

**LA\_2, SCHEDULE 3A  
CASE 08-E-0539**

**ACTUAL DPS IRS RELIED ON  
CPB WITNESS SCHULT TESTIMONY**

**DPS 45REV**  
**CONFIDENTIAL**

**DPS 46**  
**CONFIDENTIAL**

**DPS 101**

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

Response to DPS Interrogatories – Set DPS8  
Date of Response: 06/17/2008  
Responding Witness: Infrastructure Investment Panel

Question No. :101

Subject: Substation Operations – Obsolete Transformer Replacement - 1. Provide the performance and maintenance history for the 2 transformers (Cherry St. and Avenue A) to be replaced in 2009. Are the parts for these two transformers have become obsolete and no longer available? 2. What is considered to be the end of the life expectancy? Is there a specific threshold year? 3. Is the replacement of these two transformers taken from the Failed Transformer Program or some other spare transformer replacement program? If not, what is the lead time for manufacturing and delivery? 4. Provide the following information for 2007 and 2008 to date: a. A detailed unit cost break-down for each year. Include labor, materials, overhead, and contingencies. b. Explain the reasons(s) for any variations, delays, or changes to the project.

Response:

1. Parts for the tap changers for these transformers are obsolete, and are available only from after market suppliers. While this has enabled us to perform routine maintenance on the transformers, the overall tap changers are reaching the point of general wear out that can not be resolved by simple replacement of the normally wearing parts. Accordingly, we plan to replace these units on a scheduled systematic basis so as to ensure continued station availability. In addition, the Cherry St. transformers are being replaced in conjunction with the replacement and upgrade of the 69 kV supply feeder to 138 kV. The maintenance records are attached.
2. Life expectancy of equipment is based on reliable operation, availability of spare parts, and manufacturer support, environmental impact and not on specific age.
3. The replacement transformers are not taken from spare inventory. Currently, the lead time for the delivery this type of transformers is in excess of 24 months.

4. Cherry St. transformer replacement actual costs for 2007 and through May 2008:

	Labor	Materials/Equipment	Overhead	Contingency	Total
2007	\$230k	\$3,625k	\$848k	N/A	\$4,703k
2008 (YTD)	\$1,732k	\$4,211k	\$1,567k	N/A	\$7,510k \$12,006k

The project is currently on schedule and on budget with no major variations to report.

No costs have been incurred to date for the Avenue A transformer.

**DPS 138.1**

Company Name: Con Edison

Case Description:

Case: 08-E-0539

Response to DPS Interrogatories – Set DPS10

Date of Response: 06/24/2008

Responding Witness: Infrastructure Investment Panel/Joseph Somma

Question No. :138.1

Subject: Storm Hardening and Response – Danger Tree Removal - Provide the actual 2008 cost to-date for this program including itemized listing of manpower and tree removal unit and total cost.

Response:

The program commenced after the April 1, 2008 start of the 2008 rate case period. The total year to date expenditures is \$31,542 representing 60 trees at an average unit cost of \$526 dollars per tree. There are currently an additional 63 trees that are planned for the next month representing an additional \$22,000. The set of 63 trees are comprised of smaller trees and are therefore anticipated to cost less. The Company intends to complete the planned danger tree program during the rate year. Please note that the size of the tree affects the cost of removal.

The danger tree program has been planned to utilize contractor tree crews. The contractor determines the number of persons per crew necessary to meet the assigned number of trees. We understand that at this time the contractor plans to use three crews to complete this program.

**DPS 178**

**DPS 165**  
**CONFIDENTIAL**

Company Name: Con Edison

Case Description:

Case: 08-E-0539

Response to DPS Interrogatories – Set DPS12

Date of Response: 06/26/2008

Responding Witness: Accounting Panel/Richard Kane

Question No. :178

Subject: Employee Welfare - Capitalization - Provide workpapers to support the capitalized employee welfare expenses allocated to electric operations, as indicated on line 27 in Company exhibit HJR-1, Page 1 of 2.

Response:

See attached for the calculation of the capitalized amounts shown on line 27. Please note only group life insurance (line 2) and health insurance expenses (lines 21-24) are subjected to capitalization. Copies of the labor capitalization rate, distribution of common administrative and general expenses and the actual capitalized amount for the year 2007 are also attached.

**DPS 178**  
**Attachment**

**Summary Report by Account Hierarchy  
for the accounting period of January 2007 - December 2007**

Account Type: O&M

Line: O-O&m

Service: C-Common

Business Function: Administrative & Control

MAG Category: O-Operation

MAG Code: 49-Operation - Administrative And Gene

PSC Account: 92200- Administrative Expenses Transferred-credit

Account: 05735-A&g Exp Transf-cr-health&gr Life

Account Date	JEDC	Post	Description	Actual	Meta	Meta System Description
January 2007	1598		EST HEALTH AND GROUP TERM	(3,345,133.44)	31	MISC. JOURNAL ENTRIES
February 2007	1598		EST HEALTH AND GROUP TERM	(3,323,939.75)	31	MISC. JOURNAL ENTRIES
March 2007	1598		EST HEALTH AND GROUP TERM	(3,321,290.54)	31	MISC. JOURNAL ENTRIES
March 2007	1598		EST HEALTH AND GROUP TERM	(434,700.00)	34	FINAL MISC. TRANSACTIONS
April 2007	1598		EST HEALTH AND GROUP TERM	(3,159,142.84)	31	MISC. JOURNAL ENTRIES
May 2007	1598		EST HEALTH AND GROUP TERM	(3,322,008.31)	31	MISC. JOURNAL ENTRIES
June 2007	1598		EST HEALTH AND GROUP TERM	(2,736,293.45)	31	MISC. JOURNAL ENTRIES
July 2007	1598		EST HEALTH AND GROUP TERM	(3,762,339.54)	31	MISC. JOURNAL ENTRIES
August 2007	1598		EST HEALTH AND GROUP TERM	(3,899,751.40)	31	MISC. JOURNAL ENTRIES
August 2007	6132		A/P-INDUS REL EXP-INCL R&D	0.00	31	MISC. JOURNAL ENTRIES
September 2007	1598		EST HEALTH AND GROUP TERM	(3,523,218.97)	31	MISC. JOURNAL ENTRIES
October 2007	1598		EST HEALTH AND GROUP TERM	(3,814,117.04)	31	MISC. JOURNAL ENTRIES
November 2007	1598		EST HEALTH AND GROUP TERM	(3,747,328.70)	31	MISC. JOURNAL ENTRIES
December 2007	1598		EST HEALTH AND GROUP TERM	(3,170,693.46)	31	MISC. JOURNAL ENTRIES
<b>TOTALS:</b>				<b>(41,559,957.44)</b>		

**Con  
Edison General Accounting**

**Authority Letter  
Effective July 1999**

**Re: Distribution of Administrative and  
General Expenses - Common - To  
Electric, Gas and Steam Operations**

Statistical studies of the payroll distribution for the twelve months ended April 30, 1999 have been prepared for the purpose of establishing the appropriate basis for allocating Administrative and General Expenses - Common to Electric, Gas and Steam Operations for the year 1999. Our studies have been revised and reflect allocations to Production, Transmission, and Distribution to accommodate our unbundled financial statement disclosures. These allocations have been normalized to reflect the impact of divestiture.

Administrative and General Expenses - Common - Related to Labor

The charges to department operations for Administrative and General Expenses - Common - related to labor are based on statistical studies of the payroll distribution.

It is recommended that, effective July 1999, charges for Administrative and General Expenses - Common related to Labor be allocated as Follows:

Electric Production	14.84%	Gas	16.20%	Steam Production	2.87%	
Electric Transmission	7.94%			Steam Distribution	2.23%	
Electric Distribution	55.92%					
TOTALS	Electric	78.70%	Gas	16.20%	Steam	5.10%

Administrative and General Expenses - Common - Other (including IR)

Charges classified as Administrative and General Expenses - Common - Other represent expenses which relate to the broad operations of the business as a whole and are allocated upon the basis which gives consideration to factors indicative of the current relative magnitude of Electric, Gas and Steam Operations.

It is recommended that, effective July 1999, charges for Administrative and General Expenses - Common related to Other be allocated as follows:

Electric Production	26.12%	Gas	13.21%	Steam Production	3.79%	
Electric Transmission	8.56%			Steam Distribution	1.86%	
Electric Distribution	46.46%					
TOTALS	Electric	81.14%	Gas	13.21%	Steam	5.65%

Administrative and General Expenses - Pensions & OPEB - Transfers to Construction - Credit - Common

The charges to department operations for Administrative and General Expenses - Pensions & OPEB - Transfers to Construction are based on the distribution of labor charged to Construction.

It is recommended that, effective July 1999, the account Administrative and General Expenses Pensions & OPEB - Transfers to Construction - Credit be allocated as follows:

Electric Production	1.61%	Gas	23.63%	Steam Production	0.64%	
Electric Transmission	4.28%			Steam Distribution	3.06%	
Electric Distribution	66.78%					
TOTALS	Electric	72.67%	Gas	23.63%	Steam	3.70%

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
 ADMINISTRATIVE AND GENERAL EXPENSES - MAJOR ACCOUNT GROUP 49  
 EMPLOYEE WELFARE EXPENSES - PSC ACCOUNT 926.2  
 ELECTRIC

LINE NO.	12 MONTHS ENDED 12/31/07 ACTUAL	NORMALIZATION	PROGRAM CHANGE	ESCALATION	12 MONTHS ENDING 3/31/10 RATE YEAR	LINE NO.
1. Thrift Savings Plan	\$14,759,874	\$0	\$0	\$854,429 [N]	\$15,614,303	1.
2. Group Life Insurance	988,987	105,757	0	138,836 [O]	1,233,580	2.
3. Military Duty Allowance	134,327	0	0	10,448 [L]	144,775	3.
4. Restaurants & Newsstands	89,756	0	0	4,667 [M]	94,423	4.
5. Stock Purchase Plan	2,490,133	0	0	169,393 [A]	2,659,526	5.
6. Stock Option Plan	38,532	0	0	2,004 [M]	40,536	6.
7. Deferred Income Plan	4,187,473	(4,187,473)	0	0 [P]	0	7.
8. DIP Life Insurance	156,327	(156,327)	0	0 [P]	0	8.
9. Tuition Aid	2,663,078	0	0	138,480 [M]	2,801,558	9.
10. Occupational Supplement	3,367,307	0	265,600	235,658 [D]	3,868,565	10.
11. Company Clubs	15,211	0	0	791 [M]	16,002	11.
12. Employee Publications & Communications	373,583	0	0	26,339 [C]	399,922	12.
13. Scholarship for Employees' Children	103,265	0	0	5,370 [M]	108,635	13.
14. Child Care & Elder Care Consulting Serv.	70,357	0	25,971	4,204 [F]	100,532	14.
15. Financial Counseling Service	166,176	0	0	8,641 [J]	174,817	15.
16. Consulting Services	932,882	0	0	48,510 [E]	981,392	16.
17. Occupational Accidental Death	42,499	0	0	2,210 [M]	44,709	17.
18. Work Home Wellness Program	678,301	0	517,172	46,133 [G]	1,241,606	18.
19. World Trade Center	1,145,987	0	351,460	59,591 [I]	1,557,038	19.
20. Sub-Total	32,404,055	(4,238,043)	1,160,203	1,755,704	31,081,919	20.
<b>Health Insurance</b>						
21. Dental	9,650,414	0	867,266	0	10,517,680	21.
22. Prescription Drug Plan	18,300,473	0	1,463,708	0	19,764,181	22.
23. Hospital & Medical Insurance	94,425,587	0	23,425,027	0	117,850,614	23.
24. Employee Deductions	(29,910,360)	0	(4,744,368)	0	(34,654,728)	24.
25. Sub-Total	92,466,114	0	21,011,633	0	113,477,747	25.
26. Total Employee Welfare Expenses	\$124,870,169	(\$4,238,043)	\$22,171,836	\$1,755,704	\$144,559,666	26.
27. Capitalization	30,201,621	0	7,355,227	45,510	37,602,358	27.
28. Net of Capitalization	\$94,668,548	(\$4,238,043)	\$14,816,609	\$1,710,194 [Q]	\$106,957,308	28.

[A] to [J] Labor escalation 7.78%; non-labor escalation 5.2%; new/expanded programs  
 [K] Escalation - labor 7.78%; non-labor 5.2%  
 [L] Escalation is based on labor factor of 7.78%  
 [M] Escalation is based on non labor factor of 5.2%  
 [N] Escalation-labor 7.78%; non labor factor 5.2%; employee contributions/match  
 [O] premiums & 5 yr avg for dividends  
 [P] refer to Accounting Panel's testimony  
 [Q] does not include fringe benefits for of new hires; see testimony of Accounting Panel

Total Company	158,666,034	(5,385,061)	28,172,600	2,230,882	183,684,455
Health & Group Life	118,748,540	134,380	26,698,390	176,412	145,757,722
Capitalization @ 35.5%	41,559,957	643,480	9,477,928	62,626	51,743,991
Applicable to Electric @ 72.67%	30,201,621	467,617	6,887,610	45,510	37,602,358



**Authority Letter**

Effective January 2008

Labor Capitalization Rate  
Year 2008

Consolidated Edison Company of New York, Inc.  
Labor Capitalization Rate  
Year 2004, 2005, 2006, 2007 & Go-Off 2008  
(\$000)

	<u>Actual 2004</u>	<u>Actual 2005</u>	<u>Actual 2006</u>	<u>Actual 2007</u>	<u>GO-OFF January 2008*</u>
Actual Construction Expenditures	\$1,234,929	\$1,491,860	\$1,782,217	\$1,879,523	\$1,879,523
Labor Content	25.15%	24.89%	22.69%	23.69%	23.69%
Labor Devoted to Construction	\$310,561	\$371,323	\$404,422	\$445,241	\$445,241
Total Company Payroll	\$1,044,203	\$1,100,079	\$1,171,739	\$1,250,463	\$1,250,463
Indicated Rate	29.74%	33.75%	34.51%	35.61%	35.61%
Rate Used	28.75%	33.00%	34.25%	35.50%	35.50%
RECOMMENDED RATE					35.50%

\* Based on December 2007 actual

Recommended:

Approved:

\_\_\_\_\_  
Assistant Controller

\_\_\_\_\_  
Vice President and Controller

**DPS 249**

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

Response to DPS Interrogatories – Set DPS16  
Date of Response: 07/03/2008  
Responding Witness: Municipal Infrastructure Support Panel

Question No. :249

Subject: Interference Expenditures – Exhibit\_(MISP-2) The MISP provided a revised exhibit MISP-2 in response to Staff IR DPS-43. This revised exhibit excludes the World Trade Center (WTC) reconstruction related projects from the NYC capital commitments in the forecast of the Company's interference expenditures. This exhibit provides the calculation of NYC's actual expenditures as a percentage of NYC's capital commitment targets in the relevant categories. However, the data used to calculate the NYC commitment targets included only Highway Bridges (HB) for the Bridge category in 2003 and 2004. The data included both Highway Bridges (HB) and Waterway Bridges (BR) for the Bridge category in 2005 and 2006. All the data used for 2003 through 2007 included the WTC reconstruction projects in the Highway category. The workpapers provided to staff in steam Case 07-S-1315 indicate that the actual NYC expenditures in the same categories do not include Waterway and WTC related projects. Explain how the inconsistent data applied by the Company to its rate year forecast of interference expenditures provide a reasonable and reliable result?

Response:

Attached please find revised Exhibits MISP-2, pages 1 & 2 and MISP-1 modified to address the discrepancies Staff describes above. These modifications result in an increase in the ratio of NYC actual expenditures to the previous year's commitment target from 97.6% to 99%, and an increase in the O&M forecast from \$73.3 million to \$74.3 million.

**DPS 249**  
**Attachment**

**CONSOLIDATED EDISON COMPANY OF NEW YORK INC.  
ELECTRIC INTERFERENCE O&M AND CAPITAL EXPENDITURE FORECAST  
EXCLUDING LOWER MAHATTAN**

**O&M FORECAST**

Rate year 1

Electric Interference expenditure forecast for rate year including Company labor	\$77,958,000
Company Labor 4.6% (Labor % of Historic Year)	\$3,586,068
Net expenditure forecast excluding labor	\$74,371,932
<b>Historic year</b>	
Electric interference expenditure for historic year, twelve months ending Dec 31st 2007	\$53,981,422
Company labor	\$2,500,483
Net expenditure	\$51,480,939
Program change	\$22,890,993

**CAPITAL FORECAST**

	2009	2010	2011	2012
Electric Interference capital expenditure forecast	\$33,655,000	\$34,355,000	\$35,115,000	\$35,250,000

**CONSOLIDATED EDISON COMPANY OF NEW YORK INC.  
NEW YORK CITY CAPITAL COMMITMENT & EXPENDITURES  
AND CON EDISON O&M INTERFERENCE FORECAST 2008 - 2011**

(millions)

NYC Capital Commitment (Jan 2008 Publication)				2008	2009	2010	2011	2012
Water (WM - 1 & WM - 6 Budget Categories)				112	59	269	296	
Sewer				199	178	355	250	
Highway (Excluding WTC)				541	551	401	428	
Bridges**				(1091) 411	(1668) 1080	651	103	
<b>Total Commitment</b>				<b>1263</b>	<b>1868</b>	<b>1676</b>	<b>1077</b>	
Five year Average Commitment Target 64% (See calc. below)				808	1196	1073	689	
City Expenditure Forecast calculated @ 99% of target (Worksheet 1)					800	1184	1062	682

\*\* -Forecast expenditures adjusted. See written testimony.

**Con Edison's Interference Forecast:**

	2009	2010	2011	2012
Con Edison's gross Interference forecast @ 11.6% of City forecast (5 Yr Avg)	92.83	137.29	123.18	79.16
Electric O&M Interference @ 75% of Con Ed gross forecast(5 Yr.Avg)	69.62	102.97	92.39	59.37

**RATE YEAR FORECAST**

	With Lab.	W/O Lab
Electric Interference forecast for rate year 4/01/09 - 3/31/10 (RY1)	77.958	74.372
Electric Interference forecast for rate year 4/01/10 - 3/31/11 (RY2)	100.324	95.709
Electric Interference forecast for rate year 4/01/11 - 3/31/12 (RY3)	84.132	80.262

Five year average Commitment target calculation for January Commitment Plans

Year	Target
2003	62%
2004	66%
2005	63%
2006	63%
2007	65%
Avg	63.80%

**Say five year Avg target 64%**

Note: The green numbers represent the changes made to reflect the response to 249

CONSOLIDATED EDISON COMPANY OF NEW YORK

COMMITMENT TARGET FROM JAN COMMITMENT PLANS

Fiscal Year	NYC's Actual Expenditure	NYC's Comm. target from previous FY Jan. Commitment Plan	NYC Actual Exp. as a % of Previous Years Commitment Target
2003	624	629**	99%
2004	\$695	\$663	105%
2005	\$716	\$750	95%
2006	\$635	\$576	110%
2007	\$644	\$723	89%

Five Year Average                      3,314                      3,341                      99.19%  
**Say 99%**

\*\* Used actual commitment due to unavailability of detailed data to calculate commitment target for 2002

COMMITMENT TARGET CALCULATION

	City's Comm. Plan - Jan			
Items	2003 Pub.	2004 Pub.	2005 Pub.	2006 Pub.
Water Main (WM1 & WM 6)	167	\$151	\$117	155
Sewer	288	272	222	253
Highway	301	351	320	452
Bridges	313	363	256	287
Total Comm. Plan	1069	\$1,137	\$915	1147
Commitment Target @	663	\$750	\$576	723

62% - 2003  
 66% - 2004  
 63% - 2005  
 63% - 2006

NYC's Actual Expenses by Category

Items	2003	2004	2005	2006	2007
Water	115	87	115	93	91
Sewer	179	222	205	206	186
Highway**	175	203	174	208	213
Bridges	155	183	222	128	154
Total	624	695	716	635	644

\*\* Note: Does not include WTC

WTC                      2                      3.5                      3.2                      1.3                      1.4

**DPS 260**

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

Response to DPS Interrogatories – Set DPS16  
Date of Response: 07/24/2008  
Responding Witness: Infrastructure Investment Panel

Question No. :260

Subject: Electric Operations – Electric Engineering and Field Support -1. Elaborate further on your justification and need to increase engineering staff. 2. Provide the data used to determine the quantity of increased staffing. 3. Provide details as to what capital programs will the proposed staff would be performing. 4. Provide the itemized breakdown of how the funding requested was derived. 5. Provide the five year actual historical cost broken down in the same manner as part 4 of this question.

Response:

1. Elaborate further on your justification and need to increase engineering staff.

As previously stated Electric Operations Engineering level of technical resources is projected to be insufficient to meet the increased level of engineering support required to complete new and accelerated Capital programs. These sixteen major initiatives include major load transfers, secondary reliability and creating a new network. For example, a new area substation (Astor Substation) is being established to provide relief for West 42<sup>nd</sup> Street No. 2 Substation. This would be accomplished by transferring Herald Square to Astor Substation. Additional engineering resources would be required for its technical design and associated functions, such as primary and secondary electric distribution system modeling, load flow analysis, layouts, field engineering/inspections, cost estimates, mapping and quality assurance.

The proposed engineering staff would be working on following Capital programs detailed in the IIP exhibits:

	New	Acceleration
Automatic Transfer Switch Unit Substation Reliability	X	
Overhead Transformer Relief	X	
Overhead Secondary Reliability	X	
Distribution Engineering Workstation	X	
PILC		X
Secondary Open Mains		X
Transfer of Herald Square to Astor	X	
Partial Transfer of Pennsylvania to Astor & Creation of	X	

Waterside		
Transfer of Randall's Island to Bruckner	X	
Partial Transfer of City Hall to Seaport No. 1	X	
Partial Transfer of Lenox Hill to York & Creation of Cornell	X	
Riverdale/Flushing Cable Crossing	X	
Fox Hills/Fresh Kills Load Transfer	X	
Partial Transfer of Riverdale to East 179 <sup>th</sup> Street	X	
Primary Feeder De-Bifurcation	X	
Coastal Storm Risk Mitigation	X	

2. Provide the data used to determine the quantity of increased staffing.

Relative to the historic year, the volume of the system relief and reliability work proposed as part of the capital plan has increased by over 12%. Along with these increases, there comes a commensurate increase in the volume of work, for which these fourteen personnel are necessary. Consequently, Electric Operations Engineering is requesting a corresponding increase in staffing of 2 supervisors, 12 engineering technicians and 4 equivalent overtime units (EOT's) for its new and incremental Capital programs.

3. Provide details as to what capital programs will the proposed staff would be performing.

The new resources will perform technical design and associated functions, such as primary and secondary electric distribution system modeling, load flow analysis, layouts, field engineering/inspections, cost estimates, mapping and quality assurance. The Company does not hire staffing by program. The newly hired individuals will support all capital programs.

4. Provide the itemized breakdown of how the funding requested was derived.

	RYE 2010	RYE 2011	RYE 2012
Labor	4,101,088	4,101,088	4,101,088
M&S	12,533	12,533	12,533
A/P and Other	1,207,901	1,207,901	1,207,901
Interdepartmental Charges	7,826,896	7,826,896	7,826,896
Misc. Expenses	(14,708)	(14,708)	(14,708)
	13,133,710	13,133,710	13,133,710

5. Provide the five year actual historical cost broken down in the same manner as part 4 of this question

	2007	2006	2005	2004
Labor	3,793,088	3,887,593	3,091,758	2,934,851
M&S	12,533	5,855	1,935	817
A/P and Other Interdepartmental Charges	1,207,901	691,479	633,487	622,758
Misc. Expenses	(14,708)	(8,537)	(6,187)	(10,445)
	12,825,710	12,225,411	10,859,282	10,324,628

**DPS 343**

Company Name: Con Edison

Case Description:

Case: 08-E-0539

Response to DPS Interrogatories – Set DPS23

Date of Response: 07/16/2008

Responding Witness: shared Services Panel

Question No. :343

**Subject: Facilities Maintenance -** In its rate filing (Electric Production Panel testimony, page 28, see, AP-5, page 3 of 6) the Company requests a rate allowance of \$1.725 million (\$1.64 million forecasted program change escalated for inflation) for costs associated with NYC Local Law 11 at the East River generating station. Provide evidence in support of the Company's program change. Also, provide all supporting information and documentation showing that the program change requested is indeed incremental to the Local Law 11 rate allowance(s) provided for in the Steam Joint Proposal issued June 18, 2007. Finally, explain why a program change related to Local Law 11 should be built into base rates and recovered in a single rate year rather than amortizing the cost over the remaining period of the Local Law 11 cycle (i.e., through December 2011).

Response:

The Company supplements its testimony and exhibits as follows.

See the accompanying CD for the report from the Company's consultant regarding the efforts required at the East River generating station to comply with Local Law 11. Please note that the report encompasses the entire East River complex, comprised of the facility that contains Units 6 and 7 (801 E. 14<sup>th</sup> St.), which is an electric production facility on the Company's books of account, and the East River South Steam Station (800 E. 14<sup>th</sup> St), which is a steam production facility on the Company's books.

The Local Law 11 costs for which the Company is requesting recovery in this electric rate filing are for efforts to comply with New York City's Local Law 11 for the East River generating station facility that contains Units 6 and 7. Please see Attachment B, which is the workpaper for Facilities Maintenance - Local Law 11 costs for which the Company requested recovery in Case No. 07-S-1315. The four generating stations listed in the Attachment are steam generating stations on the books of account, including the East River South Steam Station.

In accordance with Generally Accepted Accounting Principles, operations and maintenance expenses are charged to income as incurred. In rate filings, since the Company expects to record these costs in the rate year in which they are incurred, it requests the recovery of those costs during that rate year.

**DPS 374**

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

Response to DPS Interrogatories – Set DPS25  
Date of Response: 07/22/2008  
Responding Witness: Accounting Panel

Question No. :374

Subject: Insurance - For the following questions, if workpapers requested below are available in MS Excel format, provide them in that format, including formulas. RE: AP-5 Schedule 1 Line 42 (Insurance Premiums) - On page 66 of the Accounting Panel testimony it states "The information was primarily provided to us by the Company's insurance department." 1) Provide the calculation and supporting workpapers on how the \$8.974M program change was developed in MS Excel format, with formulas included. Update the file for changes to insurance policy rates. 2) In reviewing the workpapers it appears that in a month where a specific policy is up for renewal it is escalated up by a certain percent. What is the basis for that escalation? Provide supporting workpapers and source documents supporting the escalation rates. 3) Provide the property insurance expense for the calendar years for 2005, 2006 and 2007, broken down into the following categories: Property Insurance Liability Insurance Bonds Insurance on Employees NYS Workers Compensation Assessment 4) Quantify the effects the recent steam incident has had on insurance premiums.

Response:

- 1) See attached Excel spreadsheet. The Company plans to update the schedule in the update phase of this proceeding, including on a preliminary basis on July 25, 2008.
- 2) Supporting documentation for the 2008 budget and rate year forecast is included in the Accounting Panel, Exhibit AP-5, workpapers. As shown on those work papers, the increase from the 2007 estimate to the 2008 budget was approximately 10 percent.
- 3) See attached file for property insurance expense for years 2005 to 2007.
- 4) The increase in the Company's insurance premiums was based on an overall underwriting analysis, including appropriate retention, and is therefore not the result of any particular event.

**DPS 374**  
**Attachment**

**Consolidated Electric  
Insurance**

<b>Property Insurance / Company</b>	<b>PSC Acct Description</b>	<b>Company Acct #</b>	<b>Account Description</b>	<b>Twelve Months Ending Dec. 2007</b>	<b>Electric 12 mos ended 12/31/07</b>
Conventional	Property Insurance	H5400	Prop Ins-Elec-Conven F	500.3	500.3
	Property Insurance	J5400	Prop Ins-Elec-Conven F	1,549.5	1,549.5
	Property Insurance	K5400	Prop Ins-Elec-Conven F	1,969.1	1,969.1
	Property Insurance	A5404	Prop Ins-Gas-Conventic	60.3	-
	Property Insurance	E5408	Prop Ins-Stm-Conven P	1,207.8	-
	Property Insurance	F5408	Prop Ins-Stm-Conven P	60.4	-
	Property Insurance	A5412	Prop Ins-Comm-Conver	691.1	560.8
				<b>6,038.5</b>	<b>4,579.7</b>
Boiler and Machinery	Property Insurance	B5400	Prop Ins-Elec-Boilers &	124.3	124.3
	Property Insurance	B5404	Prop Ins-Gas-Boilers &	5.2	-
	Property Insurance	B5408	Prop Ins-Stm-Boilers &	130.0	-
				<b>259.5</b>	<b>124.3</b>
Nuclear	Property Insurance	C5400	Prop Ins-Elec-Nuclear	(3,374.1)	(3,374.1)
Terrorism	Injuries And Damages	P5425	Inj&Dam-Ins Prem-Ter	-	-
Underwater T&D	Property Insurance	G5400	Prop Ins-Elec-Underwat	203.2	203.2
<b>Total</b>				<b>3,127.1</b>	<b>(3,170.9)</b>
<b>Property Insurance / Non-Company</b>					
Fire & Marine Perils	Property Insurance	D5400	Prop Ins-Elec-Piers, Wh	103.5	103.5
Mains & Serv-insp Brid&sub Cross		D3659	Mains & Serv-insp Brid	-	-
7 World Trade Center	Property Insurance	S5425	Insur. Prem.-7 World	15.4	12.1
30 Flatbush Avenue	Property Insurance	G5412	Prop Ins-Comm-30 Flat	89.5	72.6
<b>Total</b>				<b>208.4</b>	<b>188.2</b>
<b>Liability Insurance</b>					
Excess	Injuries And Damages	A5425	Inj&Dam-Ins Prem-Exc	10,633.7	8,368.7
Nuclear	Injuries And Damages	05424	Inj & Damages-Elec-Ins	(206.3)	(206.3)
Nuclear Extra Expense	Injuries And Damages	H5548	Misc. Gen Exp-Elec-Nu	(1,930.4)	(1,930.4)

Directors & Officers	Injuries And Damages	C5425	Inj&Dam-Ins Prem-Dir	6,384.9	5,024.9
Directors & Officers	Injuries And Damages	05429	Inj & Dam-elec-dir-ins	-	-
Malpractice - Various	Injuries And Damages	J5425	Inj&Dam-Ins Prem-Mec	116.9	92.0
Marine Liability	Injuries And Damages	K5425	Inj&Dam-Ins Prem-Pier	33.2	26.1
Miscellaneous - Various	Injuries And Damages	N5425	Inj&Dam-Ins Prem-Mis	247.2	194.5
Miscellaneous - Various	Injuries And Damages	B5425	Inj&dam-ins Prem-trans	-	-
Telecommunications	Telecommunications	C5250	Insurance - Telecommu	74.4	60.4
<b>Total</b>				<b>15,353.6</b>	<b>11,630.0</b>
<b>Bonds</b>					
Employee Crime	Property Insurance	C5412	Prop Ins-Comm-Compr	301.1	244.3
Workers Compensation	Injuries And Damages	L5425	Inj&Dam-Ins Prem-Wk	707.2	556.6
Workers Compensation	Injuries And Damages	R5425	Errp Workers' Comp I	905.4	712.5
Miscellaneous - Various	Injuries And Damages	M5425	Inj&Dam-Ins Prem-Mis	64.3	50.6
<b>Total</b>				<b>1,978.0</b>	<b>1,564.0</b>
<b>Insurance on Company Employees</b>					
Crime	Injuries And Damages	D5425	Inj&Dam-Ins Prem-Ass	26.0	20.5
Excess Workers Compensation	Injuries And Damages	E5425	Inj&Dam-Ins Prem-Exc	557.7	438.9
Business Travel Accident	Injuries And Damages	F5425	Inj&Dam-Ins Prem-Bus	174.0	136.9
Pension and Fiduciary	Injuries And Damages	G5425	Inj&Dam-Ins Prem-Pen	885.4	696.8
<b>Total</b>				<b>1,643.1</b>	<b>1,293.1</b>
<b>Workers' Compensation</b>	Injuries And Damages	05436	Inj & Dam-nys Wk/com	7,265.9	5,718.3
<b>Grand Total</b>				<b>29,576.1</b>	<b>21,926.7</b>

**dison Company of New York, Inc.**  
**ance Premium Expense**  
**(\$ in thousands)**

2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008
January	February	March	April	May	June	July	August	September	October	November
72.6	72.6	72.6	72.6	72.6	72.6	72.6	72.6	72.6	72.6	78.0
156.4	156.4	156.4	156.4	156.4	156.4	156.4	156.4	156.4	156.4	168.0
195.5	195.5	195.5	195.5	195.5	195.5	195.5	195.5	195.5	195.5	210.0
5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	6.0
50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3	54.0
5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	6.0
72.6	72.6	72.6	72.6	72.6	72.6	72.6	72.6	72.6	72.6	78.0
<b>558.6</b>	<b>558.6</b>	<b>558.6</b>	<b>558.6</b>	<b>558.6</b>	<b>558.6</b>	<b>558.6</b>	<b>558.6</b>	<b>558.6</b>	<b>558.6</b>	<b>600.0</b>
10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	5.1	33.3
0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.2	-
10.7	10.7	10.7	10.7	10.7	10.7	10.7	10.7	10.7	5.4	-
<b>21.4</b>	<b>21.4</b>	<b>21.4</b>	<b>21.4</b>	<b>21.4</b>	<b>21.4</b>	<b>21.4</b>	<b>21.4</b>	<b>21.4</b>	<b>10.7</b>	<b>33.3</b>
-	-	-	(2,544.3)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1
<b>597.1</b>	<b>597.1</b>	<b>597.1</b>	<b>(1,947.2)</b>	<b>597.1</b>	<b>597.1</b>	<b>597.1</b>	<b>597.1</b>	<b>597.1</b>	<b>586.4</b>	<b>650.4</b>
-	-	-	-	-	-	-	100.0	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	30.0
-	-	-	-	-	-	-	-	-	86.0	-
-	-	-	-	-	-	-	<b>100.0</b>	-	<b>86.0</b>	<b>30.0</b>
901.8	901.8	901.8	901.8	1,129.2	1,129.2	1,129.2	1,129.2	1,129.2	1,129.2	1,129.2
(200.0)	-	-	-	-	-	-	-	-	-	-
-	-	-	(1,455.7)	-	-	-	-	-	-	-

468.0	468.0	468.0	468.0	468.0	468.0	468.0	468.0	468.0	468.0	468.0
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	120.0	-	-	-	-
-	-	-	-	-	42.0	-	-	-	-	-
17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
-	-	-	-	-	-	-	-	-	-	-
-	71.5	-	-	-	-	-	-	-	-	-
<b>1,186.8</b>	<b>1,458.3</b>	<b>1,386.8</b>	<b>(68.9)</b>	<b>1,614.2</b>	<b>1,656.2</b>	<b>1,734.2</b>	<b>1,614.2</b>	<b>1,614.2</b>	<b>1,614.2</b>	<b>1,614.2</b>

24.7	24.7	24.7	24.7	25.0	25.0	25.0	25.0	25.0	25.0	25.0
66.7	66.7	66.7	66.7	66.7	66.7	66.7	66.7	66.7	66.7	66.7
995.9	-	-	-	-	-	-	-	-	-	-
8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
<b>1,095.6</b>	<b>99.7</b>	<b>99.7</b>	<b>99.7</b>	<b>100.0</b>						

13.0	-	-	-	-	-	-	-	-	-	-
48.4	48.4	48.4	48.4	48.4	48.4	48.4	48.4	48.4	48.4	48.4
87.0	-	-	-	-	-	-	-	-	-	-
70.6	70.6	70.6	70.6	70.6	70.6	70.6	70.6	70.6	70.6	70.6
<b>219.0</b>	<b>119.0</b>									

686.2	686.2	686.2	686.2	686.2	686.2	686.2	686.2	686.2	686.2	686.2
<b>3,784.7</b>	<b>2,960.3</b>	<b>2,888.8</b>	<b>(1,111.2)</b>	<b>3,116.5</b>	<b>3,158.5</b>	<b>3,236.5</b>	<b>3,216.5</b>	<b>3,116.5</b>	<b>3,191.8</b>	<b>3,199.8</b>

Consolidated  
Ins

2008	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009
December	January	February	March	April	May	June	July	August	September	October
78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0
168.0	168.0	168.0	168.0	168.0	168.0	168.0	168.0	168.0	168.0	168.0
210.0	210.0	210.0	210.0	210.0	210.0	210.0	210.0	210.0	210.0	210.0
6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0	54.0
6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0
<b>600.0</b>	<b>600.0</b>	<b>600.0</b>	<b>600.0</b>	<b>600.0</b>	<b>600.0</b>	<b>600.0</b>	<b>600.0</b>	<b>600.0</b>	<b>600.0</b>	<b>600.0</b>
33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<b>33.3</b>	<b>33.3</b>	<b>33.3</b>	<b>33.3</b>	<b>33.3</b>	<b>33.3</b>	<b>33.3</b>	<b>33.3</b>	<b>33.3</b>	<b>33.3</b>	<b>33.3</b>
-	-	-	-	(2,544.3)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
17.1	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8
<b>650.4</b>	<b>652.1</b>	<b>652.1</b>	<b>652.1</b>	<b>(1,892.2)</b>	<b>652.1</b>	<b>652.1</b>	<b>652.1</b>	<b>652.1</b>	<b>652.1</b>	<b>652.1</b>
-	-	-	-	-	-	-	-	110.0	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	94.6
-	-	-	-	-	-	-	-	<b>110.0</b>	-	<b>94.6</b>
1,129.2	1,129.2	1,129.2	1,129.2	1,129.2	1,242.1	1,242.1	1,242.1	1,242.1	1,242.1	1,242.1
-	(220.0)	-	-	-	-	-	-	-	-	-
-	-	-	-	(1,455.7)	-	-	-	-	-	-

516.7	516.7	516.7	516.7	516.7	516.7	516.7	516.7	516.7	516.7	516.7
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	132.0	-	-	-
-	-	-	-	-	-	46.2	-	-	-	-
27.1	27.1	27.1	27.1	27.1	27.1	27.1	27.1	27.1	27.1	27.1
-	-	-	-	-	-	-	-	-	-	-
-	-	71.5	-	-	-	-	-	-	-	-
<b>1,672.9</b>	<b>1,452.9</b>	<b>1,744.4</b>	<b>1,672.9</b>	<b>217.2</b>	<b>1,785.8</b>	<b>1,832.0</b>	<b>1,917.8</b>	<b>1,785.8</b>	<b>1,785.8</b>	<b>1,785.8</b>

25.0	25.0	25.0	25.0	25.0	27.5	27.5	27.5	27.5	27.5	27.5
66.7	73.3	73.3	73.3	73.3	73.3	73.3	73.3	73.3	73.3	73.3
-	1,095.5	-	-	-	-	-	-	-	-	-
8.3	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2
<b>100.0</b>	<b>1,203.0</b>	<b>107.5</b>	<b>107.5</b>	<b>107.5</b>	<b>110.0</b>	<b>110.0</b>	<b>110.0</b>	<b>110.0</b>	<b>110.0</b>	<b>110.0</b>

-	14.3	-	-	-	-	-	-	-	-	-
32.3	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
-	95.7	-	-	-	-	-	-	-	-	-
70.6	81.1	81.1	81.1	81.1	81.1	81.1	81.1	81.1	81.1	81.1
<b>102.9</b>	<b>241.1</b>	<b>131.1</b>								

686.2	755.0	755.0	755.0	755.0	755.0	755.0	755.0	755.0	755.0	755.0
<b>3,212.4</b>	<b>4,304.2</b>	<b>3,390.1</b>	<b>3,318.6</b>	<b>(681.4)</b>	<b>3,434.0</b>	<b>3,480.2</b>	<b>3,566.0</b>	<b>3,544.0</b>	<b>3,434.0</b>	<b>3,528.6</b>

Edison Company of New York, Inc.  
 Insurance Premium Expense  
 (\$ in thousands)

2009	2009	2010	2010	2010	Twelve Months Ending March 2010	Electric Twelve Months Ending March 2010	Allocation To Electric
November	December	January	February	March			
85.8	85.8	85.8	85.8	85.8	974.8	974.8	100.00%
184.8	184.8	184.8	184.8	184.8	2,099.9	2,099.9	100.00%
231.0	231.0	231.0	231.0	231.0	2,624.9	2,624.9	100.00%
6.6	6.6	6.6	6.6	6.6	75.2	-	
59.4	59.4	59.4	59.4	59.4	675.3	-	
6.6	6.6	6.6	6.6	6.6	75.2	-	
85.8	85.8	85.8	85.8	85.8	974.8	790.9	81.14%
<b>660.0</b>	<b>660.0</b>	<b>660.0</b>	<b>660.0</b>	<b>660.0</b>	<b>7,500.0</b>	<b>6,490.4</b>	
36.7	36.7	36.7	36.7	36.7	416.7	416.7	100.00%
-	-	-	-	-	-	-	0.00%
-	-	-	-	-	-	-	0.00%
<b>36.7</b>	<b>36.7</b>	<b>36.7</b>	<b>36.7</b>	<b>36.7</b>	<b>416.7</b>	<b>416.7</b>	
-	-	-	-	-	(2,544.3)	(2,544.3)	1.0
-	-	-	-	-	-	-	78.70%
18.8	18.8	20.7	20.7	20.7	231.1	231.1	1.0
<b>715.5</b>	<b>715.5</b>	<b>717.3</b>	<b>717.3</b>	<b>717.3</b>	<b>5,603.5</b>	<b>4,593.9</b>	
-	-	-	-	-	110.0	110.0	1.0
-	-	-	-	-	-	-	81.14%
33.0	-	-	-	-	33.0	26.0	78.70%
-	-	-	-	-	94.6	76.8	81.14%
<b>33.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237.6</b>	<b>212.8</b>	
1,242.1	1,242.1	1,242.1	1,242.1	1,242.1	14,792.1	11,641.4	78.70%
-	-	(242.0)	-	-	(242.0)	(242.0)	100.00%
-	-	-	-	-	(1,455.7)	(1,455.7)	100.00%

516.7	516.7	568.3	568.3	568.3	6,355.0	5,001.4	78.70%
-	-	-	-	-	-	-	78.70%
-	-	-	-	-	132.0	103.9	78.70%
-	-	-	-	-	46.2	36.4	78.70%
27.1	29.8	29.8	29.8	29.8	335.8	264.3	78.70%
-	-	-	-	-	-	-	78.70%
-	-	-	71.5	-	71.5	58.0	81.14%
<b>1,785.8</b>	<b>1,788.5</b>	<b>1,598.2</b>	<b>1,911.7</b>	<b>1,840.2</b>	<b>20,034.9</b>	<b>15,407.7</b>	

27.5	27.5	27.5	27.5	27.5	327.5	265.7	81.14%
73.3	73.3	80.7	80.7	80.7	902.0	709.9	78.70%
-	-	-	1,205.1	-	1,205.1	948.4	78.70%
9.2	9.2	10.1	10.1	10.1	112.8	88.7	78.70%
<b>110.0</b>	<b>110.0</b>	<b>118.3</b>	<b>1,323.3</b>	<b>118.3</b>	<b>2,547.3</b>	<b>2,013.0</b>	

-	-	15.7	-	-	15.7	12.4	78.70%
50.0	50.0	55.0	55.0	55.0	615.0	484.0	78.70%
-	-	105.3	-	-	105.3	82.8	78.70%
81.1	81.1	89.2	89.2	89.2	997.3	784.9	78.70%
<b>131.1</b>	<b>131.1</b>	<b>265.2</b>	<b>144.2</b>	<b>144.2</b>	<b>1,733.3</b>	<b>1,364.1</b>	

755.0	755.0	831.0	831.0	831.0	9,288.0	7,309.7	78.70%
<b>3,530.4</b>	<b>3,500.1</b>	<b>3,530.0</b>	<b>4,927.6</b>	<b>3,651.0</b>	<b>39,444.7</b>	<b>30,901.2</b>	

Consolidated Edison Company of New York, Inc.

Insurance Premiums

(\$1000)

	Actual 2005	Actual 2006	Actual 2007
<b>Property Insurance / Company</b>			
Conventional	7,000	6,400	6,039
Boiler and Machinery	250	275	260
Nuclear	(3,158)	(3,129)	(3,374)
Underwater T&D	210	240	203
<b>Total</b>	<b>4,302</b>	<b>3,786</b>	<b>3,128</b>
<b>Property Insurance / Non-Company</b>			
Fire & Marine Perils	95	104	104
30 Flatbush Avenue	85	90	90
7 World Trade Center	0	130	15
<b>Total</b>	<b>180</b>	<b>324</b>	<b>209</b>
<b>Liability Insurance</b>			
Excess	11,200	10,650	10,634
Nuclear	(225)	(235)	(206)
Nuclear extra expense	(1,809)	(1,791)	(1,931)
Directors & Officers	7,265	6,900	6,385
Malpractice - Various	120	125	117
Marine Liability	40	40	33
Miscellaneous - Various	345	300	321
<b>Total</b>	<b>16,936</b>	<b>15,989</b>	<b>15,353</b>
<b>Bonds</b>			
Crime	275	300	301
Workers Compensation	1,000	1,331	1,612
Miscellaneous - Various	80	84	64
<b>Total</b>	<b>1,355</b>	<b>1,715</b>	<b>1,977</b>
<b>Insurance on Company Employees</b>			
Employee Crime	11	12	26
Excess Workers Compensation	700	550	558
Business Travel Accident	85	85	174
Pension and Fiduciary	780	890	885
<b>Total</b>	<b>1,576</b>	<b>1,537</b>	<b>1,643</b>
<b>Workers' Compensation</b>	<b>7,824</b>	<b>8,214</b>	<b>7,266</b>
<b>Premium Total</b>	<b>32,173</b>	<b>31,565</b>	<b>29,576</b>

**DPS 421**

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

Response to DPS Interrogatories – Set DPS28  
Date of Response: 07/30/2008  
Responding Witness: Accounting Panel

Question No. :421

Subject: Breakout of Company Labor - In DPS-167, Staff requested a break out of Company labor expense by component. In its response, the Company provided the break out by Variable Pay and Other (i.e. base salary, premium time and over time). The Company's response indicated that the components in Other could not be identified separately. However, the labor escalation rate (7.78%) used by the Company in forecasting rate year labor expense includes actual historic wages and salaries for straight time, premium time, overtime, summer temporary, and management compensatory time.

1. Fully explain how the actual historic wages and salaries for straight time, premium time, overtime, summer temporary, and management compensatory time were developed.  
2. Provide workpapers to support the following amounts included in AP-5, Schedule 2:  
Weekly: Actual 12-Month Ended 12/31/2007 (\$, 000) Average Weekly Straight Time Wages \$1,250 Premium Time \$26,703 Overtime \$129,804 Summer Temporary \$1,210 Management: Average Monthly Straight Time Wages \$8,803 Compensatory \$34,017  
3. Revise your response to DPS-167 to break out the Other labor expense by base salary, premium time, overtime, summer temporary, management compensatory time, and any other applicable labor expense, using the same method the Company used in developing the historic test year actual salaries and wages in AP-5, Schedule 2.

Response:

1. The actual historic wages and salaries, premium time, overtime, and compensatory time is available on a total Company basis and the source document is the Summary of Payroll report provided by the Company's Payroll Department. This report is prepared using the data generated from the Employee Payroll/Personnel System which breaks down the above data by the management and weekly groups but not by services. The compensation for the summer temporary report was provided by the Financial Forecasting Department through a special query. Please see the attached file for copies of these reports.
2. Please see the attached Excel file of Exhibit\_\_ (AP-5), Schedule 2 for the development of the average straight time for weekly and management employees. For the premium time, overtime, summer temporary and compensatory, see the attached Summary of Payroll report.

3. The test year level of labor expense amounting to \$481,297,000 represents actual payroll costs that were either directly charged to electric expense accounts by employees working in electric operations or allocated to electric expense through clearing accounts and common accounts. This data resides in the Company's General Ledger System and is not available in Excel format. Certain clearing accounts would allocate common labor costs for administrative and customer service department employees among the Company's electric, gas and steam services based on predetermined percentages. Other clearing accounts would accumulated payroll costs for certain functions such as man-hour labor and allocate these charges as an overhead that would follow direct labor charges.

The break down of the test year Company labor expense by component, i.e., base salary, premium time and overtime time is not available. As per the Company's response to DPS-167, only the variable pay component can be identified separately.

**DPS 421**  
**Attachment**

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
COMPUTATION OF LABOR FACTOR TO BRING  
THE TWELVE MONTHS ENDED DECEMBER 31, 2007 TO THE RATE YEAR  
(Thousands of Dollars)

	Twelve Months Ended <u>Dec 31, 2007</u>	<u>Twelve Months Ending March 31, 2010</u>			
		<u>Without Productivity Savings</u>		<u>With Productivity Savings</u>	<u>Productivity Savings</u>
<u>Union Wages</u>					
Straight Time	\$ 543,380	\$ 594,782		\$ 584,414	\$ 10,368
Premium Time	26,703	29,037		28,384	653
Overtime	<u>129,804</u>	<u>141,149</u>		<u>137,973</u>	<u>3,176</u>
Total Union	699,887	764,968	9.3%	750,771	7.3% 14,197
<u>Management Salaries</u>					
Straight Time	472,429	522,937		513,755	9,182
Compensatory Time	<u>34,017</u>	<u>36,439</u>		<u>35,619</u>	<u>820</u>
Total Management	506,446	559,376	10.5%	549,374	8.5% 10,002
Total Salaries and Wages	<u>\$ 1,206,333</u>	<u>\$ 1,324,344</u>		<u>\$ 1,300,145</u>	<u>\$ 24,199</u>
Percentage Increase - Rate Year Over Twelve Months Ended December 31, 2007			<u>9.78%</u>		<u>7.78%</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
STRAIGHT TIME WAGES AND SALARIES

	Without Productivity			With Productivity		
	Weekly	Management	Total	Weekly	Management	Total
<u>Number of Employees</u>						
Actual on Roll with Pay for December 2007 excluding Summer Temps	9,127	4,670	13,797	9,127	4,670	13,797
Estimated Average Number of Employees on Roll with Pay during the Rate Year, excluding Summer Temps	9,127	4,670	13,797	8,968	4,588	13,556
Average Weekly Straight Time Wages and Monthly Management Salary During Rate Year	\$ 1,250 /Week	\$ 8,803 /Month		\$ 1,250 /Week	\$ 8,803 /Month	
<u>Rate Year Straight Time Wages and Salaries (Thousands of Dollars)</u>						
<u>Weekly</u>						
Average Weekly Straight Time Wages	\$ 1,250			\$ 1,250		
(X) 52 Weeks	52			52		
	65,024			65,024		
(X) No. of Employees	9,127			8,968		
Total Weekly Straight Time Wages			\$ 593,474			\$ 583,135
Summer Temporary Employees			1,308			1,279
sub-total			594,782			584,414
<u>Management</u>						
Average Monthly Straight Time Wages		\$ 8,803			\$ 8,803	
(X) 12 Months		12			12	
		105,640			105,640	
Variable pay 6.0%		6,338			6,338	
		111,978			111,978	
(X) No. of Employees Employees		4,670			4,588	
Total Management Salaries			522,937			513,755
Total Straight Time Wages and Salaries			\$ 1,117,719			\$ 1,098,169

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**  
**OTHER THAN STRAIGHT TIME WAGES AND SALARIES**  
 (Thousands of Dollars)

Weekly

Premium Time

Actual Twelve Months Ended December 31, 2007	\$ 26,703	
(X) Rate Year Factor	<u>108.74%</u>	
Rate Year Amount - without productivity savings		<u>\$ 29,037</u>
Rate Year Amount - with productivity savings		<u>\$ 28,384</u>

Overtime

Actual Twelve Months Ended December 31, 2007	\$ 129,804	
(X) Rate Year Factor	<u>108.74%</u>	
Rate Year Amount - without productivity savings		<u>\$ 141,149</u>
Rate Year Amount - with productivity savings		<u>\$ 137,973</u>

Summer Temporary

Actual Twelve Months Ended December 31, 2007	\$ 1,210	
(X) Rate Year Factor - 1.035 x 1.035 x 1.00875	<u>108.06%</u>	
Rate Year Amount - without productivity savings		<u>\$ 1,308</u>
Rate Year Amount - with productivity savings		<u>\$ 1,279</u>

Management

Compensatory Time

Actual Twelve Months Ended December 31, 2007	\$ 34,017	
(X) Rate Year Factor	<u>107.12%</u>	
Rate Year Amount - without productivity savings		<u>\$ 36,439</u>
Rate Year Amount - with productivity savings		<u>\$ 35,619</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
AVERAGE SALARY AND WAGES

<u>Weekly Employees</u>	<u>Per Week</u>	
Straight Time Average December 2007	\$ 1,149.95	
Est. average for March 2009	1,212.96	
Estimated Average Straight Time for the Rate Year		
April-09	1,212.96	
May-09	1,212.96	
June-09	1,212.96	
July-09 @ 3.5% wage award	1,255.41	
August-09	1,255.41	
September-09	1,255.41	
October-09 @ .7% progression	1,264.20	
November-09	1,264.20	
December-09	1,264.20	
January-10	1,264.20	
February-10 @ .6% progression	1,271.78	
March-10	<u>1,271.78</u>	
Rate Year Straight Time Average	<u>1,250.45</u>	
<u>Labor Factor</u>		
Rate Year Average less December 2007	<u>\$ 100.50</u>	
divided by December 2007		<u>8.74%</u>
<u>Management Employees</u>	<u>Per Month</u>	
Straight Time Average for December 2007	\$ 8,218.00	
Estimated April 2008 - 3.5% merit	8,505.63	
Estimated Average Straight Time for the Rate Year		
April-09 @ 3.5% merit	8,803.33	
May-09	8,803.33	
June-09	8,803.33	
July-09	8,803.33	
August-09	8,803.33	
September-09	8,803.33	
October-09	8,803.33	
November-09	8,803.33	
December-09	8,803.33	
January-10	8,803.33	
February-10	8,803.33	
March-10	<u>8,803.33</u>	
Rate Year Straight Time Average	<u>8,803.33</u>	
<u>Labor Factor</u>		
Rate Year Average less December 2007	<u>\$ 585.33</u>	
divided by December 2007		<u>7.12%</u>

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
STAFFING LEVELS FROM DECEMBER 2007 TO MARCH 2010**

	<u>%</u>	<u>Weekly</u>	<u>Management</u>	<u>Total</u>
Average with pay at December 2007		9,127	4,670	13,797
Forecast of Productivity - January to December 2008	1.00%	<u>(91)</u>	<u>(47)</u>	<u>(138)</u>
Average with pay at December 2008		9,036	4,623	13,659
Forecast of Productivity - January to March 2009	0.25%	<u>(23)</u>	<u>(12)</u>	<u>(35)</u>
Average with pay at March 2009		9,013	4,611	13,624
Forecast of Productivity - April 2009 to March 2010	1.00%	<u>(90)</u>	<u>(46)</u>	<u>(136)</u>
Average with pay at March 2010		8,923	4,565	13,488
Average March 2009 and March 2010		<u>8,968</u>	<u>4,588</u>	<u>13,556</u>

EXHIBIT \_\_\_ (AP-5)  
SCHEDULE 3

Consolidated Edison Company of New York, Inc.  
 Summary of Payrolls (Excluding Subsidiary Employees)  
 December 2007 and Twelve Months Ended  
 Compared with Corresponding Period in 2006

	December				Twelve Months Ended December 31			
	2007	2006	Increase (Decrease)	% Increase (Decrease)	2007	2006	Increase (Decrease)	% Increase (Decrease)
<b>Number of Employees</b>								
End of Period on Roll	29-Dec	30-Dec						
Management Employees	4,675	4,533	142	3.1%				
Weekly Employees	9,204	8,967	237	2.6%				
Total	13,879	13,500	379	2.8%				
<b>Average With Pay</b>								
Management Employees	4,670	4,532	138	3.0%	4,620	4,456	164	3.7%
Weekly Employees	9,127	8,893	234	2.6%	9,041	8,877	164	1.8%
Total	13,797	13,425	372	2.8%	13,661	13,333	328	2.5%
<b>Gross Payroll</b>								
<b>Management Employees - Monthly Payroll</b>								
Straight Time	\$38,379,000	\$36,235,000	\$2,144,000	5.9%	\$453,670,000 (a)	\$427,404,000	\$26,266,000	6.1%
Compensatory Overtime	2,539,000	2,461,000	78,000	3.2%	34,017,000	33,233,000	784,000	2.4%
Total	\$40,918,000	\$38,696,000	\$2,222,000	5.7%	\$487,687,000	\$460,637,000	\$27,050,000	5.9%
<b>Average Earnings Per Month</b>								
Straight Time	\$8,218	\$7,995	\$223	2.8%	\$8,183	\$7,993	\$190	2.4%
Compensatory Overtime	544	543	1	0.2%	614	622	(8)	-1.3%
Total	\$8,762	\$8,538	\$224	2.6%	\$8,797	\$8,615	\$182	2.1%
<b>Weekly Employees - Weekly Payroll (A)</b>								
Straight Time	\$52,479,000	\$50,212,000	\$2,267,000	4.5%	\$542,170,000 (b)	\$523,753,000	\$18,417,000	3.5%
Premium Time	2,820,000	2,712,000	108,000	4.0%	26,703,000	27,779,000	(1,076,000)	-3.9%
Overtime	9,617,000	9,041,000	576,000	6.4%	129,804,000	127,753,000	2,051,000	1.6%
Total	\$64,916,000	\$61,965,000	\$2,951,000	4.8%	\$698,677,000	\$679,285,000	\$19,392,000	2.9%
<b>Average Earnings Per Week</b>								
Straight Time	\$1,149.95	\$1,129.27	\$20.68	1.8%	\$1,153.24	\$1,134.59	\$18.65	1.6%
Premium Time	61.79	60.99	0.80	1.3%	58.80	60.18	(3.38)	-5.6%
Overtime	210.73	203.33	7.40	3.6%	276.10	276.75	(0.65)	-0.2%
Total	\$1,422.47	\$1,393.59	\$28.88	2.1%	\$1,486.14	\$1,471.52	\$14.62	1.0%
<b>Hours Paid for Per Week</b>								
Hours Paid for Per Week	44.4	44.4	0.0	0.0%	46.1	46.2	(0.1)	-0.2%
Gross Hourly Earnings	\$32.030	\$31.419	\$0.611	1.9%	\$32.266	\$31.877	\$0.389	1.2%
<b>Management and Weekly Employees</b>								
Total Straight Time	\$90,858,000	\$86,447,000	\$4,411,000	5.1%	\$995,840,000	\$951,157,000	\$44,683,000	4.7%
Gross Payroll	\$105,834,000	\$100,661,000	\$5,173,000	5.1%	\$1,186,364,000	\$1,139,922,000	\$46,442,000	4.1%

Notes:

(A) Number of Weeks	Month Year to Date	5 weeks	52 weeks
	0		
(a) 453,670	0	(b) 542,170	
18,759	0	1,210	
variable pay	0	temp	
472,429	0	543,380	
	0		
	0		

Wage and Progression Increase		
2007	2006	2005
24-Jun Gen 2.75	28-Jun Gen 3.0%	Jan 2 Gen 0.5%
24-Jun Merit 0.5%	28-Jun Merit 0.5%	Feb 27 Prog \$0.52
26-Feb Prog.	26-Feb Prog.	Jun 26 Gen 3.0%
29-Oct Prog.	29-Oct Prog.	Jun 26 Merit 0.5%

# Last Week in Month Report for: 2007

Sr. Executive: Con Edison - Entire Company  
 Organization: ALL

Department: ALL  
 Section: ALL

WEEKS IN MONTH	Jan 4.00	Feb 4.00	Mar 4.00	Apr 5.00	May 4.00	Jun 4.00	Jul 5.00	Aug 4.00	Sep 5.00	Oct 4.00	Nov 4.00	Dec 5.00	TOTAL 52.00	Average 4.33
<b><u>AVERAGE HUMAN RESOURCES</u></b>														
<i>Monthly</i>														
On Roll	4540.00	4558.00	4585.00	4593.00	4601.00	4604.00	4632.00	4654.00	4666.00	4672.00	4685.00	4675.00	55465.00	4622.08
<i>SUB TOTAL For Monthly</i>	<i>4540.00</i>	<i>4558.00</i>	<i>4585.00</i>	<i>4593.00</i>	<i>4601.00</i>	<i>4604.00</i>	<i>4632.00</i>	<i>4654.00</i>	<i>4666.00</i>	<i>4672.00</i>	<i>4685.00</i>	<i>4675.00</i>	<i>55465.00</i>	<i>4622.08</i>
<i>Weekly</i>														
Regular On Roll	8791.00	8843.00	8898.00	8887.00	8927.00	8899.00	8919.00	8963.00	8992.00	9025.00	9005.00	9040.00	107189.00	8932.42
Regular No Pay (Equiv)	1.16	75.19	6.38	67.23	54.23	-7.72	12.94	56.96	28.49	11.85	10.64	26.40	343.75	28.65
Regular Paid (Equiv)	8789.84	8767.81	8891.62	8819.77	8872.77	8906.72	8906.06	8906.04	8963.51	9013.15	8994.36	9013.60	106845.25	8903.77
Equivalent Overtime	1258.56	1815.45	1930.28	2061.58	1939.37	1635.49	1805.81	1775.40	1258.71	1233.35	1342.73	1187.60	19244.33	1603.69
Summer	4.00	4.00	4.00	3.00	3.00	134.00	154.00	138.00	53.00	12.00	3.00	2.00	514.00	42.83
Part Time (Equiv)	57.00	43.00	36.00	35.50	34.00	34.50	33.50	37.50	37.00	35.50	35.00	34.50	453.00	37.75
Temp.	59.00	58.00	55.00	56.00	60.00	50.00	43.00	39.00	73.00	85.00	87.00	93.00	758.00	63.17
<i>SUB TOTAL For Weekly</i>	<i>10168.40</i>	<i>10688.26</i>	<i>10916.90</i>	<i>10975.85</i>	<i>10909.14</i>	<i>10760.71</i>	<i>10942.37</i>	<i>10895.94</i>	<i>10385.22</i>	<i>10379.00</i>	<i>10462.09</i>	<i>10330.70</i>	<i>127814.58</i>	<i>10651.22</i>
<b>FOT. AVG. HUMAN RESOURCE</b>	<b>14708.40</b>	<b>15246.26</b>	<b>15501.90</b>	<b>15568.85</b>	<b>15510.14</b>	<b>15364.71</b>	<b>15574.37</b>	<b>15549.94</b>	<b>15051.22</b>	<b>15051.00</b>	<b>15147.09</b>	<b>15005.70</b>	<b>183279.58</b>	<b>15273.30</b>
<b><u>RATES OF PAY (Dollars)</u></b>														
<i>Monthly</i>														
Rate of Pay	7992.07	8001.04	8003.11	8277.61	8303.03	8261.97	8231.67	8224.32	8213.12	8208.70	8217.68	8209.36	98143.68	8178.64
<i>Weekly</i>														
Regular	1243.16	1204.65	1136.17	1130.74	1125.91	1133.68	1159.95	1150.21	1152.36	1148.81	1160.76	1154.14	13900.54	1158.38
Summer	224.01	48.48	128.88	0.00	0.00	301.00	700.35	713.95	365.86	168.61	163.51	215.95	3030.60	252.55
Part Time	610.91	567.53	574.62	499.29	523.51	524.19	570.41	552.68	554.33	575.57	576.00	576.56	6705.60	558.80
Temp.	347.96	288.18	258.61	256.05	260.78	369.85	439.94	523.42	246.74	257.55	287.57	236.09	3772.74	314.40
<b><u>PAYROLL DOLLARS (Thousands)</u></b>														
<i>Monthly</i>														
Total Payroll	36284.01	36468.73	36694.24	38019.06	38202.24	38038.13	38129.12	38275.97	38322.40	38351.06	38499.81	38378.78	453663.55	37805.30
Comp. Time	1977.50	2797.43	2829.69	3086.21	3152.87	3015.87	2955.76	3229.26	2908.49	2277.41	2556.74	2472.08	33259.31	2771.61
<i>SUB TOTAL For Monthly</i>	<i>38261.51</i>	<i>39266.16</i>	<i>39523.92</i>	<i>41105.27</i>	<i>41355.11</i>	<i>41054.00</i>	<i>41084.87</i>	<i>41505.23</i>	<i>41230.89</i>	<i>40628.47</i>	<i>41056.55</i>	<i>40850.86</i>	<i>486922.84</i>	<i>40576.90</i>
<i>Weekly</i>														
Regular	43714.56	42610.87	40438.69	50244.29	40204.09	40354.34	51728.01	41237.34	51809.91	41472.19	41810.63	52166.98	537791.90	44815.99
Premium Time	3440.55	1283.15	2781.83	1625.82	1278.45	2347.57	2640.51	1351.65	2350.13	2269.21	2453.38	2809.07	26631.32	2219.28
OverTime	7728.54	11105.95	11955.51	15854.01	11913.78	10013.95	13935.19	11079.92	9982.20	7942.25	8675.02	9617.32	129803.64	10816.97
Summer	3.58	0.78	2.06	0.00	0.00	161.33	539.27	394.10	96.95	8.09	1.96	2.16	1210.28	100.86
Part Time	278.57	195.23	165.49	177.25	142.39	144.68	191.09	165.80	205.10	163.46	161.28	198.91	2189.25	182.44
Temp.	82.12	66.86	56.89	71.69	62.59	73.97	94.59	81.65	90.06	87.57	100.07	109.78	977.84	81.49
<i>SUB TOTAL For Weekly</i>	<i>55247.93</i>	<i>55262.84</i>	<i>55400.48</i>	<i>67973.05</i>	<i>53601.30</i>	<i>53095.84</i>	<i>69128.65</i>	<i>54310.47</i>	<i>64534.35</i>	<i>51942.77</i>	<i>53202.35</i>	<i>64904.23</i>	<i>698604.26</i>	<i>58217.02</i>
Split Week Accrual	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2596.17	2596.17	216.35
<b>TOTAL PAYROLL \$ (Thousands)</b>	<b>93509.44</b>	<b>94529.00</b>	<b>94924.40</b>	<b>109078.3</b>	<b>94956.41</b>	<b>94149.84</b>	<b>110213.5</b>	<b>95815.70</b>	<b>105765.2</b>	<b>92571.24</b>	<b>94258.91</b>	<b>108351.2</b>	<b>1188123.2</b>	<b>99010.27</b>
				2			2		5			5	8	
<b><u>WAGE AWARD</u></b>														
<i>Monthly</i>														
Weekly Regular	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Weekly Summer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Weekly Part Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Weekly Temp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Summary Report by Account Hierarchy  
for the accounting period of January - December**

Account Type: O&M

Line: B-B/s

Service: A-All

Business Function: B/s

MAG Category: L-Liabilities

MAG Code: 20-Liabilities And Other Credits

PSC Account: 24200- Miscellaneous Current And Accrued Liabilities

Account: Q0911-Misc Cur Liab-mgmt Variable Plan

JEDC	Post	Description	2007	2006
1312		Mgmt Incentive Award Accrual	(29,567,796.00)	5,388,000.00
1701	9964	Variable Pay Pr9964	18,758,560.00	23,361,600.00 ✓
1747	9964	Variable Pay Pr9964	8,900.00	(23,242,380.00)
<b>TOTALS:</b>			<b>(10,800,336.00)</b>	<b>5,507,220.00</b>

**DPS 431**

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

Response to DPS Interrogatories – Set DPS29  
Date of Response: 07/30/2008  
Responding Witness: Accounting Panel

Question No. :431

Subject: Employee Count: Provide the actual number of the Company's weekly and management employees by operating segment by month for the period January 1, 2005 to June 30, 2008. Additionally, update this request at the end of each month during course of this proceeding.

Response:

The Company only tracks the employee count by union and management groups, not by operating segment. See the attached Excel file for the employee data from January 2005 to June 2008.

**DPS 431**  
**Attachment**

**Consolidated Edison Company of New York, Inc.**  
**Human Resource**  
**2005- 2008**

<u>2005</u>	<u>Management</u>	<u>Weekly</u>	<u>Temporary Employees</u>	<u>Total</u>
January	4,200	8,544	0	12,744
February	4,186	8,535	0	12,721
March	4,191	8,588	0	12,779
April	4,212	8,641	0	12,853
May	4,223	8,698	0	12,921
June	4,232	8,729	72	13,033
July	4,308	8,706	90	13,104
August	4,314	8,678	85	13,077
September	4,340	8,693	68	13,101
October	4,361	8,718	55	13,134
November	4,355	8,784	0	13,139
December	4,362	8,829	0	13,191
Average	4,274	8,679	31	12,983

**Consolidated Edison Company of New York, Inc.**  
**Human Resource**  
**2005- 2008**

<u>2006</u>	<u>Management</u>	<u>Weekly</u>	<u>Temporary Employees</u>	<u>Total</u>
January	4,366	8,816	54	13,236
February	4,369	8,796	52	13,217
March	4,381	8,843	50	13,274
April	4,404	8,864	54	13,322
May	4,409	8,886	50	13,345
June	4,430	8,876	133	13,439
July	4,492	8,878	137	13,507
August	4,515	8,842	126	13,483
September	4,518	8,846	90	13,454
October	4,536	8,883	63	13,482
November	4,552	8,855	61	13,468
December	4,533	8,905	62	13,500
Average	4,459	8,858	78	13,394

<u>2007</u>	<u>Management</u>	<u>Weekly</u>	<u>Temporary Employees</u>	<u>Total</u>
January	4,540	8,909	59	13,508
February	4,558	8,933	58	13,549
March	4,585	8,974	55	13,614
April	4,593	8,961	56	13,610
May	4,601	8,996	60	13,657
June	4,604	8,968	184	13,756
July	4,632	8,986	197	13,815
August	4,654	9,038	177	13,869
September	4,666	9,066	126	13,858
October	4,673	9,096	97	13,866
November	4,685	9,075	90	13,850
December	4,675	9,109	95	13,879
Average	4,622	9,009	105	13,736

**Consolidated Edison Company of New York, Inc.**  
**Human Resource**  
**2005- 2008**

<u>2008</u>	<u>Management</u>	<u>Weekly</u>	<u>Temporary Employees</u>	<u>Total</u>
January	4,667	9,123	99	13,889
February	4,684	9,094	98	13,876
March	4,700	9,152	102	13,954
April	4,737	9,135	100	13,972
May	4,742	9,174	91	14,007
June	4,759	9,197	213	14,169
July				0
August				0
September				0
October				0
November				0
December				0

**DPS 442**

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

Response to DPS Interrogatories – Set DPS29  
Date of Response: 07/30/2008  
Responding Witness: Municipal Infrastructure

Question No. :442

Subject: Interference Expense: 1. Provide the electric interference expense actually incurred from April 1, 2008 to June 30, 2008. Separately identify the electric interference expense related to reconstruction in Lower Manhattan (WTC) and that related to New York City capital improvement projects (non-WTC).

Response:

Electric Interference O&M expenditure from April 1, 2008 through June 30, 2008:

Non WTC	\$15.2 million
WTC	\$ 2.076 million

**DPS 469**

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

Response to DPS Interrogatories – Set DPS31  
Date of Response: 08/04/2008  
Responding Witness: IIP

Question No. :469

**Subject: Sequence and Scheduling – Add 3rd SDO - 1. Exhibit\_(IIP-11), page 5 states that “There were 3040 equivalent overtime hours in 2007. This level of overtime is equivalent to approximately 1.6 man-year.” Indicate where the historic year was normalized for the 1.6 man-year of overtime in order to avoid a double count of the \$100,000 in incremental O&M expense with the addition of a 3rd SDO to the sequence and scheduling department. 2. If no normalization was made to the historic year, provide an explanation as to why the addition of the \$100,000 for the 3rd SDO is not a double count.**

Response:

There is no double count. The Company’s exhibit noted that the overtime would be decreased in the long run but that was dependent on the implementation of the BOSS (Best Outage Scheduling System), which is scheduled to be implemented in 2011. Moreover, we would note that the Company was provided funding for this position starting in April 2008 and has hired an individual to fill the position.

The \$100,000 is related to additional work due to: A) new NYISO requirements based on Attachment N (Congestion settlements related to the day-ahead market and TCC auction settlements). The new requirements include monthly verification of equipment outages, including detailed record keeping of outages requested by other transmission owners and also include providing detailed back-up information to the NYISO for issues involving settling disputes among transmission owners; B) evolving NYISO requirements for longer advance notifications to generators in the area regarding outages requested by these generators or otherwise impacting the generators' availability. This involves manual tracking of and following up on all such outages; and C) the increased volume of planning and processing activities associated with projected interconnections to our system by external parties, the number of which has increased significantly.

**DPS 505**

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

Response to DPS Interrogatories – Set DPS32  
Date of Response: 08/05/2008  
Responding Witness: Accounting Panel

Question No. :505

Subject: Variable Pay – Follow up to DPS-167 - In its response to DPS-167, the Company provided a worksheet regarding the Company's variable pay program (MVP) for historic period ended December 31, 2004 through 2007. The worksheet shows components such as management straight time salary, MVP target fund, award fund, and actual payout in these periods. In developing the ratio of variable pay as a percentage of straight time salary, Staff notes that a) management straight time salaries for executives were excluded from the total salary, and b) management straight time salaries were annualized with December actual, rather than actual amount for the year. 1. Does the Company exclude the executive salaries from management straight time wages in the development of rate year variable pay amount in Company Exhibit AP-5, Schedule 2, Page 2 of 4? If not, explain why not. 2. Indicate why the salary level and number of employees at December of each year is representative of the historic test year. 3. Provide the actual management straight time wages in the periods ended December 31, 2004 through 2007.

Response:

1. Executive salaries are included with the management straight time payroll. As per the Company's response to DPS 167, the actual awards payment for the year 2007 was approximately \$26.5 million. The current year's budget for the variable pay program is approximately \$31.2 million. The Company forecasted the variable pay expense of approximately \$29.1 million (\$6,338,000 x 4,588) by applying 6% to the average management straight time payroll as shown on Exhibit \_\_\_ (AP-5), Schedule 2, Page 2. The resulting forecast is reasonable as compared to the 2008 budget amount and 2007 actual awards payment.
2. The test year for the current electric rate case proceeding is the twelve-months ended December 31, 2007. The salary level and number of employees at December 31, 2007 used in developing the labor factor represent the latest known data available at the time. It also captures all the personal activities such as retirements, terminations and new hires.
3. Total management straight time payrolls are follows:

(Thousands of Dollars)			
2004	2005	2006	2007
\$393,674	\$417,266	\$450,766	\$472,429