

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

Response to DPS Interrogatories – Set DPS15  
Date of Response: 07/03/2008  
Responding Witness: Infrastructure Investment Panel

Question No. :210.5

Subject: Process Improvement – Accounting by Network - Describe the process for determining that this program will be cost efficient and the process and plans to verify cost effectiveness?

Response:

To comply with PSC recommendations to commence budgeting and tracking work by electric network, the Company will expand both the budgeting and reporting of completed work to incorporate a network component.

In order to expand the budgeting process to include the entry of a network, Con Edison's IT organization will substantially overhaul the existing budget planning application to incorporate a network indicator field. The added field will require that the budget planning process include the work units for each Electric Distribution region or borough (i.e. Brooklyn/Queens or Queens), by function (i.e. Improvements and Reinforcement), program/project (i.e. UG Secondary Reliability), and network level of detail (i.e. Long Island City).

To track the volume of work completed by network, entry of a network indicator field would also be required as part of a new process in field reporting by the crew (network data field annotated on the Daily Crew Activity Report). This will require IT to add the capability of entering and tracking the network indicator in the existing Electric Distribution Operations Control System (work management system, "DOCS"). As a byproduct of the tracking of network work units, there will also be capability to track units for non-network activity. An information system repository or data base will be created that will include both actual work units completed from the work management system and the budget work units planned as recorded in the Company's budget planning system for each network. This repository will also include a table of average unit costs for each program or project, for both Capital and O&M work, for each electric distribution network. Management reports will then have to be developed to provide summaries of actual versus planned work volumes, and related dollars based on the average unit cost.

An alternate solution would have involved the creation of several thousand new account numbers, adding approximately 13,000 new capital work orders, 4,800 new Company account numbers, and adding approximately 2,200 new project identifiers.

This solution was evaluated and rejected due to the additional burdensome responsibilities that would have been placed on the field forces, engineering, and administrative groups.