

O&M – Shared Services - Human Resources

Project/Program Title	Strike Contingency
Project Manager	Matt Ketschke
Status	Ongoing
Estimated Service Date	Ongoing
Work Plan Category	Employee Development

Work Description:

The existing Local 1-2 contract is for the period June 2012 through June 2016 and the existing Local 3 contract is for the period June 2009 through June 2013. In preparation for the expiration of these union contracts the company will incur costs associated with the negotiations. These costs include consultants, hotel expenses, electronic data processing, reproduction and forms, telephone/communication and other miscellaneous items. Additionally, to prepare the company for the possibility of a work stoppage there will be contingency plans made which include incremental costs associated with training management for new assignments and food supplies and transportation costs associated with these food supplies to work out locations.

Justification:

This program is required for the company to conduct contract negotiations with both Local 1-2 and Local 3 and to have place our contingency plan in the event of a work stoppage.

Estimated Completion Date:

Local 3 December 2013 and Local 1-2 December 2018.

Status:

The Local 1-2 & Local 3 Contingency Programs are ongoing initiatives that occur once every four (4) years. As a result, for rate case filings, the cost for these initiatives is priced out at one-fourth per year. The estimated cost of the next round of union contract negotiations is \$1.8 million for Local 1-2 and \$0.1 million for Local 3, or a total of \$1.9 million.

Funding (\$000):

Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Approved 2012	Forecast 2013
\$	\$1,301	\$53	\$	\$	\$1,800	\$100

Forecast RYE 2014	Forecast RYE 2015	Forecast RYE 2016	Forecast RYE 2017	Forecast RYE 2018	Forecast Total 2014-2018
\$498.5	\$509	\$519.7	\$530.6	\$541.8	\$2,599.6

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Historical elements of expense (EOE's)

EOE	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Approved 2012
Labor					
M&S					
*A/P -other	\$1,301	\$ 53			\$1,800
Contingency					
Total	\$1,301	\$53	\$ 0	\$0	\$1,800

EOE	RYE 2014	RYE 2015	RYE 2016	RYE 2017	RYE 2018	Total
Labor						
M&S						
*A/P	\$498.5	\$509	\$519.7	\$530.6	\$541.8	\$2,599.6
Contingency						
Total	\$498.5	\$509	\$519.7	\$530.6	\$541.8	\$2,599.6

* Note A/P requires further identification such as A/P – Contract Labor, A/P - Equipment Maintenance, A/P - Corrective Maintenance, etc.

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Project/Program Title	2013 Growth Opportunities for Leadership Development (GOLD) Program
Project Manager	Crystal Wilson-Jackson
Status	On-Going
Estimated Service Date	On-Going
Work Plan Category	Strengthening the Company's Human Resources

Work Description:

Con Edison's GOLD Program (Growth Opportunities for Leadership Development) is an 18-month program that is sponsored by operating organizations and administered by program managers in the Talent Management department. The program is designed to provide newly-hired recent college graduates (Management Associates) the opportunity to develop a strong talent pipeline of future leaders to facilitate succession planning throughout the company. Our request is to increase the hiring of GOLD Associates by 15 on an annual basis.

The GOLD Program, currently in its 31st consecutive year, introduces recent college graduates to the changing world of the utility industry in a unique environment, which encourages critical thinking, initiative, and open communication. Bright and ambitious students are recruited from a diverse pool of schools to begin a leadership journey at Con Edison guided by the company's Mission Statement, Values, and The Way We Work Principles. During their journey, "Management Associates" are challenged to expand their technical and business knowledge while cultivating a leadership style that will prepare them to lead our company into the future. This program is in support of our Corporate Mission Statement:

"Con Edison's mission is to provide energy services to our customers safely, reliably, efficiently, and in an environmentally sound manner; to provide a workplace that allows employees to realize their full potential; to provide a fair return to our investors; and to improve the quality of life in the communities we serve."

Additionally, Associates are given the opportunity to perform rotational work assignments under the strict guidance of an assignment supervisor, mentor, and a GOLD Committee, which provide ongoing feedback consistent with continuous development. In turn, Associates are expected to exhibit leadership qualities, demonstrate technical proficiency and competence, and an understanding of Company procedures and environmental, health and safety regulations. Associates are also required to complete a specific training curriculum, prepare a technical paper, and are required to make several formal presentations. Full performance assessments are provided every six months in order to provide effective feedback and to clearly identify the behaviors to be reinforced.

Great care is taken in recruitment activities related to the hiring of this select group. Approximately 24% of all Band 4s and Officers at CECONY started as GOLD Associates. Over 3,000 applications are received annually, which are further refined through a rigorous first and second interview process, Hogan (Behavioral/Personality Assessment), and written essay that leads to the final group for which job offers are extended. GOLD Associate majors are the following: Engineering, Business, and Information Resources.

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	Business	Information Resources
<input type="checkbox"/> Civil Engineer	<input type="checkbox"/> Accounting	<input type="checkbox"/> Computer Engineering
<input type="checkbox"/> Chemical Engineer	<input type="checkbox"/> Econometrics	<input type="checkbox"/> Computer Science
<input type="checkbox"/> Electrical Engineer	<input type="checkbox"/> Economics	<input type="checkbox"/> Information Systems
<input type="checkbox"/> Environmental Engineer	<input type="checkbox"/> Finance	<input type="checkbox"/> Technology
<input type="checkbox"/> Marine Engineer	<input type="checkbox"/> Management	<input type="checkbox"/> Industrial/Systems Engineering
<input type="checkbox"/> Mechanical Engineer	<input type="checkbox"/> Marketing	
	<input type="checkbox"/> Social Theory	
	<input type="checkbox"/> Communications	

Justification:

Increasing GOLD hiring by 15 to an annual rate of sixty (60) will enable us to respond to specific and core critical talent needs to better address strategic recruitment challenges:

1) Ready Source of Talent to Fill Annual Staffing Needs

Upon successful completion of the program, GOLD candidates normally fill the following category of positions: Supervisor, Engineering and Support family jobs. The combined projected attrition for these job families in 2014 is 215 positions. Based on the current staffing plan we continue to see a need to have a solid supply of GOLD Associates to fill staffing gaps in these areas. Funding for the GOLD program will increase our ability over time to backfill these key positions. Following completion of the GOLD Program in December of each year, over 100 transitional permanent job openings are posted specifically for this group, well over the number of graduates, as referenced below. 100% of all Associates who successfully complete the program are hired into a permanent position. Since 2001, the numbers are as follows:

Year	# of Graduates	Year	# of Graduates
2001	33	2006	45
2002	45	2007	41
2003	42	2008	47
2004	29	2009	59
2005	43	2010	33

2) Dependable Source of Women Interested in Nontraditional Jobs

GOLD hiring continues to be one of the few dependable sources of hiring women interested in non-traditional employment, such as the engineering family. Approximately 28 - 30% of all GOLD recruits are women. We are currently engaged in efforts to increase that

percentage. Funding for the increased GOLD hiring will assist in our ability to succeed in this effort.

3) Pipeline for Longer Term Talent Capability Needs

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Being thoughtful about our future leadership needs requires that the company develop and maintain a ready pool of employees to step into leadership positions when necessary. The GOLD program continues to be a viable feeder pool for such future leadership positions.

4) GOLD Program Improves Ability to Attract and Retain Scarce Talent

As a technical company, a critical part of our overall recruitment strategy includes competing effectively for talent in the STEM areas. The amount of talent available in this area is scarce and highly sought after. Over the years, the company has widely communicated to graduating students about the tangible rewards and opportunities an employee gains through employment in the GOLD program. This value proposition has caused us to earn credibility in the graduating student labor market. As such, we are able to source deeply within this scarce population of STEM graduating students -- we receive over 2,000 applications each year. An increase in hiring will allow us to improve our foothold in this labor market and enhance our reputation as an employer of choice for graduating students.

Alternatives:

In lieu of the GOLD Program, the hiring strategy for future leaders will be through internal promotions (management; union to mgmt) and external hiring efforts.

Risk of No Action:

By not increasing the hiring the number of GOLD Associates we will come to depend less and less on this talent source to fill supervisory, engineering and support jobs and will require hiring external management employees at a higher salary level without the benefit of developing their leadership style at an earlier point in time. In addition, Associates bring in a new, fresh perspective to the workplace, and up-to-date skill sets. Augmenting the talent pool with this option is essential.

Summary of Financial Benefits and Costs:

Typically, the GOLD Associate's salaries are significantly lower than an external hire and we have had proven success in the past in their advancing into leadership positions in the company we are able to avoid the expensive search and recruitment costs associated with finding an external candidate to fill an executive position.

Non-financial Benefits (if applicable):

As indicated above the increased GOLD hiring improves our ability to address our diversity needs along with our technical skill needs.

Estimated Completion Date: On-going

Status: On-going

Current Working Estimate (if applicable): Not applicable

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Funding (\$000):

Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Approved 2012	Forecast 2013
\$4,389	\$4,470	\$4,590	\$4,587	\$3,730	\$4,066	4,120

Forecast RYE 2014	Forecast RYE 2015	Forecast RYE 2016	Forecast RYE 2017	Forecast RYE 2018	Forecast Total 2014-2018
\$5,389.1	\$5,520	\$5,653.6	\$5,789.3	5,928.3	\$28,280.3

Historical elements of expense (EOE's)

EOE	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Approved 2012
Labor	\$4,426	\$4,535	\$4,521	\$3,674	\$4,006
M&S					
*A/P -other	\$ 44	\$ 55	\$ 66	\$ 56	\$ 60
Contingency					
Total	\$4,470	\$ 4,590	\$ 4,587	\$3,730	\$ 4,066

EOE	RYE 2014	RYE 2015	RYE 2016	RYE 2017	RYE 2018	Total
Labor	\$5,282.5	\$5,413.4	\$5,547	\$5,682.7	\$5,821.7	\$27,747.3
M&S						
*A/P telecom & computers	106.6	106.6	106.6	106.6	106.6	\$533
Contingency						
Total	\$5,389.1	\$5,520	\$5,653.6	\$5,789.3	5,928.3	\$28,280.3

* Note A/P requires further identification such as A/P – Contract Labor, A/P - Equipment Maintenance, A/P - Corrective Maintenance, etc.

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Project/Program Title	Career Path Training - Customer Operations
Project Manager	Carlos Yepez
Status	On-Going
Estimated Service Date	On-Going
Work Plan Category	Satisfy Customer Needs

Work Description:

We need to add two Customer Operations Instructors to our current staff of 6 to assist in the training that is provided to our current Senior/Customer Service Representative population of 909 in addition to our new hires. The Customer Service Representative family of titles account for nearly one third of the hires that occur in CECONY on an annual basis. We expect this trend of hiring to continue in the foreseeable future. To support the level of training needed for these titles we have to increase our Instructor Staff. These Instructors teach several training courses associated with these titles, most notably, the CSR Basic Training course which is a 78 day training course for new hires.

Justification:

The Customer Service representative family of titles performs a multitude of tasks within the Customer Operations organization. The critical work activity they handle is in the call handling of customers and their inquiries. It is absolutely necessary that to ensure we engage our customers in a positive manner we need to have well trained employees who are responsive and knowledgeable in all aspects of customer inquiries. The need to increase our staff of instructors by two is driven by the amount of training that is needed in the last three years. We offer several courses for both Senior Customer Service representatives and Customer Service Representatives. In the last three years there has been an increase in the amount of training we provided for these titles. The chart below lists the courses we provide and the amount of classes we conducted for each of the last three years. As you can see in the chart, we have already conducted more classes in 2012 than we offered in all of 2010 and 2011. This increase in this amount of training in the present and future justifies our need to add 2 additional Instructors.

Customer Service Representative Training Courses							
Course	Title	Branch Of Learning	Duration	Hours Per Day	Classes Conducted		
					2010	2011	2012
CSR0038	CIS Billing Overview	CUSTOMER OPERATIONS	1	8:00	0	0	2
CSR0001	CSR BASIC TRAINING	CUSTOMER OPERATIONS	78	8:00	13	11	11
CSR0005	CSS-OVERVIEW	CUSTOMER OPERATIONS	2	8:00	0	6	3
CSR0004	DEMAND AND MULTI-METERED ACCOUNTING	CUSTOMER OPERATIONS	15	8:00	0	4	5
CSR0031	DEMAND REFRESHER	CUSTOMER OPERATIONS	3	8:00	0	0	2
CSR0009	FIELD SCSR PROGRAM	CUSTOMER OPERATIONS	3	8:00	1	4	2
CSR0021	INSIDE SCSR PROGRAM	CUSTOMER OPERATIONS	22	8:00	0	3	2
CSR0034	Shared Meter Remediation - SCSR Inside	CUSTOMER OPERATIONS	1	8:00	0	0	1
CSR0023	SWITCHED METER REMEDIATION SCSR-INSIDE	CUSTOMER OPERATIONS	1	8:00	0	0	1
CSR0036	UMS Remediation - SCSR - Inside	CUSTOMER OPERATIONS	1	4:00	0	0	2
				Totals	14	28	31

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Alternatives:

An alternative would be to require the current staff to work additional overtime and conduct classes in the evening and off hours. This is not feasible for two reasons. We would run the risk of burning out our current staff and put us at risk of them leaving the company. Reasonable overtime of 10% of straight time hours can be done but requiring overtime which could run from 30 to 40% of straight time hours can cause stress and affect the quality of instruction that is provided. Additionally, the cost of overtime plus the premium time you would have to pay the students would exceed the cost of hiring new instructors.

Risk of No Action:

If we do not hire additional Instructors we will not be able to meet the resource needs of the organization by providing a sufficient number of trained employees to handle the activities associated with providing quality customer service to our customers.

Summary of Financial Benefits and Costs:

The cost of hiring two additional instructors would avoid the cost of overtime and premium pay that would be incurred if we had to work the current staff additional hours. It would also allow us to meet the resource needs of the operating organization and they would avoid the cost of having to work their current employees additional overtime as well.

Non-financial Benefits (if applicable):

Adding additional skilled instructors provides more capability to address any ad hoc need of training that develops. Historically, we have seen from time to time the need to develop training to address some emerging issue that becomes a priority.

Estimated Completion Date: On-going

Status: On-going

Funding (\$000):

Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Approved 2012	Forecast 2013
\$659	\$776	\$938	\$788	\$949	\$950	\$980

Forecast RYE 2014	Forecast RYE 2015	Forecast RYE 2016	Forecast RYE 2017	Forecast RYE 2018	Forecast Total 2014-2018
\$1,202.7	\$1,231.9	\$1,261.7	\$1,292	\$1,323	\$6,311.3

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Historical elements of expense (EOE's)

EOE	Approved 2008	Approved 2009	Approved 2010	Approved 2011	Approved 2012
Labor	\$557	\$789	\$742	\$862	\$789
M&S	\$ 80	\$ 37	\$ 14	\$ 18	\$ 42
*A/P- contract labor	\$129	\$112	\$ 32	\$ 70	\$119
Contingency					
Total	\$776	\$938	\$788	\$950	\$950

Elements of Expense

EOE	RYE 2014	RYE 2015	RYE 2016	RYE 2017	RYE 2018	Total
Labor	1,033.7	1,053.9	1,074.7	1,095	1,116	5,373.3
M&S	80	89	92	97	102	460
*A/P contract labor	89	89	95	100	105	478
Contingency						
Total	\$1,202.7	\$1,231.9	\$1,261.7	\$1,292	\$1,323	\$6,311.3

* Note A/P requires further identification such as A/P – Contract Labor, A/P - Equipment Maintenance, A/P - Corrective Maintenance, etc.