

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of
Consolidated Edison Company of New York, Inc.

Case 08-E-0539

September 2008

Prepared Exhibits of:

Martin Insogna
Utility Consumer Program
Specialist 5
Office of Consumer Services

State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

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

Response to DPS Interrogatories -- Set DPS2
Date of Response: 08/12/2008
Responding Witness:

Question No.:7Rev

Subject: Electric Rates Elements of Costs - The Company's Exhibit _ (AP-5), Schedule 1, Page 3 of 6, provides the electric operating and maintenance expenses by the element of cost for the 12 months ending December 31, 2007. 1. In the Company's response to Staff information request DPS-118 in Case 07-E-0523, the Company provided the electric elements of costs for the 12 months ending December 31 for the years 2004, 2005, and 2006. Provide an Excel spreadsheet in the same format as the Attachment to the Company's response "DPS7-118" (attached hereto) which restates the prior three years of data using the elements of cost break out in the current rate case (Case 08-E-0539).

Response:

Please see attached. The attachment has been changed to reflect revised Stray Voltage costs for all years and Manhour Expense for 2006 (per response to DPS 280). The line item entitled Stray Voltage includes the 5 year inspection program, the manual stray voltage program and the mobile stray voltage testing (Sarnoff devices) program.

DPS - 7
 Revised

Case 07-E-0523			
Company's Response to Attachment DPS-7			
Consolidated Edison Company of New York, Inc Rate Case Elements of Expenses - O&M 12 Months Ended December 31, 2004-2006 In thousands of Dollars			
Description	2004	2005	2006
A&S TRANSFER CREDIT	\$ (8,309)	\$ (8,933)	\$ (10,895)
INTER-UTILITY AGREEMENT - RAMAPO - O&R	396	(77)	356
ASBESTOS REMOVAL	19	33	777
BANK COLLECTION FEES	34	(24)	220
BETTERMENT PROGRAM	1,721	2,569	2,272
BOILER CLEANING	98	389	235
BUILDING SERVICE	7,321	4,114	13,213
CENT ENGR-ADMINISTRATIVE	24	22	1
CENT ENGR-DISTRIBUTION	945	332	1,094
COLLECTION AGENCY FEES	2,301	2,297	438
COMMUNICATION - TELEPHONE	8,523	10,086	11,273
OTHER COMPENSATION	8,145	7,294	14,140
COMPANY LABOR	469,397	475,631	468,627
CONSULTANTS	3,815	4,705	9,371
CONTRACT LABOR	1,099	2,623	1,454
CORPORATE FISCAL EXPENSE	2,491	2,201	3,445
CORRECTIVE MAINTENANCE	1,197	2,362	4,043
DC INCENTIVE	8,976	21,833	12,564
DISPOSAL OF OBSOLETE M&S	5,273	6,201	7,690
DSM	-	-	21,254
DUPLICATE MISC. CHARGES	(11,669)	(20,089)	(19,074)
EOP EQUIPMENT RENTALS & MTCE	3,489	3,886	3,600
ELECTRICITY & GAS USED	925	1,331	211
EMPLOYEE PENSIONS/OPEBS - NET	(89,988)	18,691	71,248
EMPLOYEE WELFARE EXPENSE - NET	81,077	82,264	90,884
ENVIRONMENTAL EXPENSES	7,253	14,867	15,477
ERRP - MAJOR MAINTENANCE	-	5,625	7,442
EXEC. AND MGT. INCENTIVE PLAN	6,100	5,697	4,967
FACILITIES MAINTENANCE	1,428	779	1,048
FINANCIAL SERVICES	3,592	5,885	5,625
FUEL	1,130,625	3,546,947	3,332,499
GAS TURBINES	229	307	725
INFORMATION RESOURCES	20,222	21,458	22,742
INFORMATIONAL ADVERTISING	5,591	5,382	7,623
INJURIES & DAMAGES RESERVE	29,363	33,201	41,590
INSTIT. DUES & SUBSCRIPTIONS	1,483	1,541	1,357
INSURANCE PREMIUMS	20,377	24,866	24,071
INTERFERENCE	53,826	57,358	53,975
RESERVE FOR CONTINGENCIES	-	-	-
MOBILE DIESEL GENERATORS	1,094	3,491	9,995
LID OUTAGE	-	-	47,120
MANHOURLY EXPENSE	35,359	41,460	37,184
MARSHALL'S FEES	948	880	1,285
MATERIALS & SUPPLIES	15,158	17,490	11,846
MGP/SUPERFUND	2,969	5,991	6,433
OUTREACH AND EDUCATION	2,781	2,560	3,123
OTHER	(10,589)	5,069	40,905
OTHER (FOSSIL)	2,492	3,159	2,506
OUTSIDE LEGAL SERVICES	1,006	1,029	1,793
PAVING	620	673	257
PLANT COMPONENT UPGRADE	145	101	279
POWER YOUR WAY	-	2,515	1,715
POSTAGE	11,806	11,908	12,597
PREVENTIVE MAINTENANCE	3,748	7,847	1,077
RCA-AMORT. OF HUDSON-FARRAGUT	477	477	477
RCA-HUDSON AVE AMORTIZATION	3,911	(405)	-
RCA-INTERFERENCE	-	-	14,901
RCA-PENSION/OPEBS	7,281	(35,676)	(58,214)
REAL ESTATE EXPENSE	1,130	1,607	1,977
REGULATORY COMMISSION EXPENSE	20,448	22,681	23,402
RENTS	52,257	52,117	51,321
RENTS (INTERDEPARTMENTAL)	3,328	3,189	4,068
RENTS - ERRP	-	53,727	72,517
RESEARCH & DEVELOPMENT	8,468	11,401	10,546
STRAY VOLTAGE	9,566	5,002	9,655
SCHEDULED OVERHAULS	46	53	1,215
SECURITY	1,731	1,633	1,635
SHARED SERVICES	(2,778)	(6,299)	(6,316)
STEAM INCIDENT	-	-	-
STORM COSTS	1,422	1,922	24,270
SYSTEM BENEFIT CHARGES	89,736	72,340	82,410
TRANSFORMER INSTALLATIONS	14,194	(2,955)	53
TREE TRIMMING	7,464	8,420	11,291
TRENCHING	6,104	7,908	7,443
UNCOLLECTIBLE RESERVE	33,384	42,887	49,418
WATER	716	512	341
WATER CHEMICALS	52	177	84
GRAND TOTAL	\$4,083,340	\$ 4,760,416	\$ 4,668,585

Case 08-E-0539	
Consolidated Edison Company of New York, Inc Electric Operation and Maintenance Expenses For December 31, 2007 (Thousands of Dollars)	
	2007
Admin & General Expenses Capitalized	\$ (148)
Inter-Utility Agreement - Ramapo - O&R	827
Asbestos Removal	228
Bank Collection Fees	250
Betterment Program	1,835
Boiler Cleaning	124
Building Services / Facilities	9,279
Central Engineering - Administrative	24
Central Engineering - Distribution	499
Collection Agency Fees	1,944
Communications - Telephone	10,822
Other Compensation	5,724
Company Labor	481,297
Consultants	10,331
Contract Labor	5,933
Corporate and Fiscal Expenses	4,114
Corrective Maintenance	3,279
DC Incentive Program	2,600
Disposal of Obsolete M&S	5,772
DSM	95,181
Duplicate Misc. Charges	(20,742)
EOP Equipment Rentals & Maintenance	3,978
Electric and Gas Used	637
Employee Pension / OPEBs	94,436
Employee Welfare Expense - Net	94,688
Environmental Expenses	10,448
ERRP - Major Maintenance	4,692
Executive Incentive Plan	4,917
Facilities Maintenance	1,225
Financial Services	5,605
Fuel	3,323,090
Gas Turbines	645
Information Resources	21,000
Informational Advertising	16,706
Injuries and Damages Reserve	46,854
Institutional Dues & Subscriptions	1,579
Insurance Premiums	21,326
Interference	51,482
Reserve for Contingencies	40,000
Mobile Diesel Generators	5,201
Manhour Expense	45,968
Marshall's Fees	1,045
Materials and Supplies	20,364
RCA - MGP / Superfund	8,915
Outreach and Education	4,381
Other	44,631
Other (Fossil)	1,798
Outside Legal Services	1,812
Paving	1,811
Plant Component Upgrade	407
Power Your Way	1,622
Postage	13,266
Preventive Maintenance	1,091
RCA - Amortization of Hudson-Farragut	477
RCA - Pension	(100,447)
Real Estate Expenses	986
Regulatory Commission Expenses	30,615
Rents	53,294
Rents (Interdepartmental)	4,531
Rents (ERRP)	75,143
Research and Development	10,804
Stray Voltage	19,357
Scheduled Overhauls	1,725
Security	1,552
Shared Services	(8,484)
Steam Incident	4,295
Storm Reserve	8,791
System Benefit Charge / Renewable Portfolio Standard	107,513
Transformer Installations	91
Tree Trimming	14,340
Trenching	8,559
Uncollectible	48,923
Water	370
Water Chemicals	146
Total O&M Expenses	\$ 4,796,917

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

Response to DPS Interrogatories -- Set DPS29
Date of Response: 08/01/2008
Responding Witness: Customer Operations

Question No.: 439

Subject: AMR: Refer to your testimony, pp. 14-21: (a) State whether the AMR meters the company proposes are capable of 2-way communication, or if they can be upgraded to provide 2-way communication. If the latter, provide an estimate of costs in material and labor required to implement such an upgrade. (b) If the answer to part (a) is "no" in both cases, explain what steps the Company would take to bring these meters in compliance with a prospective Commission requirement to implement an advanced metering infrastructure (AMI) system that includes 2-way communication capability. Provide an estimate of the costs of such steps, including any investment in the proposed AMR meters that would become stranded.

Response:

(a) The AMR modules currently being deployed are not capable of 2-way communication. The meters themselves are generic and can be equipped with a variety of AMI communication modules, which are capable of supporting 2-way communications.

Currently, it is unknown what the minimum functionality of AMI will be so at this time we cannot describe the steps required to bring the current AMR metering into compliance.

b)The technology currently being deployed includes positive outage / restoration notification, local storage of interval data (most current 48, 5 minute intervals) and tamper information related to inversion and power interruptions. There is also at least one in-home display being developed that can communicate with the AMR meter to provide the customer with a variety of energy related information.

Because we currently collect meter readings using a hand held computer or specially equipped van only on the meter reading cycle, much of the embedded functionality in the AMR module/meter is not leveraged. Upgrading to a 'fixed network' of pole top data collectors and repeaters enables more frequent data collection, real time usage/restoration monitoring and support for time sensitive rates for all customers. If this solution was pursued, the average price per point to upgrade to a fixed network has been quoted at between \$5 and \$15. If this functionality is sufficient to satisfy the data/functional requirements of an AMI, then much of the installed base of AMR meters can be quickly and effectively leveraged to provide the required data.

If the Commission's functional requirements for an AMI include 2-way communication capability, the existing AMR meters would not meet that requirement. The Company would

commence deployment of AMI meeting all Commission approved functionality in areas where AMR has not yet been installed.

Since deployment of AMI throughout the Company's service area will require multiple years, AMI would be deployed in the AMR area during the latter stages of this AMI deployment, optimizing the recovery of costs associated with the installation of AMR. Since the AMR deployment uses the most current solid state meter technology, the meters are reusable and the only stranded component may be the AMR module itself.

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

Response to DPS Interrogatories – Set DPS35
Date of Response: 08/18/2008
Responding Witness: PAICP

Question No. 538

Subject: Informational Advertising Budget - (a) For each of the following areas, provide the historic test year expenditures for advertising expense. Provide a breakdown within each category for newspaper, radio, and outdoor. i) Customer rights and responsibilities ii) Electric safety iii) Life-sustaining equipment iv) Emergency customer care v) EnergyShare vi) CONCERN program vii) Other Con Edison programs and services viii) Energy education ix) Green power x) Energy efficiency xi) Emergency preparedness xii) Infrastructure Upgrades xiii) Promoting diversity xiv) Power Your Way xv) On it xvi) Working for you xvii) Other If the Company regards any of the categories above as subsumed within another category, indicate which categories are so related, and report all expenditures only once, i.e., do not report the same expenditures under both a main category and a sub-category for the same expense. (b) For energy efficiency, indicate separately the amount of funding that was drawn from the advertising budget, and any amounts drawn from energy efficiency program funding. (c) For each of the areas listed in part (a), provide the proposed budget for advertising expense in the rate year ending March 31, 2010. Provide a breakdown within each category for newspaper, radio, and outdoor, and indicate in the same manner requested for part (a), and indicate where any listed category is subsumed under another. (d) For energy efficiency, report the proposed budget for the rate year ending March 31, 2010 in the same manner as requested for historic expenditures in part (c).

Response:

(a) For each of the following areas, provide the historic test year expenditures for advertising expense. Provide a breakdown within each category for newspaper, radio, and outdoor.

If the Company regards any of the categories above as subsumed within another category, indicate which categories are so related, and report all expenditures only once, i.e., do not report the same expenditures under both a main category and a sub-category for the same expense.

- i) Customer rights and responsibilities – No advertising money was spent on this program in 2007. It was promoted through an annual bill insert that was mailed to all residential and nonresidential customers with information about their rights and responsibilities; the text of both inserts can be found on www.coned.com.
- ii) Electric safety – No advertising money was spent on this program in 2007. An annual electric safety bill insert was mailed in all customer bills.

iii) Life-sustaining equipment -- An ad was placed in the New York City Housing Authority Journal at a cost of approximately \$4,000. Additionally, an annual LSE survey is mailed to all customers in their bills; an annual letter is mailed to all existing LSE-using customers; an annual letter is mailed to LSE manufacturers and health care professionals who care for LSE-using customers; an annual letter is mailed to tenants of master-metered residential buildings; and information is available on www.coned.com.

iv) Emergency customer care -- No advertising money was spent on this program in 2007. At critical events, we staff our Customer Information Center vans in affected areas and provide information on the event to area customers.

v) EnergyShare -- No advertising money was spent on this program in 2007. An annual bill insert is mailed to customers asking for donations and informing customers about the availability of grants; and information is available on www.coned.com.

vi) CONCERN program -- No advertising money was spent on this program in 2007. A newsletter is sent two times each year to registered CONCERN customers; and information about CONCERN can be found on www.coned.com.

vii) Other Con Edison programs and services - Other Con Edison programs and services -- Information about other Con Edison programs and services are highlighted in *Customer News*, which is sent to all customers every two months; and information can be found on www.coned.com

viii) Energy Education - We spent \$9.4 million (\$5.4 million print, \$2.0 million radio, \$2.0 million outdoor) on energy conservation messages in 2007.

ix) Green Power/PowerYourWay - We spent \$1.4 million (all print) on Green Power/PowerYourWay messages in 2007.

x) Energy Efficiency -- No advertising money was spent on specific energy efficiency programs in 2007. Demand side management and demand response programs were promoted in *Customer News* and *Spotlight*, online at www.conEd.com, and through direct mail. Press releases and information sheets were distributed at trade shows and appropriate community events.

xi) Emergency Preparedness -- We spent \$1.8 million (\$1.4 million print, \$400,000 radio) on our emergency preparedness program in 2007.

xii) Infrastructure Upgrades -- We spent \$4.6 million (\$4.3 print, \$300,000 radio) on our infrastructure upgrade program in 2007.

xiii) Diversity -- We spent \$1.8 million (\$1.1 million radio, \$700,000 print) on our supplier diversity and employee diversity programs in 2007.

xv) On It -- We do not have a specific ON IT program. ON IT is the tagline that appears on all our advertising to help the reader associate the advertisement with Con Edison's messages. Any expenditures for signage that contain the ON IT message are included in xvii.

xvi) Working for You -- The Working for You program was the infrastructure improvement program. See xii.

xvii) Other -- We spent approximately \$316,000 in this category.

(b) For energy efficiency, indicate separately the amount of funding that was drawn from the advertising budget, and any amounts drawn from energy efficiency program funding.

There was no advertising funding to promote energy efficiency. See response to (a)x) above.

(c) For each of the areas listed in part (a), provide the proposed budget for advertising expense in the rate year ending March 31, 2010. Provide a breakdown within each category for newspaper, radio, and outdoor, and indicate in the same manner requested for part (a), and indicate where any listed category is subsumed under another.

The proposed funding for advertising the same programmatic campaigns for the rate year ending March 31, 2010 is \$17.14 million. The communications plan would reflect similar efforts for energy conservation, emergency preparedness, upgrading the infrastructure, and diversity messages that were implemented in 2007.

(d) For energy efficiency, report the proposed budget for the rate year ending March 31, 2010, in the same manner as requested for historic expenditures in part (c).

Any energy efficiency advertising proposals for the rate year ending March 31, 2010, will be part of the company's 60- and 90-day filings that the company will make pursuant to the Commission's June 23, 2008 order in the Energy Efficiency Portfolio Proceeding.