

Company Name: Con Edison
Case Description:
Case: 08-E-0539

Response to DPS Interrogatories – Set DPS15
Date of Response: 07/16/2008
Responding Witness: Infrastructure Investment Panel

Question No. :234

Subject: Advanced Technology – Joint Pole Use Software 1. Provide an itemized breakdown of how the funding for each year was derived. 2. Provide the actual historical cost to-date, broken down in the same manner as part 1 of this question. 3. How was the savings of \$10.2 million determined to offset the estimated \$450,000 cost for this program? 4. What progress has been made under this program to-date?

Response:

1. Provide an itemized breakdown of how the funding for each year was derived.

As part of the Joint Use Agreement for poles between Verizon and Con Edison, improvements in communication and planning for pole projects are required. Con Edison has budgeted \$450,000 for the purchase of a basic Pole Lifecycle Management planning system to connect both parties. Several software systems were reviewed and the proposal by InQuest, who has previous experience working with Verizon and Con Edison information resource systems, was determined to be the most appropriate system. The purchase of the Joint Use Pole Software is currently scheduled for completion by December 2008.

Additional funds will be required to link the engineering, emergency and work management systems in both companies and to develop a web-based access portal for local municipal partners for permits, pole damage reporting, etc. This work will require the implementation of additional necessary modules which will enhance the software system at a cost of \$450k each year in 2009 and 2010.

2008 \$450k Design & Purchase Basic module (Joint Use stand alone)

2009 \$450k Enhance Modules and Add Field Collected data and connect internal systems (contractor costs)

2010 \$450k Continue adding field collected data and connect Verizon & CECONY systems (contractor costs)

2. Provide the actual historical cost to-date, broken down in the same manner as part 1 of this question.

This is a new program.

3. How was the savings of \$10.2 million determined to offset the estimated \$450,000 cost for this program?

The purchase and implementation of the Joint Pole Use Software creates a number of opportunities for improvements, efficiencies and costs savings that we believe, in the long term, could pay for this project. Benefits include improved third party attachment records, more effective processes for pole replacements and third party attachment transfers, reductions in double wood conditions, improved communication among Con Edison, Verizon, third party attachers and municipalities and overall increased efficiency for all pole matters.

Savings will occur through more accurate billings on third party attachments, correct carrying charges between Con Edison and Verizon for joint use poles and less cost associated with third party transfers. The \$10.2 million figure is in error and is unrelated to the Joint Pole Use Software program. The precise cost savings cannot be quantified at this time, but, in any event, are not expected to be significantly realized in the rate year.

4. What progress has been made under this program to-date?

Purchase of the Joint Pole Use Software is currently scheduled to be completed by December 2008.