

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:

Staff Shared Services Panel

Richard F. George, Junior Engineer

Rosanne Maiello, Utility Analyst 3

Liliya A. Randt, Utility Engineer 2

Michael J. Rieder, Utility Engineer 3

Office of Electric, Gas, & Water
State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

1 Q. Would the members of the Panel please state your
2 names, employer, and business address?

3 A. Richard F. George, Rosanne Maiello, Liliya A.
4 Randt, and Michael J. Rieder. We are employed
5 by the New York State Department of Public
6 Service (DPS or Department) and are located at
7 Three Empire State Plaza, Albany, New York
8 12223.

9 Q Mr. George, what is your position at the
10 Department?

11 A. I am employed as a Junior Engineer in the
12 Electric Rates Section of the Office of
13 Electric, Gas and Water.

14 Q. Please state your educational background and
15 professional experience.

16 A. I graduated from Rensselaer Polytechnic
17 Institute with a Bachelor of Science degree in
18 Civil Engineering in 2008. I began my
19 employment with the Department in May 2009.

20 Q. Please describe your duties with the Department.

21 A. My current duties include the review and
22 evaluation of electric utility capital and
23 Operations and Maintenance (O&M) budgets and the
24 engineering analyses of electric utility rate,

1 pricing and tariff proposals.

2 Q. Have you previously testified before the
3 Commission?

4 A. No, I have not.

5 Q. Ms. Maiello, what is your position at the
6 Department?

7 A. I am employed as a Utility Analyst 3 in the
8 Electric Rates Section of the Office of
9 Electric, Gas and Water.

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

12 A. I graduated from Russell Sage College in 1990
13 with a Bachelor of Science in Business
14 Management. I have been employed by the
15 Department since February 1982. I have held
16 various administrative positions and in December
17 1988, I was appointed to a Utility Analyst
18 position in the Water Rates Section. In May
19 2002, I joined what is now the Electric Rates
20 Section.

21 Q. Please describe your duties with the Department.

22 A. I am responsible for reviewing filings to ensure
23 they meet Commission requirements and comply
24 with prior Commission orders and current

1 regulations. I provide analysis and
2 recommendations on utility filings and special
3 projects and prepare statistical bill reports on
4 electric utilities. I also review statutory
5 processing requirements for the purpose of
6 streamlining our regulations.

7 Q. Have you previously testified before the
8 Commission?

9 A. Yes, I testified in Case 08-E-0523.

10 Q. Ms. Randt, have you already discussed your
11 educational background, professional and
12 testimonial experience, and responsibilities?

13 A. Yes, that information is included in my
14 individual pre-filed testimony in this
15 proceeding.

16 Q. Mr. Rieder, have you already discussed your
17 educational background, professional and
18 testimonial experience, and responsibilities?

19 A. Yes, that information is included in the pre-
20 filed testimony sponsored by the Staff
21 Depreciation Panel in this proceeding.

22 Q. What is the purpose of the Staff Shared Services
23 Panel's (SSSP) testimony?

24 A. We will address adjustments to certain

1 Consolidated Edison Company of New York, Inc.'s
2 (Con Edison or the Company) shared services, or
3 common, capital projects and O&M programs as
4 presented by the Company's Shared Services Panel
5 (SSP). Those projects and programs presented by
6 the Company cover the following areas: General
7 Equipment; certain Central Field Services
8 programs; Information Resources; Energy
9 Management; Human Resources; Purchasing;
10 Facilities - O&M; and, Facilities - Capital.
11 Central Field Services - Vehicle Fuel will be
12 addressed by the Staff Accounting Panel.
13 Projects related to Emergency Operations and
14 Emergency Management were reviewed by other
15 Staff witnesses.

16 Q. In your testimony, will you refer to, or
17 otherwise rely upon, any information obtained
18 during the discovery phase of this proceeding?

19 A. Yes, we will refer to, and have relied upon, one
20 response to Department of Public Service Staff
21 (Staff) Information Requests (IR). This
22 response is included in Exhibit ____ (SSSP-1).

23 Q. Please continue.

24 A. As part of the Company's rate filing, Con

1 Edison's SSP presented capital projects and
2 programs for the calendar years 2009 through
3 2013 and O&M programs for the rate years ending
4 March 31, 2011, 2012 and 2013. We reviewed the
5 Company's proposed capital and O&M spending
6 plans for each of the years presented. In that
7 review, we analyzed the justification provided
8 by the Company in its pre-filed testimony and
9 exhibits, during interviews and in response to
10 information requests for each project and
11 program to make a determination as to each
12 project's necessity to ensure the provision of
13 safe and adequate service. In addition to
14 assessing the need for each project and program,
15 we determined whether the timing of that
16 project's reflection in the Company's plant in
17 service forecast model was consistent with the
18 expected completion of the project. Finally, we
19 made a determination of the reasonableness of
20 the costs associated with the projects and
21 programs. Specifically, we determined whether
22 the level of funding for each program was
23 appropriate, and in instances where we conclude
24 otherwise, we propose the appropriate

1 adjustments.

2 Q. Did the Panel's review lead to any proposed
3 adjustments?

4 A. Yes. We are proposing that the Company's rate
5 year O&M expense level be reduced by \$199,000 to
6 reflect our adjustment to the Career Path
7 Training - First Aid Refresher Training program
8 presented by the Company.

9 Q. Please briefly describe the HR programs
10 presented by the Company.

11 A. Con Edison presented HR programs consisting of
12 the following projects: Career Path Training,
13 Workforce Strategy Summary and Strike
14 Contingency. Through the Career Path Training
15 Program, the Company is proposing: (1) increased
16 training for Customer Operations employees; (2)
17 technical training for new supervisors; and, (3)
18 tri-annual first aid refresher training. The
19 Workforce Strategy Summary Program was
20 implemented in order to strengthen human
21 resources in the Company. It consists of a team
22 of senior officers and leaders in the line
23 organizations and in HR selected to review
24 existing Company policies and programs. As part

1 of this program, the Company is proposing a new
2 position in Compensation Management. The Strike
3 Contingency Program is a plan the Company has
4 implemented in order to ensure continued safe
5 and reliable service of its facilities and
6 services in the event of an employee strike.

7 Q. Please explain your adjustment.

8 A. As explained in the Company's Exhibit__(SSP-9),
9 "beginning January 2010, the three year
10 requirement for First Aid refresher training
11 will be due for approximately 6,500 CECONY
12 employees. In 2010, this will double the number
13 of classes needed for this training. Initially,
14 all field employees receive First Aid and CPR
15 training certifications in an eight hour class.
16 Subsequent to the initial class, annual CPR
17 refresher training is required and First Aid
18 Training is refreshed every three years. As per
19 the American Red Cross Standards the ratio of
20 students to instructors is 1 to 10 students."
21 As stated in the Company's SSP pre-filed
22 testimony on page 103, the proposed incremental
23 cost for the Tri-Annual First Aid refresher
24 training is \$341,000 for the rate year. The

1 Company's response to DPS-192.9, as shown in
2 Exhibit____(SSSP-1), states that the Company
3 expects to incur costs associated with this
4 program over a three year period (\$341,000, \$0
5 and \$85,000 for the 2011-2013 rate years,
6 respectively). Because the Company will incur
7 costs associated with this program over three
8 years, we recommend that the total cost of this
9 program (\$426,000) be amortized over three
10 years. The three-year amortization of this
11 expense yields \$142,000 per year, a downward
12 adjustment of \$199,000 to the proposed rate year
13 incremental expense of \$341,000.

14 Q. In addition to this one adjustment, are you
15 making any proposals to ensure that the Company
16 is effectively managing its capital investments?

17 A. Yes. We recommend the continuation of the net
18 cap on shared services, or common, plant. The
19 plant-in-service levels proposed by the Company
20 and accepted by the Panel should be construed to
21 be the cap, or maximum limit, on the amount of
22 shared services plant used for ratemaking
23 purposes. If, at the conclusion of the rate
24 year, an amount less than the levels recommended

1 were actually added to the Company's plant
2 accounts, the Commission should require that Con
3 Edison refund to customers the incremental
4 carrying charges associated with the reduced
5 level of investment.

6 Q. Does this conclude your testimony at this time?

7 A. Yes, it does.