

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of

Consolidated Edison Company Of New York, Inc.

Cases 25-S-0741

March 2026

Prepared Testimony of:
Staff Steam Infrastructure and
Operations Panel

Daniel Roszko
Utility Engineering Specialist 2

Mohammed Hasan
Utility Engineering Specialist 1

Christopher Moquete
Utility Engineering Specialist 1

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Utility Engineering Specialist 1

Office of Energy System Planning
and Performance

State of New York
Department of Public Service
Three Empire State Plaza
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1 Q. Members of the Staff Steam Infrastructure and
2 Operations Panel, referred to as the Panel,
3 please state your names, employer, and business
4 address?

5 A. Daniel Roszko, Mohammed Hasan, Christopher
6 Moquete are employed by the New York State
7 Department of Public Service, referred to as the
8 Department, and located at 90 Church Street, New
9 York, New York 10007. Aislynn Schneider is
10 employed by the Department and located at Three
11 Empire State Plaza, Albany, New York, 12223.

12 Q. Mr. Roszko, what is your position at the
13 Department?

14 A. I am a Utility Engineering Specialist 2 in the
15 Electric Safety and Reliability section of the
16 Office of Energy System Planning and
17 Performance, referred to as ESPP.

18 Q. Please briefly state your educational background
19 and professional experience.

20 A. I graduated from Stony Brook University with a
21 Bachelor of Engineering degree in Electrical
22 Engineering in 2015. I am a registered Intern
23 Engineer in the State of New York. I have been
24 employed with the Department since August 2016.

1 Q. Please describe your current duties at the
2 Department.

3 A. My responsibilities at the Department include
4 reviewing and evaluating the capital projects
5 and Operation and Maintenance (O&M) programs
6 presented in utility rate proceedings;
7 performing site visits and facility inspections;
8 investigating safety complaints and incidents
9 with electric infrastructure; participating in
10 utility management and operation audits of
11 Consolidated Edison Company of New York, Inc.,
12 referred to as Con Edison or the Company; and
13 monitoring utility compliance with the Public
14 Service Commission's Electric Safety Standards.

15 Q. Have you previously testified before the New
16 York State Public Service Commission, referred
17 to as the Commission?

18 A. Yes. I have testified before the Commission in
19 Case 19-E-0065, regarding Con Edison's electric
20 rates as a member of Staff's Reliability
21 Performance Mechanism Panel and Municipal
22 Infrastructure Support Panel (SMISP); in Case
23 21-E-0074, Orange and Rockland Utilities Inc.
24 2021 electric rate proceeding as a member of the

1 Staff's Electric Infrastructure and Operations
2 Panel (SEIOP), and Information Technology and
3 Common Panels; in Case 22-E-0064, Con Edison
4 electric rates, as a member of the SEIOP and
5 SMISP; in Case 22-S-0659, the prior steam rate
6 proceeding, as a member of Staff's Steam
7 Infrastructure and Operations Panel; and in Case
8 25-E-0072, the most recent electric rate
9 proceeding for Con Edison, as a member of SEIOP
10 and SMISP.

11 Q. Mr. Hasan, what is your position at the
12 Department?

13 A. I am a Utility Engineering Specialist 1 in ESPP.

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

16 A. I received a Bachelor of Science degree from New
17 York University Tandon School of Engineering in
18 2019. I am a registered Intern Engineer in the
19 State of New York. I have been employed with
20 the Department since December 2021.

21 Q. Please describe your current duties at the
22 Department.

23 A. My responsibilities include performing
24 engineering analyses and reviews of rate

1 filings, performing reliability analyses of
2 electric services, investigating customer
3 complaints associated with reliability issues,
4 performing site visits and facility inspections,
5 and monitoring utility compliance with the
6 Commission's Electric Safety Standards.

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

9 A. Yes. I have provided testimony in Cases 23-G-
10 0225 and 23-G-0226, the Brooklyn Union Gas
11 Company and KeySpan Gas East Corporation 2023
12 rate proceedings. My testimony was related to
13 the gas capital expenditures. I also provided
14 testimony for Case 24-E-0060, Orange and
15 Rockland Utilities Inc. 2024 rate proceeding, on
16 Capital and O&M projects. Additionally, I have
17 testified before the Commission in Case 25-E-
18 0072, Con Edison's 2025 electric rate
19 proceeding, on electric capital expenditures and
20 O&M expenses.

21 Q. Mr. Moquete, what is your position at the
22 Department?

23 A. I am a Utility Engineering Specialist 1 in ESPP.

24 Q. Please briefly state your educational background

1 and professional experience.

2 A. I graduated from the City College of New York
3 with a Bachelor of Mechanical Engineering in
4 2024. I have previously interned with the
5 Department. I have been employed at the
6 Department since August 2024.

7 Q. Please describe your current duties at the
8 Department.

9 A. My responsibilities at the Department include
10 reviewing and evaluating capital projects and
11 O&M programs presented in utility rate cases;
12 performing site visits and facility inspections;
13 investigating safety complaints and incidents;
14 participating in utility management and
15 operation audits; and monitoring utility
16 compliance with the Commission's Electric Safety
17 Standards.

18 Q. Have you previously testified before the
19 Commission?

20 A. Yes. I provided testimony in Case 25-E-0072,
21 Con Edison's most recent electric rate
22 proceeding, regarding electric capital and O&M
23 projects as a member of the SEIOP.

24 Q. Ms. Schneider, what is your position at the

1 Department?

2 A. I am employed as a Utility Engineering
3 Specialist 1 in the Gas System Planning and
4 Reliability Section of the Office of Energy
5 System Planning and Performance.

6 Q. Please briefly state your educational background
7 and professional experience.

8 A. I received a Bachelor of Science degree in
9 Mechanical Engineering from Rensselaer
10 Polytechnic Institute in 2012. After
11 graduating, I worked for TEAM Systems in Toledo,
12 Ohio in 2013 as a Process Engineer, where my
13 responsibilities included various tasks in
14 effort to optimize the assembly process. I then
15 worked for Millstone Medical Outsourcing in Fall
16 River, Massachusetts from 2013 to 2014 as a
17 Quality Engineer, where my responsibilities
18 included various tasks to manage and execute
19 qualifications for medical equipment cleaning
20 and packaging processes. I worked for Comfortex
21 Window Fashions in Watervliet from 2014 to 2022
22 as an Industrial Process Engineer, where my
23 responsibilities included implementing new and
24 improving existing fabrication processes. I

1 then worked for Taconic in Petersburg from 2022
2 to 2024 as a Process Engineer, where my
3 responsibilities included overseeing production
4 trials to validate process changes. Before
5 joining the Department, I worked for the U.S.
6 Army Watervliet Arsenal as an Industrial
7 Engineer from 2024 to 2025, where my
8 responsibilities included process analysis and
9 collaborating with other departments to make
10 improvements on manufacturing processes. In
11 July 2025, I joined the Gas System Planning and
12 Reliability Section of the Department as Utility
13 Engineering Specialist 1.

14 Q. Please describe your current duties at the
15 Department.

16 A. My responsibilities at the Department include
17 reviewing natural gas capital investments and
18 operating expenses in gas utility rate filings
19 and providing engineering analysis for rate
20 proceedings.

21 Q. Have you previously testified before the
22 Commission?

23 A. Yes. I provided testimony in Case 25-E-0375, et
24 al., New York State Electric and Gas Corporation

1 rate proceeding, and in Case 25-G-0380,
2 Rochester Gas and Electric Corporation rate
3 proceeding, regarding gas O&M expenses.

4 Overview

5 Q. What is the purpose of the Staff Steam
6 Infrastructure and Operations Panel, referred to
7 as SSIOP or the Panel, testimony?

8 A. The purpose of this testimony is to provide our
9 recommendations concerning the steam production
10 and distribution capital investments, and O&M
11 expense programs, as proposed by the Company's
12 Steam Infrastructure and Operations Panel,
13 referred to as SIOP. In addition, we will
14 provide recommendations on the Company's
15 proposed incremental Full Time Equivalent,
16 referred to as FTE, employee request, which were
17 presented in the Company's initial SIOP
18 testimony and the Company's initial
19 Environmental, Health, and Safety Panel, or
20 EH&SP, testimony. The Company's SIOP testimony
21 includes proposals for the 12-month period
22 ending October 31, 2027, referred to as the Rate
23 Year or RY1; the 12-month period ending October
24 31, 2028, referred to as Rate Year 2 or RY2; and

1 the 12-month period ending October 31, 2029,
2 referred to as Rate Year 3, or RY3.

3 Q. What items presented by the Company's SIOP are
4 not addressed by the Panel?

5 A. We do not address the proposed decarbonization
6 projects, the future decarbonization studies
7 deferral, the low carbon fuels pilot program,
8 the voluntary clean steam program, the steam
9 promotional rate, changes to the steam air
10 conditioning discount rate, nor the incremental
11 FTEs requested under the Maintain Remote
12 Monitors Labor program and the Steam Ops Welding
13 Program. The decarbonization projects consist
14 of the 74th Street Electric Boiler Installation,
15 East River Industrial Heat Pump Installation,
16 and the Steam Digital Optimization Phase 2
17 projects.

18 Q. Where are the decarbonization projects
19 addressed?

20 A. The proposed decarbonization projects, the
21 future decarbonization studies deferral, the low
22 carbon fuels pilot program, and the voluntary
23 clean steam program are addressed in the Staff
24 Climate Leadership and Community Protection Act

1 and Decarbonization Panel. The steam
2 promotional rate and the steam air conditioning
3 discount rate are addressed by the Staff Rate
4 Panel. The incremental FTEs requested under the
5 Maintain Remote Monitors Labor program and the
6 Steam Ops Welding Program are addressed by the
7 Staff Safety Panel.

8 Q. In this testimony, will the Panel refer to, or
9 otherwise rely upon, any information obtained
10 during the discovery phase of this proceeding?

11 A. Yes, we refer to several responses to the
12 Information Requests, or IRs. Those responses
13 are provided in Exhibit___(SSIOP-1).

14 Q. Are there any other exhibits associated with the
15 Panel's testimony?

16 A. Yes. Exhibit___(SSIOP-2) consists of two tables
17 showing the Company's proposed capital
18 expenditures for various steam production and
19 distribution projects and programs, and our
20 recommended adjustments to these investments for
21 calendar years 2026, 2027, 2028, and 2029.

22 Exhibit___(SSIOP-3) consists of a table showing
23 the Company's proposed O&M expenses for various
24 steam production and distribution programs,

1 excluding the incremental FTEs requested, and
2 our recommended adjustments to these investments
3 for RY1, RY2, and RY3. Exhibit___(SSIOP-4)
4 consists of two tables showing the Company's
5 requested incremental labor hires, and our
6 recommended adjustments to these incremental
7 employees. Exhibit___(SSIOP-5) consists of two
8 tables that show the increase in capital
9 investment of various projects and programs from
10 calendar years 2023 through 2025, to calendar
11 years 2027 through 2029.

12 Q. Why does the Panel provide adjustments to the
13 capital expenditures in calendar years?

14 A. We provide our capital expenditure adjustments
15 in calendar years due to the Company's responses
16 to various IRs that provide historical and
17 forecast budgets of capital projects in calendar
18 years. For example, the Company's responses to
19 DPS-75 and DPS-76, included in Exhibit___(SSIOP-
20 1), provide the historic budget and actual
21 spending, and the forecasted budgets for the
22 steam production and distribution projects and
23 programs in calendar years. Additionally, the
24 Company's response to DPS-130, included in

1 Exhibit____(SSIOP-1), provides the budgets of the
2 various projects that fall under several steam
3 production programs in calendar years.

4 Q. Please briefly summarize the capital investment
5 portion of the Company's initial SIOP testimony.

6 A. As shown in Exhibit____(SIOP-1), Schedule 1, the
7 Company proposes total steam capital
8 expenditures of approximately \$166.43 million,
9 \$176.51 million, and \$193.98 million for RY1,
10 RY2, and RY3, respectively. Based on the
11 Company's response to DPS-76, the SIOP's request
12 for the calendar years is \$116.67 million,
13 \$170.52 million, \$178.76 million, and \$194.35
14 million for 2026, 2027, 2028, and 2029,
15 respectively. Of this request, the Panel
16 reviewed projects and programs related to steam
17 capital expenditures totaling approximately
18 \$139.33 million, \$122.99 million, and \$123.15
19 million for RY1, RY2 and RY3, respectively. For
20 the calendar years, the Panel reviewed capital
21 investments of \$104.41 million, \$145.02 million,
22 \$120.58 million, and \$123.84 million for 2026,
23 2027, 2028, and 2029, respectively. This
24 accounts for all the capital investments

1 proposed by the Company, excluding the
2 decarbonization projects.

3 Q. What is driving the Company's proposed capital
4 investment?

5 A. As stated on page 11 of the initial SIOP
6 testimony, the main drivers in the Rate Year are
7 investments in projects and programs to provide
8 safe and reliable steam service, and to support
9 the clean energy goals of New York State, New
10 York City, and the Company's steam customers.

11 Q. Please briefly summarize the O&M expense portion
12 of the Company's initial SIOP testimony.

13 A. As shown in Exhibit___(SIOP-2), the Company
14 presents its proposed total steam production and
15 distribution O&M expense program change. The
16 proposal includes an increase of \$8.77 million
17 above the Historic Test Year, or the period of
18 July 2024 through June 2025, for the Rate Year;
19 an increase of \$954,000 above the Rate Year
20 request for Rate Year 2; and an increase of
21 \$1.52 million above the Rate Year 2 request for
22 Rate Year 3. The non-labor portion of this
23 proposal is an increase of: \$6.58 million above
24 the Historic Test Year for the Rate Year; an

1 increase of \$724,000 above the Rate Year request
2 for Rate Year 2; and an increase of \$620,000
3 above the Rate Year 2 request for Rate Year 3.

4 Q. What are the main drivers of the Company's
5 request O&M expense increases?

6 A. As shown in Exhibit___(SIOP-2), the main drivers
7 of the Company's proposed program change to O&M
8 expenses in the Rate Year are the Facilities
9 Maintenance - Local Law 11 and Maintenance of
10 Remote Monitoring System programs, and the
11 SIOP's incremental FTE request.

12 Q. Please briefly summarize the labor portion of
13 the Company's initial SIOP testimony.

14 A. As shown in Exhibit___(SIOP-3), and on page 131
15 of Exhibit___(SIOP-4), the Company provides a
16 table showing that the SIOP requests an
17 additional 20 FTEs to be hired during the Rate
18 Year. Additionally, page 132 of
19 Exhibit___(SIOP-4) shows that the SIOP requests
20 an additional 6 FTEs to be hired during Rate
21 Year 3. Exhibit___(SIOP-2) shows that these
22 additional FTEs would result in: an O&M expense
23 increase of \$2.18 million above the Historic
24 Test Year for the Rate Year; an increase of

1 \$230,000 above the Rate Year for Rate Year 2;
2 and an increase of \$900,000 above the Rate Year
3 2 request for Rate Year 3.

4 Q. Please briefly summarize the labor portion of
5 the Company's initial EH&SP testimony.

6 A. As shown in Exhibit___(EHS-8), the Company
7 provides a table showing that the EH&SP requests
8 an additional four FTEs to be hired during the
9 Rate Year. Exhibit___(EHS-9) shows that these
10 additional FTEs would result in: an O&M expense
11 increase of \$390,000 above the Historic Test
12 Year for the Rate Year; and an increase of
13 \$130,000 above the Rate Year for Rate Year 2.

14 Q. Please provide an overview of the Panel's
15 testimony.

16 A. First, we describe our review of the Company's
17 proposed capital and O&M projects and programs,
18 along with our approach to adjusting Con
19 Edison's proposed costs and timing. Second, we
20 explain our recommended capital adjustments for
21 several steam production and distribution
22 projects and programs shown in Exhibit___(SSIOP-
23 2). Third, we explain our recommended
24 adjustments to the O&M expense programs shown in

1 Exhibit____(SSIOP-3), for the Rate Year.
2 Finally, we explain our recommended adjustments
3 to the incremental hires to the Company's steam
4 business shown in Exhibit____(SSIOP-4). While
5 our testimony presents our adjustments and
6 recommendations for the Rate Year, we also
7 provide recommendations for Rate Year 2 and Rate
8 Year 3 to facilitate a potential multi-year rate
9 plan.

10 Review Process

11 Q. Please explain the Panel's process for reviewing
12 the Company's projects and programs.

13 A. We reviewed and analyzed the information
14 provided by the Company in its rate filing and
15 its responses to IRs in this proceeding. For
16 both steam production and steam distribution, we
17 analyzed every capital project or program for
18 which the Company forecasted expenditure during
19 the three rate years. We participated in
20 technical discussions to investigate various on-
21 going and conceptual capital projects and
22 programs, and to assist our analysis of the
23 timing, reasonableness of cost, and the need for
24 the projects. Additionally, we toured the

1 Company's East River Generating Station and
2 nearby steam distribution infrastructure to
3 assist with our understanding of the projects
4 and programs. Similarly, we reviewed non-labor
5 O&M expense programs where the Company's SIOP
6 proposed an increase in funding, and the
7 incremental FTEs proposed in the initial
8 testimonies of the Company's SIOP and EH&SP.
9 This analysis and evaluation resulted in the
10 adjustments and recommendations discussed in our
11 testimony.

12 Q. What did the Panel conclude based on your
13 review?

14 A. In instances where we reached conclusions
15 regarding the need, timing, and reasonableness
16 of the costs of capital and O&M projects and
17 programs that differ from Con Edison, we
18 recommend adjustments.

19 Q. Please describe your approach to adjusting the
20 Company's requested capital expenditures.

21 A. First, we considered the reasonableness of the
22 cost estimate by comparing to historic costs
23 and, if applicable, whether the Company provided
24 adequate justification for deviating from

1 historic costs. Historic costs, when practical,
2 were analyzed on a unit cost basis and/or on a
3 total project or program basis. Second, we
4 reviewed past proposals by the Company in its
5 prior steam rate cases and the Company's
6 historic performance in achieving the proposed
7 project schedule at the forecasted costs.
8 Third, we considered whether the projects were
9 necessary to provide safe and reliable service
10 at just and reasonable rates, especially given
11 the large revenue increase requested and to
12 address affordability of steam service. Fourth,
13 we reviewed the project justifications and
14 alternatives considered in the Company's white
15 papers to ensure the best options were selected.

16 Q. How does the Company organize its steam capital
17 programs?

18 A. The Company's steam capital projects and
19 programs are broken down into steam production,
20 or steam distribution, based on which part of
21 the steam business it is associated with. The
22 Company further categorizes the projects and
23 programs within these two groups, which we will
24 discuss later in our testimony.

1 Steam Production Capital Expenditures

2 Q. What level of capital investment did the Company
3 propose for steam production?

4 A. As shown in Exhibit___(SIOP-1), Schedule 2, the
5 Company proposes steam production capital
6 expenditures of \$89.29 million, \$95.15 million,
7 and \$112.07 million for RY1, RY2, and RY3,
8 respectively. Based on the Company's response
9 to DPS-76, the SIOP's request for the calendar
10 years is \$54.44 million, \$89.07 million, \$96.50
11 million, and \$113,295 million for 2026, 2027,
12 2028, and 2029, respectively.

13 Q. What level of steam production capital
14 expenditures did the Panel review?

15 A. This Panel reviewed projects and programs
16 associated with steam capital expenditures of
17 \$62.18 million, \$41.64 million, and \$41.22
18 million for RY1, RY2, and RY3, respectively.
19 Based on the response to DPS-76, the Panel
20 reviewed capital investments of \$42.18 million,
21 \$63.58 million, \$38.32 million, and \$42.78
22 million for calendar years 2026, 2027, 2028, and
23 2029, respectively. This amount reflects the
24 Company's proposed capital expenditures for

1 steam production projects and programs,
2 excluding the decarbonization projects.

3 Q. Where are the decarbonization projects
4 discussed?

5 A. As mentioned earlier in our testimony, the three
6 decarbonization projects we did not review are
7 addressed in the Staff Climate Leadership and
8 Community Protection Act and Decarbonization
9 Panel direct testimony.

10 Q. Does the Panel recommend any adjustments to the
11 steam production capital projects and programs?

12 A. Yes. We recommend adjustments to the Balance of
13 Plant Risk Reduction Projects - SP,
14 Instrumentation and Control Risk Reduction
15 Projects - SP, and Instrumentation and Control
16 Replacement Projects - SP programs, and the
17 Steam Operational Technology Upgrades project.

18 Q. Based on your adjustments, what is the Panel's
19 recommended level of capital expenditure for
20 steam production?

21 A. The Panel recommends a steam production capital
22 expenditure budget, excluding the
23 decarbonization projects, of \$41.70 million,
24 \$57.72 million, \$32.99 million, and \$41.65

1 million for calendar year 2026, 2027, 2028, and
2 2029, respectively. A summary of our
3 recommended adjustments and capital expenditure
4 budgets can be found in Exhibit___(SSIOP-2).

5 Q. How does the Company categorize its steam
6 production projects and programs?

7 A. The Company groups its steam production capital
8 projects and programs into several categories.
9 These are Risk Reduction, Replacement,
10 Environmental, and Information Technology.

11 Q. Which category of projects will you be
12 addressing first?

13 A. We will address the Company's proposed projects
14 under the Risk Reduction category first.

15 Risk Reduction

16 Q. Briefly summarize the Company's steam production
17 Risk Reduction category.

18 A. As stated on page 13 of the SIOP's initial
19 testimony, the Risk Reduction category under
20 steam production consists of programs aiming at
21 upgrades to increase dependability and reduce
22 outages, and civil, structural, and mechanical
23 facilities' upgrades.

24 Q. What projects or programs is the Company

1 proposing funding for under this category?

2 A. As shown in Exhibit___(SIOP-1), Schedule 2, the
3 Company proposes funding for the Balance of
4 Plant Risk Reduction Projects - SP, Civil and
5 Structural Projects - SP, Instrumentation and
6 Control Risk Reduction Projects - SP, Major
7 Equipment Risk Reduction Projects - SP,
8 Mechanical Facilities - SP, and the Power
9 Distribution Risk Reduction Projects - SP
10 programs.

11 Q. What level of funding did the Company propose
12 for the Risk Reduction category?

13 A. The Company proposes capital expenditures of
14 \$19.48 million, \$17.12 million, and \$14.13
15 million for RY1, RY2, and RY3, respectively.
16 Based on the Company's response to DPS-76, the
17 SIOP's request for the calendar years is \$9.32
18 million, \$20.97 million, \$17.50 million, and
19 \$13.45 million for 2026, 2027, 2028, and 2029,
20 respectively.

21 Q. Does the Panel recommend any adjustments to this
22 category?

23 A. Yes. We recommend adjustments to the Balance of
24 Plant Risk Reduction Projects - SP, and

1 Instrumentation and Control Risk Reduction
2 Projects - SP programs.

3 Q. Please describe the Balance of Plant Risk
4 Reduction Projects - SP program.

5 A. As explained on page 19 of Exhibit___(SIOP-4),
6 this program consists of projects that will
7 increase the dependability or availability of
8 balance of plant equipment and reduce planned or
9 prevent forced outages. Balance of plant
10 equipment consists of all auxiliary mechanical
11 equipment required to produce steam or
12 electricity, other than major equipment, such as
13 boilers and gas turbine generators. Projects
14 under this program are executed at one or more
15 of the Company's steam generating stations.

16 Q. What funding level did the Company request for
17 the Balance of Plant Risk Reduction Projects -
18 SP program?

19 A. As shown in Exhibit___(SIOP-1), Schedule 2, and
20 on page 24 of Exhibit___(SIOP-4), the Company
21 proposes capital expenditures of \$2.16 million,
22 \$2.44 million, and \$4.78 million for RY1, RY2,
23 and RY3, respectively. Based on the Company's
24 response to DPS-76, the SIOP's request for the

1 calendar years is \$1.41 million, \$2.50 million,
2 \$2.15 million, and \$5.30 million for 2026, 2027,
3 2028, and 2029, respectively.

4 Q. What projects fall under the Balance of Plant
5 Risk Reduction Projects - SP program?

6 A. As shown on pages 20 through 24 of
7 Exhibit____(SIOP-4), the Balance of Plant Risk
8 Reduction Projects - SP program consists of the
9 27853-18 74th HP and PB Gas Transfer Membranes,
10 30700-21 60th St Blowdown CO2 Waste
11 Neutralization System Sewer and SPDES Discharge
12 Modifications, 30835-22 74th St #2 Diesel
13 Generator Fuel Oil Transfer System Upgrade,
14 30837-22 74th St PB North and South Deaerator
15 Steam Exhaust Silence, 30937-22 60th St
16 Feedwater Piping Replacement, 31313-24 74th St
17 PB Air Compressors Cooling Water Piping Upgrade,
18 31427-24 59th St Basement Sump Pump
19 Installation, 31680-25 ER 10/20 Water Treatment
20 Upgrade: Phase 2, 31682-25 59th St Steam Send-
21 Out Trap Replacements, 31712-25 74th St. Steam
22 Send-Out Trap Replacements, and 31720-25 60th
23 St. Steam Send-Out Traps projects.

24 Q. Does the Panel have any recommendations

1 regarding the projects within the Balance of
2 Plant Risk Reduction Projects - SP program?

3 A. Yes. We recommend adjustments to the 30837-22
4 74th St PB North and South Deaerator Steam
5 Exhaust Silencer project.

6 Q. Please describe the 30837-22 74th St PB North
7 and South Deaerator Steam Exhaust Silencer
8 project.

9 A. As described on page 21 of Exhibit____(SIOP-4),
10 the Company plans to install carbon steel
11 exhaust silencers on the steam outlets for the
12 package boilers on the North and South
13 deaerators at the 74th Street Station. Two
14 exhaust steam lines will be replaced and
15 rerouted separately to the new silencers and
16 then to the vent stack for the package boiler
17 units.

18 Q. What is the Company's justification for this
19 project?

20 A. The Company states on page 21 of
21 Exhibit____(SIOP-4) that an overpressure
22 condition may result in the bursting of a
23 rupture disk, that would produce a loud noise,
24 which has previously resulted in numerous noise

1 complaints from the local community.

2 Q. What funding level did the Company request for
3 this project?

4 A. Based on the attachment "DPS_3_130 Steam
5 Production Capital Program Breakout", provided
6 in the Company's response to DPS-130, Con Edison
7 requests \$10,000 for calendar year 2026 and
8 \$750,000 for calendar year 2027.

9 Q. How many rupture disk failures have there been
10 in the past five years?

11 A. In response to DPS-160, included in
12 Exhibit____(SSIOP-1), the Company stated that
13 there has been one rupture disk failure in the
14 past five years from 2021 to 2025.

15 Q. How many noise complaints has the Company
16 received due to rupture disk breaks in the past
17 five years?

18 A. In response to DPS-160, the Company stated that
19 they have received approximately a dozen noise
20 complaints due to issues with the multiport
21 valve and rupture disk in the past five years
22 from 2021 to 2025.

23 Q. Is this project located in a disadvantaged
24 community?

1 A. No. Based on the Company's response to NYC-2-
2 42, included in Exhibit___(SSIOP-1), which
3 indicates that the 74th Street generating
4 station is not in a designated disadvantaged
5 community, the 30837-22 74th St PB North and
6 South Deaerator Steam Exhaust Silencer project
7 is not located in a disadvantaged community.

8 Q. Has the Company received any penalties for the
9 noise complaints?

10 A. In response to DPS-160, the Company stated that
11 it has not penalized by a government agency
12 regarding rupture disk noise to date.

13 Q. What does the Panel recommend for this project
14 and what is the rationale your adjustments?

15 A. The Panel recommends the Commission reject
16 funding for this project. As stated by the
17 Company, there has only been one ruptured disk
18 failure over the past five years. Furthermore,
19 noise complaints that result from a rupture disk
20 failure do not incur fines. Considering the
21 infrequency of these incidents in addition to
22 the Company not being issued fines for noise
23 complaints, we believe that this project is not
24 necessary for safe and adequate service at this

1 time.

2 Q. Panel, what is the Instrumentation and Control
3 Risk Reduction Projects - SP program?

4 A. As explained on page 42 of Exhibit___(SIOP-4),
5 this program consists of projects that will
6 increase the dependability or availability of
7 instrumentation and control equipment and reduce
8 planned or prevent forced outages.

9 Instrumentation and control equipment consists
10 of low voltage and control wiring, control
11 valves, hardware, and software specific to the
12 operation of plant systems. Projects under this
13 program are executed at one or more of the
14 Company's steam generating stations.

15 Q. What funding level did the Company request for
16 the Instrumentation and Control Risk Reduction
17 Projects - SP program?

18 A. As shown in Exhibit___(SIOP-1), Schedule 2, and
19 on page 48 of Exhibit___(SIOP-4), the Company
20 proposes capital expenditures of \$5.73 million,
21 \$6.45 million, and \$3.32 million for RY1, RY2,
22 and RY3, respectively. Based on the Company's
23 response to DPS-76, its request for the calendar
24 years is \$450,000, \$5.95 million, \$7.40 million,

1 and \$2.50 million for 2026, 2027, 2028, and
2 2029, respectively.

3 Q. What projects fall under the Instrumentation and
4 Control Risk Reduction Projects - SP program?

5 A. As shown on pages 43 through 48 of
6 Exhibit____(SIOP-4), the Instrumentation and
7 Control Risk Reduction Projects - SP program
8 consists of the 26452-15 ERSSS 1st Ave Flowmeter
9 Replacement, 27755-17 59th St PB BMS
10 Replacement, 30627-21 ER Motor Monitoring
11 Installation, 30628-21 59th St. Motor Monitoring
12 Installation, 30629-21 74th-60th St. Motor
13 Monitoring Installation, 30782-22 74th St Air
14 Compressors Communication Link Upgrade, 30785-22
15 ERSSS PB Feedwater Flow Control Upgrade, 30841-
16 22 74th St CCW Automated Isolation Control Valve
17 Addition, 31115-23 East River Tank Farm OWS
18 System Monitoring Upgrades, 31116-23 74th St OWS
19 System Monitoring Upgrades, 31117-23 60th St OWS
20 System Monitoring Upgrades, 31400-24 74th St
21 Unit 9 FDW Heater Level Instruments and Trip
22 Valve Upgrades, 31487-24 ER Oil Pressure Switch
23 Conversions, 31539-24 60th St Gas Regulator
24 Valve Replacements, 31719-25 59th St Blowdown

1 Neutralization System Monitoring and Control
2 Upgrades projects.

3 Q. Does the Panel have any recommendations
4 regarding the projects within the
5 Instrumentation and Control Risk Reduction
6 Projects - SP program?

7 A. Yes. We recommend adjustments to the 27755-17
8 59th St PB BMS Replacement project.

9 Q. Please describe the 27755-17 59th St PB BMS
10 Replacement project.

11 A. As described on page 43 of Exhibit___(SIOP-4),
12 this project would replace the existing burner
13 management systems, for Package Boilers 116,
14 117, and 118 at the 59th Street Generating
15 Station. New instrumentation and vent lines
16 would be installed because Con Edison states
17 that the existing burner management systems are
18 not in full compliance with the 2011 National
19 Fire Protection Association (NFPA). Items to be
20 replaced under this project include shut-off
21 valves, transmitters, ignitors, flame scanners,
22 blowers. Approximately 10,000 feet of conduit
23 and signal wire will be installed. Additional
24 equipment includes uninterrupted power supply

1 (UPS) panels and a new combustion monitoring
2 system. This project will be completed in
3 phases during individual unit outages.

4 Q. What is the Company's justification for the
5 27755-17 59th St PB BMS Replacement project?

6 A. As explained on page 43 of Exhibit___(SIOP-4),
7 the existing burner management system utilizes
8 an obsolete non-redundant processor that will be
9 retired. Additionally, the NFPA requires that
10 boiler and related steam generators be equipped
11 with combustion controls and safeguards as
12 outlined in NFPA 85 - Boiler and Combustion
13 Systems Hazards Code. The current 59th Street
14 package boiler burner management system
15 controller cabinets need to be replaced to meet
16 the requirements of the 2011 revision of NFPA
17 85.

18 Q. What funding level did the Company request for
19 27755-17 59th St PB BMS Replacement project?

20 A. Based on the attachment "DPS_3_130 Steam
21 Production Capital Program Breakout", provided
22 in the Company's response to DPS-130, Con Edison
23 requests \$200,000 for calendar year 2026, \$4.30
24 million for calendar year 2027, and \$4.50

1 million for calendar year 2028.

2 Q. Is this project located in a disadvantaged
3 community?

4 A. Yes. Based on the Company's response to NYC-2-
5 42, which indicates that the 59th Street
6 generating station is in a designated
7 disadvantaged community, the 27755-17 59th St PB
8 BMS Replacement project is in a disadvantaged
9 community.

10 Q. Was the 27755-17 59th St PB BMS Replacement
11 project proposed in the Company's prior rate
12 filing?

13 A. Yes, the 27755-17 59th St PB BMS Replacement
14 project was proposed by the Company in the prior
15 steam rate proceeding, as shown in the 2022
16 Steam Infrastructure and Operations Panel
17 exhibits filed on November 23, 2022, in Case 22-
18 S-0659.

19 Q. What is the historical budget and actual
20 spending for the 27755-17 59th St PB BMS
21 Replacement project?

22 A. As shown on page 8 of the 2023 Steam Annual
23 Capital Expenditure Report, filed February 28,
24 2024, in Case 22-S-0659, the Company spent \$4.2

1 million in 2023. The report also shows that the
2 total cost for this project was budgeted at \$9.5
3 million. Page 8 of the 2024 Steam Annual
4 Capital Report Final (2024), filed February 28,
5 2025, in Case 22-S-0659, shows that the Company
6 spent \$1.4 million in 2024. The report also
7 shows that the project's total cost is \$12
8 million. As shown on page 7 of the 2025 Steam
9 Annual Filing - Final, filed February 27, 2026,
10 in Case 22-S-0659, the Company spent \$337,000 in
11 2025. The report shows that the project's total
12 Cost is \$12 million.

13 Q. What did the Panel find in its review?

14 A. We found five discrepancies in the information
15 provided by the Company for this project.

16 Q What is the first discrepancy identified by the
17 Panel?

18 A. In DPS-387, question 2, included in
19 Exhibit___(SSIOP-1), the Panel asked the Company
20 to provide a Gantt chart showing the phases of
21 this project by rate year as well as designated
22 budget allocation for each phase. In response
23 to DPS-387, the Company stated that a Gantt
24 chart was not created for this project but

1 provided a general timeline that fails to
2 provide the amount of capital investment
3 allocated for each phase of the project. This
4 information would have provided the Panel with
5 more clarity as to what each phase for this
6 project consists of, how much of the project's
7 budget is to be spent in each phase, and how the
8 total budget for this project is allocated
9 across the calendar years. It is unclear to the
10 Panel how the Company was able to provide an
11 annual cost breakout for this project in its
12 response to DPS-130, but are unable to provide
13 the budget allocated for each phase of this
14 project by calendar year in the Gantt chart that
15 was requested in DPS-387. The calendar year
16 budget breakout for this project according to
17 the Company's response to DPS-130 is \$200,000 in
18 2026, \$4.3 million in 2027, and \$4.5 million in
19 2028. Instead, the general timeline only shows
20 the total cost estimate for the replacement of
21 the Boiler Management Systems, or BMS, for
22 Package Boiler, or PB, 117 and 118.

23 Q. What is the second discrepancy that the Panel
24 found?

1 A. In the Company's response to DPS-387, only two
2 PB BMS were listed in the general timeline that
3 the Company provided, and estimated costs are
4 shown as \$5.0 million each, resulting in a total
5 cost of \$10.0 million. This does not match the
6 total budget of \$9.0 million that was provided
7 by the Company in response to DPS-130.

8 Q. What is the third discrepancy identified by the
9 Panel?

10 A. The general timeline provided by the Company in
11 response to DPS-387 only indicates two Boiler
12 Management Systems to be replaced, for PBs 117
13 and 118. However, the program's whitepaper in
14 Exhibit___(SIOP-4), page 43, states "this
15 project will replace the existing burner
16 management systems for Package Boilers 116, 117,
17 and 118 at the 59th Street Station." The
18 replacement of the BMS for PB 116 is not
19 mentioned in the general timeline provided by
20 the Company in its response to DPS-387, and the
21 Company has not identified if the replacement of
22 the BMS for PB 116 has already been completed.

23 Q. What is the fourth discrepancy identified by the
24 Panel?

- 1 A. As shown on page 8 of the 2023 Steam Annual
2 Capital Expenditure Report, filed February 28,
3 2024, page in Case 22-S-0659, page 8 of the 2024
4 Steam Annual Capital Report Final (2024), filed
5 February 28, 2025, and page 7 of the 2025 Steam
6 Annual Filing - Final, filed February 27, 2026,
7 in Case 22-S-0659, the Company report shows that
8 the project's total costs differs year to year.
9 In the 2023 Steam Annual Capital Expenditure
10 Report the total cost is reported to be \$9.5
11 million. While the 2024 Steam Annual Capital
12 Report Final (2024) and the 2023 Steam Annual
13 Capital Expenditure Report show the total cost
14 of the project to be \$12.0 million.
- 15 Q. What is the fifth discrepancy identified by the
16 Panel?
- 17 A. The Company's requested funding level for this
18 project does not reflect the prior historic
19 spending. The most recent reported total actual
20 historic spending for this project is on page 8
21 of the 2024 Steam Annual Capital Report Final
22 (2024) is \$6.7 million. This is out of a total
23 project cost of either \$9.5 million or \$12.0
24 million as explained earlier in our testimony.

1 Based on the Company's requested funding level
2 of \$9.0 million for this project in this steam
3 rate proceeding, and the total historic
4 spending, the total cost of the project is
5 expected to be approximately \$15.7 million. The
6 Company has not identified why the total cost of
7 this project has been increasing in recent
8 years.

9 Q. Why has the Company not completed this project?

10 A. In its response to DPS-177, included in
11 Exhibit___(SSIOP-1), the Company states that the
12 project was delayed due to operational and
13 emergent needs that required reprioritization
14 and rescheduling.

15 Q. Why does the Company believe it will be able to
16 complete this project within a potential three-
17 year rate plan when it was unable to complete it
18 in the prior years?

19 A. In DPS-387, the Company responds to this
20 question by stating that it makes every effort
21 to complete projects in accordance with planned
22 schedules and budgets. However, operational and
23 emergent needs can and do arise which require
24 reprioritization, rescheduling, and transfer of

1 funding from projects within individual programs
2 or between programs.

3 Q. What was the purpose of asking this question?

4 A. The purpose was to provide the Company with an
5 opportunity to explain what circumstances or
6 developments would suggest that the factors
7 which prevented completion of the project in
8 prior rate years would not occur again.
9 However, the Company's response instead
10 reiterates that the same circumstances that
11 contributed to the project's delay in the prior
12 rate years remain possible in the future.
13 Specifically, in response to DPS-387, the
14 Company does not explain what specific steps, if
15 any, have been taken to ensure the completion of
16 this project during the rate years.

17 Q. Did the Company implement any changes to this
18 project, such as cost or work scope, from when
19 it was proposed in the prior steam rate
20 proceeding, Case 22-S-0659?

21 A. Yes, in response to DPS-387, the Company lists
22 five changes to the project's scope since it was
23 proposed in the prior steam rate proceeding.
24 However, the Company states that "a revised

1 appropriation estimate that includes the items
2 listed in this response has not been completed
3 at this time."

4 Q. What does the Panel recommend for the 27755-17
5 59th St PB BMS Replacement project?

6 A. The Panel recommends no funding for this
7 project.

8 Q. What is the rationale for the proposed
9 adjustment?

10 A. The Panel has no confidence in the Company's
11 ability to complete 27755-17 59th St PB BMS
12 Replacement project due to its low
13 prioritization in the prior steam rate
14 proceeding, Case 22-S-0659. When the Panel
15 asked the Company why the 27755-17 59th St PB
16 BMS Replacement project was not completed in the
17 prior steam rate proceeding, the Company stated
18 in its response to DPS-177, that the "project
19 was delayed due to operational and emergent
20 needs that required reprioritization and
21 rescheduling." After the many discrepancies
22 found and the Company's failure to ensure it has
23 taken the necessary steps towards initiating the
24 project schedule or phases outlined in the

1 general timeline provided, the Panel remains
2 uncertain whether this project will be completed
3 in the proposed three rate years. Due to these
4 major discrepancies regarding this project in
5 the Company's responses to DPS-130, DPS-177,
6 DPS-387, and the lack of confidence the Panel
7 has in the Company's ability to complete 27755-
8 17 59th St PB BMS Replacement project due to its
9 low prioritization in the current 2023 Rate
10 Plan, the Panel recommends that the Commission
11 provide no funding for this project.

12 Replacement

13 Q. Briefly summarize the Company's steam production
14 Replacement category.

15 A. As stated on page 13 of the SIOP initial
16 testimony, the Replacement category under steam
17 production consists of programs for replacing
18 facilities that are failing, poorly performing,
19 or near obsolescence.

20 Q. What projects or programs is the Company
21 proposing funding for under this category?

22 A. As shown in Exhibit___(SIOP-1), Schedule 2, the
23 Company proposes funding for the Balance of
24 Plant Replacement Projects - SP, Instrumentation

1 and Control Replacement Projects - SP, Major
2 Equipment Replacement Projects - SP, and the
3 Power Distribution Replacement Projects - SP
4 programs.

5 Q. What level of funding did the Company propose
6 for the Replacement category?

7 A. The Company proposes capital expenditures of
8 \$35.55 million, \$20.57 million, and \$24.43
9 million for RY1, RY2, and RY3, respectively.
10 Based on the Company's response to DPS-76, the
11 SIOP's request for the calendar years is \$31.26
12 million, \$35.45 million, \$16.10 million, and
13 \$26.10 million for 2026, 2027, 2028, and 2029,
14 respectively.

15 Q. Does the Panel recommend any adjustments to this
16 category?

17 A. Yes. We recommend adjustments to the
18 Instrumentation and Control Replacement Projects
19 - SP program.

20 Q. What is the Instrumentation and Control
21 Replacement Projects - SP program?

22 A. As explained on page 35 of Exhibit___(SIOP-4),
23 this program consists of projects that will
24 replace instrumentation and control equipment

1 that has failed, is performing poorly, or is at
2 or near obsolescence within the Company's
3 generating stations. Projects under this
4 program are executed at one or more of the
5 Company's steam generating stations.

6 Q. What funding level did the Company request for
7 Instrumentation and Control Replacement Projects
8 - SP program?

9 A. As shown in Exhibit___(SIOP-1), Schedule 2, and
10 on page 41 of Exhibit___(SIOP-4), the Company
11 proposes capital expenditures of \$7.80 million,
12 \$3.69 million, and \$2.08 million for RY1, RY2,
13 and RY3, respectively. Based on the Company's
14 response to DPS-76, the SIOP's request for the
15 calendar years is \$460,000, \$9.40 million, \$2.45
16 million, and \$2.00 million for 2026, 2027, 2028,
17 and 2029, respectively.

18 Q. What projects fall under the Instrumentation and
19 Control Replacement Projects - SP program?

20 A. As shown on pages 36 through 40 of
21 Exhibit___(SIOP-4), the Instrumentation and
22 Control Replacement Projects - SP program
23 consists of the 26825-16 60th St Waste
24 Neutralization System DCS Replacement, 26831-16

1 60th St Package Boilers DCS Replacement; 30235-
2 19 60th St Deaerator and Boiler Feed Pump DCS
3 Installation; 27622-17 60th St Opacity Meter
4 Upgrade; 30767-22 74th St DCS Upgrade; 31490-24
5 74th St Stack Camera and Monitor Replacement;
6 31679-25 ERSSS North and South Drag Pressure
7 Control Valve Replacements; 31701-25 74th St
8 Steam Send-Out Desuperheater Replacement; 31705-
9 25 60th St CEMS PLC Upgrades - For Package
10 Boilers; 31706-25 ER CEMS PLC Upgrades - For
11 Unit 10, Unit 20, & South Steam Station; 31707-
12 25 59th St CEMS PLC Upgrades - For All Units;
13 31708-25 74th St CEMS PLC Upgrades - For High
14 Pressure Boilers and Package Boilers projects.

15 Q. Does the Panel have any recommendations
16 regarding the projects within the
17 Instrumentation and Control Replacement Projects
18 - SP program?

19 A. Yes. We recommend adjustments to the 27622-17
20 60th St Opacity Meter Upgrade project.

21 Q. Please describe the 27622-17 60th St Opacity
22 Meter Upgrade project.

23 A. As described on page 37 of Exhibit____(SIOP-4),
24 this project will install six new opacity meters

1 and associated equipment on each boiler exhaust
2 duct and will include their integration into the
3 station distributed control system using
4 existing spare inputs. The installation of the
5 new equipment will require an outage of the
6 associated boilers.

7 Q. What is the Company's justification for 27622-17
8 60th St Opacity Meter Upgrade project?

9 A. As explained on page 37 of Exhibit___(SIOP-4),
10 opacity meters are essential for maintaining
11 efficient boiler operation and complying with
12 emission regulations regarding how many
13 opacities at the exhaust. These emission
14 regulations are set by the New York City
15 Department of Environmental Protection and the
16 New York State Department of Environmental
17 Conservation. Currently there is a single
18 opacity monitoring system located on the stack,
19 which is unable to identify the specific boiler
20 causing the opacity in the exhaust. Therefore,
21 installing opacity meters on each boiler's
22 exhaust will improve boiler monitoring
23 capabilities. As a result of this project, 60th
24 Street Station will have a modern opacity

1 measurement system in place that will allow the
2 station operators to quickly identify
3 performance or combustion issues that may arise
4 and therefore prevent emissions exceedance

5 Q. What funding level did the Company request for
6 this project?

7 A. Based on the attachment "DPS_3_130 Steam
8 Production Capital Program Breakout", provided
9 in the Company's response to DPS-130, Con Edison
10 requests \$700,000 for calendar year 2027.

11 Q. Is this project located in a disadvantaged
12 community?

13 A. No. Based on the Company's response to NYC-2-
14 42, which indicates that the 60th Street
15 generating station is not in a designated
16 disadvantaged community, the 27622-17 60th St
17 Opacity Meter Upgrade project is not in a
18 disadvantaged community.

19 Q. Was the 27622-17 60th St Opacity Meter Upgrade
20 project included in the prior rate plan?

21 A. Yes, 27622-17 60th St Opacity Meter Upgrade
22 project was included in the prior rate plan
23 established in the 2023 Rate Order in Case 22-S-
24 0659.

1 Q. What is the historical budget and actual
2 spending variance for the 27622-17 60th St
3 Opacity Meter Upgrade project?

4 A. As shown on page 6 of the 2023 Steam Annual
5 Capital Expenditure Report, the Company spent
6 \$134,000 in 2023. The report also shows that
7 the total cost for this project is \$500,000.
8 Page 6 of the 2024 Steam Annual Capital Report
9 Final (2024) shows that the Company spent
10 \$132,000 in 2024. The report also shows that
11 the project's total cost is \$700,000.

12 Q. What did the Panel find in its review?

13 A. The Panel found two discrepancies with the
14 information provided by the Company.

15 Q. What is the first discrepancy identified by the
16 Panel?

17 A. As shown on page 2 of the 2023 Steam Annual
18 Capital Expenditure Report, and page 6 of the
19 2024 Steam Annual Capital Report Final (2024),
20 the Company's annual capital reports show that
21 the project's total costs differ year to year.
22 In the 2023 Steam Annual Capital Expenditure
23 Report the total cost is shown to be \$500,000,
24 while the 2024 Steam Annual Capital Report Final

1 (2024) shows a total cost of \$700,000.

2 Q. What is the second discrepancy identified by the
3 Panel?

4 A. The Company's request for this rate plan does
5 not reflect the prior historic spend for this
6 project. The latest reported total historic
7 actual spending for this project, found in page
8 6 of the 2024 Steam Annual Capital Report Final
9 (2024), is \$296,000 out of a total cost for this
10 project that is either \$500,000 or \$700,000 as
11 mentioned earlier in our testimony. Based on
12 the Company's requested funding level of
13 \$700,000 for this project in this proceeding,
14 and the total historic spending, the total cost
15 of the project is expected to be approximately
16 \$1.0 million. The Company has not identified
17 why the total cost of this project has been
18 increasing in recent years.

19 Q. Is there instrumentation and control equipment
20 in the stations that has failed, is performing
21 poorly, or is at or near obsolescence?

22 A. No, in the Company's response to DPS-328,
23 included in Exhibit___(SSIOP-1), the Company
24 states that the existing opacity monitoring

1 system is operating as originally intended.

2 Q. What is the service life of the existing opacity
3 monitoring system that is intended to be
4 upgraded under this program?

5 A. In DPS-328, the Company states that the service
6 life of the existing opacity monitoring system
7 is around 20 years. It was installed circa
8 2010.

9 Q. What does this suggest about the current service
10 life of the existing opacity monitoring system?

11 A. This suggests that the existing opacity
12 monitoring system is still within its service
13 life.

14 Q. What will happen with the existing opacity
15 monitoring system located on the stack once new
16 opacity meters are installed?

17 A. The Company states in DPS-328 that the existing
18 opacity monitoring system will remain in
19 service.

20 Q. Are there any issues with the current opacity
21 monitoring system's ability to meet emissions
22 regulations?

23 A. No. According to the Company's response to DPS-
24 328, the current setup meets the existing

1 emissions regulations of the New York City
2 Department of Environmental Protection and New
3 York State Department of Environmental
4 Conservation.

5 Q. Does the Company identify any alternatives to
6 this project?

7 A. Yes, on page 37 of Exhibit___(SIOP-4), the
8 Company states an alternative to 27622-17 60th
9 St Opacity Meter Upgrade project is to continue
10 to operate the station with only a stack
11 monitoring opacity system, but this is not
12 preferable because it will continue to be
13 difficult for station operators to quickly
14 identify which boiler is causing an emissions
15 issue in the event of a smoke or opacity
16 incident and delay the implementation of
17 corrective actions.

18 Q. How long does it take operators to identify
19 which boiler is causing an emissions issue?

20 A. The Company stated in response to DPS-328 that
21 if there is a plant component failure or an
22 alarm, the boiler causing an emission issue can
23 be identified quickly. However, if it is a
24 parameter that needs to be adjusted, the

1 operator would perform the steps noted in
2 response to sub-question 9a of DPS-328, and this
3 could take around 15 minutes.

4 Q. Based on this information, can operators quickly
5 identify which boiler is causing the emission
6 issue with the existing opacity monitoring
7 system?

8 A. Yes. The Company's response to DPS-328
9 indicates that operators are able to quickly
10 identify the boiler responsible for an emission
11 event using the existing opacity monitoring
12 system. Specifically, the Company states that
13 if there is a "plant component failure or an
14 alarm, the boiler causing an emission issue can
15 be identified quickly." The Company also states
16 that identification may take approximately 15
17 minutes in instances where a parameter needs to
18 be adjusted.

19 Q. What are the steps that the operator must take
20 if a parameter needs to be adjusted to the
21 existing opacity monitoring system?

22 A. In response to DPS-328, the Company states that
23 "the station operators would evaluate all six
24 boilers for boiler air flow, verify excess O2,

1 and perform a comparison of the forced draft
2 damper, induced draft fan damper demand, and
3 feedback to verify if there is a discrepancy.
4 An operator would be dispatched to look into the
5 furnaces to see if there are flame imbalances,
6 tube impingement, or flame instability. The
7 operator may also need to verify if the forced
8 draft fan or induced draft fan motor and blower
9 are still coupled.

10 Q. Has a delay in identifying the boiler and taking
11 corrective action resulted in any penalties?

12 A. In response to DPS-328, the Company stated a
13 delay in identifying the boiler and taking
14 corrective action has not resulted in penalties.

15 Q. What does the Panel recommend for this project?

16 A. We recommend the Commission reject the funding
17 for this project.

18 Q. What is the rationale for your adjustment?

19 A. The Panel does not agree there is a need for
20 this project at this time. On page 35 of
21 Exhibit___(SIOP-4), the Company states that this
22 program consists of projects that will replace
23 instrumentation and control equipment in the
24 stations that has failed, is performing poorly,

1 or is at or near obsolescence. In the projects
2 description and justification on page 37 of
3 Exhibit___(SIOP-4), the Company does not
4 identify any equipment that has failed, is
5 performing poorly, or is at or near
6 obsolescence. In its response to DPS-328, the
7 Company states that the existing opacity
8 monitoring system meets emission regulations and
9 is operating as originally intended and will
10 continue to be used if the six additional
11 individual boiler opacity meters are installed.
12 The existing opacity monitoring system is still
13 within its service life. The existing opacity
14 monitoring system was installed in 2010 and has
15 a service life of 20 years. The Panel has also
16 found two discrepancies with the information
17 provided by the Company. Therefore, we do not
18 recommend the six additional individual boiler
19 opacity meters at each boiler duct at this time.
20 The Company has explained that the existing
21 opacity monitoring system is still able to
22 quickly identify which boiler is causing the
23 emission if there is a plant component failure
24 or an alarm.

1 Information Technology

2 Q. Briefly summarize the Company's steam production
3 Information Technology category.

4 A. As stated on page 14 of the SIOP's initial
5 testimony, the Environmental category under
6 steam production consists of programs aimed at
7 upgrading technology infrastructure and systems
8 to remain compliant and advance business
9 processes.

10 Q. What projects or programs is the Company
11 proposing funding for under this category?

12 A. As shown in Exhibit___(SIOP-1), Schedule 2, the
13 Company proposes funding for the Steam
14 Operational Technology Upgrades program, and the
15 FUELS Day 2, Steam Digital Optimization Phase 2,
16 ECC Simulator, and the OOWP & Rounds System
17 projects.

18 Q. What level of funding did the Company request
19 for the Information Technology category?

20 A. The Company proposes capital expenditures of
21 \$8.58 million, \$6.20 million, and \$5.33 million
22 for RY1, RY2, and RY3, respectively. Of this
23 request, the Panel only reviewed capital
24 expenditures of \$6.15 million, \$3.00 million,

1 and \$2.50 million for RY1, RY2, and RY3,
2 respectively. Based on the Company's response
3 to DPS-76, the SIOP's request for the calendar
4 years is \$2.86 million, \$9.22 million, \$6.38
5 million, and \$3.23 million for 2026, 2027, 2028,
6 and 2029, respectively. Of this request, the
7 Panel only review capital expenditures of
8 \$600,000, \$6.16 million, \$3.72 million, and
9 \$3.23 million for calendar years 2026, 2027,
10 2028, and 2029.

11 Q. What project under this category is not
12 addressed by the Panel?

13 A. We do not address the Steam Digital Optimization
14 Phase 2 project, as it is one of the
15 decarbonization projects.

16 Q. Where is the Steam Digital Optimization Phase 2
17 project addressed?

18 A. The Steam Digital Optimization Phase 2 project
19 is addressed in the Staff Climate Leadership and
20 Community Protection Act and Decarbonization
21 Panel.

22 Q. Does the Panel recommend any adjustments to this
23 category?

24 A. Yes. The Panel recommends adjustments to the

1 Steam Operational Technology Upgrades project
2 under the Information Technology category.

3 Q. Please describe the Steam Operational Technology
4 Upgrades project.

5 A. As described on pages 79 and 80 of
6 Exhibit___(SIOP-4), this project consists of
7 four components. The first is the replacement
8 of end-of-life hardware such as servers,
9 workstations, and mobile equipment required to
10 maintain the security of technology
11 infrastructure, including historians and asset
12 management applications. The Company states
13 that the normal lifespan of these devices is
14 five years, and that they are essential for
15 daily operations. The second is the expansion
16 of corporate Wi-Fi into rugged areas of the
17 steam generating stations, which will require
18 access points and switches to increase the
19 internet infrastructure across all steam
20 stations. The third aspect is the upgrade of
21 the distributed control system simulator at the
22 Learning Center to the latest version of the
23 Emerson Process Management Ovation control
24 system. The fourth and final aspect is the

1 enhancement and stabilization of the Aveva Plant
2 Information system for steam generation and
3 distribution, which is a real-time industrial
4 data platform that captures and organizes
5 operational information, enabling visualization,
6 analysis, and performance optimization.

7 Q. What is the Company's justification for the
8 Steam Operational Technology Upgrades project?

9 A. As explained on page 80 of Exhibit___(SIOP-4),
10 the Company states that the need for this
11 project arises from the responsibility to
12 maintain the security and efficiency of Company
13 technology infrastructure. The Company adds
14 that the risk of no action includes potential
15 security vulnerabilities, decreased efficiency,
16 and the inability to keep up with current
17 technology standards.

18 Q. What funding level did the Company request for
19 the Steam Operational Technology Upgrades
20 project?

21 A. Based on the Company's response to DPS-76, Con
22 Edison requests \$600,000 for calendar year 2026,
23 and \$2.0 million for each calendar year from
24 2027 through 2029.

1 Q. What portion of the Steam Operational Technology
2 Upgrades project's budget is allocated for the
3 replacement of end-of-life hardware?

4 A. As shown in the Company's response to DPS-262,
5 included in Exhibit___(SSIOP-1), the Company is
6 allocating \$40,000 for calendar year 2026,
7 \$270,000 for calendar years 2027 and 2028, and
8 \$220,000 for calendar year 2029.

9 Q. What portion of the Steam Operational Technology
10 Upgrades project's budget is allocated for the
11 expansion of corporate Wi-Fi into rugged areas
12 of the steam generating stations?

13 A. As shown in the Company's response to DPS-262,
14 the Company is allocating \$140,000 for calendar
15 year 2026, \$830,000 for calendar years 2027 and
16 2028, and \$690,000 for calendar year 2029.

17 Q. What portion of the Steam Operational Technology
18 Upgrades project's budget is allocated for the
19 upgrade of the distributed control system
20 simulator?

21 A. As shown in the Company's response to DPS-262,
22 the Company is allocating \$20,000 for calendar
23 year 2026, \$100,000 for calendar years 2027 and
24 2028, and \$80,000 for calendar year 2029.

1 Q. What portion of the Steam Operational Technology
2 Upgrades project's budget is allocated for the
3 enhancement and stabilization of the Aveva Plant
4 Information system?

5 A. As shown in the Company's response to DPS-262,
6 the Company is allocating \$13,000 for calendar
7 year 2026, \$800,000 for calendar years 2027 and
8 2028, and \$670,000 for calendar year 2029.

9 Q. What did the Panel find in its review?

10 A. We found two notable issues during our review of
11 the Steam Operational Technology Upgrades
12 project. The first issue is that the summation
13 of the funding levels for the four aspects of
14 the project does not match the proposed funding
15 level of Steam Operational Technology Upgrades
16 project. The second issue is that the total
17 cost of the hardware identified to be replaced
18 does not match the funding level for the end-of-
19 lie hardware replacement aspect.

20 Q. Please describe the first issue that the Panel
21 found in its review.

22 A. As mentioned earlier in our testimony, the
23 Company's response to DPS-262 included the
24 funding level allocated to each aspect of the

1 Steam Operational Technology Upgrades project.

2 A summation of these funding levels results in a
3 total project cost of \$330,000 for calendar year
4 2026, \$2.0 million for calendar years 2027 and
5 2028, and \$1.66 million for calendar year 2029.

6 The Company's response to DPS-76 shows the
7 funding level of the project to be \$600,000 in
8 calendar year 2026, and \$2.0 million in each
9 calendar year from 2027 through 2029.

10 Q. Please describe the second issue that the Panel
11 found in its review.

12 A. In its response to DPS-262, the Company only
13 identified Microsoft Surface Pro devices to be
14 replaced under the end-of-life hardware
15 replacement aspect of the Steam Operational
16 Technology Upgrades project, at 100 replacements
17 per rate year. The Company further added that
18 the forecasted unit cost to replace a Microsoft
19 Surface Pro is \$1,600 per unit. Staff found
20 that the total cost to replace 100 Microsoft
21 Surface Pro devices in a rate year is \$160,000.
22 In the Company's response to DPS-262, the
23 funding level of the end-of-life hardware
24 replacement aspect in rate years is \$300,000 for

1 RY1, \$200,000 for RY2, and \$300,000 for RY3.

2 Q. Did the Company provide the number of Microsoft
3 Surface Pro devices it will replace by calendar
4 year?

5 A. No, the Company's response to DPS-262 only
6 provided the information by rate year.

7 Q. What does the Panel recommend for the Steam
8 Operational Technology Upgrades project?

9 A. We recommend a funding level of \$330,000 in
10 calendar year 2026, \$1.89 million in calendar
11 year 2027, \$1.89 million in calendar year 2028,
12 and \$1.60 million in calendar year 2029.

13 Q. What is the rationale for the recommended
14 adjustments?

15 A. As stated earlier in our testimony, we found
16 that the allocated funding for the end-of-life
17 hardware replacement was higher than what was
18 necessary for the replacement of the Microsoft
19 Surface Pro devices. Based on this finding, the
20 budget of the end-of-life replacement aspect of
21 the Steam Operational Technology Upgrades should
22 be \$160,000 in each calendar year from 2027
23 through 2029. Since the Company's proposed
24 funding level for this project was higher than

1 the sum of the allocated funding for each aspect
2 of the project, we recommended a funding level
3 that is a sum of our recommended budget for end-
4 of-life replacement, and the Company's allocated
5 budgets for the remaining aspects of the Steam
6 Operational Technology Upgrades project.

7 Steam Distribution Capital Expenditures

8 Q. What level of funding did the Company propose
9 for steam distribution?

10 A. As shown in Exhibit___(SIOP-1), Schedule 3, the
11 Company proposes steam distribution capital
12 expenditures of \$77.15 million, \$81.36 million,
13 and \$81.93 million for RY1, RY2, and RY3,
14 respectively. Based on the Company's response
15 to DPS-76, the SIOP's request for the calendar
16 years is \$62.22 million, \$81.45 million, \$82.26
17 million, and \$81.11 million for 2026, 2027,
18 2028, and 2029, respectively. The Panel
19 reviewed all projects and programs under steam
20 distribution.

21 Q. Does the Panel recommend any adjustments to the
22 steam distribution capital projects and
23 programs?

24 A. Yes. We recommend adjustments to the Manhole

1 Rebuild Program, Steam Excavation Projects
2 Program, Remote Monitoring System Enhancement
3 Program, Steam Distribution System Reliability
4 Enhancements Program, Remote Metering
5 Enhancement Program - Meter Install, Main Valve
6 Replacement Program, Limitorque Angle Valve
7 Replacement Program, and Customer Load Changes -
8 Install Program.

9 Q. Based on your adjustments, what is your
10 recommended level of capital expenditure for
11 steam distribution?

12 A. The Panel recommends a steam distribution
13 capital expenditure budget of \$52.07 million,
14 \$64.17 million, \$64.10 million, and \$62.77
15 million for calendar year 2026, 2027, 2028, and
16 2029, respectively. A summary of our
17 recommended adjustments and capital expenditure
18 budgets can be found in Exhibit___(SSIOP-2).

19 Q. How does the Company categorize its steam
20 distribution projects and programs?

21 A. The Company groups its steam distribution
22 capital projects and programs into several
23 categories. These are Risk Reduction, New
24 Business, Replacement, and Information

1 Technology.

2 Q. Which category of projects will you be
3 addressing first?

4 A. We will address the Company's proposed projects
5 under the Risk Reduction category first.

6 Risk Reduction

7 Q. Briefly summarize the Company's steam
8 distribution Risk Reduction category.

9 A. As stated on page 19 of the SIOP's initial
10 testimony, the Risk Reduction category under
11 steam distribution consists of projects and
12 programs that provide proactive upgrades to
13 increase system dependability and reduce
14 unscheduled outages.

15 Q. What projects or programs is the Company
16 proposing funding for under this category?

17 A. As shown in Exhibit___(SIOP-1), Schedule 3, the
18 Company proposes funding for the Remote
19 Monitoring System Enhancement, Steam Excavation
20 Projects, Manhole Rebuild Program, Steam
21 Distribution System Reliability Enhancement, and
22 Remote Metering Enhancement Program - Meter
23 Install programs.

24 Q. What level of funding did the Company request

1 for the Risk Reduction category?

2 A. The Company proposes capital expenditures of
3 \$54.77 million, \$59.98 million, and \$61.95
4 million for RY1, RY2, and RY3, respectively.
5 Based on the Company's response to DPS-76, the
6 SIOF's request for the calendar years is \$38.22
7 million, \$58.99 million, \$60.21 million, and
8 \$61.56 million for 2026, 2027, 2028, and 2029,
9 respectively.

10 Q. Does the Panel recommend any adjustments to this
11 category?

12 A. Yes. We recommend adjustments to the Manhole
13 Rebuild Program, Steam Excavation Projects
14 Program, Remote Monitoring System Enhancement
15 Program, Steam Distribution System Reliability
16 Enhancements Program and Remote Metering
17 Enhancement Program - Meter Install.

18 Q. What work does the Manhole Rebuild Program
19 include?

20 A. As stated on page 107 of Exhibit____(SIOF-4), the
21 program is for the rebuild of deteriorated
22 manhole structures.

23 Q. What funding level did the Company request for
24 this program?

- 1 A. The Company proposes capital expenditures of
2 \$6.2 million, \$6.3 million, and \$6.5 million for
3 RY1, RY2, and RY3, respectively. Based on the
4 Company's response to DPS-76 attachment
5 "DPS_1_76 Att. 1 Steam Distribution Capital
6 Budget", the Company requests \$6.0 million for
7 calendar year 2026, \$6.2 million for calendar
8 year 2027, \$6.4 million for calendar year 2028,
9 and \$6.5 million for calendar year 2029.
- 10 Q. How many manhole structures need a rebuild?
- 11 A. As stated on page 107 of Exhibit___(SIOP-4), the
12 Company has identified 69 manholes in poor
13 condition, and plans to rebuild about 20
14 manholes each year.
- 15 Q. How many additional manhole failures are found
16 by Con Edison each year?
- 17 A. As stated on page 107 of Exhibit___(SIOP-4), the
18 Company finds an average of 12 additional
19 manholes annually.
- 20 Q. What is the lifespan of the manhole structures?
- 21 A. The structures have a lifespan ranging from ten
22 to 30 years, depending on roadway traffic and
23 subsurface conditions, according to page 107 of
24 Exhibit___(SIOP-4).

1 Q. Does the Company keep an inventory of the
2 manhole structures on the steam system?

3 A. Yes, as stated in the Company's response to DPS-
4 230, included in Exhibit___(SSIOP-1), the
5 Company maintains approximately 2,880 manhole
6 structures in its distribution system.

7 Q. How many manhole structures were replaced in
8 calendar years 2020 through 2025?

9 A. As provided in the Company's response to DPS-
10 230, a total of 174 manhole structures were
11 rebuilt, for an average of 29 rebuilds annually.

12 Q. Why did the Company underspend its projected
13 budget for calendar years 2020 and 2021?

14 A. As stated in the Company's supplemental response
15 to DPS-230, included in Exhibit___(SSIOP-1),
16 resources were redirected towards emergent work.

17 Q. What emergent work were resources redirected to
18 in calendar years 2020 and 2021?

19 A. As stated in response to DPS-412, included in
20 Exhibit___(SSIOP-1), the Company diverted
21 contractor crews, defined as resources, to the
22 Excavation Projects program in both 2020 and
23 2021. In 2020, contractor crews were also
24 diverted to address an emergency water main

1 rupture that caused damage to steam distribution
2 pipe. In 2021, crews were diverted to address a
3 request for new steam service that required
4 1,000 feet of service pipe.

5 Q. What is the reason for the increase in the
6 proposed budget between each of the calendar
7 years, 2025 through 2029?

8 A. According to the response to DPS-230, the
9 Company operated under newly negotiated
10 construction contracts in 2025, and overall
11 construction costs increased by 3.7 percent due
12 to contract requirements and market conditions.
13 These contracts also provide for annual
14 escalation rates for future years.

15 Q. What is the proposed increase from 2025 to 2026?

16 A. The Company proposes an increase of over 150
17 percent for the cost of this program from 2025
18 to 2026. This is due to a contractually
19 obligated escalation percentage of 3.8 percent
20 as shown in the Company's response to DPS-230.
21 In addition, the Company plans to accelerate
22 efforts to reduce the backlog as stated in
23 response to DPS-429, included in
24 Exhibit___(SSIOP-1).

1 Q. Does the Company have a typical rebuild cost for
2 the program?

3 A. Yes. As shown in the response to DPS-412, the
4 Company itemized a typical rebuild cost without
5 complications totaling \$220,141, which has
6 increased from the 2025 average unit cost of
7 around \$197,000.

8 Q. Does the Company expect or propose any changes
9 to the program in the future?

10 A. As stated in the Company's response to DPS-230,
11 no.

12 Q. Does the Panel agree with the Company's proposed
13 budget for calendar years 2026 through 2029?

14 A. No.

15 Q. What does the Panel recommend?

16 A. The Panel recommends utilizing the historical
17 average rebuild cost per manhole of \$220,141,
18 for twenty manholes per year, and the
19 contractually obligated escalation for each year
20 as provided in the Company's response to DPS-
21 230, resulting in a reduction in the Company's
22 proposed budget of \$1,429,873 in calendar year
23 2026, \$1,447,068 in calendar year 2027,
24 \$1,452,198 in calendar year 2028, and \$1,309,755

1 in calendar year 2029.

2 Q. Panel, moving on to the Steam Excavation
3 Projects Program, please explain the purpose of
4 this program?

5 A. As stated on page 120 of Exhibit___(SIOP-4),
6 this program funds steam excavations required to
7 repair leaks and install upgrades to system
8 components.

9 Q. What funding level did the Company request for
10 this program?

11 A. The Company proposes capital expenditures of
12 \$20.9 million, \$22.5 million, and \$23.3 million
13 for RY1, RY2, and RY3, respectively. Based on
14 the Company's response to DPS-76 attachment
15 "DPS_1_76 Att. 1 Steam Distribution Capital
16 Budget", the Company requests \$15.15 million for
17 calendar year 2026, \$21.99 million for calendar
18 year 2027, \$22.5 million for calendar year 2028,
19 and \$23.25 million for calendar year 2029.

20 Q. What specific work is steam excavations required
21 for?

22 A. As stated on page 120 of Exhibit___(SIOP-4),
23 there are a variety of steam components
24 including services, valves, slip joints, trap

1 discharge lines, mains, cooling chambers, and
2 flanges. Leaks can occur in a variety of areas
3 including pipes, gaskets, packing and welds.
4 Excavation is also required for upgrades to
5 valves and piping.

6 Q. Are there regulatory requirements related to
7 leak repairs?

8 A. Yes. On page 120 of Exhibit___(SIOP-4), the
9 Company states that the Commission requires that
10 the Company repair leaks from its steam
11 distribution system within six months of
12 identification. This is required pursuant to 16
13 NYCRR Part 420.11.

14 Q. Do the Steam Excavation Projects include costs
15 for the leak repairs and updates?

16 A. Yes, as stated in the Company's response to DPS-
17 264, included in Exhibit___(SSIOP-1), the budget
18 includes costs to address emergent leak repairs
19 and replacement of failed components that
20 require excavation.

21 Q. How many steam excavation projects were
22 completed in calendar years 2020 through 2025?

23 A. As shown in the response to DPS-264, the Company
24 budgeted for an average of 159 projects per year

1 and completed an average of 180.5 projects per
2 year.

3 Q. How many steam excavation projects are
4 forecasted to be completed in calendar years
5 2026 through 2029?

6 A. As stated in the response to DPS-264, the
7 Company forecasts the completion of 223 projects
8 per calendar year. The Company states this is
9 based on the average number of projects
10 completed in the six years between 2020 and
11 2025.

12 Q. Did the Company spend the full program budget
13 from 2022 to 2025?

14 A. As shown in the Company's response to DPS-264,
15 the Company underspent these budgets during that
16 time period due to escalating cost of
17 construction contracts, variation in the number
18 and configuration of steam assets or pipe
19 replacement scope at each location, excavation
20 location, and project durations. The Company
21 claims the 2025 budget was underfunded and
22 actual spend was \$22,740,000.

23 Q. Is the Company requesting increases in budget
24 for calendar years 2025 through 2029?

1 A. Yes. As stated in the Company's response to
2 DPS-264, the proposed spending is based on the
3 actual average annual expenditures for 2023
4 through 2025 of approximately \$21,000,000.

5 Q. Do you agree with the Company's forecasted
6 budget?

7 A. No. The Company used a three-year average for
8 the forecasted budget, and a six-year average
9 for the number of projects.

10 Q. What does the Panel recommend?

11 A. The Panel recommends that the Commission use the
12 average number of projects completed from 2020
13 through 2025 of 181 instead of the Company's
14 223. The Panel further recommends calculating
15 each year's budget based on the unit cost from
16 the Company's proposed budget in each of the
17 calendar years 2026 through 2029. The resulting
18 budget recommended is \$12,295,825 for calendar
19 year 2026, \$17,855,691 for calendar year 2027,
20 \$18,264,767 for calendar year 2028, and
21 \$18,873,511 for calendar year 2029.

22 Q. Panel, what work does the Remote Monitoring
23 System Enhancement Program include?

24 A. As stated on page 115 of Exhibit____(SIOP-4), the

1 Remote Monitoring System Enhancement Program
2 funds the purchase and installation of remote
3 terminal units, or RTUs, and sensors, as well as
4 the relocation of instrument service boxes and
5 the installation of new remote monitoring system
6 locations.

7 Q. Why is this work necessary?

8 A. According to page 115 of Exhibit___(SIOP-4), the
9 work ensures the provision of safe and reliable
10 service to customers as well as maintenance of
11 Company's steam distribution facilities.

12 Q. What funding level did the Company request for
13 this program?

14 A. The Company proposes capital expenditures of
15 \$6.1 million, \$6.2 million, and \$6.3 million for
16 RY1, RY2, and RY3, respectively. Based on the
17 Company's response to DPS-76 attachment
18 "DPS_1_76 Att. 1 Steam Distribution Capital
19 Budget", the Company requests \$5.4 million for
20 calendar year 2026, and \$6.3 million per year
21 for calendar years 2027 through 2029.

22 Q. How many remote terminal units, or RTUs, under
23 the new design criteria has the Company
24 installed in calendar years 2020 through 2025?

1 A. As shown in the table in the Company's response
2 to DPS-252, included in Exhibit___(SSIOP-1), the
3 Company has completed a total of 184
4 installations at an average of approximately 31
5 installations annually.

6 Q. How many RTUs under the new design criteria does
7 the Company plan to install in calendar years
8 2026 through 2029?

9 A. As stated in the Company's response to DPS-252
10 the Company forecasts it will install 100 new-
11 design RTUs per year.

12 Q. How did the Company justify the need to increase
13 installations to 100 new-design RTUs annually?

14 A. As stated in response to DPS-402, included in
15 Exhibit___(SSIOP-1), the Company claims it needs
16 to install approximately 800 RTUs to restore the
17 Remote Monitoring System to its design basis.
18 The Company estimates that its current workforce
19 can install approximately 100 new-design RTUs
20 per year with the extensive preparation required
21 to ensure a location is adequate and ready for
22 an RTU installation.

23 Q. What impact would there be on customers if fewer
24 than 100 new design RTUs are installed per year?

1 A. As stated in response to DPS-402, the Company
2 will have reduced real-time visibility into
3 steam manholes for water infiltration or
4 equipment failure with fewer new-design RTUs
5 installed per year. The reduced visibility
6 could affect public safety and disrupt system
7 reliability if the conditions are not addressed
8 promptly.

9 Q. Does this program include the relocation of
10 instrument service boxes?

11 A. Yes. According to page 115 of Exhibit___(SIOP-
12 4), the Company plans to relocate instrument
13 service boxes, located in high-heat areas of the
14 steam system.

15 Q. How many instrument service boxes did the
16 Company relocate in calendar years 2020 through
17 2025?

18 A. As stated in response to DPS-250, included in
19 Exhibit___(SSIOP-1), the Company relocated 19 in
20 2020 through 2022, and zero thereafter.

21 Q. How many instrument service boxes does the
22 Company plan to relocate in calendar years 2026
23 through 2029?

24 A. As stated in response to DPS-250, the Company

1 plans to relocate a total of 25 instrument
2 service boxes; zero boxes in 2026, eight boxes
3 in 2027, eight boxes in 2028, and nine boxes in
4 2029.

5 Q. Why are there no instrument service box
6 replacements proposed in calendar year 2026?

7 A. As stated in response to DPS-401, included in
8 Exhibit___(SSIOP-1), the Company did not find
9 any instrument service boxes with elevated
10 temperatures in the first group of 100 expansion
11 locations.

12 Q. What are expansion locations?

13 A. Expansion locations are additional locations
14 outside of the 124 critical locations intended
15 for remote monitoring. As the Company did not
16 find elevated temperatures, the need for
17 additional work to address those locations is
18 not necessary.

19 Q. How did the Company arrive at the number of box
20 relocations for 2027 through 2029?

21 A. As stated in the Company's response to DPS-401,
22 the estimated number of relocations is based on
23 the historical relocation rate observed while
24 maintaining the 124 critical locations, where 19

1 instrument service boxes required relocation due
2 to high temperatures.

3 Q. Does the Company expect or propose any changes
4 to the program in the future?

5 A. As stated in the Company's response to DPS-254,
6 included in Exhibit___(SSIOP-1), there are no
7 anticipated program changes, but the Company
8 will continue its expansion efforts.

9 Q. Does the Panel agree with the Company's proposed
10 budget for calendar years 2026 through 2029?

11 A. No.

12 Q. What does the Panel recommend?

13 A. The Panel recommends that the Commission
14 forecast the budget using the average amount of
15 historical work performed in calendar years 2020
16 through 2025, including an instrument service
17 box relocation of four per year for 2027 through
18 2029, and 37 RTU installations per year. To
19 determine this budget, the Panel applied
20 inflation to the actual spending for calendar
21 years 2020 through 2024 to 2025, took the
22 average of the inflated amounts in 2020 through
23 2024 spending and 2025 spending, and applied
24 inflation for calendar years 2026 through 2029.

1 For inflation, the panel used the inflation
2 factors recommended in Staff witness Gadowski's
3 direct testimony. Including the appropriate
4 inflation, we recommend calendar year budgets of
5 \$2,689,225 for 2026, \$2,754,035 for 2027,
6 \$2,814,624 for 2028, and \$2,873,731 for 2029.

7 Q. What work does the Steam Distribution System
8 Reliability Enhancements Program include?

9 A. As stated on page 117 of Exhibit___(SIOP-4), the
10 program uses the Company's steam distribution
11 risk assessment program to identify areas for
12 inspections and corrective actions.

13 Q. What funding level did the Company request for
14 this program?

15 A. The Company proposes capital expenditures of
16 \$13.1 million, \$15.4 million, and \$16.3 million
17 for RY1, RY2, and RY3, respectively. Based on
18 the Company's response to DPS-76, attachment
19 "DPS_1_76 Att. 1 Steam Distribution Capital
20 Budget", the Company requests \$5.98 million for
21 calendar year 2026, \$14.5 million for calendar
22 year 2027, \$15.5 million for calendar year 2028,
23 and \$16.25 million for calendar year 2029.

24 Q. What is the Company's steam distribution risk

1 assessment program?

2 A. As stated on page 117 of Exhibit____(SIOP-4),
3 this risk assessment program assesses risks
4 based on American Society of Mechanical
5 Engineers, or ASME, B31.8S guidelines, and
6 includes the Steam Main Inspection Program and
7 the Steam Main Remediation Plan.

8 Q. What is included in the Steam Main Inspection
9 Program?

10 A. As stated on page 117 of Exhibit____(SIOP-4), the
11 Company inspects internal piping, following ASME
12 and American Petroleum Institute guidelines, to
13 identify issues like incomplete weld penetration
14 and Flow Accelerated Corrosion, or FAC.

15 Q. What is included in the Steam Main Remediation
16 Plan?

17 A. As stated on pages 117 and 118 of
18 Exhibit____(SIOP-4), the plan prioritizes and
19 mitigates the risks identified in the Company's
20 risk evaluation via the Steam Main Inspection
21 Program. This can include plans for upgrading
22 pipelines, installing new preventative measures,
23 rebuilding or replacing steam mains, and
24 retiring sections of steam main.

1 Q. What changes is the Company proposing for the
2 program in calendar years 2026 through 2029?

3 A. According to page 117 of Exhibit___(SIOP-4),
4 over the next five years the Company plans to
5 accelerate the work under the program to remove
6 approximately 1,000 feet of remaining pre-1906
7 wrought iron pipe, as well as address the top 40
8 risk-assessed locations, target potential
9 undrained low points, implement corrective
10 action plans to mitigate risk, and reevaluate
11 Category 1 and Category 2 deep locations.

12 Q. How many feet of the pre-1906 wrought iron pipe
13 did the Company forecast to replace and how much
14 of this pipe did it actually replace in calendar
15 years 2020 through 2025?

16 A. According to the Company's response to DPS-255,
17 included in Exhibit___(SSIOP-1), the Company did
18 not set an annual forecast for pre-1906 wrought
19 iron pipe replacement, as the replacements were
20 determined through a risk-based process that
21 evaluated safety, system integrity, and asset
22 conditions. The Company replaced a total of
23 approximately 848 feet of pre-1906 wrought iron
24 pipe from calendar years 2020 through 2025.

1 Q. How many feet of the pre-1906 wrought iron pipe
2 does the Company plan to replace in calendar
3 years 2026 through 2029?

4 A. As stated in the Company's response to DPS-255,
5 the Company plans to replace the remaining 1,008
6 feet of pre-1906 wrought iron pipe in its system
7 by the end of 2029 in roughly equal annual
8 replacement amounts starting in 2027. This
9 equates to roughly 336 feet per year.

10 Q. Why is the Company proposing to replace all
11 1,008 feet by 2029 in roughly equal amounts
12 instead of continuing the use of the risk-based
13 process?

14 A. According to the response to DPS-407, included
15 in Exhibit___(SSIOP-1), the Company proposes to
16 eliminate inventory as part of an initiative to
17 remove lower-strength, corrosion-prone piping,
18 eliminating the risk in a planned manner rather
19 than defensively, through emergent leak repairs.

20 Q. How does the Company plan to increase its
21 replacement rate in order to replace 1,008 feet
22 of pipe by 2029?

23 A. According to the Company's response to DPS-407,
24 prior work replaced long continuous sections

1 during single outages, whereas the Company plans
2 to proactively replace the remaining shorter
3 segments during targeted outages to fully remove
4 pre-1906 pipe from inventory.

5 Q. Does the Panel agree with the Company's proposed
6 budget for calendar years 2026 through 2029?

7 A. No, we do not.

8 Q. What does the Panel recommend?

9 A. The Panel recommends adjusting the budget for
10 calendar years 2026 through 2029 to reflect the
11 average of 141 feet completed annually in
12 calendar years 2020 through 2025. Utilizing the
13 Company's cost per linear foot of pipe
14 replacement, \$6,450 as provided in the Company's
15 response to DPS-407, the reduction in the
16 Company's proposed budget for each of the
17 calendar years 2027 through 2029 is \$1,257,750.

18 Q. What work does the Remote Metering Enhancement
19 Program - Meter Install include?

20 A. As stated on page 113 of Exhibit____(SIOP-4), the
21 program includes improvements to existing remote
22 metering systems as well as installation of new
23 remote metering systems.

24 Q. Why is this program necessary?

1 A. According to the response to DPS-404, included
2 in Exhibit___(SSIOP-1), without remote metering,
3 some steam customers would not receive the
4 equipment enhancements or benefit from real-time
5 alerts. The identification of unsafe conditions
6 would rely solely on monthly inspections and
7 meter readings or a customer call.

8 Q. What funding level did the Company request for
9 this program?

10 A. The Company proposes capital expenditures of
11 \$.85 million, \$9.5 million, and \$9.5 million for
12 RY1, RY2, and RY3, respectively. Based on the
13 Company's response to DPS-76 attachment
14 "DPS_1_76 Att. 1 Steam Distribution Capital
15 Budget", the Company requests \$5.65 million for
16 calendar year 2026, \$9.0 million for calendar
17 year 2027, \$9.5 million for calendar year 2028,
18 and \$9.25 million for calendar year 2029.

19 Q. How many locations still require enhanced or new
20 meters?

21 A. According to page 113 of Exhibit___(SIOP-4),
22 there are approximately 1,300 remaining
23 locations.

24 Q. How many locations have been completed in

1 calendar years 2020 through 2025?

2 A. As shown in the Company's response to DPS-249,
3 included in Exhibit___(SSIOP-1), the Company
4 completed a total of 193 remote metering systems
5 installed since 2023, when the program was
6 initiated.

7 Q. What is the reason for the variation between
8 budget and actual spending for calendar years
9 2020 through 2025?

10 A. As stated in the Company's response to DPS-249,
11 the program was initiated in late 2022.
12 Calendar year 2022 had significant
13 underspending, with only \$1.05 million spent
14 versus \$3.43 million budgeted. The Company also
15 states for 2023 and 2024 after completing all
16 locations the Company had assessed and for which
17 customers had provided proof of insurance, the
18 Company limited the program and used the funding
19 on other emergent work.

20 Q. How many locations are proposed to be completed
21 for calendar years 2026 through 2029?

22 A. As shown in the Company's response to DPS-249,
23 it plans to complete a total of 725
24 installations, with 125 installations in 2026

1 and 200 installations in each year for 2027
2 through 2029.

3 Q. What is the reason for the significant increase
4 in the overall budget for calendar years 2025
5 through 2029?

6 A. As stated in the Company's response to DPS-249,
7 the increase in funding requested for this
8 program will reduce the number of years it will
9 take to complete the program. The Company
10 currently projects to complete the program in
11 2037.

12 Q. When does the Company plan to complete the
13 Remote Metering Enhancement Program - Meter
14 Install?

15 A. According to page 113 of Exhibit____(SIOP-4), it
16 is expected to finish in 2037.

17 Q. Does the Panel agree with the Company's proposed
18 budget for calendar years 2026 through 2029?

19 A. No.

20 Q. What does the Panel recommend?

21 A. The Panel recommends a budget based on the
22 average of 64 installations per year and average
23 actual spending per year from calendar years
24 2023 through 2025. To develop the recommended

1 budget, the actual spending in 2023 and 2024 was
2 inflated to 2025 dollars. The spending in 2022
3 was omitted as the meter installations did not
4 begin until 2023. Inflation was then applied to
5 the average of the inflated actual amounts spent
6 for 2023 and 2024 and 2025 actual spending for
7 each of the calendar years 2026 through 2029,
8 resulting in our recommended budget of
9 \$3,458,988 for 2026, \$3,542,350 for 2027,
10 \$3,620,281 for 2028, and \$3,696,307 for 2029.

11 New Business

12 Q. Briefly summarize the Company's steam
13 distribution New Business category.

14 A. According to page 19 of the SIOP's initial
15 testimony, the New Business category under steam
16 distribution consists of programs which include
17 the purchase, construction, and installation of
18 metering equipment, or purchases to install or
19 replace meters for service changes.

20 Q. What projects or programs is the Company
21 proposing funding for under this category?

22 A. As shown in Exhibit___(SIOP-1), Schedule 3, the
23 Company proposes funding for the New Business
24 Various Locations program and the Meter Purchase

1 Program.

2 Q. What level of funding did the Company propose
3 for the New Business category?

4 A. The Company proposes capital expenditures of
5 \$7.79 million, \$11.19 million, and \$9.62 million
6 for RY1, RY2, and RY3, respectively. Based on
7 the Company's response to DPS-76, the SIOP's
8 request for the calendar years is \$3.18 million,
9 \$8.70 million, \$11.70 million, and \$9.20 million
10 for 2026, 2027, 2028, and 2029, respectively.

11 Q. Does the Panel recommend any adjustments to this
12 category?

13 A. Yes. We recommend adjustments to the New
14 Business Various Locations Program.

15 Q. What work is included in the New Business
16 Various Locations program?

17 A. As stated in the Company's response to DPS-283,
18 included in Exhibit___(SSIOP-1), the work
19 encompasses the construction efforts involved in
20 running new piping systems to the customer's
21 property, including breakout and removal of
22 street asphalt and concrete, excavation to the
23 necessary depth, installation of the piping
24 system and necessary components, tie-in of the

1 piping to existing steam mains, and proper
2 protective restoration.

3 Q. What funding level did the Company request for
4 this program?

5 A. Based on the Company's response to DPS-76
6 attachment "DPS_1_76 Att. 1 Steam Distribution
7 Capital Budget", the Company requests \$3.0
8 million for calendar year 2026, \$7.0 million for
9 calendar year 2027, \$10.0 million for calendar
10 year 2028, and \$7.5 million for calendar year
11 2029.

12 Q. Is this program mandated?

13 A. Yes, as stated on page 111 of Exhibit___(SIOP-
14 4), the Company indicates the program is needed
15 to maintain compliance with its tariff, and will
16 increase the Company's steam customer base.

17 Q. How many new customer installations did the
18 Company complete in calendar years 2020 through
19 2025?

20 A. As shown in the Company's response to DPS-283,
21 the Company completed a total of nine new
22 customer installations from 2020 through 2025,
23 at an average of 1.5 installations per year.

24 Q. How many new customer installations does the

1 Company plan to complete in calendar years 2026
2 through 2029?

3 A. The Company stated in its whitepapers, page 111
4 of Exhibit___(SIOP-4), that it estimates four to
5 five new installations per year, however, as
6 stated in the response to DPS-283, the Company
7 determined the budget by reviewing historical
8 spending and including any known upcoming
9 projects, as the ability to forecast is limited.

10 Q. Does the Company know of any upcoming projects?

11 A. Yes. in the Company states in response to DPS-
12 283 that there are three customers who have
13 advanced efforts towards obtaining steam service
14 in 2026, and one customer expressing interest in
15 obtaining service in the last quarter of 2028.

16 Q. What is the reason for such fluctuation in the
17 budget and actual spending in calendar years
18 2020 through 2025?

19 A. As stated in the Company's response to DPS-283,
20 new business requests are often emergent, and
21 customer work scope, schedules, and construction
22 activities impact actual spending.

23 Q. What is the reason for the variation in budget
24 for calendar years 2026 through 2029?

1 A. As stated in the Company's response to DPS-283,
2 the variation represents the level of expected
3 projects based upon potential interest received
4 and projects currently in design review and
5 scope negotiation.

6 Q. Did the Company provide the associated budget
7 for each of the projects expected for each of
8 the calendar years 2026 through 2029?

9 A. Yes. In response to DPS-424, included in
10 Exhibit___(SSIOP-1), the Company includes a
11 table detailing the project address, the
12 estimated cost and the anticipated turn-on year.

13 Q. Does the Panel agree with the Company's proposed
14 budget for calendar years 2026 through 2029?

15 A. No.

16 Q. What does the Panel recommend?

17 A. The Panel recommends budgets for calendar years
18 2026 through 2028 which reflect the total of the
19 known project estimates provided in the
20 Company's response to DPS-424. The Company was
21 not aware of any projects for calendar year
22 2029, and therefore we recommend a budget of the
23 average of the 2026 through 2028 budgets. Thus,
24 our recommended budgets are \$2,557,000 for 2026,

1 \$6,463,000 for 2027, \$9,165,000 for 2028, and
2 \$6,000,000 for 2029.

3 Replacement

4 Q. Panel, please summarize the Company's steam
5 distribution Replacement category.

6 A. As stated on page 19 of the SIOP's initial
7 testimony, the Replacement category under steam
8 distribution consists of programs which replace
9 system components that are failing, poorly
10 performing, or near obsolescence.

11 Q. What projects or programs is the Company
12 proposing funding for under this category?

13 A. As shown in Exhibit___(SIOP-1), Schedule 3, the
14 Company proposes funding for the Main Valve
15 Replacement Program, Anchor Replacement Program,
16 Limitorque Angle Valve Replacement, and Customer
17 Load Changes - Install programs.

18 Q. What level of funding did the Company request
19 for the Replacement category?

20 A. The Company proposes capital expenditures of
21 \$10.14 million, \$9.94 million, and \$10.05
22 million for RY1, RY2, and RY3, respectively.
23 Based on the Company's response to DPS-76, the
24 Company's request for the calendar years is

1 \$8.28 million, \$10.30 million, \$10.05 million,
2 and \$10.05 million for 2026, 2027, 2028, and
3 2029, respectively.

4 Q. Does the Panel recommend any adjustments to this
5 category?

6 A. Yes. We recommend adjustments to the Main Valve
7 Replacement Program, Limitorque Angle Valve
8 Replacement Program and Customer Load Changes -
9 Install Program.

10 Q. What work does the Main Valve Replacement
11 Program include?

12 A. As stated on page 105 of the Company's
13 Exhibit___(SIOP-4), the program work includes
14 replacing main valves as well as related work
15 including manhole and adjacent piping
16 modifications.

17 Q. What funding level did the Company request for
18 this program?

19 A. Based on the Company's response to DPS-76
20 attachment "DPS_1_76 Att. 1 Steam Distribution
21 Capital Budget", the Company requests \$2.0
22 million for calendar year 2026, \$2.5 million for
23 calendar year 2027, and \$2.75 million per year
24 for calendar years 2028 and 2029.

1 Q. Does the Company plan to replace a certain
2 number of valves?

3 A. Yes, as stated on page 105 of the Company's
4 Exhibit___(SIOP-4), it expects to replace about
5 10 defective valves per year, identified during
6 operational use.

7 Q. How many main valves are on the system?

8 A. As stated on page 105 of Exhibit___(SIOP-4),
9 there are over 600 main valves of varying
10 designs.

11 Q. What are the reasons for such variation between
12 the budget and actual spending for calendar
13 years 2021, 2022, and 2024 respectively?

14 A. As stated in the Company's response to DPS-215,
15 included in Exhibit___(SSIOP-1), the differences
16 are caused by many factors including size of
17 valves, and scope of work, which can include
18 breaking out and rebuilding a manhole structure
19 to complete the main valve replacement. The
20 Company provided further explanation for the
21 variances in its supplemental response to DPS-
22 215, included in Exhibit___(SSIOP-1). In the
23 supplemental response to DPS-215, Con Edison
24 states that in 2021 the Company completed more

1 than the targeted number of replacements,
2 resulting in an overspend of \$451,388. In 2022,
3 the Company spent over twice the annual budget
4 due to the absence of synergistic opportunities.
5 In 2024, the Company spent less than half of the
6 annual budget as they directed funding toward
7 emergent priorities.

8 Q. Why did the Company complete more than the
9 targeted number of replacements in calendar year
10 2021?

11 A. As stated in the Company's response to DPS-410,
12 included in Exhibit___(SSIOP-1), defective main
13 valves were identified while the Company was
14 performing manhole rebuilds. The Company
15 decided to utilize the opportunity to replace
16 the main valves and avoid remobilization to the
17 same area, which would have resulted in
18 increased costs and community disruption as well
19 as result in potential violations of the New
20 York City Department of Transportation's
21 protected street regulations.

22 Q. Does the Company base its budget for the Main
23 Valve Replacement Program on having synergistic
24 opportunities, as they cite the lack of

1 synergistic opportunities as the reason for the
2 overspending in calendar year 2022?

3 A. As stated in the Company's response to DPS-410,
4 the Company does not base the program budget on
5 synergistic opportunities as it cannot foresee
6 them at the time of budget formulation.

7 Q. What are the reasons for the cost increases from
8 calendar years 2024 to 2025?

9 A. As stated in the Company's response to DPS-215,
10 there was less opportunity to synergize capital
11 work in 2025. One of the units completed in
12 2025 significantly increased the unit cost. A
13 24-inch butterfly main valve was replaced due to
14 the depth of the steam main, which was
15 significantly more expensive than replacement
16 with a typical gate valve because the operator
17 was made of aluminum-bronze material instead of
18 basic carbon steel. The butterfly valve was
19 manufactured and shipped from Germany and took
20 10 months from the time the Company placed the
21 order to receive it. The delay added to the
22 cost of maintaining the excavation at the job
23 site.

24 Q. What are the reasons for cost increases in

1 calendar years 2026 through 2029?

2 A. As stated in the Company's response to DPS-215,
3 Con Edison contractors began working under new
4 construction contracts in 2025 with a 3.7
5 percent cost increase on all construction items.
6 From 2026 to 2027, and 2027 to 2028, the
7 increased budget was to account for escalating
8 costs which includes both a standard three
9 percent escalation as well as a yearly
10 contractually obligated escalation for the
11 construction contracts.

12 Q. What are the yearly contractually obligated
13 escalations for the construction contracts for
14 calendar years 2026 through 2029?

15 A. As shown in the Company's response to DPS-410,
16 there are currently two open construction
17 contracts in effect through 2029. Vendor 1 has
18 a variable escalation increasing from 3.8
19 percent in 2026 to 4.9 percent in 2029. Vendor
20 2 has a standard escalation of three percent per
21 year.

22 Q. How many main valves does the Company plan to
23 replace per year?

24 A. As stated on page 105 of Exhibit____(SIOP-4), it

1 expects to replace about 10 defective valves per
2 year.

3 Q. What is the average number of main valve
4 replacements for calendar years 2020 through
5 2025?

6 A. Utilizing the unit counts provided in the
7 Company's response to DPS-215, the Company
8 completed an average of 7.67 replacements per
9 year.

10 Q. Does the Panel agree with the Company's proposed
11 budget for calendar years 2026 through 2029?

12 A. No.

13 Q. What does the Panel recommend?

14 A. The Panel recommends a budget based on the
15 average number of units completed and the
16 average actual spending per year for calendar
17 years 2020 through 2025. To develop the budget,
18 we took the average actual spending for calendar
19 years 2020 through 2025 and applied the
20 Company's standard three percent inflation
21 referenced in response to DPS-215, as well as
22 the Vendor 1's escalation percentage as detailed
23 in response to DPS-410 for each of the calendar
24 years 2026 through 2029. Our recommended budget

1 for each of the calendar years is \$1,592,063 for
2 2026, \$1,703,507 for 2027, \$1,824,456 for 2028,
3 and \$1,968,588 for 2029.

4 Q. What work does the Limitorque Angle Valve
5 Replacement Program address?

6 A. As stated on page 103 of Exhibit____(SIOP-4), the
7 program funds the replacement of defective or
8 failed Limitorque angle valves with new valve
9 assemblies that will provide local position
10 feedback and the capability for remote
11 monitoring.

12 Q. What funding level did the Company request for
13 this program?

14 A. The Company proposes capital expenditures of
15 \$100,000, \$99,000, and \$100,000 for RY1, RY2,
16 and RY3, respectively. Based on the Company's
17 response to DPS-76 attachment "DPS_1_76 Att. 1
18 Steam Distribution Capital Budget", the Company
19 requests \$100,000 per year for calendar years
20 2026 through 2029.

21 Q. How many Limitorque angle valves are currently
22 installed on the system?

23 A. As stated on page 103 of Exhibit____(SIOP-4),
24 there are 128 Limitorque angle valves currently

1 installed.

2 Q. How many Limitorque angle valves have been
3 replaced from 2020 through 2025?

4 A. On the table provided in the Company's response
5 to DPS-229, included in Exhibit___(SSIOP-1),
6 three Limitorque angle valves were replaced, one
7 in each year from 2021 through 2023.

8 Q. How many Limitorque valves is the Company
9 forecasting to replace in calendar years 2026
10 through 2029?

11 A. As stated in the Company's response to DPS-229,
12 it projects replacing one valve per year under
13 the program.

14 Q. What is the reason for the zero actual dollars
15 in labor for calendar years 2021 and 2023
16 despite having one replacement completed in each
17 of those years?

18 A. As stated in the Company's response to DPS-382,
19 included in Exhibit___(SSIOP-1), calendar years
20 2021 through 2023 all had labor costs, however,
21 2021 and 2023 labor costs were not accurately
22 reflected due to a field account entry error in
23 charging both jobs as O&M repairs.

24 Q. What is the labor associated with a typical

1 Limatorque valve replacement?

2 A. According to the Company's response to DPS-382,
3 the labor associated with the replacement takes
4 approximately 16 hours, with an associated
5 expense of around \$10,300.

6 Q. What is the reason for the increase in overhead
7 costs for the upcoming Rate Plan from the
8 average spent in 2021 through 2023?

9 A. As stated in the Company's response to DPS-382,
10 overhead rates are assessed differently based on
11 element of expense. The overhead rate shown for
12 RY1 through RY3 reflects a reasonable and
13 levelized funding amount without full certainty
14 of which element of expense may be impacted.

15 Q. Does the Panel agree with the Company's proposed
16 budget for calendar years 2026 through 2029?

17 A. No, we do not.

18 Q. What does the Panel recommend?

19 A. The Panel recommends reducing the budget to
20 reflect the average spending in calendar years
21 2021 through 2023 when Limatorque angle valves
22 were replaced. To develop the budget, the total
23 spending for each of the calendar years was
24 inflated to 2025 dollars for the average, then

1 the average was inflated for each of the
2 calendar years 2026 through 2029. The resulting
3 budget we recommend for each calendar year is
4 \$54,702 for 2026, \$56,020 for 2027, \$57,252 for
5 2028, and \$58,455 for 2029.

6 Q. What work does the Customer Load Changes -
7 Install Program include?

8 A. As stated on page 101 of Exhibit____(SIOP-4), the
9 program funds the replacement, configuration and
10 activation of service equipment with an existing
11 street service pipe for buildings that require
12 additional or changes in existing steam loads
13 for renovation projects, changes in ownership,
14 or changes in the end-use of steam services.

15 Q. What funding level did the Company request for
16 this program?

17 A. The Company proposes capital expenditures of
18 \$192,000, \$199,000, and \$200,000 for RY1, RY2,
19 and RY3, respectively. Based on the Company's
20 response to DPS-76 attachment "DPS_1_76 Att. 1
21 Steam Distribution Capital Budget", the Company
22 requests \$175,000 for calendar year 2026, and
23 \$200,000 for calendar years 2027 through 2029.

24 Q. Is this program mandated by law?

1 A. Yes. As stated on page 101 of Exhibit____(SIOP-
2 4), the Company has an obligation to furnish
3 service equipment to customers constructing new
4 or modified steam meter stations, pursuant to
5 PSC No. 4 - Steam Tariff, Leaf Nos. 19-20,
6 effective December 1, 2023.

7 Q. What qualifies as service equipment?

8 A. As stated on page 101 of Exhibit____(SIOP-4),
9 service equipment may include traps, trap
10 strainers, meter strainers, meter regulating
11 valves, pressure regulators, relays, steam
12 separators, trap monitoring equipment, and/or
13 modems.

14 Q. Does this regulatory requirement include
15 installation?

16 A. No, as stated on page 101 of Exhibit____(SIOP-4),
17 the customer installs the service equipment at
18 the customer's expense.

19 Q. What is covered under the budget for this
20 program?

21 A. As stated on page 101 of Exhibit____(SIOP-4), the
22 budget is for labor costs and overhead
23 associated with the required work the Company
24 provides such as equipment calibration,

1 configuration, or other ancillary work.

2 Q. What was the volume of customer load change
3 requests completed from 2020 through 2025?

4 A. From the tables provided in the Company's
5 initial and supplemental response to DPS-227,
6 included in Exhibit___(SSIOP-1), there was an
7 average of three load changes annually.

8 Q. What was the cause for the fluctuation between
9 budget and actual spending for calendar years
10 2020 through 2025?

11 A. According to the Company's response to DPS-229,
12 the variation between the budget and actual cost
13 is driven by differences in the scope of work
14 required at each meter station, the cost of
15 meter accessory equipment, and larger meter
16 stations may also require multiple shifts and/or
17 crews to execute the work.

18 Q. What is the cause for the budget increase from
19 calendar year 2026 to 2027?

20 A. As stated in the Company's response to DPS-229,
21 anticipated escalations of both material and
22 labor costs account for the differences.

23 Q. How did the Company determine the increase to be
24 over 14 percent for material and labor costs?

1 A. According to the Company's response to DPS-411,
2 included in Exhibit___(SSIOP-1), the budget
3 increased due to anticipated work volume
4 increases. The Company further states the
5 budget remained relatively flat previously due
6 to limited customer requests, however, the
7 Company has seen an increase in requests since
8 2024.

9 Q. How many customer load change requests were used
10 to develop the budgets for calendar years 2026
11 through 2029?

12 A. According to the Company's response to DPS-411,
13 a forecasted number was not used to develop the
14 budget from 2026 through 2029 due to the
15 uncertainty of the scope and customer
16 requirements.

17 Q. How did the Company develop the budget without a
18 forecasted number of customer load change
19 requests?

20 A. The Company based the budget on an escalation of
21 historic costs, considering work volume
22 increases, and cost differences as noted in the
23 Company's supplemental response to DPS-227 and
24 its response to DPS-411.

1 Q. Does the Panel agree with the Company's proposed
2 budget for calendar years 2026 through 2029?

3 A. No.

4 Q. What does the Panel recommend?

5 A. The Panel recommends using the inflated average
6 spending for calendar years 2020 through 2025,
7 and applying inflation for each year of calendar
8 years 2026 through 2029. The resulting budget
9 is \$149,043 for 2026, \$152,635 for 2027,
10 \$155,993 for 2028, and \$159,268 for 2029.

11 Steam Production O&M Expenses

12 Q. Please describe the Company's requested steam
13 production O&M expense program change not
14 associated with the Company's incremental FTE
15 request.

16 A. As shown in Exhibit___(SIOP-2), the Company
17 proposes five steam production O&M program
18 changes. The Company seeks a combined increase
19 of \$3.55 million above the Historic Test Year
20 for the Rate Year, an increase of \$224,000 above
21 the Rate Year request for Rate Year 2, and an
22 increase of \$50,000 above the Rate Year 2
23 request for Rate Year 3. This requested program
24 change for steam production is for the following

1 projects and programs: Facilities Maintenance -
2 Local Law 11; Asbestos Removal Program; Boiler
3 Cleaning Program; OOWP and Rounds System; and
4 FUELS DAY 2.

5 Q. Does the Panel recommend any adjustments to the
6 steam production O&M program expenses?

7 A. Yes. We recommend adjustments to the Facilities
8 Maintenance - Local Law 11, Asbestos Removal,
9 and Boiler Cleaning program.

10 Q. Please summarize the Panel's recommendations to
11 the Company's requested steam production O&M
12 expense program change.

13 A. The Panel recommends a steam production O&M
14 expense reduction of \$3.56 million from the
15 Company's Rate Year request. A summary of our
16 recommended adjustments can be found in
17 Exhibit___(SSIOP-3).

18 Q. Please describe the Company's Facilities
19 Maintenance - Local Law 11 Program.

20 A. As described on pages 96 and 97 of
21 Exhibit___(SIOP-4), this program provides
22 funding for facade inspection and repair work
23 associated with the New York City Facade
24 Inspection and Safety Program, also known as

1 Local Law 11 (LL11). To protect public safety,
2 Local Law 11 mandates inspections of the
3 exterior facades of buildings over six stories
4 high, or approximately 100 feet in height, for
5 damage and defects, and the repair of the
6 deficiencies found. Some deficiencies are
7 classified as "Unsafe" conditions that require
8 immediate repair, or action taken to bring them
9 to a safe condition or provide protection, while
10 the repair of other deficiencies can be planned
11 and completed in an established period. These
12 are referred to as "SWARMP" repairs - Safe With
13 A Repair and Maintenance Program. Facade
14 inspection repairs include, but are not limited
15 to: masonry, brick, and stone unit replacement;
16 repointing of mortar; repairs or replacement of
17 lintels; removal and replacement of windows
18 and/or frames; installation of sealants and
19 corrosion protection coatings, and the repair or
20 replacement of parapets and coping stones.

21 Q. What is the Company's proposed O&M expense
22 program change for this program?

23 A. As shown in Exhibit___(SIOP-2), the Company
24 requests an O&M expense increase of \$2.55

1 million above the Historic Test Year for the
2 Rate Year.

3 Q. What is the program's budget during the rate
4 years with the inclusion of the Company's
5 requested program changes?

6 A. As shown on page 98 of Exhibit___(SIOP-4), the
7 budget is \$3.84 million in each rate year, RY1,
8 RY2, and RY3.

9 Q. What is the Company's justification and need for
10 this program?

11 A. As explained on pages 96 and 97 of
12 Exhibit___(SIOP-4), Local Law 11 inspections are
13 required every five years. Due to a casualty in
14 New York, unrelated to a Con Edison building,
15 New York City Department of Buildings has
16 generally tightened the regulations for these
17 inspections in each cycle. An amendment to
18 Local Law 11 that introduced stricter
19 requirements such as mandatory close-up
20 inspection of every 60 linear feet of building
21 facades that face public right-of-way, was
22 implemented as part of Cycle 9 (2022 to 2027)
23 and will continue for Cycle 10 (2027 to 2032).
24 These inspections conducted from suspended

1 scaffolding, boom/articulating lifts, rope
2 access, industrial climbers, etc., are to
3 physically examine the potentially damaged areas
4 up close. For east side building facades facing
5 the Franklin D. Roosevelt Drive Highway, the New
6 York City Department of Transportation requires
7 lane closing to perform such inspection.
8 Inspections also require mandatory cavity wall
9 probes in specific locations to identify hidden
10 structural vulnerabilities, such as water
11 infiltration, corrosion, and material fatigue
12 issues, which require additional engineering and
13 construction supports to address these issues
14 and to maintain structural integrity of the
15 building's facade. Defects found on roof
16 components, such as parapet walls, coping
17 stones, etc., could also be incorporated into
18 Local Law 11 repairs if the condition is
19 determined to be affecting the overall facade
20 system.

21 Q. What did the Panel find in its review?

22 A. The Panel found that the Company underspent its
23 budget in four of the past five rate years for
24 the Facilities Maintenance - Local Law 11

1 Program

2 Q. What were the budgets and actual spending in the
3 past five rate years?

4 A. As shown in the Company's response to DPS-176,
5 included in Exhibit___(SSIOP-1), the Company
6 underspent its budget of \$1.84 million for the
7 rate year from November 2020 through October
8 2021, by \$517,000, or 28 percent. For the rate
9 year from November 2021 through October 2022,
10 the Company also underspent its budget of
11 \$722,000 by \$318,000, or 44 percent. For the
12 rate year from November 2022 through October
13 2023, the Company spent \$667,000, compared to a
14 budget of zero. For the rate year from November
15 2023 through October 2024, the Company
16 underspent its budget of \$2.15 million by \$1.69
17 million, or 78 percent. For the rate year from
18 November 2024 through October 2025, the Company
19 underspent its budget of \$1.92 million by
20 \$232,000, or 12 percent.

21 Q. What was the Company's explanation for the
22 underspending?

23 A. In response to DPS-176, the Company explains
24 that the variance in each rate year was

1 primarily due to changes in the scope of work
2 performed during the period, permit delays,
3 outage availability, weather impacts, and
4 resource availability.

5 Q. Did the Company provide the planned versus
6 actual units of work completed under the program
7 on an annual basis in the past five years?

8 A. No. The Company stated in its response to DPS-
9 176 that Local Law 11 costs are not measured by
10 units, so the information cannot be provided.
11 According to Con Edison, typically, the costs
12 are based on the specific work scope and paid
13 under either lump sum or time-and-equipment type
14 contracts.

15 Q. Is the Company able to provide the planned units
16 of work for the rate years the Company is
17 requesting funding for?

18 A. No. In response to DPS-176, the Company stated
19 that it could not as it is not applicable.

20 Q. Does the Company have a timeline for the planned
21 inspections and repairs under this program?

22 A. Yes, in response to DPS-176, the Company
23 provides the anticipated timelines and phases
24 for all planned inspections and planned repairs,

1 as well as their projected completion timelines
2 and milestones.

3 Q. Has the Company conducted the inspections
4 necessary to determine what repairs need to be
5 completed?

6 A. No. In response to DPS-176, question 3a, the
7 Company indicates in the timeline that
8 inspections are scheduled for the fourth quarter
9 of 2026 and the first quarter of 2027.

10 Q. Does the Company have a work scope for the LL11
11 cycle 10 work that it has requested funding for
12 during the rate years?

13 A. No. In response to DPS-369, included in
14 Exhibit___(SSIOP-1), the Company states, "the
15 Company cannot know the full scope of work for
16 this phase until such time as cycle 10
17 inspections commence."

18 Q What is the Company's basis for the forecasted
19 rate year budgets shown on page 98 of
20 Exhibit___(SIOP-4).

21 A. The Company explained in its response to DPS-176
22 that "the forecasted cost estimate for Local Law
23 11 (LL11) Cycle 10 work was developed based on
24 escalating the projected total cost for Local

1 Law 11 Cycle 9 work by 25% and dividing it
2 equally across the three-year rate case." The
3 Company explains in response to DPS-369, that
4 its "practice is to use a plus or minus 30%
5 contingency for order of magnitude estimates.
6 The contingency factor accounts for, amongst
7 other things, unknowns in construction and
8 escalation. In this case, the Company utilized
9 a 25% contingency for Local Law 11 Cycle 10
10 based on the projected costs for the ongoing
11 Local Law 11 Cycle 9 project activities. The
12 25% is based on the contingency for the unknown
13 scope of work, escalating costs (e.g. future
14 contractor and material costs). The Company
15 cannot know the full scope of work for this
16 phase until such time as Cycle 10 inspections
17 commence."

18 Q. What does the Panel recommend?

19 A. The Panel recommends the Commission determine an
20 O&M expense budget of \$907,000 for each rate
21 year, RY1, RY2, and RY3.

22 Q. What is the Panel's rationale for its
23 recommendation?

24 A. The Panel does not agree with the Company's

1 escalation as it has underspent its budget in
2 four of the past five rate years. Given the
3 many factors that can impact the schedule for
4 Local Law 11 related work, as stated by the
5 Company in response to DPS-369, that it "agrees
6 that Local law 11 project activities can be
7 affected by various factors that impact
8 spending," we are not confident in the Company's
9 plan to escalate the program's budget. The
10 Panel does not agree with the Company's plans to
11 increase its historic average annual spending of
12 \$907,200 by almost 4.23 times, or 323.6 percent,
13 for the program's rate year budgets. We also do
14 not agree with the increase in budget request
15 for cycle 10 work that has not been scoped due
16 to the lack of inspections to determine the
17 necessary repairs and the use of a cycle 9
18 projection to estimate cycle 10 costs for which
19 the work is not completed yet. Inspections for
20 cycle 10 repairs will not begin until the fourth
21 quarter of 2026 or the first quarter of 2027.
22 The Company states that it cannot know the full
23 scope of work for this program until cycle 10
24 inspections commence. Our recommendation

1 reflects the Company's actual historic spending,
2 provided in response to DPS-176.

3 Q. Please describe the Asbestos Removal Program.

4 A. As described on page 91 of Exhibit___(SIOP-4),
5 this program provides funding for the steam
6 plants (East River South Steam Station, 59th
7 Street, 60th Street, 74th Street Stations, and
8 Ravenswood A-House) to perform asbestos removal
9 work when encountered.

10 Q. What is the Company's justification for this
11 program?

12 A. The Company states on page 91 of
13 Exhibit___(SIOP-4), that although there were
14 efforts to abate much of the asbestos in the
15 plants, station personnel still encounter
16 asbestos-containing materials. The Company
17 notes that several of its steam plant buildings
18 are over 100 years old and many of the current
19 fleet of steam generating units were originally
20 installed between the mid-1950's and the mid
21 1970's. Asbestos can still be found in older
22 building materials, piping insulation and
23 coatings, gaskets, arc proof tape, and wire
24 insulation jackets. The Company states that

1 this typically occurs with structures or
2 equipment that were not previously worked on or
3 in high or difficult to reach locations. The
4 Company also states that sometimes asbestos
5 insulation sections come loose and becomes a
6 health risk to employees and other times
7 asbestos is encountered during equipment
8 repairs. The Company states that the cost of
9 asbestos abatement could significantly raise the
10 price of equipment repairs so this program would
11 set aside funding to address asbestos when
12 encountered, so asbestos remediation does not
13 have an unnecessary burden on the corrective
14 maintenance program budget.

15 Q. What is the Company's proposed O&M expense
16 program change for this program?

17 A. As shown in Exhibit___(SIOP-2), the Company
18 requests an O&M expense increase of \$500,000
19 above the Historic Test Year for the Rate Year.

20 Q. What is the program's budget during the rate
21 years with the inclusion of the Company's
22 requested program changes?

23 A. As shown on page 92 of Exhibit___(SIOP-4), the
24 budget of this program is \$520,000 in each rate

1 year, RY1, RY2, and RY3.

2 Q. What was the historical budget and actual
3 spending for the Asbestos Removal Program?

4 A. Based on the attachment, "Attachment DPS_3_129
5 2b. SIOP _2 O&M 5 Rate Years Summary", provided
6 in the Company's response to DPS-129, included
7 in Exhibit___(SSIOP-1), the highest actual
8 average spending in for the three-year period
9 from November 2020 to October 2023 was \$34,500,
10 while the budget was \$116,900. The actual
11 average spending over five years is \$26,900
12 while the budget was \$93,340.

13 Q. Why does the Company forecast an O&M expense of
14 \$238,000 in the rate year from November 2025
15 through October 2026?

16 A. In response to NYC-6-96, included in
17 Exhibit___(SSIOP-1), the Company stated that due
18 to the high costs incurred in dealing with
19 asbestos related issues, these costs can no
20 longer be absorbed by the Correction Maintenance
21 or other projects or programs and that this will
22 fund incidents when an unexpected release occurs
23 as well as funding known areas when repairs are
24 required. The Company also stated that asbestos

1 abatement significantly raises the cost for
2 performing equipment repairs. A station
3 elevator required a \$300,000 abatement prior to
4 performing maintenance and inspection required
5 by New York City Department of Buildings.

6 Q. How did the Company derive its request for
7 \$520,000 for each of the three rate years?

8 A. In response to DPS-395, included in
9 Exhibit___(SSIOP-1), the Company referred to the
10 station elevator project costing over \$300,000
11 and is requesting \$520,000 each rate year as a
12 conservative estimate intended to allow the
13 Company to address some asbestos removal
14 projects as they are discovered.

15 Q. How many times have station personnel
16 encountered asbestos containing materials at the
17 steam generating plants over the past five years
18 from 2021 through 2025?

19 A. In response to DPS-395, the Company stated that
20 there were thirty-four (34) unintended
21 encounters and thirty-eight (38) encounters
22 associated with planned repair activities or
23 projects. There were five unintended encounters
24 in 2021, two unintended encounters in 2022, six

1 unintended encounters in 2023, six unintended
2 encounters in 2024, and 15 unintended encounters
3 in 2025. There were eight planned projects or
4 repairs in 2021, four planned projects or
5 repairs in 2022, six planned projects or repairs
6 in 2023, nine planned projects or repairs in
7 2024, and 11 planned projects or repairs in
8 2025.

9 Q. Will the Asbestos Removal Program have any
10 impact on disadvantaged communities?

11 A. No. The Company states on page 91 of
12 Exhibit____(SIOP-4), that it does not expect that
13 this program will have any material impact on
14 disadvantaged communities.

15 Q. What does the Panel recommend for this project
16 and what is the rationale for any adjustments?

17 A. The Panel recommends that the Commission reduce
18 the budget to \$100,000 for Rate Years 1 through
19 3. Based on historical expenditures, the
20 Company has not spent a significant amount for
21 this program over the last five years. Also,
22 the number of unintended encounters is quite
23 similar in each historical year, aside from
24 2025. As the Company's historical encounters

1 were quite similar over the past five years and
2 the historical spending over that time was quite
3 low, the Panel recommends a budget which
4 reflects the historical spending.

5 Q. Please describe the Boiler Cleaning Program.

6 A. As described on page 93 of Exhibit___(SIOP-4),
7 this program provides funding to perform fire
8 side cleaning of the boilers and auxiliary
9 equipment (fans and air heaters) as needed to
10 maintain performance at its steam plants (East
11 River, 59th Street, 60th Street, and 74th Street
12 Stations).

13 Q. What is the Company's justification for this
14 project?

15 A. The Company states on page 93 of
16 Exhibit___(SIOP-4), that water wash boiler
17 cleanings are performed on the furnace,
18 generating bank, or economizer sections, as well
19 as in the air heaters or fans (as required) to
20 maintain performance. A fireside water wash is
21 a critical maintenance activity that directly
22 supports boiler reliability, efficiency, and
23 longevity. During normal operation (especially
24 when firing oil), ash, soot, and slag accumulate

1 on the furnace walls and heat transfer surfaces,
2 forming insulating layers, reducing thermal
3 efficiency and increasing fuel consumption.
4 Left unaddressed, these deposits can lead to
5 localized overheating, tube failures, and
6 accelerated material degradation, and can result
7 in unplanned outages and costly repairs.
8 Routine fireside water washing restores
9 effective heat transfer, stabilizes combustion
10 performance, and minimizes the potential for
11 corrosion in high-temperature zones.
12 Incorporating a structured fireside water wash
13 program into boiler maintenance strategies is
14 therefore essential for ensuring sustained
15 performance and extending the service life of
16 critical assets. This program also funds the
17 cleaning of East River Units 10 & 20 heat
18 recovery steam generator (HRSG) evaporator and
19 economizer tubes, which is essential to
20 maintaining efficient heat transfer and
21 preventing performance degradation in combined
22 cycle power plants. Evaporator tubes suffer
23 from external fouling due to airborne
24 contaminants. Economizer tubes similarly often

1 suffer from external fouling and corrosion due
2 to low exhaust temperatures and airborne
3 contaminants. Neglecting cleaning can lead to
4 reduced steam production, increased
5 backpressure, higher fuel consumption, and
6 potential tube failure.

7 Q. What is the Company's proposed O&M expense
8 program change for this program?

9 A. As shown in Exhibit___(SIOP-2), the Company
10 requests an O&M expense increase of \$500,000
11 above the Historic Test Year for the Rate Year.

12 Q. What is the program's budget during the rate
13 years with the inclusion of the Company's
14 requested program changes?

15 A. As shown on page 95 of Exhibit___(SIOP-4), the
16 budget for this program is \$500,000 in each rate
17 year, RY1, RY2, and RY3.

18 Q. What was the historical budget and actual
19 spending for the Boiler Cleaning Program for the
20 past five years?

21 A. Based on the attachment, "Attachment DPS_3_129
22 2b. SIOP _2 O&M 5 Rate Years Summary", provided
23 in the Company's response to DPS-129, the
24 highest actual average spending in a three-year

1 period was \$478,033 from November 2020 to
2 October 2023 while the budget was \$533,333. The
3 actual average spending over five years from
4 November 2020 to October 2025 was \$287,620 while
5 the budget was \$513,800.

6 Q. How many boilers and auxiliary equipment have
7 been cleaned in the past five years?

8 A. In the response to DPS-396, included in
9 Exhibit___(SSIOP-1), the Company stated that
10 East River Unit 10 and two package boilers were
11 cleaned in November 2020 to October 2021. East
12 River Unit 20, three high pressure units, and
13 one package boiler were cleaned from November
14 2021 to October 2022. There were no boiler
15 cleanings from November 2022 to October 2025.

16 Q. Why does the Company forecast an O&M expense of
17 \$708,000 in the rate year from November 2025
18 through October 2026?

19 A. In the response to DPS-396, the Company stated
20 that it will need boiler cleanings to be
21 performed to maintain expected performance
22 because there was no boiler cleanings performed
23 in the last three years and there is an
24 expectation that there will be an increase in

1 the burning of fuel oil during this period.

2 Q. How did the Company derive its request for
3 \$500,000 for each of the three rate years?

4 A. In the response to DPS-396, the Company stated
5 that the request is estimated to cover between
6 three and ten boiler cleanings per year
7 depending on the size of the unit,
8 components/auxiliaries to be cleaned, how
9 extensive a cleaning is needed, and waste
10 disposal costs.

11 Q. Will the Boiler Cleaning Program have any impact
12 on disadvantaged communities?

13 A. No. The Company states on page 94 of
14 Exhibit___(SIOP-4), that it does not expect that
15 this program will have any material impact on
16 disadvantaged communities.

17 Q. What does the Panel recommend for this project
18 and what is the rationale for any adjustments?

19 A. The Panel recommends reducing the O&M expense
20 budget for this program by \$200,000 in each rate
21 year, RY1, RY2, and RY3, which results in an O&M
22 expense budget of \$300,000 in each rate year,
23 RY1, RY2, and RY3. While the Panel agrees that
24 there is a higher likelihood of necessary boiler

1 cleaning, based on historical cleaning we do not
2 expect there to be boiler cleanings in every
3 rate year. Since the average spending over the
4 past five years was \$287,620 and boiler
5 cleanings do not occur every year, we believe
6 that a budget closer to the historical average
7 is reasonable.

8 Steam Distribution O&M Expenses

9 Q. Please describe the Company's requested steam
10 distribution O&M expense program change not
11 associated with the Company's incremental FTE
12 request.

13 A. As shown in Exhibit___(SIOP-2), the Company
14 proposes three steam distribution O&M program
15 changes. For the Rate Year, the Company seeks a
16 combined increase of \$3.03 million more than the
17 Historic Test Year spending, an increase of
18 \$500,000 above the Rate Year 1 request for Rate
19 Year 2, and an incremental increase of \$570,000
20 above the Rate Year 2 request for Rate Year 3.
21 This requested program change for steam
22 distribution is for the following projects and
23 programs: Steam Distribution Perform Rain and
24 Vapor Patrol Program; Maintenance of Remote

1 Monitoring System; and Kongsberg Model
2 Enhancement.

3 Q. Does the Panel recommend any adjustments to the
4 steam distribution O&M program expenses?

5 A. Yes. We recommend an adjustment to the
6 Maintenance of Remote Monitoring System.

7 Q. What work does the Maintenance of Remote
8 Monitoring System include?

9 A. As stated on pages 128 and 129 of
10 Exhibit___(SIOP-4), work must be performed on
11 the instrumentation, RTUs, and the Remote
12 Monitoring Central Program. The maintenance
13 work includes troubleshooting at the component
14 level and replacing defective equipment as
15 needed.

16 Q. What funding level did the Company request for
17 this program?

18 A. Based on the table on page 130 of the Company's
19 Exhibit___(SIOP-4), the Company requests \$2.22
20 million for Rate Year 1, \$2.72 million for Rate
21 Year 2, and \$3.22 million for Rate Year 3.

22 Q. What is the Company proposing for calendar years
23 2026 through 2029?

24 A. The Company states the need for increases in

1 material purchases for level sensors,
2 thermocouple sensors, and Remote Terminal Unit
3 sets and associated components, detailed on page
4 129 of Exhibit___(SIOP-4).

5 Q. How did the Company determine the quantity of
6 level sensors the Company needs to purchase in
7 Rate Years 1 through 3?

8 A. According to the response to DPS-430, included
9 in Exhibit___(SSIOP-1), the Company calculated
10 the amount of level sensors needed with a
11 baseline of 1,000 sensors for 124 RMS locations,
12 increasing by 800 sensors for every 100 RMS
13 locations added.

14 Q. How did the Company determine the quantity of
15 thermocouple sensors it needs to purchase in
16 Rate Years 1 through 3?

17 A. According to the response to DPS-430, the
18 Company calculated the amount of thermocouple
19 sensors needed with a baseline of 600 sensors
20 for 124 RMS locations, and increasing by 480
21 sensors for every 100 RMS locations added.

22 Q. Does the Panel agree with the Company's proposed
23 budget for calendar years 2026 through 2029?

24 A. No.

1 Q. What does the Panel recommend?

2 A. The Panel recommends adjusting the costs in each
3 Rate Year to align with the number of RTUs in
4 the Panel's adjustment to the Remote Monitoring
5 System Enhancement Program, ultimately reducing
6 RY1 by \$199,098, RY2 by \$300,580, and RY3 by
7 \$402,062.

8 Labor

9 Q. Please describe the incremental staffing request
10 in the initial SIOP testimony for the rate
11 years.

12 A. As shown on pages 131 and 132 of
13 Exhibit____(SIOP-4), the Company's SIOP requests
14 20 FTEs for the Rate Year, and six FTEs for Rate
15 Year 3. More specifically, the Company requests
16 one FTE for the Services - Resources program,
17 four FTEs for the Maintain Remote Monitors Labor
18 program, one FTE for the Provide Operational
19 Support FTE, three FTEs for the PMO - Resources
20 program, three FTEs for the Generation -
21 Operations Trainers Decarb Support program, two
22 FTEs for the Field Designer X program, and 12
23 FTEs for the Steam Ops Welding Program. The
24 Panel reviewed the incremental FTEs requested

1 for the programs Services - Resources, Provide
2 Operational Support, PMO - Resources, Generation
3 - Operations Trainers Decarb Support, and Field
4 Designer X. The other incremental FTEs were
5 reviewed by and addressed in the direct
6 testimony of the Staff Safety Panel.

7 Q. What is the funding request associated with the
8 incremental FTEs proposed by the Company's SIOP?

9 A. As shown in Exhibit___(SIOP-2), the Company's
10 incremental FTE request reflects an O&M expense
11 increase of \$2.18 million above the Historic
12 Test Year for the Rate Year, an increase of
13 \$230,000 above the Rate Year request for Rate
14 Year 2, and an increase of \$900,000 above the
15 Rate Year 2 request for Rate Year 3.

16 Q. Please describe the incremental staffing request
17 in the initial EH&SP testimony for the rate
18 years.

19 A. As shown in Exhibit___(EHS-8), the Company's
20 EH&SP requests four FTEs for the Rate Year.
21 Specifically, the Company requests two FTEs for
22 the Environment & Sustainability and Strategic
23 Programs Department, one FTE for the Health &
24 Safety Department, and one FTE for the

1 Operations Support Department.

2 Q. What is the funding request associated with the
3 incremental FTEs proposed by the Company's
4 EH&SP?

5 A. As shown in Exhibit___(EHS-9), the Company's
6 incremental FTE request reflects an O&M expense
7 increase of \$390,000 above the Historic Test
8 Year for the Rate Year and an increase of
9 \$130,000 above the Rate Year request for Rate
10 Year 2.

11 Q. Does the Panel recommend any adjustments to the
12 incremental staffing request?

13 A. Yes. We recommend adjustments to the
14 incremental FTEs requested for the PMO -
15 Resources, Provide Operational Support, and
16 Generation - Operations Trainers Decarb Support
17 programs in the initial SIOP testimony, and the
18 incremental FTEs requested in the Company's
19 initial EH&SP testimony.

20 Q. Please describe the Company's incremental FTE
21 request for the PMO - Resources program.

22 A. As described on pages 131 and 132 of
23 Exhibit___(SIOP-4), the Company requests one
24 incremental 3L Project Manager and two

1 incremental 2H - Project Specialists to be hired
2 in the Rate Year. The project manager and one
3 of the project specialists are to be hired on
4 January 1, 2027, with the second project
5 specialist to be hired on April 1, 2027.

6 Q. What is the Company's justification and need for
7 these incremental FTEs?

8 A. As described on pages 132 and 133 of
9 Exhibit___(SIOP-4), the Company requests these
10 three incremental FTEs to support the successful
11 execution of the East 74th Street Electric Boiler
12 Installation and East River Heat Pump
13 Installation projects and to manage ongoing core
14 projects and programs. The Company further
15 notes that having a dedicated project manager to
16 manage the five phases of project management
17 will be paramount to successfully implementing
18 the projects, and that the two project
19 specialists are needed to provide technical and
20 coordination support to the project manager.
21 These three incremental FTEs will ensure the
22 decarbonization efforts are technically sound,
23 financially prudent, and aligned with both
24 internal goals and external mandates.

1 Q. What did the Panel find in its review?

2 A. In response to DPS-277, included in
3 Exhibit___(SSIOP-1), the Company stated that the
4 Steam Operations Project Management Office, or
5 SPMO, is currently staffed to manage steam and
6 electric production core projects and programs.
7 The Company adds that using the existing SPMO
8 project managers and project specialists to
9 manage decarbonization projects would
10 significantly affect the Company's ability to
11 manage core projects and programs. In its
12 response to DPS-277, the Company also states
13 that the three incremental FTEs will work
14 together to manage the two decarbonization
15 projects requested, with one project specialist
16 assigned to support the East 74th Steet Boiler
17 Installation project and the other specialist
18 assigned to support the East River Heat Pump
19 Installation project. The Company adds that the
20 requested project manager will only manage the
21 decarbonization projects.

22 Q. Did the Staff Climate Leadership and Community
23 Protection Act and Decarbonization Panel make
24 any recommendations regarding the

1 decarbonization projects?

2 A. Yes. The Staff Climate Leadership and Community
3 Protection Act and Decarbonization Panel
4 recommends in its direct testimony that the
5 Commission reject the East 74th Steet Boiler
6 Installation project and the East River Heat
7 Pump Installation project.

8 Q. Does the Panel recommend any adjustments to the
9 incremental FTEs the Company requests for the
10 PMO - Resources program?

11 A. Yes. The Panel recommends rejecting the
12 Company's requested incremental FTEs for the PMO
13 - Resources program.

14 Q. What is the Panel's justification for its
15 recommendation?

16 A. As mentioned earlier in our testimony, the
17 Company stated in its response to DPS-277 that
18 these three incremental FTEs would be hired
19 solely to manage the East 74th Electric Boiler
20 Installation and the East River Industrial Heat
21 Pump Installation projects. Since the Staff
22 Climate Leadership and Community Protection Act
23 and Decarbonization Panel recommends the
24 rejection of the decarbonization projects, thus

1 there is no need for these three incremental
2 FTEs.

3 Q. Please describe the Company's incremental FTE
4 request for the Provide Operational Support and
5 Generation - Operations Trainers Decarb Support
6 programs.

7 A. As described on pages 131 and 132 of
8 Exhibit___(SIOP-4), the Company requests four
9 incremental 2L - Operations Trainers to be hired
10 in the Rate Year. One Operations Trainer is to
11 be hired on January 1, 2027, the second
12 Operations Traner is to be hired on February 1,
13 2027, and the final two Operations Trainers are
14 to be hired on March 1, 2027.

15 Q. What is the Company's justification and need for
16 these incremental FTEs?

17 A. As described on page 132 of Exhibit___(SIOP-4),
18 the Company requests these four incremental FTEs
19 to ensure that technical training, such as
20 annual proficiency tests and specialized
21 courses, can be delivered effectively and
22 consistently across all field locations. The
23 incremental Operations Trainers would enable a
24 hands-on approach for more direct and practical

1 instruction in operational standards and safety
2 requirements. The Company further adds that by
3 handling these courses in-house, the
4 organization can maintain high instructional
5 quality and adapt training content to address
6 evolving operational needs.

7 Q. What did the Panel find in its review?

8 A. In response to DPS-279, included in
9 Exhibit___(SSIOP-1), the Company stated that its
10 request for four incremental Operations Trainers
11 is based on operational needs driven by
12 workforce composition, training capacity, and
13 equipment changes. The Company adds that as of
14 December 31, 2025, 35 percent of the Steam
15 Operations workforce and 39.8 percent of the
16 Steam Operations Union workforce had five or
17 less years of service.

18 Q. How many new field-based role employees did the
19 Company hire within the Steam Operations
20 Organization in the past six years?

21 A. As shown in the attachment
22 "DPS_13_279_Att.2_Steam Ops Field Based Hires"
23 provided in the Company's response to DPS-279,
24 Con Edison hired six FTEs in calendar year 2020,

1 27 FTEs in calendar year 2021, 43 FTEs in
2 calendar year 2022, 52 FTEs in calendar year
3 2023, 69 FTEs in calendar year 2024, and 28 FTEs
4 in calendar year 2025. This is a total of 225
5 field-based FTEs hired for the Steam Operations
6 organization in the past six years.

7 Q. Has the Company identified any issues with
8 conducting the annual proficiency tests or
9 specialized classroom courses?

10 A. No. As stated in its response to DPS-279, the
11 Company has not encountered significant issues
12 with annual proficiency tests or the specialized
13 classroom courses offered at the Learning
14 Center. The Company adds that it encountered
15 challenges due to the retirement and transfer of
16 personnel with extensive field experience, which
17 resulted in the need to expand the field
18 training team's capacity to provide more
19 frequent hands-on training.

20 Q. Did the Company explain how it determined the
21 specific need for four incremental Operations
22 Trainers?

23 A. No. The Company's response to DPS-279 does not
24 explain how it determined the specific need for

1 four incremental Operations Trainers.

2 Q. Does the Company employ any contractors for the
3 training of Steam Operations personnel?

4 A. Yes. As stated in its response to DPS-279, the
5 Company's Learning Center employs external
6 contractors to support the development and
7 review of proficiency tests and to administer
8 specialized courses that are not available at
9 the Learning Center.

10 Q. Does the Panel have any concerns with the hiring
11 of four incremental Operations Trainers?

12 A. Yes, we are concerned that the need for these
13 Operational Trainers will be short term if the
14 Company's hiring rate for Steam Operations field
15 personnel does not remain at the current level.

16 Q. Does the Panel recommend any adjustments to the
17 incremental FTEs the Company requests for the
18 Provide Operational Support and Generation -
19 Operations Trainers Decarb Support programs?

20 A. Yes. The Panel recommends that the Commission
21 reject the Company's requested incremental FTEs
22 for the Provide Operational Support and
23 Generation - Operations Trainers Decarb Support
24 programs.

1 Q. What is the Panel's justification for its
2 recommendation?

3 A. As stated earlier in our testimony, the Company
4 has not encountered significant issues with
5 administering the annual proficiency tests or
6 specialized classroom courses. Additionally,
7 the Company states that it employs external
8 contractors to support the development and
9 review of proficiency tests, and to administer
10 specialized courses. Based on these two facts,
11 we believe it is appropriate for the Company to
12 use contractors to supplement any deficiency
13 that may arise with the current number of
14 Operations Trainers, since we believe any
15 deficiency would be a short-term issue. This
16 belief is rooted in our earlier concern that the
17 long-term need of Operations Trainers would
18 require the Company to maintain its current
19 hiring rate for Steam Operations field
20 personnel. But if the Company retains a
21 significant percentage of the recently hired
22 employees, we are skeptical that the hiring rate
23 will remain the same. Finally, the Company did
24 not explain how it determined it needs four

1 incremental Operations Trainers.

2 Q. Please describe the Company's incremental FTE
3 request for Environment, Health, and Safety, or
4 EH&S, organization.

5 A. As described on pages 150 and 151 of the initial
6 EH&SP testimony and as shown in Exhibit___(EHS-
7 8), the Company requests one incremental 1H
8 Scientist, one incremental 1H Specialist, and
9 two incremental 2L Senior Specialists in the
10 Rate Year. All four incremental FTEs are to be
11 hired on April 1, 2027. The incremental 1H
12 Scientist and 1H Specialist are to be hired for
13 the Environment and Sustainability and Strategic
14 Programs department, with one assigned to the
15 Environmental and Sustainability section and the
16 other assigned to the Strategic Programs
17 section. One of the incremental 2L Sr.
18 Specialists is to be hired for the Safety
19 Section within the Health and Safety department,
20 and the second 2L Sr. Specialist is to be hired
21 for the Steam Operations Support section within
22 the Operations Support department.

23 Q. What is the Company's justification and need for
24 these incremental FTEs?

1 A. As described on pages 151 through 155 of the
2 initial EH&SP testimony, the Company states that
3 the current EH&S organization's staffing levels
4 are insufficient for four reasons.

5 Q. What is the Company's first reason that the
6 current staffing levels are insufficient?

7 A. As stated on page 154 of the initial EH&SP
8 testimony, the Company's first reason is that
9 the current EH&S employees supporting the steam
10 system are working at capacity and do not have
11 the bandwidth for any additional tasks or
12 projects.

13 Q. What is the Company's second reason?

14 A. As explained on pages 152 and 153 of the initial
15 EH&SP testimony, the Company identifies the
16 growing volume of capital work in the steam
17 business associated with the upgrade and
18 replacement of aging infrastructure as the
19 second reason. The Company states that steam
20 distribution capital projects and programs are
21 projected to grow by over \$80 million, or almost
22 45 percent from the last three years. The
23 Company adds that steam production capital
24 projects and programs, excluding

1 decarbonization, are projected to grow by over
2 \$24 million, or almost 20 percent from the last
3 three years.

4 Q. What is the Company's third reason?

5 A. As explained on page 153 of the initial EH&SP
6 testimony, the third reason is that the
7 Company's steam system is being decarbonized, in
8 part, "through groundbreaking new technologies
9 at the production level." The Company
10 identifies the proposed 74th Street Electric
11 Boiler Installation and East River Industrial
12 Heat Pump Installation projects as examples of
13 this new infrastructure. Con Edison adds that
14 while these decarbonization projects will need
15 all the EH&S support areas, Sustainability and
16 Strategic Programs will be critical.

17 Q. What is the Company's fourth reason?

18 A. As explained on pages 153 and 154 of the initial
19 EH&SP testimony, the fourth and final reason is
20 that there will be ongoing research and
21 development work to reduce emissions as part of
22 the Company's decarbonization plan, such as the
23 use of renewable natural gas for up to 10
24 percent of fuel burned for steam production.

1 The Company states that this potential change
2 will require Sustainability and Strategic
3 Programs' support around emissions.

4 Q. What did the Panel find in its review?

5 A. We learned how the Company determined it needed
6 four incremental FTEs for the EH&S organization
7 and found an issue with the Company's capital
8 investment numbers that it used in its initial
9 EH&S testimony.

10 Q. How did the Company determine the need for four
11 incremental FTEs.

12 A. As stated in its response to DPS-397, included
13 in Exhibit___(SSIOP-1), the Company requests
14 four incremental FTEs to support increased
15 capital projects and decarbonization efforts.
16 Capital investments are rising by over \$80
17 million for steam distribution, over \$24 million
18 for steam production, and more than \$139 million
19 for decarbonization. The Company adds that in
20 2025, about 225 Environment, Health, and Safety
21 FTEs supported roughly \$4.5 billion in capital
22 projects across the Company's three businesses,
23 electric, gas, and steam. This results in
24 approximately one employee per \$20 million of

1 capital work. The Company states that the four
2 incremental FTEs it requests in support of
3 production and distribution are less than the
4 five FTEs that a direct calculation would
5 suggest steam production and steam distribution,
6 excluding decarbonization. If one factors in
7 decarbonization work, the four incremental FTEs
8 are significantly below the calculus. The
9 Company adds that the Environment, Health, and
10 Safety organization believes the four
11 incremental FTEs will be "sufficiently agile to
12 follow emergent demand as needed."

13 Q. How did the Company derive the increasing
14 capital investments?

15 A. As shown in attachment "DPS_21_398_Steam Rate
16 Case Analysis", provided response to DPS-398,
17 included in Exhibit___(SSIOP-1), the Company
18 derived the increase in capital investments by
19 subtracting the historic spending from the rate
20 case request of several steam distribution and
21 production projects and programs. We found that
22 the rate case request for each project and
23 program is the summation of the requested
24 funding level for each rate year, as shown in

1 the whitepapers throughout Exhibit___(SIOP-4).
2 Additionally, we found that the historic
3 spending for each project and program is a
4 summation of the historical spending tables
5 found in the whitepapers of each project and
6 program, as shown throughout Exhibit___(SIOP-4).

7 Q. Does the Panel have any concerns with the
8 Company methodology?

9 A. Yes. We have concerns about the historic
10 spending numbers that the Company used in its
11 attachment "DPS_21_398_Steam Rate Case
12 Analysis".

13 Q. Please explain the Panel's concern with the
14 historic spending numbers in the attachment.

15 A. As mentioned earlier in our testimony, the
16 historic spending for each project and program
17 shown in the attachment is the summation of the
18 historic spending tables found in the project
19 and program whitepapers. These tables only
20 include the actual spending for the rate year
21 from November 2023 through October 2024. The
22 historic spending for the two rate years from
23 November 2024 through October 2026 are shown as
24 forecasts, and not actual spending.

1 Q. Did the Panel calculate how much capital
2 investments are increasing by?

3 A. Yes, we determined that capital investments are
4 increasing by approximately \$32.4 million for
5 steam distribution and production, excluding
6 decarbonization, as shown in Exhibit___(SSIOP-
7 5). This calculation includes our recommended
8 adjustments to steam production and distribution
9 projects and programs, as discussed earlier in
10 our testimony.

11 Q. How did the Panel derive an increase in capital
12 investments of \$32.4 million?

13 A. Using the attachment "DPS_21_398_Steam Rate Case
14 Analysis", provided in the Company's response to
15 DPS-398, we replaced the amount Con Edison
16 requests in this proceeding and the historic
17 spending amount for the identified projects and
18 programs to derive the \$32.4 million increase in
19 capital investments. The Company's summation of
20 historic rate year actuals and forecasts was
21 replaced with the historic actual spending in
22 calendar years 2023, 2024, and 2025. The
23 Company's summation of the requested funding
24 level during the rate years was replaced with a

1 summation of our recommended capital investments
2 for calendar years 2027, 2028, and 2029, as
3 shown in Exhibit___(SSIOP-2).

4 Q. Where did the Panel obtain the historic actual
5 spending?

6 A. For calendar years 2023 and 2024, we used the
7 historic actual spending provided by the Company
8 in its response to DPS-75. For calendar year
9 2025, we used the historical actual spending
10 shown in the Company's 2025 Steam Annual Capital
11 Report, filed on February 27, 2026, in Case 22-
12 S-0659.

13 Q. Why did the Panel use calendar years instead of
14 rate years?

15 A. We used calendar years as the data we have for
16 the historic and forecasted budgets were
17 provided in calendar years in the Company's
18 responses to DPS-75 and DPS-76.

19 Q. Does the Panel recommend any adjustments to the
20 incremental FTEs the Company requests for the
21 EH&S organization?

22 A. Yes. The Panel recommends the Commission reject
23 the incremental 1H Scientist and the incremental
24 2L Sr. Specialist assigned to the Safety

1 Section.

2 Q. What is the Panel's justification for this
3 recommendation?

4 A. As stated earlier in our testimony, we found
5 that the Company's capital investments are
6 increasing by \$32.4 million, when using the most
7 recent historic actual spending and our
8 recommended capital investment budgets, in
9 calendar years. If the Company were to maintain
10 the current level of one employee per \$20
11 million of capital work, as mentioned in its
12 response to DPS-397, this would result in two
13 additional employees, when rounded up. As such,
14 we recommend that the funding for two of the
15 four incremental FTEs requested be granted by
16 the Commission. Specifically, we recommend the
17 revenue requirement reflect that the Company
18 will hire the 1H Specialist and the 2L Sr.
19 Specialist assigned to the Steam Operations
20 Support section.

21 Q. Why does the Panel support the incremental 1H
22 Specialist assigned to the Sustainability and
23 Strategic Programs section?

24 A. In its response to DPS-399, included in

1 Exhibit____(SSIOP-1), the Company identified the
2 1H Specialist assigned to the Sustainability and
3 Strategic Programs section as the FTE that "will
4 support emissions focused on research and
5 development that aligns with the State and
6 Company's decarbonization objections and
7 relations." Their assignments will include
8 analytical components such as environmental
9 design evaluation, emission control technology
10 and emissions calculations. The Company adds
11 that emissions calculations will become required
12 under 6 NYCRR Part 253.

13 Q. Why does the Panel believe this position is
14 necessary when the Staff Climate Leadership and
15 Community Act and Decarbonization Panel is
16 rejecting several of the Company's
17 decarbonization proposals?

18 A. While the Staff Climate Leadership and Community
19 Act and Decarbonization Panel is rejecting
20 several of the Company's decarbonization
21 proposals, it recommends that the Commission
22 direct the implementation of a collaborative
23 process to discuss decarbonization of the steam
24 system. As stated earlier in our testimony, the

1 assignments of the incremental 1H Specialist
2 will include analytical components such as
3 environmental design evaluation, emission
4 control technology and emissions calculations,
5 which we believe may play a beneficial role in
6 the collaborative process.

7 Q. Why does the Panel support the incremental 2L
8 Sr. Specialist assigned to the Steam Operations
9 Support section.

10 A. As stated earlier in our testimony, our capital
11 investment analysis found an incremental need of
12 approximately \$32.4 million. This is a
13 summation of an increase of \$33.0 million in
14 steam distribution capital investments, and a
15 decrease of \$600,000 in steam production capital
16 investments, as shown in Exhibit___(SSIOP-5).
17 The Company explains on page 151 of the initial
18 EH&SP testimony that the Operations Support
19 group supports field execution of EH&S services.
20 This includes providing EH&S response to field
21 issues, responding to EH&S related emergencies,
22 assisting organizations in implementing EH&S
23 programs, conducting EH&S-related operating
24 investigations, and ensuring Con Edison

1 operations comply with federal, state, and local
2 EH&S regulations and requirements. The Company
3 also lists field safety construction and
4 operations as a description of the 2L Sr.
5 Specialist in Exhibit___(EHS-8). Since this
6 position is specifically involved with
7 construction and operations safety and our
8 recommended capital investments result in a
9 notable increase in steam distribution capital
10 work, we believe this position may be beneficial
11 to the Company's field personnel.

12 Capital Reporting

13 Q. Is the Company currently required to file
14 reports related to its capital expenditures?

15 A. Yes. The Company's current reporting
16 requirements are outlined in Appendix 7 of the
17 Joint Proposal adopted by the Commission in its
18 2023 Rate Order.

19 Q. Please summarize the current filing
20 requirements.

21 A. Each year during the term of the 2023 Steam Rate
22 Plan, the Company is required to file annual
23 reports under Case 22-S-0659, on or before
24 February 28. Reports on steam distribution

1 capital and production capital expenditures must
2 include, in addition to other requirements, and
3 as applicable: date of commencement; completion
4 date; estimated completion date; project costs;
5 project status; capital expended to date; and
6 projected costs. The reporting must also
7 include detailed explanations and justification
8 for any variance exceeding fifteen percent from
9 the estimates contained in the Project/Program
10 List. Additional requirements are also set
11 forth for new projects not detailed in the most
12 recent rate filing to include detailed project
13 description, justification of the need for the
14 project, cash flow requirements from inception
15 through completion, an explanation of how the
16 cost figures were derived, and supporting work
17 papers and/or other back up material.

18 Q. Do you recommend any changes to the capital
19 expenditure reporting requirements?

20 A. Yes. We recommend that the Commission require
21 the Company to increase the frequency of this
22 reporting from once per year to quarterly.
23 Specifically, we recommend the Commission direct
24 the Company to submit reports within 45 days of

1 the end of each of the first three quarters of
2 each calendar year and submit an annual filing
3 within 60 days of the end of each calendar year.

4 Q. Why should the frequency of reporting be
5 increased?

6 A. Quarterly reporting allows the Company and
7 Department of Public Service staff (Staff) to
8 better communicate during a potential multi-year
9 rate plan regarding changes to the capital
10 program. This increased frequency in reporting
11 will allow for more transparency in the
12 Company's capital planning process. Changes to
13 capital projects and programs for emerging
14 issues are typically a part of the capital
15 planning process; quarterly reporting improves
16 communication surrounding these changes.

17 Q. Do you have any other recommendations regarding
18 capital reporting?

19 A. Yes. We recommend that the Commission direct
20 the Company to file on April 1 of each year a
21 report detailing its forecasted five-year
22 capital plan. This report must include a list
23 of planned projects for each calendar year over
24 the next five years, the status of internal

1 approvals for each project, the forecast cost of
2 each project, and a brief project description.

3 Q. Do you recommend a cost threshold for projects
4 in this five-year capital plan?

5 A. Yes. To keep the project list manageable, we
6 recommend that only projects over \$1 million in
7 total cost be included in the five-year capital
8 plan.

9 Q. Must the Company include Excel workpapers with
10 its capital reports?

11 A. Yes, each capital report must include Excel
12 workpapers that show the capital variance data,
13 as this will assist Staff in analyzing the
14 reports.

15 Q. Do you have any other recommended changes to the
16 current capital reporting requirements?

17 A. No, we do not.

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

19 A. Yes.