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Rory M. Christian, Chair

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PSC Accepts \$2.75 Million Settlement Over Alleged NYSEG Gas Safety Violations

Settlement Reached Related to Brewster Gas Leak and Fire

ALBANY — The New York State Public Service Commission (Commission) today adopted the terms and conditions of a \$2.75 million settlement agreement with New York State Electric and Gas Corporation (NYSEG) to resolve an enforcement action and alleged violations committed by NYSEG pertaining to the company's response to the February 2, 2022 gas leak and related fire that occurred at 2592 Carmel Avenue, Brewster, Putnam County.

“The Commission seeks to ensure that public utilities maintain constant vigilance over their gas distribution systems, with public safety as a paramount concern,” **said Commission Chair Rory M. Christian.** “The Commission holds public utilities responsible for the maintenance and safety of their gas facilities, and expects utilities to be ever ready for, and respond promptly and effectively to, incidents such as the Brewster event.”

On February 2, 2022, NYSEG's improperly installed PermaLock tapping tee led to an underground gas leak, which contributed to a residential fire and ultimately led to the complete destruction of the duplex residence located at 2592 Carmel Avenue. Following a report of a gas leak, NYSEG employees arriving on scene were the residents' “last best-chance” of discovering and remediating the natural gas leak before a fire began. A Department of Public Service staff investigation discovered that these NYSEG employees failed to have proper equipment to effectively respond to the leak and wasted valuable time searching for working equipment. Additionally, Department staff concluded that NYSEG's own policies and procedures were inadequate to ensure field staff have the necessary equipment while investigating leaks. An enforcement action commenced, and multiple alleged violations were enumerated in a Commission order to show cause.

On August 11, 2022, the Commission ordered NYSEG to submit a remediation plan to investigate the installation of similar ‘tapping tees’ and confirm their safe and intended operation (or repair or replace improperly installed devices) in its service territory. On November 17, 2022, the Commission approved NYSEG's sampling and remediation plan regarding incorrectly installed tapping tees. ‘Tapping tees’ are mechanical devices used to connect gas distribution pipes together.

To resolve the violations alleged in the enforcement proceeding, the Commission adopted a settlement agreement whereby NYSEG shareholders will credit gas customers \$2.75 million in full satisfaction of all alleged violations relating to the company's response to the February 2, 2022 incident; the funds shall be used for gas ratepayers benefit at the discretion of the Commission.

Following the November 17, 2022 Commission order, the company began sampling and investigation efforts, and it is continuing that work.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 22-G-0425 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.