

Orange and Rockland Utilities, Inc.

Case 07-E-0949

Further ALJ Questions

37. With reference to transcript page (Tr.) 980, what is the Company's opinion of the proposal that commercial and public buildings be allowed to enter into net metering arrangements?
38. If the Company supports such arrangements, what would be the best procedural avenue for accomplishing that goal?
39. With respect to Ms. Madronaro's comments (see Tr. 990), how, if at all, does the Company take into account, for capital construction planning purposes, changes in the economy that might affect future demand and energy needs of the Company's customers?

Response: Yes. The Company refines its electric energy sales and demand growth forecasts on an annual basis, based on economic indicators and intimate knowledge of specific area growth and development within its service territory. These refined growth targets are utilized within the Company's electric demand forecasts and planning studies to determine the electric delivery system infrastructure requirements. The timing and prioritization for major projects can shift from year to year depending on the modification and validation of these forecasts, and with respect to the actual system loadings experienced.

40. My understanding, based on a review of Exhibit 11 of a prior Commission decision (Cases 06-W-0131 and 06-W-0244, United Water-Merger and Rates, Order Approving Merger and Adopting Three-year Rate Plan (issued December 14, 2006)), is that United Water's plans for any possible desalination plan on the Hudson River assume an in-service date in 2015. On that basis, I assume that Orange & Rockland's construction budget for the three rate years does not include any investment to provide service to such a desalination plant. Is my assumption correct?

Response: Correct.

41. With reference to Tr. 1021, to what extent is AMR in use by the Company in New York and what are the Company's future plans with respect to AMR use?

42. With reference to Tr. 1022: (a) what is the Company's response to the suggestion that all large substation transformers need spill containment; (b) to what extent has the Company already taken steps so that falling conductors de-energize quickly; and (c) to what extent is the Company planning further steps in the next three rate years so that falling conductors de-energize quickly?

Response: (a) All of the Company's large substation transformers have spill containment and spill prevention and control countermeasure ("SPCC") plans.

(b) All distribution circuits are protected with appropriate protective relays that sense faults and de-energize downed or faulted conductors. There are times where high impedance faults occur based on the location of a downed conductor that may need to be de-energized through our energy control center, although these occasions are very rare.

(c) In light of the existing protections described above, the Company has no such plans.

43. On that same page, what is the Company's response to the suggestion that some barrier should be erected between the transformer and nearby windows, to provide protection of individuals beyond the windows in the event of a transformer explosion?

Response: All of our distribution transformers are protected by fuses local to the transformer that are designed to protect against tank rupture. All of our installations are in accordance with the National Electric Safety Code that does not require barriers. Accordingly, the Company has no plans to erect any such barriers.

44. With reference to Tr. 1024, and many other pages: (a) to what extent does the Company take into account, when selecting contractors to work for it, the extent to which such contractors will comply with all applicable laws and regulations with respect to wages, working hours, and breaks; (b) to what extent does the Company monitor contractor compliance with such laws and regulations; and (c) if the Company does not monitor such contractor compliance, why is this a good policy?
45. a. At Tr. 1026, Mr. Irvine made reference to conductors being too close to the ground and out of compliance with the National Electric Safety Code. What efforts did the Company make to follow up on this concern and what were the results of those efforts?
- b. Mr. Irvine also suggested there were other safety problems beyond the Talman Shop Rite transformer and low-hanging conductors. What efforts did the Company make to follow up on this comment and what were the results of those efforts?

Response: (a) The Company immediately dispatched a Line Supervisor to the location to assess the situation. Upon arrival, the Supervisor determined that this location contained a customer-owned mat-mounted transformer, and there was a hole below the fence surrounding this customer-owned transformer installation that appears to be caused by washout conditions. The Supervisor immediately notified the customer that this condition existed in order for the customer to rectify the condition and make permanent repairs.

(b) With respect to other mat-mount transformers within the Company's service territory, these installations are all customer-owned, and it is the customer's responsibility to maintain these facilities. The Company is not aware of any other locations where its conductors violate clearances as

specified by the National Electric Safety Code, and no specifics were provided by Mr. Irvine.

46. With respect to the scanned copy of a letter recently received from Mr. Irvine, did the Company previously receive a copy of the same letter?<sup>1</sup>

Response: No

47. Whether or not the Company previously received the letter from Mr. Irvine, what commitment, if any, is the Company willing to make to consider and make any necessary changes in response to the 11 numbered paragraphs under the caption "Blue Book?"
48. At the first round of hearings (Tr. 82-84), I asked a Mr. Atzl a series of questions about whether any existing tariff language needs to be changed or clarified, even though the Company had not proposed such changes. What were the results of the Company's review of my questions?
49. At Tr. 1012, it was stated that O&R customers contributed \$32 million toward the cost of NYSERDA programs and that direct benefits to the Company's customers were on the order of \$13 million. Are these figures correct and are there any other pertinent facts that should be accounted for when evaluating whether the difference between those figures is reasonable?
50. With reference to Tr. 1024, when purchasing equipment and supplies, to what extent does the Company take into account

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<sup>1</sup> This is one of the only two comments from the public received by letter in this case. The other letter expresses concern about the impacts of billing every month instead of every other month.

the wages and work conditions of workers producing such equipment and supplies?

51. If the Company does not consider such information, why is this a reasonable policy?

June 20, 2008