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Via Hand Delivery

March 30, 2007

Hon. Jaelyn A. Brillling
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1305

Re: Case 06-E-0894 – Proceeding on Motion of the Commission to Investigate the Electric Power Outages in Consolidated Edison Company of New York, Inc.’s Long Island City Electric Network.

Dear Secretary Brillling:

Pursuant to the “Notice of Comment Schedule” dated February 13, 2007, TransGas Energy Systems, LLC (“TransGas”) hereby submits this letter in lieu of reply comments in the captioned proceeding.

The parties’ comments raise the following points that should be considered by the Commission when reviewing TransGas’ March 2, 2007 initial comments:

1. Many parties concur that Consolidated Edison Company of New York, Inc. (“Con Edison”) did not have the ability to carefully detect or monitor low voltage conditions on its secondary network:¹ this fact is critical because, as explained in

¹ Initial Comments of the City of New York on Staff’s Report (“NYC Comments”) p. 20; Investigation by the City of New York into the Northwest Queens July 2006 Power Outages (“NYC Report”) pp. 2, 4, 59-60, Comments of the Office of the Attorney General of the State of New York, Andrew M. Cuomo, on Public Service Commission Staff Report p.8; PULP Comments in response to DPS Staff Final Report on its Investigation of the July 2006 Equipment Failures and Power Outages in Con Edison’s Long Island City Network in Queens County, New York (“PULP Comments”) pp. 17-19; Comments of Consolidated Edison Company of New York on the Report of Department of Public Service Staff on the July 2006 Power Outages in the Long Island City Network (“Con Edison Comments”) p. 32.

TransGas' initial comments, the July, 17, 2007 3:50 p.m. fire that caused or contributed to the prolonged outages could rationally be explained by the overheating resulting from undetected low voltage/high electric currents conditions.

As explained previously (TransGas Comments, p. 8), 193 sensors in the Long Island City ("LIC") Network were showing low voltage at 3:25 p.m. on July 17, 2006 prior to the 3:50 p.m. report of the fire. Con Edison's Remote Monitoring System ("RMS"), however, only collects a sampling of the sensors because of limited RMS capacity. Furthermore, the RMS was only operating at 80% rather than the required 95% functionality.

2. Con Edison reports that as early as July 12, 2006, it began taking cautionary steps because of the hot weather.

As explained in TransGas' initial comments, low voltage combined with high ambient temperatures, that could have caused overheating on the secondary system, could have transpired over several days before July 17, 2006 (TransGas Comments, p. 8). Data provided by Con Edison recently indicate that RMS monitors were showing low voltage on July 16th and 17th, 2006. Voltage sensor readings on secondary circuits indicate low voltages, as low as 105 volts on a nominal 120 volts service, at three locations for the period July 16, 2006 through noon of July 17, 2006 (Response to PULP-81). (Con Edison is treating the exact geographic locations as confidential.) Further investigation is warranted to ascertain whether similar low voltage conditions existed in the rest of the LIC network and whether a widespread reactive deficiency was present that caused additional heating in the LIC circuits.

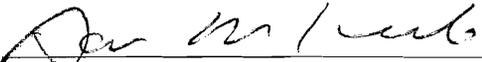
The statements during the period before July 17, 2007 by the Chairman of the Federal Energy Regulatory Commission and Chief Executive Officer the New York Independent System Operator also refer to "extreme" and "sustained hot weather" conditions (PULP Comments, pp, 4-5). The two statements addressed, *inter alia*, the outage of the 345 kV Dunwoodie-Rainey transmission line and the possible need for voltage line reduction or load shedding in New York City.

Taken together, the facts suggest that the City of New York, or parts thereof, are overly dependent on upstate transmission services. Con Edison's witness readily acknowledged that in-City voltage support is superior to reliance on transmission lines (Tr. 865). With respect to providing reactive power to the LIC network, he also explained that ". . . I do know on a week like this all [Astoria generating units] would be

called for to be in operation by the New York ISO” (Tr. 866). Nevertheless, Con Edison’s sensors were recording low voltage at least in the LIC Network before the report of the fire.

Respectfully Submitted,

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Attorneys for TransGas Energy Systems LLC

By: 
Sam M. Laniado

cc: Hon. Eleanor Stein (*Via Hand Delivery and Electronic Mail*)
Active Party List (*Via Electronic Mail*)