

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.

NOTICE SEEKING RESEARCH ORGANIZATION

(August 25, 2008)

DEADLINE FOR RECEIPT OF PROPOSALS: September 5, 2008

On July 24, 2008, the Public Service Commission of the State of New York (PSC, Commission) issued an order adopting the Joint Proposal reached by the parties in Case 06-E-0894.¹ Included in that agreement is the requirement that the signatory parties to the Joint Proposal retain a research organization to complete a study of the impact on customers and the community affected by the 2006 Long Island City network electric power outages in Consolidated Edison Company of New York's service territory. The outages occurred in the Long Island City network from July 17, 2006 through July 25, 2006 and mobile generators were used to provide power to some customers for several weeks thereafter.

Proposals are being requested at this time from qualified research entities interested in conducting the comprehensive study of the impact on customers and the community, including the economic and health impact, of the electric power outages. The Long Island City network serves more than 115,000 residential and non-residential customers, a number that includes multiple dwellings with additional indirect customers, in the northwest portion of Queens. According to the Department of Public Service (DPS) Staff investigation, approximately 65,000 customers lost power or experienced low voltage.

Interested research organizations should provide the following information in their proposals:

- information describing the organization generally, including any other organizations that are a part of its team;
- an explanation of why the organization is qualified to perform and complete the services requested;
- identification of the principal contact and all of the team members, and their qualifications, who will be responsible for the assigned work;

¹ See Order Adopting Terms of Joint Proposal with Modifications (issued and effective July 24, 2008).

- a description of the approach, methodology, and rationale for how the team would conduct the data collection effort. This should describe but not be limited to the following:
 1. how the population sampling frame will be selected;
 2. how sample size will be determined;
 3. sampling methodology;
 4. justification of proposed survey methods, data analysis procedures, and potential precision estimates;
 5. strategies for addressing non-response bias and other risks to validity;
 6. how customers who utilize only cell phones will be reflected in the survey.

Finally, each applicant will be required to attest that it has not performed work for Con Edison since January 1, 2006.

The selected entity will be required to provide a written outline of how it intends to conduct the study prior to its commencement and will be required to report periodically to the signatory parties to the Joint Proposal on an agreed-upon timetable. The survey must be completed, and a report delivered, no later than one year from the date of the survey's commencement.

Pursuant to the Commission's July 24, 2008 order, a decision will be made on applications no later than September 24, 2008 and all applicants will be notified of the decision as soon as possible thereafter.

The proposed scope of the study is set forth below.

I. Design of the Survey

- a. Include residential and non-residential customers;
- b. Include random selection of study participants;
- c. Stratification should be built in to estimate separately each impact listed below upon homeowners versus renters; seniors from non-seniors; demographics including race, ethnicity, age and income; and based upon the different communities affected.
- d. Each phone number used in the survey must be cross-referenced with its street address and coded for individual impact to achieve a spatial view of the data collected;
- e. Claims information from Con Edison (both those Con Edison paid and those it did not pay) should be examined (in a manner consistent with privacy protection), to verify the impacts residents believed they suffered and that which they could document;
- f. The survey should include at least 1 open-ended question that captures customers' perception of their losses.

II. Residential Loss Considerations

- a. Identify the value of perishable food & medicines lost (subtracting any Con Edison payment);
- b. Identify the value of damaged property (electronic goods; appliances with electric motors);
- c. Identify the costs of long and short term heat-related health problems;
- d. Identify the costs of diagnosis and treatment for individuals who could not reach hospitals or cooling centers during the outage;
- e. Identify the costs of garbage/sewer build-up due to infrastructure failures caused by the outages;
- f. Identify the value of paying higher electricity costs for running appliances/equipment during brownout conditions and while on a generator;
- g. Identify the added costs of traveling to and commuting from alternative housing;
- h. Identify the costs of other housing-related expenses (e.g., costs of postponed moves, costs of hotel stays, etc.);
- i. Identify the costs of eating out/take out food during the outages;
- j. Identify the value of unpaid wages for workers who could not work due to the outages;
- k. Identify the health effects to domestic animals (and consequent costs);
- l. Identify the costs of purchasing outage-related supplies (e.g., batteries, lamps, flashlights, water in buildings with failed electrical pumps).

III. Non-residential Loss Considerations

- a. Identify dependence of business activity upon electricity and the value of resources dependent upon electricity (refrigeration, water, sanitation);
- b. Identify the value of lost perishables (subtracting any Con Edison payment);
- c. Identify and quantify the number of days of individual businesses' closure due to absence of light, cooling, computers;
- d. Identify and quantify business lost due to supply shortages;
- e. Identify separately direct & indirect losses stemming from whether a business lost direct economic activity or whether its supply function was interrupted;
- f. Identify any costs of purchase/rental of replacement generators;
- g. Identify costs of rent paid while store/business was closed;
- h. Identify costs of wages paid to workers while the store/business was closed;
- i. Identify the value of lost perishables: this should include food and non-food items (e.g., medicines in a pharmacy, ceramic/pottery materials/supplies that

harden/melt in the absence of electricity). No Con Edison reimbursement should be deducted from the value of non-food perishables.

IV. Traffic and Congestion Considerations

- a. Quantify increased cost of time to travel to work because of non-working signals;
- b. Quantify the cost of travel disruptions due to the shutting down of train lines during the outages.

V. Safety Considerations

- a. Quantify value of lost lives due to the outages (if any);
- b. Quantify value of injuries due to the outages (if any);
- c. Quantify value of looting or vandalism (if any);
- d. Identify any intermediate and long-term health effects.

VI. Data Sets for Cross-Checking Sample Assumptions and Results

- a. Small Business Administrations statistics on loan applications it received and granted;
- b. Con Edison's statistics on the claims it paid and denied, and all non-personally-identifiable information concerning what types of items/losses were claimed;
- c. Cross-reference for verification purposes other entities' involvement in the granting of loans or grants also made loans/grants to small businesses similar to the SBA, such as SeedCo or other identified entities;
- d. ESDC statistics on any studies it did of the area and any aid it rendered;
- e. NYCEDC statistics on any studies it did of the area and any aid it rendered;
- f. Any survey or statistical analysis done by SEMO during the outages;
- g. Any non-personally identifiable information from insurance companies with regard to unpaid claims in LIC arising from the outages;
- h. PSC data;
- i. University studies;
- j. Data on normal commutation patterns in, to and from LIC;
- k. PFP data obtained in its Economic Impact survey (Fall 2007).

E-MAIL PROPOSALS ELECTRONICALLY

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