

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of

Consolidated Edison Company of New York, Inc.

Case 09-E-0428

August 2009

Prepared Testimony of:

RICHARD H. POWELL
Utility Analyst 3, Environmental
Office of Energy Efficiency and
the Environment
State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

1 Q. Would you please state your name, place of
2 employment and address.

3 A. Richard H. Powell. I am employed as a Utility
4 Analyst 3, Environmental by the New York State
5 Department of Public Service (Department) in the
6 Office of Energy Efficiency and the Environment.
7 My business address is Three Empire State Plaza,
8 Albany, New York.

9 Q. Please state your educational background and
10 professional experience.

11 A. I received a B.S. in Environmental Studies in
12 1971. In 1972, I received a B.L.A. in Landscape
13 Architecture. Both degrees are from the State
14 University of New York, College of Environmental
15 Science and Forestry, Syracuse. In 1982, I
16 received an M.S. in Urban and Environmental
17 Studies from Rensselaer Polytechnic Institute,
18 Troy, New York. I have completed many
19 professional training courses in topics
20 including remote sensing, traffic and
21 transportation, census data collection, wetland
22 delineation, State Environmental Quality Review
23 Act (SEQRA) and National Environmental Policy
24 Act (NEPA), land use and zoning, quality

1 assurance and environmental auditing.

2 In 1972, I began my employment with the
3 Department of Public Service as a Transmission
4 Facilities Analyst. I prepared and presented
5 testimony in over 30 Article VII proceedings
6 before the Public Service Commission. This work
7 also included the preparation of analyses of
8 numerous natural gas transmission lines
9 throughout Central and Western New York. My
10 work included construction observation of the
11 transmission facilities to ensure faithful
12 execution of the Commission's Orders throughout
13 New York State.

14 In October 1987, I transferred to the New
15 York State Office of Parks Recreation and
16 Historic Preservation, Allegany Region,
17 Salamanca, New York, where I was employed as a
18 Landscape Architect at Allegany State Park. My
19 duties included designing maintenance
20 facilities, handicapped access to park
21 facilities, roads and parking facilities,
22 preparing construction drawings, specifications,
23 cost estimates and contract documents and
24 performing construction inspections.

1 From November 1989 to June 1990, I was
2 employed as a public participation specialist by
3 Weston, Inc., under contract to the New York
4 State Low-Level Radioactive Waste Siting
5 Commission.

6 From September 1990 to December 1999, I was
7 employed by URS/Dames & Moore as an
8 Environmental Scientist performing site
9 investigations and preparing low-level
10 radioactive waste management facility licensing
11 documents. My last assignment was at the West
12 Valley Demonstration Project, West Valley, New
13 York, where for nine years my responsibilities
14 included the revision of safety analysis
15 reports, cultural resource investigations,
16 wetland delineation, preparation of
17 Environmental Information Documents, NEPA and
18 SEQRA documents, high-level and low-level
19 radioactive waste transportation studies,
20 Resource Conservation and Recovery Act (RCRA)
21 documentation and specific preparation, as well
22 as engineering and cost estimates associated
23 with the decommissioning of radioactive waste
24 management facilities.

1 In December 1999, I returned to the
2 Department of Public Service. I have managed
3 several Article X cases. I have testified in
4 the following cases: 00-F-1356, Kings Park
5 Energy, LLC; 01-F-1276, Trans Gas Energy; 00-F-
6 2057, Empire State Newsprint Project; 08-E-0539,
7 Consolidated Edison Company rate case on
8 contaminated site remediation and sale of SO₂
9 allowances. I was also the Staff resource person
10 for decommissioning of Article X facilities.

11 I have managed several Article VII
12 proceedings, including Case 03-T-1385, Rochester
13 Transmission Project; Case 03-T-0515, the Flat
14 Rock Wind Power Project and numerous proceedings
15 on Public Service Law, Part 102 determinations
16 for overhead or underground placement of
17 transmission facilities below the Article VII
18 review threshold. I am the Staff resource
19 person for SEQRA documentation. I am a member
20 of the American Society of Landscape Architects
21 and serve as a Trustee of the New York Upstate
22 Chapter. I am also a member of the American
23 Planning Association.

24 Q. Please describe your role in this case.

1 A. I am providing testimony to further the proposed
2 adjustments, with the exception of the \$100,000
3 for consulting arborists for NYC regulatory
4 requirements associated with the Con Edison
5 distribution system.

6 I will discuss: Site Environmental
7 Investigation and Remediation (SIR) Program
8 Costs; Corporate Environmental Health & Safety
9 (ES&H); Personnel Vacancies; Climate Registry
10 Membership; sale of SO₂ Allowances; acquisition
11 of CO₂ Allowances; capital costs for the
12 Laboratory Information Management System (LIMS)
13 software; vegetation management; and, upgrades
14 to the Astoria Hazardous Waste Facility.

15 **SIR Program**

16 Q. Please describe the SIR Program.

17 A. The SIR program expenditures are mandated by
18 agreements, regulations, consent orders and
19 permit requirements by Federal, State and local
20 agencies.

21 Con Edison's on-going program for managing
22 the SIR sites include the manufactured gas plant
23 (MGP) sites, Comprehensive Environmental
24 Response, Compensation and Liability Act

1 (Superfund) sites, Con Edison and New York State
2 Department of Environmental Conservation,
3 November 1994 Consent Order Appendix B Sites, as
4 modified by the December 2006 Consolidated
5 Consent Order, Resource Conservation and
6 Recovery Act (RCRA) Corrective Action
7 Requirements included in the Hazardous Waste
8 Management Facility Operating Permit, and the
9 Underground Storage Tank (UST) sites.

10 Con Edison forecasted the rate year level
11 of SIR Program costs at \$18.259 million which is
12 represented as an offset to other operating
13 revenues and amortized over ten years. The
14 Company periodically updates its SIR program
15 costs, and the Staff Accounting Panel has
16 updated the forecast using the latest
17 information provided by the Company and the ten
18 year amortization period.

19 **Con Edison Corporate Environmental Health and**
20 **Safety (ES&H) Personnel Vacancies**

21 Q. Please describe the Con Edison Corporate
22 Environmental Health and Safety (EH&S).

23 A. The Company's EH&S requests an additional
24 \$428,000 for four new staff positions to replace

1 individuals who left before the year-end of the
2 historic year. Two are safety project
3 specialists, one is an Industrial Hygienist and
4 the other is a Water and Waste Senior Scientist.
5 One Safety Project Specialist position has been
6 filled. I agree with Mr. Price that these
7 positions cannot be filled by individuals who do
8 not have the specialized expertise to do the
9 work associated with each position.

10 **Climate Registry**

11 Q. Please address the costs for the Climate
12 Registry.

13 A. I reviewed this expenditure in Case 08-E-0539
14 and believed these allowances to be reasonable.
15 The Registry participation costs are about
16 \$77,000 per year including the \$10,000 annual
17 membership fee and cost of the third party
18 verification of the Green House Gas emissions
19 inventory. Mr. Price indicates that Con Edison's
20 share of these costs is about \$75,000. As only
21 \$20,000 was spent in the historic year, a
22 normalization adjustment of \$55,000 needs to be
23 made. I agree with this adjustment.

24 **Sale of SO₂ Allowances**

1 Q. What is your recommendation for the sale of
2 surplus SO₂ allowances?

3 A. Mr. Price states Con Edison plans to sell the
4 2008, 2009, and 2010 surplus allowances and
5 realize about \$1.4 million or about \$62 per
6 allowance from the sale of the 2008 and 2009
7 allowances. Mr. Price anticipates the 2010
8 allowances, to be sold in 2012, will have lost
9 half of their present value. Whether Mr.
10 Price's assumption is correct cannot be known at
11 this time. However, I agree with the proposed
12 continuation of the reconciliation of the
13 proposed and actual proceeds from the sale of
14 the SO₂ allowances.

15 **Acquisition of the CO₂ allowances and/or Offset**
16 **Allowances**

17 Q. What are your recommendations for acquisition of
18 the CO₂ allowances and/or Offset Allowances that
19 Con Edison anticipates?

20 A. In the 2009 Rate Order (Case 08-E-0539), the
21 Commission authorized Con Edison to recover
22 \$10.8 million in rates to purchase 2.1 million
23 CO₂ allowances. Mr. Price states in his pre-
24 filed testimony Con Edison intends to apply

1 eligible CO₂ offset allowances to reduce RGGI
2 compliance costs. This appears to be an
3 appropriate method to reduce costs.

4 **Laboratory Information Management System (LIMS)**

5 Q. What are your recommendations for the
6 expenditures for the upgrade of the Con Edison
7 LIMS system?

8 A. In the 2009 Rate Order, the Commission approved
9 the \$1,000,000 capital expenditure to upgrade
10 Con Edison's LIMS system. The Company estimates
11 that \$300,000 of that approved capital
12 expenditure will be incurred during the first
13 quarter of 2010, which I believe is an
14 appropriate expenditure.

15 **Vegetation Management**

16 Q. Have you reviewed the proposed changes to the
17 vegetation management funding related to the
18 identification and removal of transmission
19 facility off right-of-way (ROW) danger trees?

20 A. Yes. The Con Edison Infrastructure Investment
21 Panel - Electric indicates a comprehensive
22 danger tree survey was completed during the
23 first quarter of 2009. Danger trees are off-ROW
24 trees that are tall enough to fall into the

1 electrical conductors and have higher than
2 normal risk of falling due to disease,
3 topography, and/or other parameters.
4 Approximately 900 trees were identified as being
5 potential hazards to the integrity of the
6 overhead electric transmission system.
7 Additional danger trees will be removed during
8 the rate year. The funding is estimated at \$1.6
9 million for the rate year ending 2011. This is
10 a program change due to an increase in danger
11 tree work planned and an increase in the unit
12 costs for mechanical vegetation clearing. This
13 work is accomplished by the use of chain saws
14 and brush-hog mowers on the ROW and tractors
15 equipped with sky trimmers (hydraulic arms with
16 chain saw cutters) for pruning off-ROW tree
17 branches that extend into the ROW.
18 There are similar increased contractor unit
19 costs for vegetation maintenance on Con Edison's
20 two 345kV circuits in Orange and Rockland
21 Counties -- Y88 and Y94. The work on these two
22 transmission circuits is estimated at \$0.975
23 million in the Rate Year Ending March 31, 2011.
24 For both of these costs, I recommend that the

1 actual costs for danger tree removal and the
2 mechanical vegetation clearing at the end of
3 each year be reconciled with the estimated costs
4 as proposed by the Company's Infrastructure
5 Investment Panel.

6 **Astoria Hazardous Waste Storage Facility**

7 Q. Please discuss the upgrades to the Hazardous
8 Waste Storage Facility.

9 A. In 1994, the New York State Department of
10 Environmental Conservation (DEC) permitted Con
11 Edison to store only PCB-contaminated waste at
12 the facility before transport to an approved
13 disposal facility. In July 2008, DEC revised
14 Con Edison's storage facility permit to include
15 acceptance and management of all waste streams
16 that Con Edison generates prior to shipment to
17 the appropriate disposal facility. The control
18 and storage of all waste streams prior to
19 transport to a disposal facility is one of the
20 important components of a good cradle to grave
21 waste management system. The Con Edison Shared
22 Services Panel advocates these expenditures to
23 improve the management of waste streams within
24 Con Edison's control. The prevention of

1 rainwater intrusion into secondary containment
2 of the storage facility is necessary for to keep
3 waste stream (chemicals, etc.) storage from
4 expanding in volume and thus incurring an
5 increased cost for treatment and disposal. The
6 installation of new lighting fixtures to
7 visually inspect waste in containers, the
8 addition of building insulation and heat will
9 prevent the freezing, potential container
10 bursting and resultant spills. These
11 improvements are also components of a good waste
12 management system. I believe the prevention of
13 rainwater infiltration and the installation of
14 lighting, waste storage facility insulation and
15 heating and the incurring of the costs
16 associated with their installation are
17 appropriate expenditures to undertake.

18 Q. Does that complete your testimony at this time?

19 A. Yes.

20