

Moreland Commission

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MORELAND COMMISSION

ON UTILITY STORM
PREPARATION AND RESPONSE

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Staten Island, New York

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1 A P P E A R A N C E S:

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3 MEMBERS OF THE COMMISSION:

4 REGINA CALCATERRA, Executive Directo

5 ROBERT ABRAMS, CO-CHAIR,

6 Former Attorney General of the State of New York

7 BENJAMIN LAWSKY, CO-CHAIR, Superintendent of

8 Financial Services, State of New York

9 REVEREND FLOYD FLAKE, Greater Allen AME Cathedral

10 KATHLEEN RICE, Nassau County District Attorney

11 CAROL GARCIA, Moderator

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Moreland Commission

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3 ANTHONY NAVARINO.....23

4 Stephen Stiller Tunnel to Towers Foundation

5 JOSEPH CARROLL, District Manager, Community Board One.....27

6 SANDY WOLF, Staten Island Economic Development.....29

7 Corporation

8 JAMES MATTEO, Chief of Staff for Councilman Otto.....29

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1 CHAIRMAN ABRAMS: I would like to open the hearing on
2 behalf of my Co-Chair, and the Commissioners of the Moreland
3 Commission. I would like to thank those who have come here
4 tonight. I guess right at the top, we should thank our host,
5 the Bernikow Mid Island Jewish Community Center of Staten Island
6 for allowing us to use their magnificent facility to accommodate
7 those on Staten Island who wanted to provide testimony and
8 insight with respect to Super Storm Sandy.

9 I am going to quickly turn it over to my Co-Chair, Ben
10 Lawsky, Co-Chair of the Commission. But let me just at the
11 outset say that the Governor appointed a Moreland Commission
12 several years ago, and asked us to conduct hearings throughout
13 the state to determine the planning and preparedness and
14 response of the electric utilities with respect to this storm
15 and prior storms.

16 We know we are in a location today that suffered
17 tremendously. The devastation as a result of Super Storm Sandy
18 was extraordinary. Tremendous loss of life, tremendous economic
19 devastation to the community as a whole, to families. Recovery
20 is still underway. People are still suffering. The
21 psychological damage has been enormous. People's lives,
22 people's homes, their families, and their resiliency and the
23 commitment to Staten Island has been one of inspiration as they
24 seek to respond to that storm.

25 The President of the United States has been here with the

1 Governor, and all kinds of emergency responders. We are here
2 tonight to take testimony and to try to learn first hand what
3 individuals experienced as a result of this storm by way of
4 insight into the preparedness and or the response of Con Edison,
5 which is the utility which services Staten Island. Over 70
6 percent of the customers on Staten Island under this utility
7 suffered outage, and that outage extended for quite a long
8 period of time.

9 So we thank our host and we thank the people of Staten
10 Island for coming out and giving us the opportunity to receive
11 your view and your testimony. It is now my privilege to ask the
12 Co-Chair of the Commission to extend a word of greeting. The
13 Superintendent of the Department of Financial Services of the
14 State of New York, Benjamin Lawsky.

15 CHAIRMAN LAWSKY: Thank you, Attorney General Abrams. It
16 is good to be here with everyone tonight. The work that this
17 Commission is doing I think is just incredibly important, and
18 all of us here tonight take it incredibly seriously. As
19 Attorney General Abrams just said, the toll that Sandy had on
20 our state has just been immense, and the devastation is
21 profound, particularly here in Staten Island.

22 As we look at the utilities and how they responded and how
23 they prepared and what went wrong, we really need to focus on
24 how that performance varied region by region. That is why we
25 are coming all over the state. Not only to Staten Island but

1 also to Long Island, to the Rockaways and lower Manhattan and
2 Westchester and all around, to hear from the public as to what
3 they experienced with respect to the utilities and how they
4 performed.

5 This Commission's mandate is complicated on the one hand,
6 and we talk about all kinds of complicated financial deals
7 related to what should happen, for example, with LIPA and its
8 privatization. But at the same time, what we do is quite
9 simple, and it is really about what went wrong and how and why
10 did it go wrong, and how do we fix it. That is what we are
11 focused on. I thank all of you for coming out tonight and
12 having the interest and caring about the community in a way that
13 you want to express what you experienced, and anything else that
14 you might like to tell us. So General Abrams, thank you very
15 much. I know we have two other great Commissioners here tonight
16 with us as well; DA Rice and Reverend Floyd Flake.

17 CHAIRMAN ABRAMS: We would like them to say a few words.
18 This Commission has many distinguished members, and two of the
19 most distinguished are here tonight. Kathleen Rice, who is the
20 District Attorney of Nassau County. I would her to say a few
21 words.

22 COMMISSIONER RICE: Thank you, Commissioner. I want thank
23 you all for coming out here on this brutally cold night. I am
24 sure that there are a lot of people here on Staten Island that
25 are still suffering from the effects of Sandy. The goal of this

1 Commission, and what we are all dedicated to, is to ensure that
2 whatever failings happened, don't happen again for storms that
3 we know are going to be in our future.

4 What our responsibility is is to make suggestions, to make
5 findings, which is what these hearings are all about. This is
6 our fourth hearing. We are going to be doing a lot more across
7 the state, as Commissioner Lawsky said, to make recommendations
8 about how to make the system work better. The most important
9 thing, in my opinion, is to restore confidence to all of you,
10 the customers, consumers, people who deserve to have a level of
11 service that can ensure that when storms like this happen, which
12 they will in the future, that we are as protected as we can be.

13 So I am very honored to be on this Commission. I thank you
14 all for being here tonight, and look forward to hearing the
15 testimony that is going to be offered.

16 CHAIRMAN ABRAMS: We are pleased to have another
17 Commissioner present tonight, the Reverend Floyd Flake, a former
18 Member of Congress, and the Pastor of the Greater Allen AME
19 Cathedral.

20 COMMISSIONER FLAKE: Thank you very much, Mr. Chairman.
21 Certainly, it is a great opportunity to once again position
22 ourselves as we have a conversation that I think it is most
23 important. We realize that the storm, people knew the storm was
24 coming. Those who had responsibility for it did not respond in
25 an appropriate manner, to prepare for what might have happened.

1 The damage here has been so deleterious on the life of many
2 families and many places that are not able to function yet, even
3 though the storm is over.

4 So our goal is to try and make sure that we create methods
5 whereby in the future, not only would we be better prepared, but
6 we will be in such a position that some of the things that
7 occurred in the past would not happen again.

8 So we are not here to beat up on anybody, but just to let
9 you know that we are here as your full supporters, with all the
10 hope that through this experience, the next experience might be
11 a better one.

12 CHAIRMAN ABRAMS: We are going to open the hearing with a
13 Power Point presentation, and Co-Chair Lawsky will begin that.

14 CHAIRMAN LAWSKY: This is based on the preliminary
15 recommendations the Commission made to the Governor about two
16 weeks ago. The good news is Governor Cuomo not only appointed
17 this Commission, but very quickly adopted a number of the
18 recommendations we made in both the State of the State, and
19 yesterday in Governor Cuomo's budget address. Where attached to
20 the budget is a bill the Governor has put forth that will
21 strengthen the Public Service Commission, which is the regulator
22 of ConEd and the other private utilities.

23 Chairman Abrams will talk a little bit more about those
24 recommendations in a moment, and it is just I think a great step
25 forward that the Governor has come out with these proposals so

1 quickly. Hopefully it will pass with the budget in the next few
2 months, and we will see a much more robust Public Service
3 Commission, which should really contribute to what Reverend
4 Flake just said, which is a better experience next time around.
5 There is no question that the power will go out again when there
6 are future storms. But the real issue is how can we better
7 position and better incentivize the private utilities to
8 respond, to prepare first and then respond better the next time
9 around.

10 So the impact on the electric service that various storms
11 have had over the last few years, you can see on the screen.
12 Hurricane Sandy, October 2012, 2.1 million outages. That is by
13 house, so it is even more people impacted in that number. The
14 restoration period, how long it took to get the power back on
15 was up to 21 days.

16 In Tropical Storm Lee, you had 68,000 customer outages,
17 with a restoration period of up to 10 days. Hurricane Irene,
18 1.1 million customer outages, with restoration period up to nine
19 days. With the ice storm in December of 2008, you had 330
20 customer outages, and a restoration period of up to eight days.

21 I should also mention that with respect to Staten Island in
22 particular, where we are tonight, after Storm Sandy, it looks
23 like there were about 121,000 homes that were left without
24 power, and that is approximately 70 percent of ConEd's customers
25 out here. So a very significant proportion.

1 The Moreland Commission, that is us, on Utility Storm
2 Preparation Response, was created by the Governor pursuant to
3 what is called the Moreland Act. Following Hurricane Sandy, it
4 basically empowers the Commission as an investigatory
5 Commission, and the Governor gave us really a two fold mandate.
6 First to study, examine and investigate and review in three main
7 areas. Emergency preparedness and response to utilities, the
8 adequacy of the existing regulatory framework, and the adequacy
9 of the existing oversight and enforcement, primarily by the PSC.

10 Second, we were asked to make recommendations for the
11 forum. Here is a summary of our investigation to date. First,
12 we sent subpoenas to seven utilities, and 40 letter requests
13 seeking documents and information. We have received and
14 reviewed so far thousands of pages of documents we have
15 conducted over 30 witness interviews. We have held five public
16 hearings, and obviously our work is continuing, and will include
17 future public hearings, including tomorrow night we will be in
18 Westchester in Purchase, New York. Next week, I believe we will
19 be in New Paltz.

20 But as the Governor has laid out repeatedly, the basic
21 problem we face with respect to the utility companies is that
22 they are monopolies. The six companies operating in New York
23 and LIPA are what is known by economists as natural monopolies.
24 They operate in their own exclusive service areas, with little
25 or no risk of losing all or part of their territory because of a

1 lack of government oversight.

2 We have made, as a Commission, three main findings and
3 recommendations thus far. They are first, strengthen the state
4 oversight of utilities. Second, to unify certain state energy
5 programs and policies to make companies more efficient, and make
6 government more efficient. So when the government agencies that
7 are charged with overseeing utilities and energy policy are more
8 efficient, that obviously means they can spend more time on
9 their core functions, which is making sure the utilities operate
10 property, are prepared, they respond, and consumers, home owners
11 are protected. Third, to restructure LIPA.

12 So I will now turn it over to Chairman Abrams to lay out
13 the recommendations we made with respect to the Public Service
14 Commission, in which the Governor has, for the most part, put
15 into his budget.

16 CHAIRMAN ABRAMS: There is overwhelming theme here, that
17 the Public Service Commission, which is the regulatory body
18 concerning utilities throughout the state, that it lacks power,
19 and does not have the ability to effectively protect the public
20 interest.

21 The PSC is charged, under the law, with overseeing utility
22 corporations, but it is toothless. It does not have the kind of
23 strength and power and remedies to protect the people of New
24 York State. They have had limited performance of utility
25 operational and management audits over the years. They have had

1 scaled back reviews of rate requests and service delivery.
2 There are very weak penalties that are available to deter poor
3 utility service. The PSC, in the case of LIPA, doesn't even
4 regulate that utility.

5 So it is obvious that there is a need to strengthen the
6 oversight of these monopoly utilities in the state. We have got
7 to authorize the PSC to impose administrative penalties for
8 violations of its orders. Right now, the maximum that the PSC
9 can fine a company is \$100,000 a day total for all violations.
10 For the average citizen, that is a lot of money. But for one of
11 these utilities, it is a pittance.

12 Utilities also to be able to have that kind of fine imposed
13 must be found to have committed a knowing violation, which is
14 very difficult and onerous to demonstrate. It is a difficult
15 hurdle to climb, to prove. So this Commission has recommended,
16 and we are grateful that the Governor has proposed in the State
17 of the State message, and in his Executive Budget, the
18 following.

19 That there be an increase in penalties to ensure adequate
20 deterrents. So for example, create a formula where a certain
21 percentage of the gross revenue could be the basis for a fine
22 imposed upon the utility. So in the case of ConEd, it would
23 amount to \$2 million a day. In the case of National Grid, which
24 is the operational utility out on Long Island, it was \$750,000 a
25 day. A lot different from \$100,000 a day.

1 In addition, we should be lowering the burden of proof to a
2 reasonable business standard, instead of the knowing violation
3 that exists in the current law. We should be granting the
4 Public Service Commission explicit power to review the fitness
5 of utilities, and to give the state the specific, explicit
6 authority to revoke operating certificates. The governor speaks
7 powerfully and eloquently about that. These are monopolies, and
8 if they don't perform, we should, with appropriate due process,
9 be able to impact even their ability to continue to operate.

10 So we have got to strengthen the oversight of utilities in
11 this state. We have got to strengthen the PSC's oversight and
12 restore regular auditing of the management of the utilities, of
13 its operations, and increase requests as well. The PSC in the
14 past has made only minimal use of its existing authority to
15 conduct operational and management audits. So the Commission
16 recommends that the Governor adopt the proposals that we had in
17 the State of the State message and in Executive Budget, to
18 restore the management and operational audit unit within the
19 PSC, to require management and operational audits on a cycle, on
20 a five year cycle basis, to require the PSC to mandate
21 implementation of reasonable audit recommendations, and to
22 create an enforcement unit that will help ensure compliance with
23 the laws and regulations and orders which can be enforced
24 through significant penalties.

25 In addition to the strengthening of Public Service

1 Commission, the Commission has found that there is a need for
2 streamlining energy oversight concerning certain programs. New
3 York has a great series of efforts dealing with clean energy,
4 and it is done through a number of mechanisms. But we find that
5 there has got to be better coordination and structure of these
6 mechanisms.

7 So the management structure of the Department of Public
8 Service, which is the key staff on of the Public Service
9 Commission, as well as NYSERDA. Right now, the Department of
10 Public Service and NYSERDA both run competing and overlapping
11 green energy programs, and it leads to confusion, to waste, to
12 duplication. NYSERDA and the Department of Public Service draft
13 separate disaster response plans, with little effect or
14 coordination. So we propose a unification of the management and
15 policy making of these two important state agencies.

16 Our work is just mid way. We are going to continue to look
17 at LIPA and other utilities operating in New York State. We are
18 moving upstate starting tomorrow, going into the next couple of
19 months. There will be more public hearings in the storm areas
20 across New York. We issued an interim report a couple of weeks
21 ago, and we will be, in the spring, issuing a final report, with
22 additional recommendations. We will continue to examine the
23 overlap of services between NYSERDA and the Department of Public
24 Service.

25 So that is a bit of an outline of what the mandate of this

1 Commission is, what we have done to date, and what our
2 trajectory is going forward. I am now going to turn the
3 microphone over to Carol Garcia, who will give us some of the
4 ground rules for the operation of our hearing here tonight.

5 MS. GARCIA: Thank you, Commissioner Abrams. Good
6 evening, everyone. As Commissioner Abrams said, my role here
7 tonight is to explain the format for tonight's hearing, to
8 review the ground rules with you, and to be a gentle time keeper
9 so that we stay on track this evening.

10 The Moreland Commission is happy to be here tonight in
11 Staten Island. Part of the work of the Commission is to
12 interview witnesses and meet with the public. This is our fifth
13 public hearing. The information we gather tonight and during
14 this process will be a part of the record, and will be
15 considered and integrated into our final report.

16 I would also like to point out that we have representatives
17 here tonight from the Department of Financial Services and from
18 FEMA sitting in the back here. They are here to assist anyone
19 with insurance or other related questions, and I encourage you
20 to come speak to them after the hearing this evening.

21 The Moreland hearing focuses on two things. First,
22 emergency preparedness and response of utilities to recent
23 storms. Second, recommendations for restructuring the oversight
24 of energy utilities in New York, including the Long Island Power
25 Authority, to improve the reliable and affordable transmission

1 of power.

2 We have also invited representatives of groups who assisted
3 the public during the storm and after the storm. We have asked
4 them to come here tonight and share with us their observations,
5 their comments, and to describe a little bit about the
6 assistance they provided to the community during the storm.

7 With that, I would like to invite one of those invited
8 guests to give us his comments this evening. Derek Tabacco from
9 Guyon Rescue. Mr. Tobacco, thank you.

10 MR. TABACCO: Thank you. My name is Derek Tabacco. I am
11 the founder of Guyon Rescue. Guyon Rescue is a grass roots,
12 private organization which started in the days immediately
13 following Hurricane Sandy. Guyon Rescue was started to provide
14 immediate assistance to residents of Oakwood and Fox Beach as
15 they were without gas and electricity. Now more than 90 days
16 later, we supply hot foot, cleaning supplies, toiletries,
17 diapers, heaters, generators and many other items for those in
18 need. We also coordinate with teams of volunteers to gut and
19 muck out homes. I feel the emergency preparedness of the
20 utility companies, both before and after the storm, has been
21 very disappointing.

22 As someone on the ground, talking to Hurricane Sandy
23 survivors every day, all I can think is should this be happening
24 in America in 2013. In my view, the solution comes down to
25 being prepared and having prior knowledge of the areas that are

1 expected to be affected. This will help utilities structure a
2 more effective response. Most importantly, the utility
3 companies, in conjunction with local and state governments,
4 should have a team implemented to focus solely on pre-storm
5 awareness.

6 After Hurricane Sandy, ConEd and National Grid were
7 physically present on the ground quickly, but were not equipped
8 to handle the situation. It is evident that there is a need for
9 a streamlined system of information which would allow utility
10 companies to work together with the government to more
11 efficiently handle disasters. I think that the utility
12 companies should have scheduled site inspections in the days
13 leading up to the storm to assess where the most manpower would
14 be needed. The days following the natural disaster is not the
15 first that they should be assessing the customer's needs.

16 The information gathered from the storm and future
17 pre-storm assessments should be used to pinpoint the most
18 critical areas, and prepare emergency backup power to be
19 dispatched within hours after the storm. Especially homes
20 occupied by disabled or elderly people. People like Bill, a
21 quadriplegic who lives on Adelaide Avenue, and didn't have power
22 for weeks, or Donna on Humbert Street, who has two autistic
23 children, and not eat for 45 days, or my mom, who lives on Bay
24 View Terrace, and had a gas leak. So the utilities shut the gas
25 off, and it took four weeks for them to come back and identify

1 the leak, so the heat could be turned back on.

2 I think we need to create utility reservists for ConEd,
3 National Grid and other utility companies during the year,
4 because utilities only need a certain amount of employees. But
5 when a disaster hits, the manpower needed spikes drastically.
6 By creating a reserve corps of authorized and vetted employees,
7 utility companies can quickly increase their human resources
8 with qualified individuals. For example, in most cases, ConEd
9 had shut power until a licensed electrician was able to come out
10 and install a new electrical panel. As ConEd was turning
11 limited power back on, there was still tens of thousands of
12 people that could not be turned back on because they were told
13 they would have to have a licensed electrician certify their
14 electrical connections as safe before power would be restored.
15 If ConEd had teams of private electricians in place in each
16 area, they could immediately and efficiently be dispatched to
17 those homes to install the new electrical panels. The
18 electricians would be able to report back to relay information
19 to the utility companies, and a ConEd employee would then be
20 sent out to evaluate the home and restore power. This would
21 also eliminate the need for tens of thousands of customers
22 contacting the utility companies themselves to update the
23 progress of their homes.

24 Another major issue was having sufficient supplies on hand,
25 like electrical panels, generators, water heaters, boilers, and

1 other related parts. For weeks, it was impossible to locate and
2 purchase these items. Gathering pre-storm information would
3 allow estimates to be made on the amount of these items needed.
4 Reserves for these necessary items could then be created, and
5 this would eliminate the mass rush to try to secure them, which
6 is what happened after Hurricane Sandy. The low supply led to
7 an exaggerated demand, which caused many hurricane victims to
8 also fall victim to price gouging.

9 In closing, I would like to say it seemed to me that many
10 trees have taken down power lines. In 2013, are we going to
11 continue to install power lines above ground, so when a storm
12 hits and a tree falls, an entire neighborhood can be without
13 power? Thank you.

14 MS. GARCIA: Thank you, Mr. Tabacco. We appreciate your
15 comments.

16 CHAIRMAN LAWSKY: Mr. Tabacco, do you have a moment for a
17 question?

18 MR. TABACCO: Sure.

19 CHAIRMAN LAWSKY: A lot of what you said tonight rings
20 true, very much, because we have heard it in different areas at
21 previous hearings, for sure. The one thing I wanted to follow
22 up on is you mentioned that the companies didn't always have
23 people on the ground who knew the area. What we have heard in
24 other areas of New York is through what is called mutual aid,
25 when there is a big storm, the utility companies bring in

1 workers from other states. The problem with that, of course, is
2 if you don't have good management systems in place, you have
3 someone from let's say Arkansas running around the streets of
4 Staten Island without a map, and has no idea.

5 MR. TABACCO: That is exactly what we had. People were
6 coming to our rescue center, which we had set up in days, asking
7 us where a house was or where a street was, or what community
8 they were in, and there was no familiarity with Staten Island at
9 all for most of the people that we in the days immediately
10 following the storm.

11 CHAIRMAN LAWSKY: That seems like something that is
12 pretty easily remedied. If you have the right planning in
13 place, you give people maps, you give them maybe even a GPS.
14 They plug it into the car, they know where they are going.

15 MR. TABACCO: Yes, like I spoke to everybody at my
16 volunteer center. There should be reservists on Staten Island
17 in the future that know the community. They don't work all
18 year, but kind of like the National Guard, possibly, or a unit
19 like that that knows the community, and can easily be
20 dispatched. There were certain areas that were very much
21 affected; Box Beach, Oakland Beach, Tottenville, Midland Beach,
22 South Beach. For people that know Staten Island, it is very
23 easy to get to them and find out what the needs are, and we
24 didn't see that at all.

25 CHAIRMAN LAWSKY: It is very interesting that you say that,

1 because Governor Cuomo, when we first presented this
2 presentation, our preliminary report to him, immediately seized
3 on the idea of he had already been talking about training the
4 National Guard to do more disaster response. Both the Governor
5 and head of Homeland Security for the state both immediately
6 seized on the idea, as you just pointed out, of having the
7 National Guard be that kind of deployable group in particular
8 areas.

9 MR. TABACCO: If not the National Guard, an organization
10 similar to them, that maybe now needs to be created.

11 CHAIRMAN ABRAMS: When we were on Long Island, the County
12 Executives of both counties, Nassau and Suffolk, both bitterly
13 complained about the poor communication between the utility and
14 customers. Customers were literally and figuratively in the
15 dark. They had no power, no lights, and they had no information
16 adequate or accurate information about when the power would be
17 restored. Could you give us an assessment from your perspective
18 and what you heard from your neighbors about the communication
19 between ConEd and the customers here on Staten Island.

20 MR. TABACCO: Most of the residents in the Fox Beach and
21 Oakland Beach community would come to our rescue center that we
22 had just set up, asking us for information. I feel like any
23 time that there is another disaster, where ever a hub is set up,
24 ConEd should be there, or the utility should be there. All the
25 residents didn't have power, they didn't have phone service,

1 their computers got wet, they didn't have access to any
2 information.

3 So they were walking to where we were, giving out supplies,
4 because that was the only place they could get information. So
5 possibly set up tents or hubs in the affected areas where people
6 could just walk to. Still today, FEMA and other organizations
7 are set up not anywhere near. They are set up on Hyland
8 Boulevard, not anywhere near where the affected zones are. So
9 the people that come to fix their homes every day walk to us for
10 supplies, and they don't know where FEMA is. They don't know
11 where ConEd is. They don't know how to get to them. Whereas if
12 they were set up at our rescue center, tens of thousands of
13 people since the storm have come through our center, which
14 started with a couple of folding tables.

15 So I feel like you need to be set up, ConEd should be set
16 up smack dab, even if it is one tent or just one person, in the
17 middle of a neighborhood that is affected for a couple of days.
18 Because people would come to us, and they still come to us for
19 information. We haven't seen any ConEd representatives come and
20 set up and say hey, we can answer questions here all day, on
21 which is your busiest day, Saturday and Sunday, we will sit here
22 and answer questions.

23 CHAIRMAN ABRAMS: In the aftermath of the storm, day one,
24 day two, day three, what was your experience with respect to any
25 communication of ConEd to the customers?

1 MR. TABACCO: There was none. There was no power. Most
2 of the people in these areas were trying to get to a working
3 phone. Nobody had cell phone service. There was very limited
4 communication.

5 CHAIRMAN ABRAMS: Information about when --

6 MR. TABACCO: When power would be restored. It took people
7 a long time. When ConEd finally came, everybody first then
8 realized that they needed electrical panels, they needed new
9 electrical panels, and they then had to call a certified
10 electrician. Whereas if they knew that information prior to
11 ConEd coming out, we could have had electrical panels at the
12 house waiting, set up when they got there. So ConEd came out
13 and assessed the situation, left. Then we tried to get
14 electrical panels and electricians to come in and install them,
15 and then ConEd had to come back. So with no phones working and
16 limited communication, it seemed like it made the process take a
17 lot longer. Any more questions?

18 CHAIRMAN LAWSKY: No, but thank you for your service to
19 the community.

20 MR. TABACCO: Thank you guys.

21 MS. GARCIA: Thank you, Mr. Tabacco. Now I would like to
22 call Tony Navarino from the Stephen Stiller Tunnel to Towers
23 Foundation. Thank you, Mr. Navarino.

24 MR. NAVARINO: Thank you for having me. Just to let you
25 know how we first got started, the day after the storm, Frank

1 Siller, our Chairman, actually spoke with ex-Mayor Rudy
2 Giuliani. The Mayor said what are we going to do to help the
3 people. Immediately, we planned a press conference that Friday
4 with the Borough President, James Molinaro. Before we could
5 have the press conference, we had already raised \$400,000.

6 So what we did was we set up a relief center right at our
7 headquarters, right outside. Within a very short time, the
8 Caggiano family, which is two blocks away, had a building, and
9 they handed over the keys to us. Basically through our doors,
10 we have given out, since Sandy hit, \$10 million worth of
11 products, and the U.S. is really good, from around the country,
12 trucks come in every day from around this country. God bless
13 them all.

14 I can relate to what Mr. Tabacco is saying, because we do
15 have people coming in with their stories every day. They are
16 very confused, and they don't know where they should go. We try
17 to point them in the right direction as best we can. But we are
18 boots on the ground, so we are giving them hugs, kisses, and
19 trying to tell them to have patience, because things are going
20 to happen. With our efforts, we have close to \$4 million that
21 we did raise so far. This past week, Sunday, Monday and
22 Tuesday, we were prepared to give out for 11,000 homeowners \$250
23 Home Depot cards. 6,000 families did come in, homeowners, and
24 we gave the cards out. The rest of the money, we are going to
25 use in a relief center.

1 So we are still going to be boots on the ground, and with
2 that, believe it or not, we have done over 1,500 homes that we
3 gutted and cleaned out the mold. We are going to continue our
4 efforts for the long haul. We are basically proud of what we
5 have done. Like I said before, all the products that have come
6 through our doors from around this great country, I can thank
7 Erik Boescher who is actually here today, who works for the
8 Community Affairs Office for Governor Cuomo for some of the
9 toys, 5,000 toys that were received around Christmas time, 100
10 Christmas trees. We gave that out at Christmas. We had a
11 couple of weeks of people shopping, and trying to put smiles on
12 their faces.

13 Again, relating back to the stories that Mr. Tabacco was
14 saying, I can relate to what the people are saying. I know that
15 the politicians and everybody is doing a wonderful job, the best
16 they can. Because their boots are on the ground, and God bless
17 them that they actually have hands on. We are very lucky to
18 have Governor Cuomo and Borough President Molinaro, who really
19 cares, and all the politicians on Staten Island. I thank you
20 for having the time.

21 MS. GARCIA: Thank you very much, Mr. Navarino. We
22 appreciate your testimony.

23 CHAIRMAN ABRAMS: We thank you for volunteering and
24 continuing in the memory of Stephen Siller, a courageous, heroic
25 figure. We know all the good work you did prior to Super Storm

1 Sandy. Now you have stepped into this breach, and continued
2 your wonderful volunteer efforts on behalf of the community. It
3 is an inspirational story.

4 MR. NAVARINO: That is what we do, and we have actually
5 had over 10,000 volunteers, have passed through our doors from
6 around this country.

7 MS. GARCIA: Thank you, sir. Thank you very much. Next is
8 the public portion of the hearing. If you haven't already done
9 so, we would like anybody from the public who would like to make
10 a statement to please register outside the room, and you will be
11 called to speak. We ask that the speakers limit their comments
12 to the two issues I outlined earlier, the preparedness and
13 response of the utilities to recent storms, and recommendations
14 for restructuring the oversight of utilities to improve the
15 reliable and affordable transmission of power. We ask that you
16 keep your remarks to approximately three minutes. There is a
17 timer in front of you to help you keep track of time. I will
18 also give you a gentle reminder to bring your remarks to a close
19 if the time is exceeding that amount.

20 I will call out each speaker, and I will also let you know
21 who the next two speakers are so you can prepare yourselves and
22 be ready to take the microphone. When you do take the
23 microphone, please repeat your name. If you are representing a
24 group or an organization, we ask that you give us the name of
25 the organization as well.

1 The first speaker will be Joe Carroll, and the following
2 two speakers will be Sandy Wolf and Diane Drozeck. Mr. Carroll,
3 thank you.

4 MR. CARROLL: Good evening and thank you for coming. My
5 name is Joe Carroll. I am the District Manager of Community
6 Board One which services the north shore of Staten Island. I
7 would like to make just a few remarks relative to the
8 Commission's investigations.

9 Firstly, I would like to commend and the Board like to
10 commend the performance of the utilities on Staten Island, in
11 the way they mobilized and deployed their resources. We
12 certainly expressed concern about the ability to provide
13 effective and meaningful flow of information, as you have heard
14 from the other speakers. We can understand why that is a
15 problem, because it was such a dramatically large episode.
16 Phones get crowded and you don't have enough people to deal with
17 it.

18 But I would also like to relate some concerns and
19 conclusions that we drew from working amongst the people who
20 were so seriously affected. Most of our Board Members
21 volunteered, and are still volunteering to improve and help
22 people recover from the storm. What we noticed was that the
23 utilities had the contract for additional workers to provide
24 repairs. This is a very cumbersome process, because when you
25 got the additional workers in, they were trained in other states

1 under other codes. So what they knew to do was generally not
2 permissible in the city, and I would imagine probably some parts
3 of the state.

4 So while Mr. Tabacco's remarks I think may be more on
5 point, what you guys need to do is look at a way to ensure that
6 either the code is waived or the people that you hire understand
7 the code for this municipality. That was a very real problem.

8 The other thing was the way the utilities interacted with
9 the municipal government. This is a very unwieldy process. It
10 led to confusion, misinformation, unmet expectations and a lot
11 of delay. So Board One would recommend that the focus of this
12 Commission be to create a rapid response process that is
13 divested from bureaucratic morass, that relies on definable
14 leadership. A structure that can implement very quickly a way
15 to deal with disasters such as these storms, and works very
16 closely in cooperation with the local elected officials, because
17 those are the people who at the end of the day understand their
18 communities the best and can best be able to get everyone to
19 cooperate.

20 So those are the two key things. You need a very efficient
21 rapid response team, and a good, good relationship with the
22 local elected officials. There is too many levels in the way of
23 effecting meaningful help to the people who are affected by
24 storms. Those are the things we think you should focus on. I'm
25 done. Thank you.

1 MS. GARCIA: That you, Mr. Carroll. The next speaker
2 will be Sandy Wolf, followed by Diane Drozeck and Steven Matteo.
3 Sandy Wolf, please.

4 MS. WOLF: Sandy Wolf, Staten Island Economic Development
5 Corporation. I will keep it brief. Hurricane Sandy was an
6 unprecedented storm that caused profound damage to the area.
7 Con Edison and National Grid faced many challenges in restoring
8 services to the affected areas, and the Staten Island Economic
9 Development Corporation couldn't be happier with both utilities'
10 efforts before, during and after the storm.

11 Since the days following the storm, National Grid has been
12 very responsive, and the SIDC has not received one complaint
13 regarding their response or service, which is pretty impressive
14 for Staten Island in general. In addition, National Grid has
15 been heavily involved in the recovery efforts. Workers have
16 gone door to door to discuss restoring service, and many of
17 their employees have been in the affected communities
18 distributing batteries, blankets, flashlights and other critical
19 supplies.

20 Continuing in their history of contributing to economic
21 development in the borough, National Grid has also launched an
22 emergency economic and community redevelopment program to assist
23 affected communities and customers. We appreciate their efforts
24 and contributions to the community. So above all, we are really
25 very thankful and grateful for the utilities' efforts. Thank

1 you.

2 MS. GARCIA: Thank you, Ms. Wolf. The next speaker is
3 Diane Drozeck, followed by Steven Matteo and Loraine Matolla.

4 MS. DROZECK: I thought this was going to be about
5 something else, but I was just curious. They had this
6 Commission being formed, and you are going to give your ideas to
7 the Governor. Is that how it is working?

8 If you really want to learn how to fix the mistakes, they
9 should have people here from ConEd, where they give their
10 opinion, people who were actually there; the cops, the firemen,
11 what they thought would help. It's like with anything. You
12 have got to talk to the actual worker who was involved with the
13 rescue, not people -- is that a general attorney, district
14 attorney? What are you?

15 I'm just saying you need to have the actual workers that
16 were there, that had their hands on, and be a part of the
17 Commission, because you are taking their ideas. I know you are
18 doing it like this, but they should be a part of the decision
19 making as well. Do you understand what I am saying?

20 COMMISSIONER RICE: Yes. I think your suggestion is well
21 taken. We have already begun doing that. On top of doing these
22 hearings, we have been conducting a number of interviews with
23 stake holders, members of state agencies who were dispatched to
24 local areas, and local emergency responders as to what happened
25 on the ground. Also what recommendations they would make, what

1 worked, what didn't work. All of that is going to be
2 incorporated into our report.

3 MS. DROZECK: I myself had a disabled man across the
4 street, and I kept calling ConEd, you need to fix it. I wasn't
5 in where the real damage was. I was in something that could
6 have been fixed one, two, three, and I had to wait like seven or
7 eight days. The man was on an electric bed and they couldn't
8 turn him or anything. I myself lost all my insulin when it went
9 out, but hey, that's nothing compared to everyone else. I'm
10 just saying. Also, the Governor wants to change all the laws,
11 the bylaws and they're asking you to help and decide what to do.
12 Why doesn't he just do it? Why does he need a committee to tell
13 him what to do what he already wants, and decided what he wanted
14 to do?

15 If he feels this will help, why doesn't he just do it? Do
16 you need a committee or a commission to decide? I'm asking
17 directly.

18 CHAIRMAN LAWSKY: Fair point. I think the idea behind it
19 is if you have a commission that is spending a lot of time
20 taking testimony and listening to people like you and many other
21 experts and first responders, and the utilities themselves, and
22 you really get a lot of information, you can come up maybe with
23 some proposals that maybe the Governor, who cares a ton about
24 this utility issue but has a bunch of other things he is worried
25 about, that maybe the Governor's office hasn't thought about,

1 because they don't have the time to take that kind of in depth
2 testimony, and move all around the state, and hear from
3 different areas about what their needs are.

4 So I think the idea is I don't think the Governor needs
5 this Commission, but I think the Governor feels like the
6 Commission, because it spends so much time hopefully getting
7 specific advice and an in depth look will help him. It will
8 give the Governor's office more ideas.

9 MS. DROZECK: Do you know what the problem with the
10 government is? They don't know. I'm going to say you don't
11 know your ass from your elbow. I called the Governor's office
12 simply to find out about this today. Not one person in the
13 Governor's office knew that you were having this meeting today.
14 I called two days ago. I don't understand that. That is poor
15 communication. If that is how you communicate, how are you
16 going to run during an emergency. Do you understand what I am
17 saying?

18 Your office didn't know whether or not you were having this
19 meeting, and that concerns me as well. You can all put up a big
20 show, but what are you going to actually do when you hear it?
21 Are you going to take action? Are you going to address the
22 Governor and say what are you going to do? Once you hear this,
23 what are you going to do? If you don't agree with it, are you
24 going to stand up against him and say listen, we really want you
25 to do this, no matter what? People don't try to fight people

1 who are over them. If you really believe in something and you
2 believe something should be done, are you going to stand up? Do
3 you understand what I am saying?

4 I have dealt with so many commissions in the government and
5 all I have had them do is look over something, and pass it to
6 someone else to make a decision. Then why have a commission?
7 Do you understand what I'm saying? Are you going to stand up
8 and do the right thing and make sure the right thing, and make
9 sure the right thing is done.

10 CHAIRMAN LAWSKY: Thank you very much.

11 MS. DROZECK: I'm sorry.

12 CHAIRMAN LAWSKY: No, no, it's fine. Thank you for your
13 testimony. I can just say already we have seen, we have made
14 preliminary recommendations very quickly, and worked very hard
15 as a Commission to get recommendations to the Governor, because
16 he wanted to start moving on these things.

17 Just yesterday in the Governor's Executive Budget, only two
18 months after the storm hit, already the Governor has put forward
19 a whole set of proposals that Chairman Abrams laid out. So I
20 think you are already seeing action.

21 MS. DROZECK: All right, good.

22 CHAIRMAN LAWSKY: So far, so good I think is the report.
23 But thank you. I am not rejecting what you are saying at all.
24 Message received, but I think we are already seeing action.

25 MS. DROZECK: Okay, that's good. I'm not really a talker.

1 Maybe I am, but I see too much.

2 CHAIRMAN LAWSKY: Understand.

3 MS. GARCIA: Thank you. Next we would like to call
4 Steven Matteo followed by Lorraine Matolla.

5 MR. MATTEO: Hello, my name is Steven Matteo. I am
6 Councilman Otto's chief of staff. I am going to present the
7 statement on behalf of both Council Member Otto and Council
8 Member Vincent Ignizio.

9 We would like to take this opportunity to thank Governor
10 Cuomo for the establishment of this Commission. We would also
11 like to thank the workers of ConEd and the other utilities who
12 came from around the country to help restore power. Any
13 criticism we make of the planning and communication is not a
14 criticism of the long hours and outstanding effort put in by
15 those employees.

16 First, it appeared to many of us on Staten Island that a
17 sufficient number of crews were not on standby, ready to restore
18 power as soon as the storm ended, and it became safe for ConEd
19 employees to work. It appears that our suspicions that a
20 sufficient number of crews were not stationed on Staten Island
21 for immediate action were confirmed. We certainly received less
22 attention than other areas, especially Manhattan, particularly
23 during the first week of the storm, before the nation's
24 attention was focused on Staten Island.

25 Second, ConEd must do a better job of restoring power to

1 traffic signals, some of which were still powerless weeks after
2 the storm. With the traffic signals out, some areas of Staten
3 Island were like the wild west, and driving became a dangerous
4 endeavor.

5 Third, the process for reenergizing homes in a Zone A area
6 was confusing, and ConEd did a poor job of communicating to
7 folks that they must have a licensed electrician to inspect the
8 property before they could be reenergized. We understand that
9 this was done for safety reasons, but it slowed down the process
10 of reenergizing many homes, including homes that were not
11 damaged, and had green tags. Ultimately, it was the Quick Start
12 Program, spearheaded by Borough President Molinaro that was able
13 to get many Staten Islanders back on the grid. The initial
14 confusion and lack of communication frustrated many Zone A
15 residents who do not know the process, and were unaware of what
16 they were required to do.

17 Fourth, the issue of overhead wires must be addressed.
18 During even moderate storms, many portions of the Staten Island
19 power grid are at the mercy of falling trees. We simply have to
20 design a way to bring Staten Island's power grid into the 21st
21 century, and this must include underground power lines. We are
22 pleased that Speaker Christine Quinn is taking the initiative to
23 attempt to have the City Council address this concern.

24 Finally, ConEd must address the issue of downed trees on
25 wires. There were many delays in restoring power due to the

1 fact that neither the City of New York nor ConEd wanted to take
2 responsibility for removing the trees. Thank you for the
3 opportunity to offer testimony tonight.

4 MS. GARCIA: Thank you, Mr. Matteo. Next, I invite
5 Lorraine Matolla. Good evening.

6 MS. MATOLLA: Good evening. I just have a few quick
7 points that I just wanted to ask about. I was concerned about
8 how many substations, for example, are in flood zones,
9 particularly Hurricane Zone A, as we knew it. Hurricane Zone A
10 to be classified during Super Storm Sandy.

11 Also too, when you speak regarding storm preparedness, I am
12 hoping too that you will include mitigation measures. I am just
13 making that planning assumption that mitigation measures,
14 particularly of the substation structures, would be included.
15 So that way, again, if the water surge was much higher, as it
16 normally would be in such a storm, that those substations would
17 shut down similar to the way that the Manhattan substation shut
18 down and kept Manhattan powered off for a longer period of time
19 than say other portions of the city.

20 Also too, I am hoping that with regard to the overall
21 coordination that was spoken about, that we will be looking to
22 the ConEd after action report, particularly with the lessons
23 they learned with regard to the Manhattan substation.

24 Next too, when you speak about the plan requirements, I am
25 hoping that we will do some benchmarking with regard to the

1 Maritime Security Act of 2004, and the international codes. As
2 you probably know, the private ferry terminals and the municipal
3 ferry terminals were required to look to those maritime security
4 acts when they developed the plans for not only their facilities
5 but for the vessels.

6 Also, they have a similar program where if the plans are
7 not implemented or carried out correctly through inspections,
8 they are given heavy fines. So I think that would be a great
9 benchmarking example for this state. Those are my comments.
10 Thank you.

11 MS. GARCIA: Thank you, Ms. Matolla. That is the last of
12 our registered speakers. Is there anyone else in the audience
13 who would like to speak, who has not signed up to do so? If
14 not, thank you all for coming out tonight on this very cold
15 evening. We very much appreciate it.

16 I would like to let you know the rest of our hearing
17 schedule. As Commissioner Lawsky had mentioned earlier,
18 tomorrow night, we go to Westchester County. We will be at SUNY
19 Purchase soliciting testimony from residents in Westchester,
20 Rockland and Putnam Counties. Next week, we will be at SUNY New
21 Paltz to listen to residents in Ulster, Sullivan, Orange and
22 Dutchess Counties. Then in February, we move north and west
23 through the rest of New York State to meet with the public in
24 other regions badly impacted by recent storms. Finally, I would
25 like to remind you that you can submit testimony to our web

1 site. That is Comments@Moreland.NY.Gov. Again, thank you very
2 much, and I turn it over to our Co-Chairs to close.

3 CHAIRMAN LAWSKY: I guess just thank you to everybody.
4 Very interesting testimony tonight, and very well thought out.
5 Some things we have heard before, I think, and therefore they
6 ring very true. But also some unique issues related to Staten
7 Island, which we will also focus on. I had not thought of the
8 maritime issues, to be frank, before. Obviously for Staten
9 Island, how that ferry service is being dealt with is vital. So
10 we need to look at that. Thank you all, and we are adjourned.

11 CHAIRMAN ABRAMS: Well said. Thank you all for coming.

12 (TIME NOTED: 7:08 P.M.)

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CERTIFICATION

I, Robert J. Pollack, a Notary Public in and for the State of New York, do hereby certify:

THAT the foregoing is a true and accurate transcript of my stenographic notes.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of January 2013.

Robert J. Pollack

ROBERT J. POLLACK

