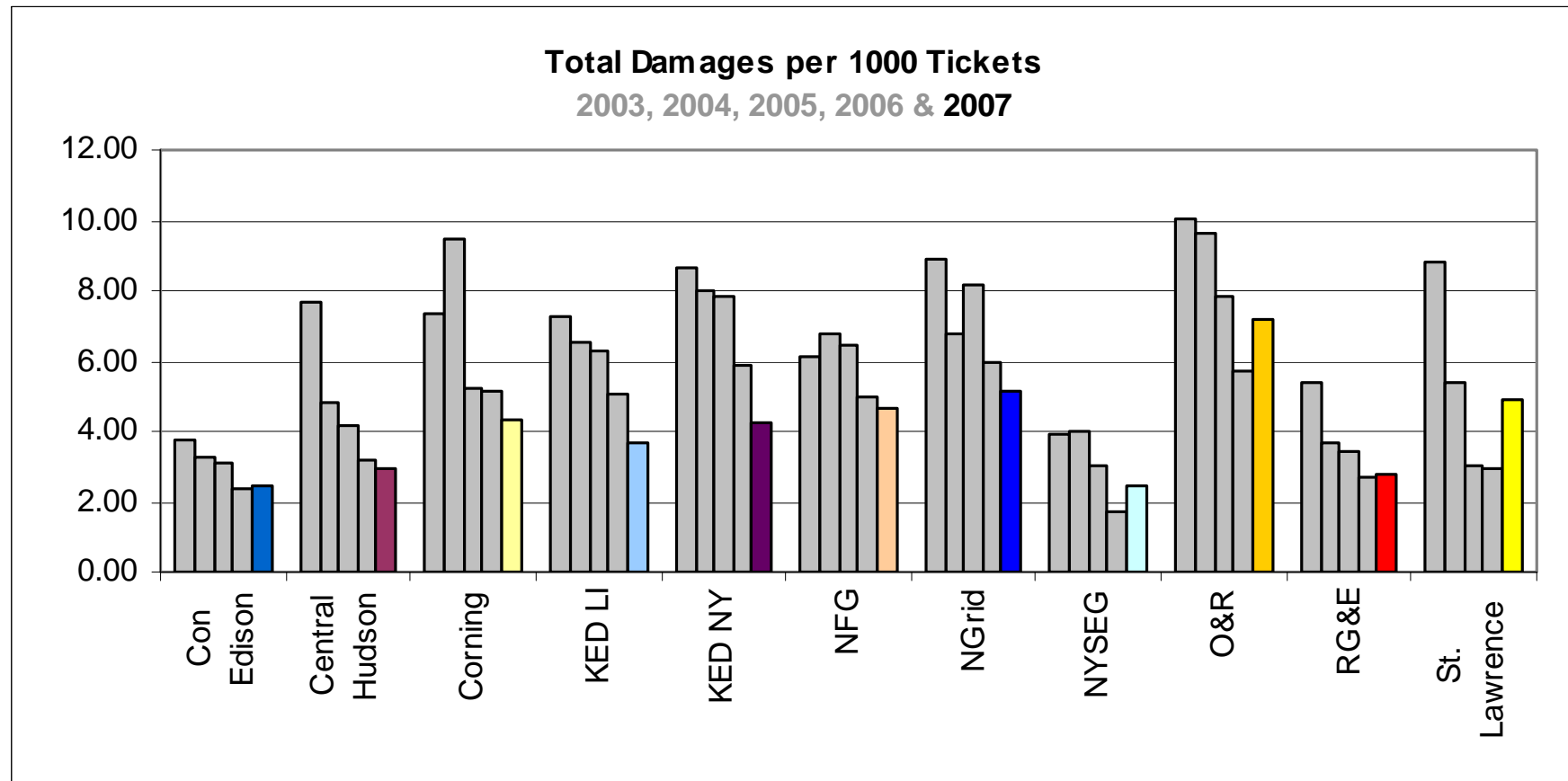
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Damage Prevention

Damages per 1000 Locate Requests





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Leak Management

- Reduce the number of leaks that occur
 - leaks discovered per mile of pipe
- Repair potentially hazardous leaks
 - leaks repaired on mains by type and pipe material
 - leaks repaired on service lines by type and pipe material
- Reduce backlog of leaks
 - potentially hazardous leaks pending repair at year end

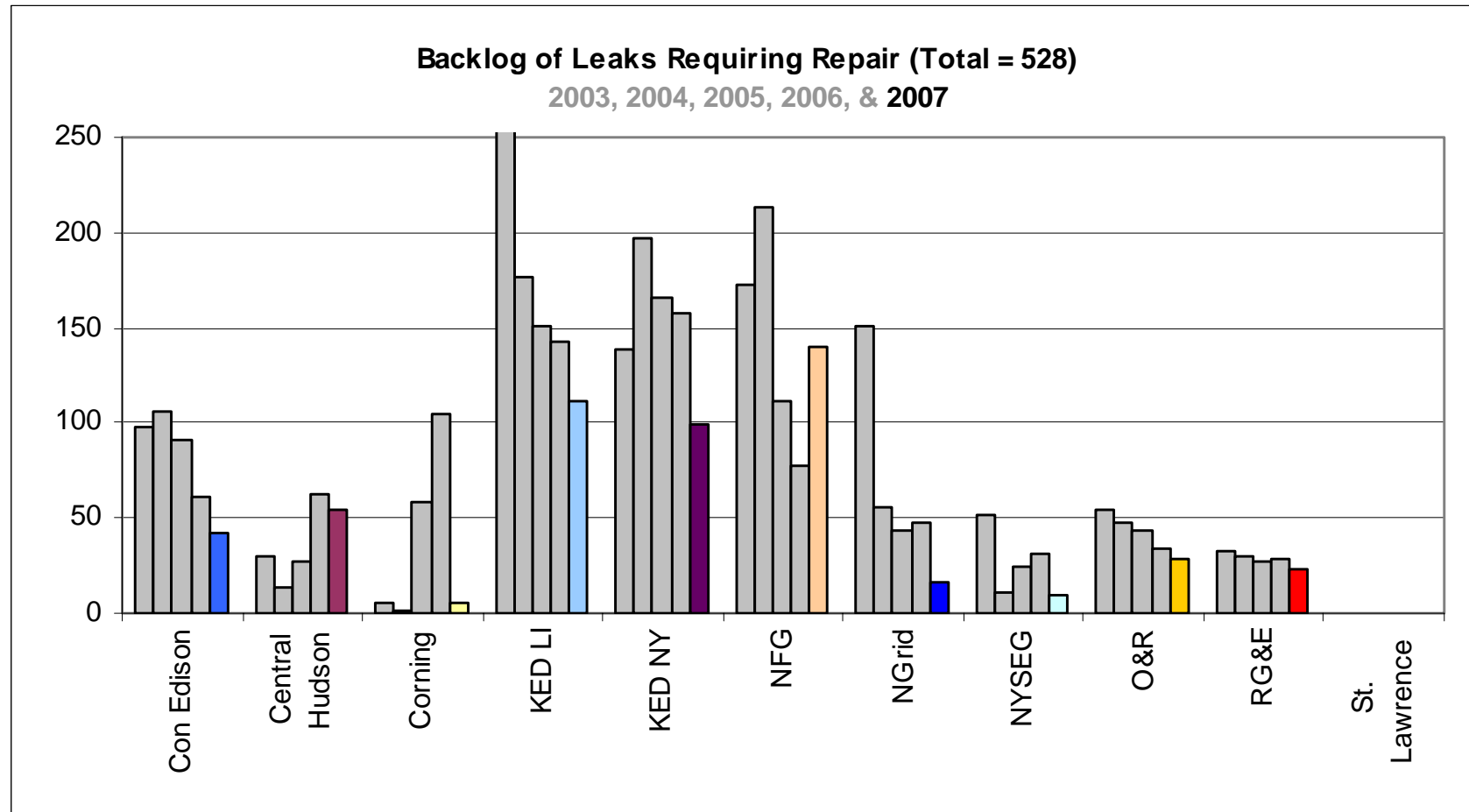


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Leak Management





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Emergency Response Times

- Measures time to respond to gas leak calls
 - desirable response levels
 - 75% of calls within 30 minutes
 - 90% of calls within 45 minutes
 - 95% of calls within 60 minutes



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Emergency Response Times

	30 Minute				
	2003	2004	2005	2006	2007
Central Hudson	81.0%	78.6%	78.9%	83.0%	84.1%
Corning	77.0%	83.5%	82.2%	82.4%	74.7%
Con Edison	71.9%	75.9%	76.4%	78.5%	80.3%
KED LI	67.9%	74.8%	75.3%	76.2%	75.8%
KED NY	67.6%	68.0%	65.9%	69.7%	74.3%
NFG	87.1%	87.4%	88.5%	91.1%	91.4%
NGrid	76.8%	80.8%	79.4%	82.2%	82.0%
NYSEG	80.4%	81.1%	81.5%	78.0%	78.9%
O&R	68.0%	71.7%	72.5%	78.4%	80.3%
RG&E	95.0%	95.1%	95.3%	92.8%	92.4%
St. Lawrence	72.4%	78.6%	81.1%	80.6%	78.9%



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Emergency Response Times

	45 Minute					60 Minute				
	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
Central Hudson	99.2%	98.8%	98.8%	98.7%	99.0%	99.9%	99.9%	99.9%	99.8%	99.9%
Corning	93.0%	96.1%	93.9%	95.8%	89.2%	98.0%	99.6%	96.8%	99.2%	97.1%
Con Edison	96.3%	97.3%	97.1%	97.6%	97.4%	99.9%	99.9%	99.9%	99.9%	99.7%
KED LI	93.1%	96.0%	96.2%	96.1%	95.5%	99.9%	99.9%	99.9%	99.9%	99.8%
KED NY	92.2%	92.4%	90.6%	91.8%	95.1%	98.1%	98.4%	97.9%	97.8%	99.3%
NFG	96.1%	96.3%	96.8%	97.0%	97.2%	98.9%	98.9%	99.0%	99.0%	99.1%
NGrid	92.1%	94.1%	93.6%	95.1%	94.8%	97.2%	98.0%	98.0%	98.6%	98.2%
NYSEG	96.2%	96.0%	96.0%	94.5%	95.0%	99.4%	99.4%	99.2%	98.8%	99.1%
O&R	94.2%	95.8%	95.1%	96.7%	97.1%	99.7%	99.7%	99.5%	99.9%	99.9%
RG&E	99.3%	99.5%	99.4%	98.9%	98.9%	99.9%	99.9%	99.8%	99.8%	99.9%
St. Lawrence	89.0%	91.0%	95.3%	95.5%	95.4%	98.2%	98.5%	99.2%	99.2%	98.9%



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Rate Case Performance Measures

- As LDC's file rate cases, DPS Staff recommends they achieve specific targets
- Negative rate adjustment if targets not met
- Targets set based on LDC's past history and trends
- Staff submits testimony if litigated rate case, negotiates if settlement / Joint Proposal reached
- Multi-Year Plans may require improvement over time
- Targets continue if LDC does not file a rate case



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Rate Case Performance Measure Targets Example: KeySpan Energy Delivery NYC Damages per 1000 Locate Requests and Year-End Leak Backlog

Year	2008	2009	2010	2011-12
Total Damages	5.8	5.4	4.9	4.2
Mismark Damages	1.20	1.15	1.10	0.9
Co./Co.Contractor Damages	0.25	0.25	0.25	0.25
Leak Backlog	125	105	95	75



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Rate Case Performance Measure Targets

Example: KeySpan Energy Delivery NYC

Emergency Response

- 75% within 30 minutes
- 90% within 45 minutes
- 95% within 60 minutes



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Incentive Basis Point Levels

- Rate cases - rate adjustment level of approximately 30 basis points for safety-related measures
- National Fuel Gas Distribution Corporation (1bp = \$64k)
 - Replace 80 miles leak-prone main (\$256k)
 - Replace 4,000 leak-prone services (\$256k)
 - Leak backlog: 75 (\$512k)
 - 75% of calls within 30 minutes (\$64k)
 - 90% of calls within 45 minutes (\$64k)
 - 95% of calls within 60 minutes (\$64k)
 - Total damages per 1000 tickets: 4.2 (\$256k)
 - Mismark damages per 1000 tickets: 0.9 (\$192k)
 - Co. & Co. Contractor damages per 1000 tickets: 0.2 (\$256k)



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Incentive Basis Point Levels (cont'd)

- Merger cases (National Grid & KeySpan)
 - Higher risk to rate payers
 - Rate adjustment level doubled for safety measures
 - Tripled in any year under dividend restriction
 - Quadrupled in any year targets are missed and were also missed in any two of the prior four years