

BEFORE THE  
STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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In the Matter of  
Consolidated Edison Company of New York, Inc.  
Case 07-E-0523  
September 2007

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Prepared Testimony of:

Kin Eng  
Utility Analyst 3  
Office of Electric, Gas, and Water

State of New York  
Department of Public Service  
90 Church St.  
New York, New York 10007

1 Q. Please state your name, employer, and business  
2 address.

3 A. Kin Eng. I am employed by the New York State  
4 Department of Public Service (Department). I am  
5 located at 90 Church St., New York, New York  
6 10007.

7 Q. Mr. Eng, what is your position at the  
8 Department.

9 A. I am a Utility Analyst 3 assigned to the  
10 Distribution Systems and Generation Section in  
11 the Office of Electric, Gas, and Water.

12 Q. Please describe your educational background.

13 A. I graduated from New York Tech with an Associate  
14 in Applied Science Degree in Electrical  
15 Technology in 1986.

16 Q. Please describe your responsibilities and  
17 professional experience with the Department.

18 A. I joined the Department in 1981. I am the  
19 Supervisor of the Distribution Systems &  
20 Generation Section in the Office of Electric,  
21 Gas, and Water in New York City. My  
22 responsibilities include monitoring electric  
23 utility operations to determine if facilities

1 are operated and maintained in accordance with  
2 appropriate codes and safe operating practices,  
3 ensuring that utilities are adequately prepared  
4 to respond to emergencies by reviewing  
5 utilities' electric emergency plans, attending  
6 annual emergency drills, and monitoring utility  
7 operation and maintenance activities to ensure  
8 acceptable electric service reliability. I have  
9 also been involved in many investigations of  
10 electric utility service disruptions, including  
11 the Westchester Outage in January 2006, the Long  
12 Island City network outages in 2006, the Jodie  
13 Lane fatality investigation in 2004, the August  
14 Blackout in 2003, September 11<sup>th</sup> terrorist attack  
15 in 2001, and the Washington Heights outages in  
16 1999.

17 Q. Have you previously testified before the Public  
18 Service Commission (Commission)?

19 A. Yes. I testified in Case 04-E-0572 on  
20 Consolidated Edison Company of New York, Inc.'s  
21 (Con Edison or the Company) infrastructure  
22 investment in 2004.

23 Overview

1 Q. What is the purpose of your testimony?

2 A. The purpose of this testimony is to address the  
3 Company's proposal to improve and enhance its  
4 Electric Operations Emergency Management program  
5 (EOEM).

6 Q. Please briefly describe what Con Edison has  
7 proposed for EOEM investment during the rate  
8 year.

9 A. The Company has proposed four programs: the  
10 Emergency Management Organization; Control  
11 Center Emergency Screening; Incident Command  
12 Center; and the Coastal Storm Mitigation  
13 program. The programs would require additional  
14 staffing and expanded office space. The  
15 programs address equipment damage and timely  
16 recovery due to coastal storm surges, and a  
17 better process for emergency calls from  
18 customers. They are intended to improve the  
19 Company's storm and heat event readiness,  
20 protect equipment from coastal storm surges,  
21 better respond to customer outages, facilitate  
22 effective restoration, and improve on internal  
23 and external communications.

1 Q. Are these programs all capital spending?

2 A. No. The Incident Command Center and the Coastal  
3 Storm Mitigation programs are capital programs.  
4 The Emergency Management Organization and the  
5 Control Center Emergency Screening programs are  
6 O&M expenses. Con Edison is proposing a capital  
7 investment of \$9 million for the rate year. For  
8 O&M expenses, the total amount is \$3,976,000 for  
9 the rate year. This is all labor expense.

10 Program Descriptions

11 Q. Can you describe the financial requirements for  
12 the four programs you have reviewed?

13 A. Yes. I have examined the following four  
14 programs for which work is projected to be in  
15 progress during the rate year.

16 EOEM Organization - Additional Personnel

17 The Electric Operation Emergency Management  
18 Organization was created in June 2006 to better  
19 coordinate storm preparations and restoration  
20 efforts specifically for the Bronx/Westchester  
21 region. The organization currently has eight  
22 personnel. This includes a Vice President,  
23 Director, Secretary, two Department Managers,

1 and three Specialists. The EOEM organization  
2 role was expanded to include responsibility for  
3 Electric Operations throughout the Company at  
4 the end of 2006. The Company believes that this  
5 inclusion will better serve it by providing for  
6 more consistent internal and external  
7 communications, providing better coordination  
8 and direction for managerial decisions, reducing  
9 field work confusion, and efficiently  
10 consolidating manpower resources in times of  
11 emergency. The inclusion of these  
12 responsibilities created a need for additional  
13 staffing in the EOEM organization. The Company  
14 proposes to increase EOEM staffing by adding  
15 three Project Manager positions and eleven  
16 Project Specialists for a program total of 25  
17 employees. The total proposed O&M expense for  
18 the Emergency Management Organization is \$3.3  
19 million per year.

20 Control Center Emergency Screening

21 The Control Center Emergency Screening group is  
22 comprised of new personnel to be added to the  
23 EOEM organization. These personnel will be

1 responsible for emergency work in response to  
2 customer calls, including work associated with  
3 reviewing, processing, and closing out emergency  
4 tickets; reaching out to affected customers; and  
5 compiling outage statistics. The program  
6 proposes to add 24 clerical positions for a  
7 total O&M expense of \$613,000 per year.

8 Incident Command Center

9 The Incident Command Center is located at the  
10 Rye operations facility and provides work space  
11 to facilitate the EOEM organization during an  
12 emergency, utilizing the Incident Command  
13 Structure for corporate systemwide emergencies.  
14 Con Edison proposes to renovate its current EOEM  
15 facility and expand it from 1,500 square feet to  
16 3,900 square feet to accommodate the Incident  
17 Command Center and EOEM personnel. In addition  
18 the Incident Command Center will be equipped  
19 with the latest computer equipment, network  
20 supplies, redundant power, security, and office  
21 equipment. The proposed capital cost for the  
22 program is \$2 million for the rate year.

23 Coastal Storm Mitigation

1 Con Edison proposes to install 133 flood  
2 switches throughout its service territory for  
3 transformer vault locations in areas identified  
4 as category 1 storm surge zones. In addition,  
5 186 120/208v transformer vaults would be  
6 enlarged to accommodate the replacement of non-  
7 submersible transformers with submersible  
8 transformers. These vault locations are  
9 identified by Con Edison as exposed to salt  
10 water penetration from coastal storm surges that  
11 can damage the transformer and associated  
12 equipment while energized. The total proposed  
13 cost for this program is \$7 million for the rate  
14 year.

15 Electric Emergency Preparedness Assessment

16 Q. What is your overall assessment of the need for  
17 the capital and O&M programs described in the  
18 company's filing?

19 A. In my opinion, Con Edison clearly needs to take  
20 progressive steps to improve its emergency  
21 preparedness. In 2006 alone, the Company  
22 experienced four major service disruptions that  
23 resulted in Staff investigations, and in each

1 case Staff found shortcomings in the Company's  
2 response. Furthermore, in May 2007, the  
3 Commission directed a formal audit of the  
4 Company's emergency preparedness.

5 Q. Do you support the Company's specific proposals?

6 A. No. The Company's filing illustrates a key  
7 overall weakness in its emergency preparedness -  
8 the lack of an overall, comprehensive, emergency  
9 planning structure. For example, Mr. Greenwood  
10 states in his testimony that he is responsible  
11 for overseeing the Company's response to  
12 incidents. However, staff examined Con Edison's  
13 Electric Operation Organization Charts and does  
14 not believe this to be an accurate statement.  
15 The EOEM discussed in the Company's testimony is  
16 an independent organization under a different  
17 Vice President; one that is responsible for  
18 Westchester operations. As a final  
19 illustration, the Company's Comprehensive  
20 Emergency Response Plan is the responsibility of  
21 Distribution Engineering, which is yet another  
22 organization within Electric Operations. While  
23 Staff recognizes that there is coordination

1           between these various organizations, a clear  
2           structure for emergency preparedness needs to be  
3           established before the Company moves forward  
4           with these programs.

5    Q.    What do you recommend?

6    A.    The management audit is expected to be complete  
7           this fall. I recommend the Company take into  
8           account the findings and recommendations of the  
9           management audit, which is scheduled to be  
10          finalized prior to the end of 2007, and file a  
11          comprehensive plan with the Commission, no later  
12          than January 1, 2008, to address incremental  
13          costs in the emergency preparedness area. In  
14          addition, an adjustment of \$12,396,000 million  
15          should be made to Con Edison's electric  
16          emergency preparedness proposal.

17   Q.    Does this complete your testimony?

18   A.    Yes.