LA_2, Schedule 4
Case 08-E-0539

Case 07-E-0523
IRs Relied on in Schultz Testimony

CASE 07E 0523

CPB 1(k)

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to CPB Interrogatories – Set CPB1
Date of Response: 07/23/2007
Responding Witness: Accounting Panel

Question No. :1(k)
Subject: Payroll - Explain in detail what Compensatory Time is and provide the amount of compensatory pay for each of the years 2002-2006 in total and the amount charged to electric operations.

Response:

Working overtime and on holidays is considered compensatory time and certain management employees receive additional compensation based on the actual number of hours worked.
Compensatory time for management employees in the secretarial, GOLD Associate (i.e., interns) and first and second bands who work in excess of 40 hours during a normal work week, or 8 hours in a day, if on a normal schedule is paid as follows:

- Secretarial band employees at one and one-half time the hourly rate based on the employee's annual salary rate of pay.
- GOLD Associates and first and second band employees are paid at one time their hourly rate based on the employee's annual salary rate of pay.

At the discretion of the cognizant officer, in lieu of payment for compensatory time, GOLD Associates and first and second band employees may be granted time-off from work.

The Company objects to the time frame requested. Compensatory pay for years 2004 through 2006 were $23,316,000, $25,923,000, and $33,233,000, respectively. The Company does not maintain data identifying compensatory time for electric, gas or steam operations individually.

CASE 07E 0523

CPB 1(aa)

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to CPB Interrogatories – Set CPB1
Date of Response: 07/25/2007
Responding Witness: Accounting Panel

Question No. :1(aa)
Subject: Payroll - Provide for the years 2002-2006 the overtime paid in total and the amount allocated and/or charged to electric operations.

Response:

The Company objects to the time frame requested. Total overtime paid to union employees for years 2004 – 2006 were as follows:

2004 $ 92,181,000
2005 $109,320,000
2006 $127,753,000

In allocating payroll to electric, gas and steam operations, the Company does not maintain data identifying the amount of overtime allocated to electric, gas and steam operations.

CASE 07 E 0523

CPB 1(h)

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to CPB Interrogatories – Set CPB1
Date of Response: 07/23/2007
Responding Witness: Accounting Panel

Question No. :1(h)
Subject: Payroll - Provide any document that explains to employees what variable pay is and how it is determined.

Response:

The objective of the Consolidated Edison Company of New York (CECONY) Management Variable Pay Plan is to enhance corporate results by aligning performance for non-officer management employees with the Company's business strategy and performance. Management employees with at least a satisfactory performance rating are eligible to receive variable pay under the plan. The first step in determining the amount of money available to award employees under the Management Variable Pay Plan is to establish the Target Fund. The Target Fund is based on a percentage of the annual base salary of each eligible participant, using a target percentage established for each band of employees. The next step is to establish the Award Fund which is done by adjusting the Target Fund based on the achievement of a level of (i) Con Edison of New York's net income, (ii) performance within Con Edison of New York's operating budget and (iii) certain operating objectives including safety, operational, customer satisfaction, environmental and employee development, which are weighted in determining the Target Fund. Once the Award Fund is established, a portion of that amount is awarded to every eligible employee and the remainder of the Award Fund is awarded based on individual performance.

CASE 07E0523

CPB 2(d)

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to CPB Interrogatories – Set CPB1
Date of Response: 07/25/2007
Responding Witness: IIP

Question No. :2
Subject: Public Safety (a) Refer to page 115 of the Infrastructure Investment Panel testimony. Provide the number of shocks attributable to the Company for each of the years 2002-2006. (b) Provide for each year 2002-2006 the annual stray voltage program cost, provide the budgeted cost for 2007 and 2008 and explain why the cost in 2006 was significantly less than the amount included in the rate year. (c) Provide for each year 2002-2006 the mobile stray voltage program cost, provide the budgeted cost for 2007 and 2008 and explain why the cost in 2006 was significantly less than the amount included in the rate year. (d) Provide for each year 2002-2006 the Underground and Overhead Inspection program cost, provide the budgeted cost for 2007 and 2008 and explain why the cost in 2006 ($11.1 million) was only approximately 27.5% of the $40.444 million included in the rate year. (e) Refer to page 125 of the Infrastructure Investment Panel testimony. Explain in detail why the Company has not previously provided the flame retardant clothing to its employees.

Response:

a) The Company objects to the timeframe requested. See table below for 2004-2006 data:

Shocks Reported 2004-2006	
2004	210
2005	116
2006	89
2007 (to 6/30/2007)	23
Total	538

b) The Company objects to the timeframe requested. For 2004-2006, program costs are as follows:

2004	2005	2006
$0	$14.0 million	$6.8 million

The budget for 2007 is $6.8M. The 2008 budget has not yet been established. Please refer to Staff 45, City 81 and 1c below.

c) The Company objects to the timeframe requested. There was no testing in 2004 via mobile testing because the technology did not exist. In 2005, prototype vehicles were used to test the system costing approximately $2.4 million in limited testing of Manhattan.

In 2006, the scope of the mobile testing program increased to one complete survey of all underground areas. Improvements in detection technology also increased the number of stray voltage conditions found on the system. Ten additional trucks were purchased, outfitted with testing equipment, and received by October 2006. The cost of testing in 2006 was $3.5 million.

In 2007, an incremental four surveys of the system is planned including 24 hour operation following snow storms when shocks occur most frequently. The projected cost of the program is $9 million.

In 2008, a total of eight surveys will be conducted including storm surveys in order to reduce stray voltage exposure by approximately 90%. The projected cost is $11 million.

The incremental number of surveys required along with continued improvements in the detection technology account for the increase in the costs for the operation of the mobile stray voltage program.

d) The Company objects to the timeframe requested. For 2004-2006, the UG Inspection program costs are as follows:

2004	2005	2006
$0	$8.5 million	$6.8 million

For 2007-2008, please refer to City 80.

e) Please refer to the Company work paper for additional detail on this program. See section: "Substation Operations – O&M." Project/Program Title: "SSO – Flame Retardant Clothing." Substations Operations currently provides all employees flame resistant (FR) coveralls which are worn over natural fiber work clothes. In accordance with current OSHA regulation, the requirement to wear the provided FR coveralls has historically been based on the hazard assessment. FR coveralls were required to be worn only when there was a potential or actual exposure to arc or flash. As an added level of insurance against accidental or inadvertent exposure to arc or flash, Substations Operations has elected to provide full time protection FR clothing (pants, shirt and coverall) to all field personnel. In the unlikely event of an electric arc or flash, FR clothing can reduce the burn injury, provides escape time, and increases chances of survival.