

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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

Case 07-S-1315

February 2008

Prepared Exhibits of:

Marco L. Padula
Utility Supervisor
Office of Electric, Gas and
Water

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

Padula
Exhibit ___ (MLP-1)
List of Information Requests

Staff Requests

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51
188

Exhibit page

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8

Company Name: Con Edison
Case Description: Steam Rate Filing
Case: 07-S-1315

Response to DPS Interrogatories – Set DPS4
Date of Response: 01/08/2008
Responding Witness: Wheeler

Question No. :50

Subject: Advertising Campaign – Publications - On page 26 of your testimony, you note that the cost of the advertising campaign is \$500,000 per year, which includes \$415,000 for media (trade prints and out-of-home telephone kiosks) and \$85,000 for creative development and production. Exhibit _ (PW-3) shows the media plan that includes trade prints in seven publications and a budget of \$295,000 for the proposed trade print advertising campaign. a) Provide the name of the seven publications that an advertisement will appear, the reason the Company chose each particular publication to advertise in, and the targeted audience for each publication listed in this exhibit. b) Is the same advertisement published the same each time an advertisement runs in a specific publication? For example, Exhibit _ (PW-3) has eight insertions listed for publication #1, is the same insertion (advertisement) used all eight times it is published? c) Provide a copy of each trade print advertisement used. If copies of trade print are not available, provide a reason as to why that trade print advertisement is not available for review. d) Provide a complete copy of, or, if copy is unavailable, a detailed description of, the proposed advertising campaign including the publication and number of insertions for the 12 months ending September 30, 2009 only.

Response:

a) The seven publications in which Con Edison Steam's print advertising would run are as follows:

1. Crain's New York Business
2. The Cooperator
3. The Cooperator's 2008 Official Directory of Co-op & Condo Services
4. Real Estate Weekly
5. Associated Builders and Owners (ABO) of Greater New York trade show publication
6. The Real Deal
7. Real Estate New York

All these publications were chosen because they reach the primary target audience for the campaign – building owners and developers and their representatives.

b) There are a total of four print advertisements that would be rotated in these publications.

c) See attachment [Discovery Question 50, item C] for copies of the four print advertisements.

d) See attachment [Discovery Question 50, item D] for the proposed media schedule for the period October 1, 2008 through September 30, 2009.



I wanted a reliable and efficient energy source for my building. So I went with steam.

Building on Steam.

Join a long list of satisfied customers and choose Con Edison steam to heat and cool your building. It's reliable, clean, space saving and competitively priced. And that's not all. Con Edison invests millions each year to keep our steam system ready to meet your energy needs now and well into the future. For more about what steam can do for your building, call or visit us online.



www.conEd.com/steam 212-460-2011



Steam is good for the bottom line, plain and simple.

Building on Steam.

Join a long list of satisfied customers and choose Con Edison steam to heat and cool your building. It's competitively priced, efficient, space saving and reliable. Con Edison invests millions each year to keep our steam system ready to meet your energy needs now and well into the future. For more about what steam can do for your building, call or visit us online.



www.conEd.com/steam 212-460-2011



Steam works for my building. And it works for our environment.

Building on Steam.

Join a long list of satisfied customers and choose Con Edison steam to heat and cool your building. It's reliable, space saving, easy to operate and clean – which is easy on the environment. Con Edison invests millions each year to keep our steam system ready to meet your energy needs now and well into the future. For more about what steam can do for your building, call or visit us online.



www.conEd.com/steam 212-460-2011



Choosing steam was my only easy decision.

Building on Steam.

Putting up a building is notoriously challenging, especially in the world's greatest city. So join a long list of satisfied customers and choose Con Edison steam to heat and cool your building. It's efficient, reliable, clean and competitively priced. Con Edison invests millions each year to keep our steam system ready to meet your energy needs now and well into the future. For more about what steam can do for your building, call or visit us online.



www.conEd.com/steam 212-460-2011

**Con Edison
Steam Operations
Media Plan
10/1/08 - 9/30/09**

Proposed Advertising Campaign -- 12 months ending September 30, 2009

TRADE PRINT

PUBLICATION	CIRC	PUBLISH	UNIT	COST	INSERTS	TOTAL
Crains NY Business	61,000	weekly	Page 4C	\$20,865.00	8	\$166,920.00
The Cooperator	26,000	monthly	Page 4C	\$2,870.00	6	\$17,220.00
Directory Co-op/Condo Svcs	26,000	annually	Page B/W	\$1,425.00	1	\$1,425.00
Real Estate Weekly	10,000	weekly	Page 4C	\$2,810.24	18	\$50,584.32
ABO Development	2,000	quarterly	Page 4C	\$2,500.00	2	\$5,000.00
The Real Deal	30,000	monthly	Page 4C	\$3,647.06	5	\$18,235.30
Real Estate New York	12,439	monthly	Page 4C	\$4,595.00	8	\$36,760.00

TRADE PRINT SUBTOTAL 48 \$296,144.62

OUTDOOR

Targeted Telephone Kiosks	# Units	Flight	Cost/Flight	# Flights	TOTAL
Vertical Sides	20	4 weeks	\$40,000	2	\$80,000
Horizontal Backs	10	4 weeks	\$20,000	2	\$40,000
OUTDOOR SUBTOTAL					\$120,000.00

STEAM CAMPAIGN GRAND TOTAL \$416,144.62

Company Name: Con Edison
Case Description: Steam Rate Filing
Case: 07-S-1315

Response to DPS Interrogatories – Set DPS4
Date of Response: 01/08/2008
Responding Witness: Wheeler

Question No. :51

Subject: Advertising Campaign – Telephone Kiosks - On page 26 of your testimony, you note that the cost of the advertising campaign is \$500,000 per year, which includes \$415,000 for media (trade prints and out-of-home telephone kiosks) and \$85,000 for creative development and production. Exhibit __ (PW-3) shows that the media plan includes out-of-home telephone kiosks containing vertical sides and horizontal backs and a budget of \$120,000 for the proposed telephone kiosks advertising campaign. a) Explain how a vertical side works and what the Company expects this advertisement method to achieve. Please provide a description of the vertical side(s) used in the Company's advertising campaign. b) Explain how a horizontal back works and what the Company expects this advertisement method to achieve. Please provide a description of the horizontal back(s) used in the Company's advertising campaign. c) Provide the targeted audience for each method of advertisement above. d) Please explain the way the cost is derived for telephone kiosks. What does 'number of units' and 'flights' mean. e) Provide a complete copy of, or, if copy is unavailable, a detailed description of, the proposed advertising campaign including the telephone kiosks and number of flights for the 12 months ending September 30, 2009 only.

Response:

- a) For the telephone kiosk advertising, the plan is convert the print advertising into posters and display them near the offices of major commercial property owners and developers and their representatives. The goal is to raise awareness about the benefits of steam to this audience. A vertical side of the kiosk would contain a poster approximately 20 inches in width and 50 inches in height.
- b) For the telephone kiosk advertising, the plan is convert the print advertising into posters and display them near the offices of major commercial property owners and developers and their representatives. The goal is to raise awareness about the benefits of steam to this audience. A horizontal back of the kiosk would contain a poster approximately 77 inches in width and 37 inches in height.
- c) The primary target audience for the print and telephone kiosk campaign is building owners and developers and their representatives.
- d) A unit is the term used to define a poster and a flight is the term used to define the timeframe during which posters are displayed.
- e) See attachment [Discovery Question 50, item D] for the proposed media schedule for the period October 1, 2008 through September 30, 2009.

Company Name: Con Edison
Case Description: Steam Rate Filing
Case: 07-S-1315

Response to DPS Interrogatories – Set DPS16
Date of Response: 02/20/2008
Responding Witness: Wheeler

Question No. :188

Subject: Steam Advertising Campaign - 1) Please provide a detailed description of the Company's advertising related to steam for the years 2003, 2004, 2005, 2006 and 2007. 2) How much did the Company spend on advertising for the steam business for the years, 2003, 2004, 2005, 2006 and 2007? Please provide a detailed breakdown of the various advertising methods that have been used and the associated dollar amounts. 3) Please provide any Company documentation that discusses the effectiveness of the steam advertising that was completed for each year discussed above. 4) Please provide any cost / benefit analysis that the Company has performed related to the \$500,000 Steam Advertising Campaign program change that it is requesting in this case.

Response:

1. All advertising conducted over the past five years by the Steam Business Development (SBD) group involved print advertisements in trade and business publications. These publications included Real Estate Weekly, Real Estate New York, Manhattan Cooperator, Habitat Magazine, Associated Builders and Owners of Greater New York magazine, and the Cooperator and BuildingsNY Trade Show directories. The target audience for this advertising was developers, architects, consulting engineers, and large commercial and residential customers. We have attached copies of the print advertisements from the period 2004 to the present.

2. For the period 2004 through 2007, SBD spent the following amounts on print advertising:

2004	\$ 5,655.92
2005	26,020.50
2006	44,915.12
2007	100,940.09
Total	\$177,531.63

In 2003, we spent less than \$1,000 for print advertising for small journal ads.

3. Tracking surveys were not conducted for the print advertising campaigns. We did conduct focus groups with developers, consulting engineers, architects, and chief engineers in the fall of 2006. We will be surveying these same participants to obtain and evaluate their reaction to the Company's SBD implementation efforts. We will also include in the survey questions related to the effectiveness of the 2007/2008 advertising campaigns.

We will also be surveying a sample of those customers and their representatives who we have contacted over the past two years (Meetings and Contacts program) to obtain and evaluate their reactions to the SBD's implementation efforts. We will also include in the survey questions related to the effectiveness of the 2007/2008 advertising campaigns.

4. We did not conduct a "cost/benefit" analysis for the \$500,000 steam advertising campaign. The advertising budget is driven by our strategy to reach our target audience through multiple media – trade publications, business magazines, and telephone kiosks. It is an expansion of our previous advertising efforts and our intent is to supplement our steam business development activities. Exhibit PW-3 contains an explanation of the proposed \$500,000 expenditures.

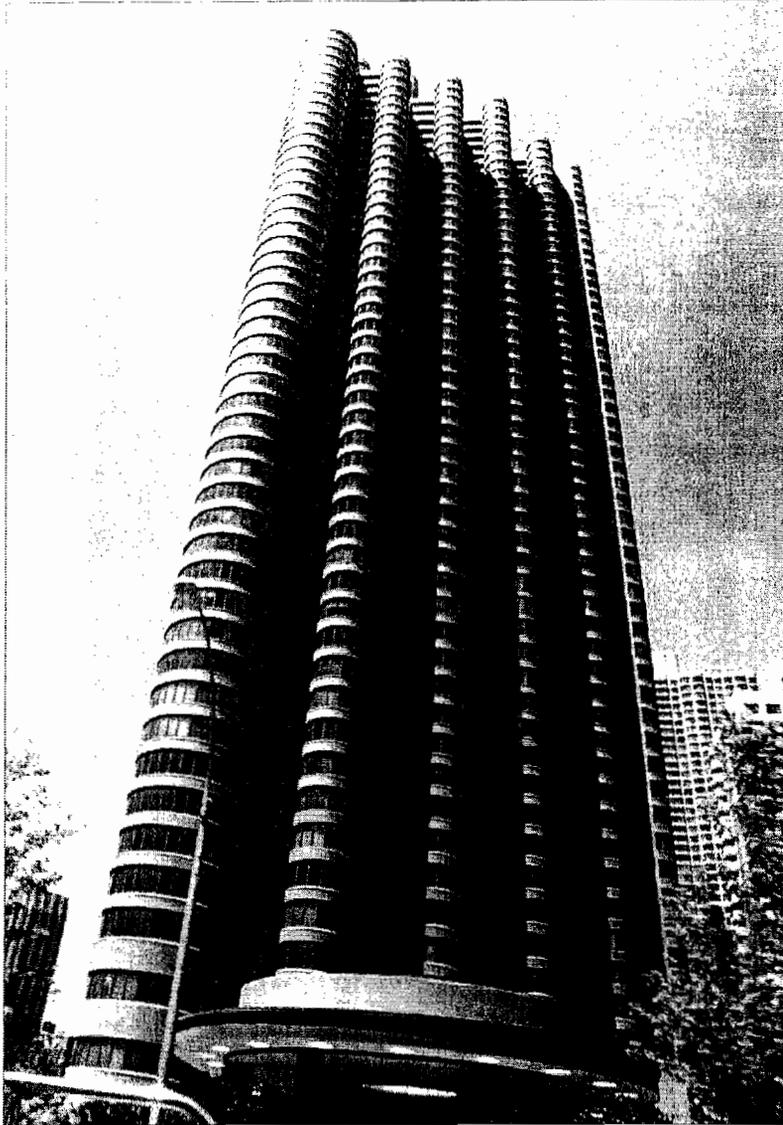


Photo courtesy of The Con Edison, Inc. 2010 New York, NY



Photo courtesy of Con Edison Company of New York, Inc.

Below: Conversion of your on-site boiler plant can create valuable ways to use space, including tenant storage units like these.

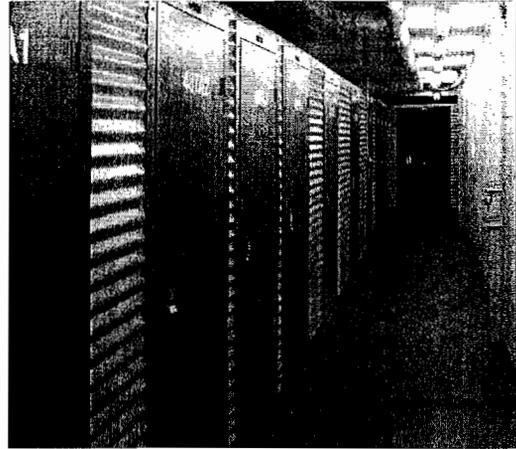


Photo courtesy of Energy Storage Systems, LLC

Con Edison Steam – The Energy of Today

Our residential customers value us for our **reliability, space effectiveness, and safety.**

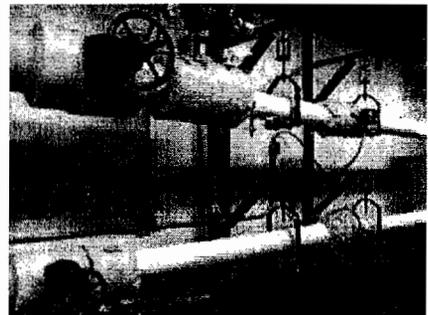
Quality service: It's what your residents expect.
It's what we will provide every day for the life of your building.

Contact us to find out how our technical team can customize solutions for your building.

Call 1-212-460-2011 or e-mail us at SteamSales@conEd.com.

Con Edison. ON IT.
www.conEd.com/steam





© 2006 Consolidated Edison Company of New York, Inc.

Con Edison Steam – Now is the Time

Our commercial customers and their tenants already value us for our **quality service, reliability, space effectiveness, and safety.**

Now, we've got additional programs that will further improve your building's performance.

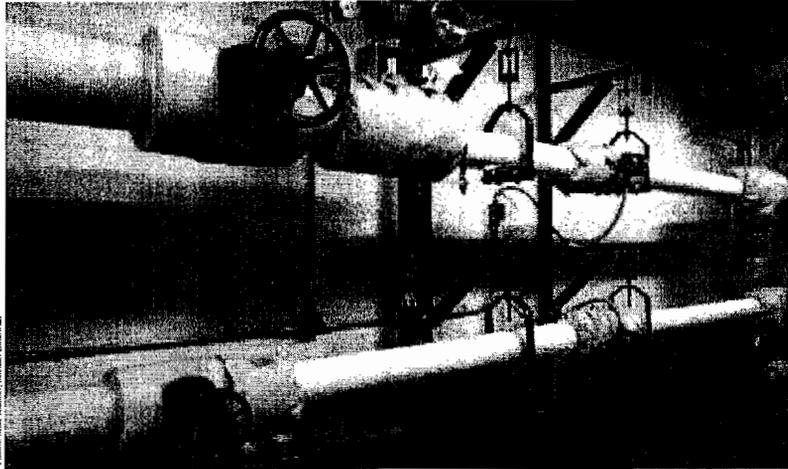
Contact us to find out how our technical team can customize solutions for your building.

Call 1-212-460-2011 or e-mail us at SteamSales@conEd.com.

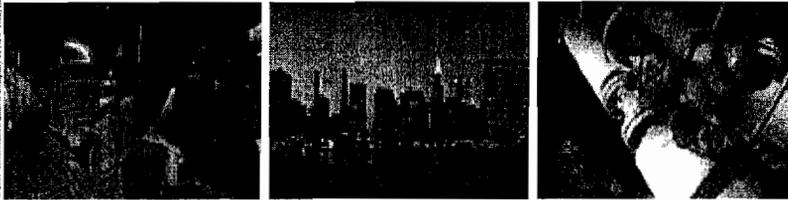
Con Edison. ON IT.
www.conEd.com/steam



Reliable. Efficient. Clean.



© 2007 Con Edison Company of New York, Inc. Photos: Mike Kamber, Michael Dorman



Con Edison Steam

It heats. It's efficient. It's reliable. It's clean.

It cools. It lowers peak electric costs. It frees electric capacity.
It's an alternate energy source.

Contact us. Our technical team will work with you to develop a customized solution.
Call 1-212-460-2011 or e-mail us at SteamSales@conEd.com.

We can supply Con Edison steam to meet all your heating and cooling needs. Con Edison. ON IT.
www.conEd.com/steam



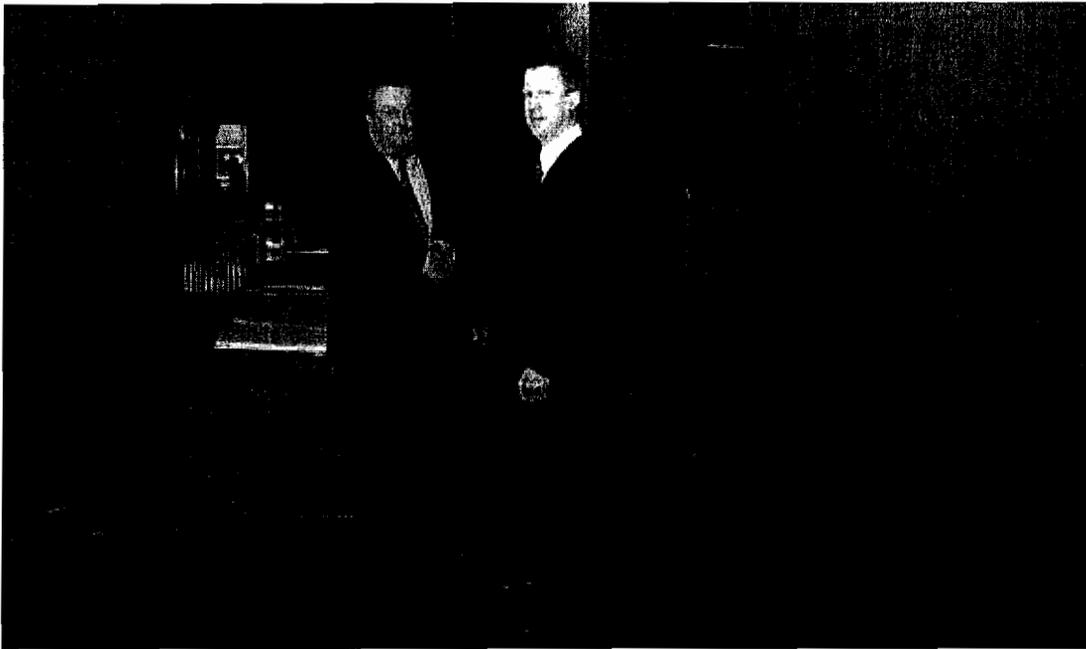


Photo: William K. Stoddard, vice president, The Rockefeller Group & Jon Heitinger, manager, Con Edison Steam.

© 2005 Consolidated Edison Company of New York, Inc.



Con Edison Steam – Now is the Time

Our commercial customers and their tenants already value us for our
quality service, reliability, space effectiveness, and safety.

Now, we've got additional programs that will further improve your building's performance –
particularly during the summer.

Contact us to find out how our technical team can customize solutions for your building.

Call 1-212-460-2011 or e-mail us at SteamSales@conEd.com.

Con Edison. ON IT.
www.conEd.com/steam





Photo: Mike S. Harrison, president, Gramercy Park Block Association & Joe Hettlinger, manager, Con Edison Steam.



© 2007 Consolidated Edison Company of New York, Inc.

Below: Conversion of your on-site boiler plant can create valuable ways to use space, including tenant storage units like these.

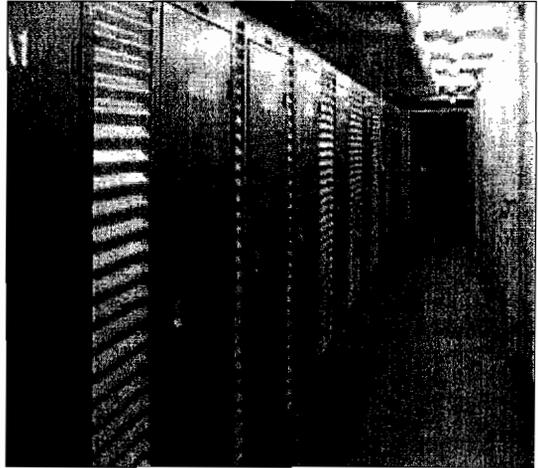


Photo courtesy of Bargold Storage Systems, LLC

Con Edison Steam – The Energy of Today

Our residential customers value us for our **reliability, space effectiveness, and safety.**

Quality service: It's what your residents expect.
It's what we will provide every day for the life of your building.

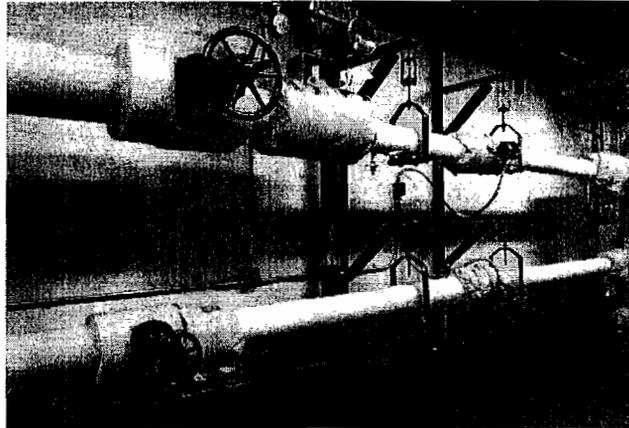
Contact us to find out how our technical team can customize solutions for your building.

Call 1-212-460-2011 or e-mail us at SteamSales@conEd.com.

Con Edison. ON IT.
www.conEd.com/steam



Reliable. Efficient. Clean.



Con Edison Steam

It heats. It's efficient. It's reliable. It's clean.
It cools. It lowers peak electric costs.
It frees electric capacity. It's an alternate energy source.

Contact us. Our technical team will work with you
to develop a customized solution.
Call 1-212-460-2011 or e-mail us at SteamSales@conEd.com.
We can supply Con Edison steam to meet all your heating
and cooling needs.



www.conEd.com/steam

© 2008 Consolidated Edison Company of New York, Inc. Photo: Mike Kuntzer, Michael Demuth

Con Edison Steam Ad Size: 6.875w" x 9.75h"
Color: 4-color process
Software: Adobe InDesign CS
Format: Acrobat PDF
File Name: CESBU_HAB6.875x9.75.indd.pdf
Fonts: None

Client: Dorothy Hertle, Con Edison Steam Business Unit
Art Director: Dennis Constantine, 212.460.4327

Con Edison Steam

**It heats. It cools.
It's efficient. It's reliable.
It's clean.**

Our technical team develops
customized solutions.

**SteamSales@conEd.com
Call 1-212-460-2011**



www.conEd.com



Richard B. Miller
Assistant General Counsel
212-460-3389
millerrich@coned.com

September 27, 2007

VIA OVERNIGHT MAIL

Honorable Jaclyn A. Brillling
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 05-S-1376 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Steam Service.

Dear Secretary Brillling:

The Commission's Order Determining Revenue Requirement and Rate Design, issued on September 22, 2006 in the above-referenced proceeding, requires that the Company's steam business department personnel meet with and/or contact developers, property owners, advisors, engineers, and/or architects. It further provides that "on or before September 30, 2007, the Company will file with the Commission a report that includes the number and nature of these meetings/contacts held through July 31, 2007, and a plan for addressing major issues raised during such meetings/contacts."

Enclosed please find an original and five copies of the report on the number of meetings/contacts and the Company's plan for addressing major issues raised during such meetings.

Please contact me if you have any questions regarding this matter.

Very truly yours,

/s/

Richard B. Miller

cc: Active Parties (via e-mail)

Case 05-S-1376 – September 27, 2007

*Con Edison Plan for Addressing Major Issues
Raised During Customer Meetings/Contacts*

This report summarizes the major issues and concerns raised during customer meetings and contacts during the period October 1, 2006 through July 31, 2007. It also outlines the actions that Con Edison has taken and will continue to take as a result of these contacts.

Major Issue: The introduction of demand billing is a customer concern.

Summary of Actions:

- Developed a steam demand reduction technique, Storage of Thermal Energy in Existing Mechanical systems (STEEMs), which involves using stored thermal energy in buildings to shift or reduce customers' steam peak. This technique has been tested at two locations. A number of demand customers have expressed interest in implementing STEEMs to reduce their peak demand.
- Provided sample bills to customers for the November through April billing cycles for the past two years. The purpose of the sample bills was to provide demand billed customers with an estimate of their monthly costs under demand billing versus their current steam bills. The sample bills were used by the Steam Business Development (SBD) staff in customer meetings to help explain the potential impact of demand billing and provide suggestions on how to improve operations and lower costs. We will continue customer meetings to explain demand billing and how it will affect customers' budgets.
- Modified the demand rate from a six-month to a four-month winter period to reduce the adverse impact of demand rates on steam cooling customers.
- Convened two educational seminars on October 12, 2006, and May 2, 2007, that addressed demand billing, among other steam-related topics. Approximately 160 customers and consultants attended the seminars. We will address demand billing at our Hybrid Cooling seminar on October 11, 2007.
- Completed a pilot program, General Voluntary Demand Reduction Program (GVDRP), to identify effective demand reduction techniques for customers. These techniques are posted on the Con Edison Steam Web site.
- Conducted energy audits for 30 selected customers. The objective of this program is to distribute a "best practices" steam efficiency report to all steam customers. The initial set of recommendations for heating customers is posted on the Con Edison Steam Web site. The best practices report for heating and cooling customers will be completed by December 2007.

Major Issue: Current incentives are insufficient to offset the costs associated with steam cooling systems.

Summary of Actions:

- In all customer meetings related to steam cooling or hybrid cooling, the members of the SBD staff provide information about the NYSERDA incentives, as well as Con Edison's rate discounts for steam cooling.
- Conducted analyses and determined that an increase in the project cap (currently \$1.25 million) is necessary to make steam a more attractive option for cooling. We are working with NYSERDA to raise the project cap further for New York City projects.

- Working with the City of New York to obtain additional incentives that would encourage steam use by modifying the City's Energy Cost Savings Program to include discounts for steam cooling.
- The electric rate case filing includes a plan for Demand Side Management, which, if approved, would include incentives for steam chillers.

Major Issue: There is a growing negative perception in the market about the operation of steam cooling equipment.

Summary of Actions:

- Established an advisory group of customers, developers, advisors, vendors, engineers, architects, and other interested parties. The purpose of the group was to provide input and feedback on issues associated with the installation and use of steam cooling and hybrid chiller systems.
- Working with steam cooling equipment vendors to overcome existing market perceptions.
- Met with several customers to promote the economic benefits of switching to a hybrid chiller system.
- Held a seminar on May 2, 2007 to present hybrid cooling information to customers. We will hold a second forum on the use and benefits of hybrid chiller systems on October 11, 2007.

Major Issue: There are issues related to the interconnection of customer Combined Heat & Power (CHP) systems.

Summary of Actions:

- Along with Steam Distribution Engineering, completed the steam interconnection specifications for CHP and posted this information on the Con Edison Steam Web site.
- Continue to work with customers who are actively pursuing CHP at their sites to ensure understanding of Con Edison specifications.

Major Issue: With the growing interest in Leadership in Energy & Environmental Design (LEED) certification, customers are looking for Con Edison Steam to be a partner in their pursuit of LEED certification.

Summary of Actions:

- Working with the EPA and U.S. Green Buildings Council (USGBC) to gain LEED recognition for district steam as an environmentally green product. We are working with several customers and their representatives to achieve LEED-Existing Building (EB) certification. One of these customers received a LEED Innovation Credit for installing a steam microturbine.
- Working with several organizations to encourage the EPA to revise its Energy Portfolio Manager to more accurately reflect the benefits of co-generation in a district steam system. This Portfolio Manager is used, among other things, to rate a building's energy score for LEED-EB certification.
- Identified condensate heat recovery as an additional method that may increase a building's EnergyStar Performance Rating, thereby helping a building gain LEED certification.

**Case 05-S-1376 - CON EDISON PERFORMANCE INDICATORS REPORT
CONTACTS -- OCTOBER 2006 THROUGH JULY 2007**

Month	# of meetings	Nature of Meetings
October-06	10	steam chillers, peak reduction techniques, metering, new business opportunities, CHP system, customer load
November-06	13	demand metering and billing, steam chillers, stand-by rate, pulse data, peak reduction techniques, new business opportunities, connection to CHP system
December-06	13	demand billing, new business opportunities, connection to CHP system, energy audits
January-07	15	meter station design, demand billing, new business opportunities, energy audits
February-07	22	demand billing, leak investigation, steam cooling incentives, peak reduction techniques, boiler to steam conversion, negotiated steam service agreement, new business opportunities, energy audits
March-07	35	condensate reuse, new business turn-on, environmental benefits of steam, negotiated steam service agreement, steam cooling retention, steam microturbine, new business opportunities
April-07	31	LEED-EB certification, demand billing, BOMA Energy Awareness Day, boiler to steam conversion, new business opportunities, negotiated steam service agreement, steam cooling incentives, steam repair service
May-07	31	steam chiller inspection, steam-related training for maintenance staff, negotiated steam service agreement, Fuel Adjustment Charge, future heating costs, monthly customer steam seminar, construction schedule, LEED-EB certification, connection to CHP system, new business opportunities
June-07	25	peak reduction technique, new business opportunities, LEED-NC certification, demand billing, steam conservation techniques, oil to steam conversion, condensate reuse, energy audits
July-07	25	new business opportunities, steam chillers, meter station design, connection to CHP system, Lexington Avenue incident, energy audits
Total	220	

The 220 face-to-face meetings listed above were, in most cases, team meetings where two or more members of the Steam Business Development staff met with one or more customer representatives. These meetings are also exclusive of face-to-face meetings that occurred at the following industry events:

Buildings NY Tradeshow - Javits Center	332 Contacts (June 2007)
The Annual Co-op & Condo Expo	170 Contacts (April 2007)
Steam Demand Seminar	113 Contacts (October 2006)
Building on Steam Seminar	75 Contacts (May 2007)
ERRP Tours	16 Contacts (January 2007)

In addition to these face-to-face meetings, the members of the Steam Business Development staff had, on average, approximately 120 telephone and e-mail contacts per month during this period.