

CUSTOMER OPERATIONS PANEL TESTIMONY

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I. Introduction

Q. Would the members of the Customer Operations Panel please state their names and business addresses?

A. Michele O'Connell, Christopher Grant, Michael Murphy, Christine Osuji, Matthew Sexton, Jon Minners and Robert Melvin. The business address of Ms. O'Connell, Mr. Murphy, Mr. Sexton, Mr. Melvin and Mr. Minners is 4 Irving Place, New York, NY 10003; the business address of Ms. Osuji is 30 Flatbush Avenue, Brooklyn, NY 11217; and the business address of Mr. Grant is 1601 Bronxdale Avenue, Bronx, NY 10462.

Q. By whom are the Panel members employed?

A. We are employed by Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company").

Q. In what capacity are the Panel members employed and what are their professional backgrounds and qualifications?

A. (O'Connell) I am the Senior Vice President of Customer Operations. I have overall responsibility for the Company's customer service programs, including customer outreach, meter reading, billing, and answering customer inquiries. I also oversee the administration of the Company's retail choice program that supports the competitive energy marketplace. I began my employment with Con Edison in 2003 as an Associate

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1 Engineer in Transmission Planning within Central Operations.
2 In 2012, I took the position of General Manager, Substations
3 Planning and then, in 2015, I took the position of General
4 Manager, Bronx/Westchester Substation Operations. In
5 September 2016, I became the Vice President of Staten Island
6 and Electric Services. In November 2019, I was promoted to my
7 current role of Senior Vice President, Customer Operations. I
8 hold a Bachelor of Science degree in Electrical Engineering
9 from the New Jersey Institute of Technology and a Master of
10 Business Administration in Finance from Montclair State
11 University.

12 (Grant) I am the General Manager of Credit and Field
13 Operations in Customer Operations. I am responsible for
14 meter reading and field collections throughout the service
15 territory. I am also responsible for theft-of-service
16 investigations, replevin, credit and collections,
17 uncollectible bills and the Field Operations Performance
18 Management Group. I have been employed by Con Edison for
19 almost 25 years and have held a variety of management
20 positions within Customer Operations, in addition to a
21 position in the Steam Business Unit. I was promoted to my
22 current position in 2014. I earned a Bachelor of Science
23 degree in Business Management from Cornell University.

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1 (Murphy) I am General Manager of Strategic
2 Applications. My current responsibilities include subject
3 matter expertise and operational support in the areas of
4 customer support system design and implementation, analysis
5 and improvements in the area of Customer Experience,
6 including our Digital Customer Experience ("DCX") program,
7 quality assurance, and customer-related regulatory policy.
8 I have been employed by Con Edison for over 21 years and
9 have held a variety of positions within Customer
10 Operations, in addition to an assignment as Section Manager
11 for Stores Operations in Supply Chain. My prior positions
12 in Customer Operations include Department Manager, Digital
13 Customer Experience; Department Manager, Operations and
14 Applications Support; Section Manager, Retail Choice
15 Operations; Senior Specialist, Corporate Customer Group;
16 and Supervisor, Specialized Activities. I earned a
17 Bachelor of Science degree in Business Administration from
18 the University at Albany and a Master of Business
19 Administration in Management of Information Systems from
20 Fordham University.

21 (Osuji) I am General Manager of the Customer
22 Assistance group in Customer Operations. I have held this
23 position since September 2013. My group includes the
24 Company's Customer Experience Centers (formerly known as

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1 the Call Center); back-office functions including billing,
2 credit operations, and customer investigations; and the
3 Company's Walk-in Centers. I joined Con Edison in 2000 as
4 a specialist in Human Resources. I have held positions of
5 increasing responsibility in Human Resources Employee and
6 Labor Relations, Leadership and Career Development, and
7 Customer Operations. I earned a Bachelor of Science degree
8 in Business Administration from State University at
9 Buffalo.

10 (Sexton) I am the General Manager of Specialized
11 Activities in Customer Operations. Specialized Activities
12 includes the Corporate Customer Group, Retail Choice
13 Operations, the Executive Action Group, and the Meter
14 Action/Unmetered Services Group. I have held this position
15 since December 2017. I joined Con Edison in 2004 as a
16 Supervisor in Customer Operations and have held a variety
17 of positions within Customer Operations, in addition to an
18 assignment as Section Manager for the NorthStar Management
19 Audit in Business Finance. My prior positions in Customer
20 Operations include: Department Manager, Digital Customer
21 Experience; Section Manager, Accounting/Personal Service;
22 Section Manager, Process Excellence; Section Manager, Off-
23 Hours Call Center; and Senior Specialist, Off-Hours Call
24 Center. I have a Bachelor of Business Administration

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1 degree in Financial Accounting from Baruch College and a
2 Master of Business Administration in Human Resource
3 Management from Baruch College.

4 (Minners) I am the Department Manager for Customer
5 Outreach and Education. I am responsible for the Company's
6 outreach and education program, including outreach to
7 customers, community groups, and officials. I have held
8 this position since February 2021. I joined Con Edison in
9 2016 and was a senior specialist in Customer Outreach and
10 Education before taking on my current role as Department
11 Manager. I have a Bachelor of Arts in Creative Journalism
12 from Baruch College, City University of New York.

13 (Melvin) I am the General Manager of the Con Edison
14 and Orange & Rockland Engagement ("CORE") Project, which is
15 the joint Con Edison and Orange and Rockland Utilities,
16 Inc. ("O&R") New Customer Service System ("CSS")
17 implementation team. I have held this position since 2020.
18 I was employed by O&R from 1990 through 1995 in the
19 Economics Research Department. From 1995 through 2008, I
20 was employed by International Business Machines Corp. in
21 various financial management and operations positions. In
22 2008, I returned to O&R as a Specialist in Customer Energy
23 Services and have also served as the Retail Access Manager.
24 In 2014, I assumed management responsibility for the CIMS

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1 team, which manages the legacy O&R Billing System. In
2 2018, I became the Business Director for the CSS
3 implementation team, and in 2020 I joined Con Edison as the
4 General Manager of the CSS Implementation Project. I
5 earned a Bachelor of Arts degree in Economics from Hobart
6 College and a Master of Business Administration degree in
7 Financial Economics from Iona College.

8 Q. Have you previously submitted testimony or testified before
9 the New York State Public Service Commission ("PSC" or the
10 "Commission")?

11 A. Mr. Grant, Mr. Murphy, Ms. Osuji, Mr. Sexton, and Mr.
12 Melvin have submitted testimony in previous cases. Ms.
13 O'Connell and Mr. Minners have not submitted testimony
14 before the Commission.

15 **II. Summary of Testimony**

16 Q. What is the purpose of the Panel's testimony?

17 A. This Panel's testimony presents an overview of planned
18 programs for Customer Operations that are necessary, in
19 conjunction with other Company programs addressed by other
20 witnesses/panels, to achieve the following objectives: 1)
21 implement a Strategic Customer Experience ("Strategic CX")
22 Portfolio of investments that will meet both evolving
23 customer and stakeholder expectations and enable the
24 Company to lead the transition to a clean-energy future; 2)

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1 support core customer service activities, including
2 migration of the contact center infrastructure to a cloud-
3 based solution, enhancements to Site Safety tools, credit
4 modeling, inactive gas replevin and final bill processes,
5 credit and debit card fees, and customer outreach and
6 education; 3) address how the Company has and will continue
7 to support its most vulnerable customers as its service
8 territory recovers from the COVID-19 pandemic; 4) provide
9 service to customers who speak languages other than
10 English; 5) establish a basis for new and revised
11 performance metric targets during the rate period; and 6)
12 address billing and estimation challenges, mandatory hourly
13 pricing for large customers and electric reconnection fees.

14 Q. Does the Company propose information technology ("IT")
15 investments in this Panel's testimony and, if so, are these
16 IT investments a part of the Company's IT Governance
17 process and overall enterprise IT portfolio?

18 A. Yes, the Company is proposing a number of IT investments in
19 this Panel. These investments are governed by the Company's
20 Information Technology Board (ITB), in the same manner as
21 all the IT efforts discussed by the Information Technology
22 Panel. These IT investments are discussed in the Customer
23 Operations Panel because they are so closely tied to other

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1 customer issues discussed in this Panel and have a primary
2 objective of enhancing the customer experience.

3 Q. What period does your testimony cover?

4 A. The Panel will present the programs planned for the 12-
5 month period ending December 31, 2023 ("Rate Year" or
6 "RY1"). While, as discussed by the Company's Accounting
7 Panel, the Company is not proposing a multi-year rate plan
8 in this rate case, the Company is interested in pursuing,
9 through settlement discussions with Staff and interested
10 parties, a multi-year rate plan. To facilitate settlement
11 discussions, we also address capital plant additions and
12 other programs and initiatives for the two years following
13 the Rate Year. We will refer to the 12-month periods
14 ending December 31, 2024 and December 31, 2025 as "RY2" and
15 "RY3," respectively.

16 Q. What is the aggregate projected spending on customer
17 service-related activities described in this testimony?

18 A. In total, the Company projects expenditures of \$112.0
19 million in RY1, \$77.3 million in RY2, and \$93.0 million in
20 RY3 on customer-service-related capital programs described
21 in this testimony. The Company projects the programs
22 discussed by this Panel will require additional incremental
23 O&M expenditures of \$50.2 million in RY1, an incremental

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1 reduction of \$3.1 million in RY2, and a further reduction
2 of \$387,000 in RY3.

3 These amounts do not include capital and O&M funding
4 for the Customer Recommendations and Analysis Tools
5 program. This program is a part of the Strategic CX
6 Portfolio of investments outlined in this testimony, but is
7 discussed in the Customer Energy Solutions ("CES") Panel
8 testimony. The cost of that program is included, however,
9 in the discussion of the cost of the Strategic CX Portfolio
10 in Part III of this testimony.

11 Q. Are some of your programs applicable to both electric and
12 gas services?

13 A. Yes. We note that the programs described in our testimony
14 address the needs of both electric and gas customers and,
15 therefore, the associated costs are allocated as common
16 programs. The Accounting Panel describes and applies the
17 allocation of these costs between electric and gas service.

18 Q. Does your testimony propose any new incentives or
19 mechanisms?

20 A. No.

21 **III. Strategic Customer Experience Portfolio of Investments**

22 Q. Why is the Company proposing the Strategic CX Portfolio?

23 A. Providing an optimal customer experience continues to be at
24 the core of our business and, as a result, is an important

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1 part of this rate filing. Continued investments in the
2 customer experience are more important than ever as
3 societal trends, including technological advances, and the
4 clean energy transition transform how our customers use
5 energy and interact with the Company. Indeed, the State
6 expects that customers will play an important role in
7 helping to achieve State clean energy goals, and supporting
8 customers through this transition is accordingly part of
9 the Company's clean energy commitment. With this in mind,
10 we have developed a series of investments focused on the
11 customer experience we call our Strategic CX Portfolio.
12 These programs will meet both evolving customer and
13 stakeholder expectations and enable the Company to lead the
14 transition to a clean energy future.

15 Q How does the Strategic CX Portfolio of investments create
16 value for customers?

17 A. The Strategic CX Portfolio will provide value for customers
18 in several ways. It will increase customer satisfaction as
19 the Company meets rising customer expectations for service
20 and communications; drive cost efficiencies through
21 improved service and resolution; support statewide clean
22 energy goals by generating customer demand for and
23 streamlining adoption of programs, as well as providing
24 customer and system data that can facilitate investment and

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1 accelerate the deployment of clean energy solutions
2 throughout the State; enhance understanding and adoption of
3 optional rates, which help customers save money and support
4 grid efficiency; support customer satisfaction through
5 improved communication during outages; and provide
6 education and access to payment assistance when customers
7 experience financial difficulties that impact their ability
8 to pay for service.

9 Q. Are these new investments or the continuation of existing
10 investments?

11 A. The Company's Customer Experience efforts began with
12 proposals in Cases 16-E-0060, 16-G-0061, 19-E-0065 and 19-
13 G-0066, and these investments continue programs approved in
14 those proceedings, including the Digital Customer
15 Experience effort (2016 cases) and Customer Data and
16 Analytics (2019 cases). In addition, the Company is
17 proposing new programs that reflect emerging customer and
18 stakeholder needs, changes in technology, and industry
19 trends.

20 Q. What type of investments are included in the Strategic CX
21 Portfolio?

22 A. The investments include IT system enhancements and new
23 implementations, as well as costs for vendor and employee
24 support. The specific details of the investments are

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1 outlined in detail in this testimony and associated
2 exhibits.

3 Q. Does the Strategic CX Portfolio of investments support O&R
4 as well?

5 A. Yes, the programs in the Strategic CX Portfolio support
6 both companies, resulting in cost efficiencies and a common
7 customer experience. For example, the New CSS, Customer
8 Relationship Management and Digital Customer Experience
9 programs were included in Joint Proposal pending the PSC's
10 approval in O&R's 2021 Rate Case (21-E-0073, 21-G-0074).

11 Q. Why is it important for these investments to continue?

12 A. The Company's investments in the customer experience over
13 the last few years have provided measurable value to
14 customers. This has been documented in quarterly Next
15 Generation Customer Experience ("Next Gen CX") reports
16 filed in Cases 19-E-0065, 19-G-0066, 18-E-0067 and 18-G-
17 0068, and further details have been provided in
18 EXHIBIT__(CO-1) Customer Experience Progress. Without
19 further investments, the Company will not be able to
20 continue to add valuable enhancements that meet the rising
21 expectations of customers and stakeholders. In addition,
22 the Company must continue to make investments in
23 foundational customer experience technology that will
24 enable the Company to provide exceptional services to

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1 customers and respond to emerging issues. For example,
2 when the COVID-19 pandemic began, the Company leveraged its
3 investment in customer experience technology to quickly
4 provide customers with options to attest to financial
5 hardship and receive customer protections provided by New
6 York State via the Parker Mosely (Chapters 108 and 126 of
7 the Laws of 2020) legislation passed in 2020 and the Parker
8 Richardson legislation passed in 2021. In addition,
9 customer experience investments must continue so that our
10 customers can help the State meet the goals of the Climate
11 Leadership and Community Protection Act (the "CLCPA").
12 Meeting the State's ambitious clean energy goals in the
13 CLCPA and elsewhere will require customers' energy use to
14 change significantly, and the Company will require tools
15 and capabilities that support customers through this
16 transition.

17 Q. How does the Company plan to track accomplishments and
18 customer value as part of the Strategic CX Portfolio?

19 A. The Company proposes to continue filing quarterly reports
20 currently filed with the Secretary for its Next Gen CX
21 investments in Cases 19-E-0065, 19-G-0066, 18-E-0067 and
22 18-G-0068. As they have for the investments made over the
23 last several years, these quarterly reports will provide

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1 transparency into the progress and accomplishments of the
2 Strategic CX Portfolio.

3 Q. In addition to the strategic value of these efforts, as
4 defined in this testimony and the accompanying exhibits,
5 has the Company incorporated cost savings from the
6 Strategic CX Portfolio investments into its plans?

7 A. The Company has a track record of deploying customer
8 experience technology that improves customer satisfaction
9 while also resulting in cost savings. The Company has
10 reported this progress during the current rate plan in its
11 Next Gen CX quarterly reports. In this rate filing, the
12 Company has stated in the respective exhibits that the
13 Strategic CX Portfolio of investments will provide specific
14 opportunities for cost efficiencies.

15 However, cost savings have not been incorporated into
16 the proposals for RY1-RY3 because the Company expects near-
17 term customer service complications due to abnormal
18 operating conditions that will offset any potential cost
19 savings resulting from these efficiencies. Specifically,
20 the Company expects these complications to arise due to
21 conditions created by the pandemic and the Company's
22 conversion to a new billing system. The Company expects
23 customer service interactions to increase as a result of
24 historically high levels of customer arrears during the

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1 pandemic. In addition, the Company expects increases in
2 customer interactions during the stabilization period of
3 the new billing system, as noted in EXHIBIT__(CO-2) New
4 Customer Service System. Efficiencies that are achieved
5 during RY1-RY3 will support the Company's ability to
6 maintain customer service levels during these near-term
7 challenges but will not result in a net reduction to
8 overall operating costs.

9 Q. Does the Company propose to provide updates on the progress
10 of these efforts, including realized cost efficiencies
11 during RY1-RY3?

12 A. Yes, as noted above, the Company proposes to continue its
13 quarterly reporting filed with the Commission on the
14 progress of its customer experience investments in the same
15 manner as the current plan and will report cost
16 efficiencies that are realized during the rate plan. In
17 addition, the Company may use the data to develop estimates
18 of direct cost savings in future rate filings as the
19 solutions mature and abnormal operating conditions subside.

20 Q. What specific investments is the Company proposing as part
21 of its Strategic CX Portfolio?

22 A. The Company proposes investments in four capability areas.
23 In the Foundation and Building Blocks capability area, the
24 Company proposes the New Customer Service System, Customer

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1 Relationship Management, Digital Customer Experience,
2 Customer Data and Analytics, and Privacy Readiness. In the
3 Clean Energy Solutions capability area, the Company
4 proposes Customer Data Sharing and Recommendations and
5 Analysis Tools (discussed in the CES Panel testimony). In
6 the Expand Channels and Communications capability area, the
7 Company proposes Billing and Payment Enhancements, Virtual
8 Assistants, and Outage Communications. And in the Advance
9 Internal Capabilities capability area, the Company proposes
10 Journey Mapping and Back Office Automation and Workforce
11 Management.

12 Q. What is the total funding proposed for the Strategic CX
13 Portfolio?

14 A. The Company proposes to spend \$123.6 million in capital and
15 additional incremental O&M of \$51.4 million in Rate Year 1,
16 \$85.2 million in capital and an incremental reduction in
17 O&M of \$2.9 million in Rate Year 2, and \$80.0 million in
18 capital and a further reduction in O&M of \$2.6 million in
19 Rate Year 3. Please see EXHIBIT__(CO-3) Strategic CX
20 Portfolio Investments for a summary of the projects /
21 programs and associated cost.

22 Q. Please describe the specific proposed projects / programs
23 in detail.

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1 A. Each of the components of the Strategic CX Portfolio of
2 investments is discussed below.

3 **New Customer Service System**

4 Q. Please describe the status of the Company's efforts related
5 to the new Customer Service System.

6 A. The Company is implementing the new CSS as a strategic
7 investment to serve the needs of and strengthen its
8 relationships with its electric and gas customers. While
9 the new CSS is replacing the back-office billing system and
10 is not a customer-facing system, it interacts with
11 customer-facing systems.

12 The new Oracle Customer Care and Billing ("CC&B")
13 platform will replace both Con Edison's and O&R's existing
14 billing systems. The Commission approved this investment
15 in Con Edison's and O&R's prior rate cases. There is an
16 allocation of costs between the two companies for the
17 project, with approximately 92.75 percent allocated to Con
18 Edison and 7.25 percent allocated to O&R.

19 Q. What work has been completed or is planned for this project
20 in the current rate plan?

21 A. The Company has been following the business plan for this
22 project submitted in Cases 19-E-0065 and 19-G-0066. In
23 2019-2020, the Company completed pre-implementation work
24 and planning. In 2021, the Company completed design work

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1 and commenced the system build phase. The Company expects
2 to complete the system build in early 2022.

3 In 2022, extensive testing of the system commences,
4 along with training in the latter half of 2022. In 2023,
5 the Company will conclude User Acceptance Testing and User
6 Training before the scheduled go-live date.

7 Q. Has the Company reported on the progress of the new CSS
8 implementation?

9 A. Yes. As required in the Commission's January 16, 2020
10 Order Adopting Terms of Joint Proposal and Establishing
11 Electric and Gas Rate Plan in Cases 19-E-0065 and 19-G-0066
12 (the "2020 Rate Order"), the Company files quarterly
13 progress reports on the status and expenditures for the
14 project. The Company has also filed annual Customer
15 Service System Staffing and Training reports in December
16 2020 and 2021.

17 Q. Has the Company sought input from interested stakeholders
18 on this project?

19 A. Yes. The Company held stakeholder forums on June 1, 2020
20 and October 26, 2020, each of which was attended by over 20
21 stakeholder representatives. In addition, the CSS project
22 team has been working closely with vital business
23 stakeholders, including the Company's corporate Bill Print
24 and Customer Messaging vendors, Energy by 5 (Luthin

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1 Associates), corporate financial institutions, New York
2 City Department of Citywide Administrative Services
3 ("DCAS"), New York City Housing Authority, New York
4 Electronic Data Interchange Working Group, New York Power
5 Authority, customer consultants, and other external
6 parties, including energy service companies ("ESCOs"), to
7 support the transition to the new CSS.

8 Q. How much has been spent on the project to date?

9 A. As of December 31, 2021, the Company spent \$234.4 million
10 of the project's approved capital funding, including \$53.7
11 million for the Oracle CC&B software, and \$5.9 million on
12 O&M. The Company forecasts to spend \$136.1 million in
13 2022, of which \$126.5 million will be capital and \$9.6
14 million will be O&M.

15 Q. What is the Company's funding request to complete
16 implementation of the new CSS system?

17 A. The Company proposes to spend \$59.8 million in capital in
18 Rate Year 1 to complete implementation of the system. This
19 is in line with the Company's Commission-approved business
20 plan from the 2020 Rate Order, and the costs are primarily
21 needed for Con Edison's solution integrator, staffing, and
22 hardware and software. The Company also proposes to spend
23 \$27.8 million in O&M for Rate Year 1.

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1 Q. The initial business plan noted that approximately \$44
2 million of capital would be needed in 2023. Please
3 explain.

4 A. The overall capital cost to implement the new CSS is not
5 changing. Con Edison's total capital expenditure for the
6 new CSS project is expected to be in line with the \$421
7 million cap on capital expenditures established in the
8 prior electric and gas rate proceeding. The increase of
9 \$15.8 million in capital in 2023 relative to the business
10 plan is the result of a shift in capital spending from
11 earlier rate years to 2023.

12 Q. Please describe the Company's estimated O&M spending
13 related to the completion of the new CSS implementation.

14 A. To complete the new CSS implementation, the Company
15 forecasts a total O&M expenditure of approximately \$27.8
16 million for 2023. These costs include labor costs for IT
17 and Customer Operations support, including temporary
18 employees to assist in the Call Center during training and
19 operational support after the system goes live. It also
20 includes costs for change management, including training
21 development, training delivery, and communications, and to
22 design and develop training materials and methodologies to
23 prepare the organizations for the transition to the new
24 CSS.

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1 The original business case estimated \$22.6 million in
2 O&M for 2023, so this request represents an increase of
3 \$5.2 million. The increase is driven by an updated
4 estimate in the calculation for provisional headcount
5 outlined in the previous rate case and additional
6 supervisors needed to oversee staffing for provisional
7 customer service representatives ("CSRs") and increased
8 overtime for go-live back-office support.

9 Q. Will the Company incur ongoing capital costs after the new
10 CSS is operational?

11 A. Yes, the Company is requesting \$7.8 million in capital in
12 Rate Year 2 and \$7.8 million in capital in Rate Year 3 to
13 cover upgrades to application and database server hardware
14 and non-Oracle CC&B software upgrades. The capital
15 expenditures will also cover system enhancements for future
16 system functionality, rate configurations and designs. The
17 Company is developing a list of additional functions to be
18 implemented after 2023 that were identified after the
19 completion of the design phase. Examples of such
20 additional functionality are the development of a customer
21 rate impact tool and the addition of positive ID waterfall
22 questions to assist in confirming customer identities.

23 Q. Are the capital amounts for Rate Years 2 and 3 included in
24 the overall \$421 million cap for the project?

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1 A. No. The \$421 million cap on capital is for project
2 implementation costs that conclude in 2023. These
3 additional capital costs will be expended after the new CSS
4 is implemented.

5 Q. Will the Company incur ongoing O&M costs in Rate Years 2
6 and 3, after the new CSS is operational?

7 A. Yes, the Company estimates that ongoing O&M spending will
8 be required to support the new CSS after it goes live. The
9 Company projects the O&M spending to be \$22.9 million in
10 Rate Year 2 and \$19.2 million in Rate Year 3. These O&M
11 costs include staffing for the new CSS system, software and
12 hardware maintenance, cloud hosting costs for testing and
13 development environments and training, and other employee
14 expenses. The staffing costs are a result of project staff
15 moving from a capital cost to an O&M cost, not new
16 headcount. The O&M for Rate Year 2 includes the provisional
17 CSR resources that were approved in the 2020 Rate Order.

18 Q. Does the increase in O&M costs for 2023, 2024 and 2025
19 impact the project's payback period contained in the
20 Customer Service System Business Plan?

21 A. Yes, but the impact to the project's cost-benefit
22 calculation is minimal. The payback period for the new CSS
23 investment is extended by 24 months due to the O&M
24 increase.

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1 Q. Have you prepared, or had prepared under your supervision,
2 exhibits that detail the Company's proposed investment in
3 the new Customer Service System?

4 A. Yes. We have prepared two exhibits, entitled EXHIBIT__(CO-
5 2) New Customer Service System and EXHIBIT__(CO-4) New CSS
6 Enhancements.

7 **Customer Data and Analytics**

8 Q. Please describe the status of the Company's efforts related
9 to the Customer Data and Analytics Program.

10 A. This program began in 2020 with a goal of using modern data
11 and analytics platforms to connect disparate customer data
12 sources, bringing together information from customer
13 interactions, accounts and billing data, and sorting
14 through the resulting data to identify patterns, trends,
15 correlations and relationships. The connected data is
16 being used to develop a better understanding of and predict
17 current and future customer needs.

18 A key focus area in 2020-2022 was to enhance the
19 Company's Enterprise Data and Analytics Platform ("EDAP")
20 to integrate and model data sources and deliver initial use
21 cases such as Call Center employee performance and
22 productivity dashboards, linking website activity to
23 customer phone calls, and identifying drivers for why
24 customers contact the Company multiple times about the same

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1 issue. The work also resulted in a simplified data model
2 with new reporting and analytics tools that improved the
3 speed of analyses that require information from multiple
4 systems.

5 Q. What is the projected capital cost of this program over the
6 2023-2025 rate period?

7 A. The Company proposes to spend \$13.72 million in capital for
8 Rate Year 1, \$18.9 million in capital for Rate Year 2, and
9 \$19.9 million in capital for Rate Year 3.

10 Capital funding will be used for project management,
11 IT development and system integrator costs in the following
12 focus areas: Customer Analytic Record Enhancements,
13 Personalized and Streamlined Interactions, Payment Journey
14 Insights, Customer Satisfaction Root Cause Analysis,
15 Service Channel Strategy, Clean Energy Program Insights and
16 Data Source Integration.

17 Q. Is the Company planning to increase the amount of O&M
18 associated with this program?

19 A. Yes. The Company requests an increase of \$3.08 million for
20 Rate Year 1, an incremental increase of \$220,000 in Rate
21 Year 2 and an incremental increase of \$1.45 million for
22 Rate Year 3 to maintain the robust customer analytics
23 environment within EDAP, support the Company's Demand
24 Management Analytics Platforms ("DMAP"), implement new

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1 tools and software that enable big data analysis on
2 customer service issues, support rapid insights, and
3 provide structured project and change management needed to
4 maintain value from the program's use cases.

5 Q. What specifically is the Company proposing for this program
6 over the 2023-2025 period?

7 A. The Company proposes to expand use cases and data sources
8 that business units across the Company can leverage to
9 obtain customer and market insights. More specifically, we
10 seek to accomplish the following:

- 11 • Expand previous use cases and data sources with an
12 additional 25 data sources, including internal
13 databases, databases from third-party vendors, and
14 publicly available data sets.
- 15 • Develop analytics models for additional insights, such
16 as why customers drop off certain communication
17 channels and why certain service channels provide
18 higher customer satisfaction. Another key area of
19 focus will be on payment program propensities and
20 payment agreement analytics to support new programs
21 and processes to address customer needs regarding
22 payment preferences and assistance.
- 23 • Identify personalized insights to improve and
24 facilitate customer experiences, such as situations

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1 where the CRM system should send preemptive outbound
2 customer support, or where root cause analysis is
3 needed to address customer satisfaction issues. These
4 personalized insights can be sent to Virtual Assistant
5 and CSRs to help in real time and contribute to faster
6 resolution.

- 7 • Integrate clean energy program data into the platform
8 to gain actionable insights that support expansion of
9 our clean energy programs across customer segments.
10 For example, this will allow the Company to develop
11 analytics models for insights on building
12 electrification opportunities in disadvantaged
13 communities and proactively reach out to customers who
14 would benefit the most from clean energy programs.
- 15 • Maintain the EDAP technologies that support the
16 program and create a change management and governance
17 team to oversee program delivery and evolution.

18 Q. What are the benefits of this program?

19 A. This program personalizes customer insights to recommend
20 programs or activities that are the best for a given
21 customer's circumstances, which enables the Company to
22 deliver a more personalized customer interaction that can
23 improve satisfaction and trust in Con Edison's business
24 delivery while enabling cost efficiencies.

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1 Specific investments in payment assistance-based use
2 cases will allow the Company to proactively identify
3 candidates for payment agreements and gather insights into
4 how clean energy programs and incentives can support
5 customers requiring payment assistance.

6 Improved program targeting and efficiency measures
7 will optimize program design and activities across
8 programs. With deep customer insights, the Company can
9 meet rising customer expectations and introduce customers
10 to new programs and services that will advance progress
11 toward meeting the goals of the CLCPA.

12 Q. Why is it important that these investments are made at this
13 time?

14 A. This program's consolidated data and insights are critical
15 to all other investments in the Company's Strategic CX
16 portfolio, as they enable more effective and intelligent
17 customer service. Continued investment in this program is
18 also necessary to realize the full value of the enterprise-
19 level Customer Data and Analytics program that began in
20 2020.

21 Q. Have you prepared, or had prepared under your supervision,
22 exhibits that detail the Company's proposed investment in
23 the Customer Data and Analytics program?

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1 A. Yes. We have prepared five exhibits, entitled
2 EXHIBIT__(CO-5) Customer Data and Analytics, EXHIBIT__(CO-
3 6) Customer Data and Analytics Request, EXHIBIT__(CO-7)
4 Customer Data and Analytics Capital Request Detail,
5 EXHIBIT__(CO-8) Customer Data and Analytics Data Sources
6 and EXHIBIT__(CO-9) Customer Data and Analytics Use Cases.

7 **Customer Relationship Management**

8 Q. Please explain what a CRM tool does.

9 A. A CRM solution gathers customer interactions across all
10 channels in one place. It supports the entire customer
11 lifecycle, beginning with the capture and management of
12 prospective customer contact data. It manages all
13 important information about the customer, including
14 profile, contacts, communications preferences and consents,
15 and the entire history of interactions with the Company via
16 any channel. These interactions are from conversations
17 with agents at the call center and transactions made or
18 attempted via self-service channels such as the web,
19 interactive voice response systems ("IVR"), chatbots or
20 mobile apps.

21 Using a CRM tool, the Company will have a full view of
22 the customer and can prepare proactive campaigns, deliver
23 contextual and guided service experiences to resolve
24 customer inquiries, allow agents to provide suggestions and

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1 recommendations proactively, engage with customers
2 regarding clean energy programs and offerings and payment
3 assistance enrollment, and apply advanced analytics to
4 target customers. The ability to support improved
5 engagement will be particularly important to the more than
6 three million residential and small commercial mass market
7 customers who could benefit from this more personalized
8 service.

9 Q. What funding is required for this program during the three
10 Rate Years?

11 A. The Company proposes to spend \$6 million in capital for
12 Rate Year 1, \$12 million in capital for Rate Year 2, and
13 \$10 million in capital for Rate Year 3. The Company
14 proposes O&M spending of \$1 million in Rate Year 1 and an
15 incremental increase of \$1 million in Rate Year 2. O&M
16 spending will not change from Rate Year 2 to 3.

17 Capital funds will be used to implement an initial CRM
18 infrastructure that will integrate with Con Edison's core
19 systems to enable the creation of new workflow management
20 capabilities for customer service representatives, a
21 comprehensive knowledge management system, a platform to
22 manage customer enrollment in clean energy and energy
23 efficiency programs, and an enterprise-wide management tool
24 for all marketing campaigns. The O&M expenditures are

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1 necessary to cover software licenses and administrative
2 services, including change management and training for
3 employees on how to use the new software.

4 Q. What are you proposing for this program over the 2023-2025
5 period?

6 A. Implementing a single enterprise CRM solution fully
7 integrated with other platforms will require a large,
8 multi-year effort. For the 2023-2025 period, the Company
9 proposes taking the initial steps of selecting and hiring a
10 knowledgeable and experienced system integrator, choosing a
11 platform or vendor for the system, and developing the
12 improvements that will enable the initial benefits of a CRM
13 system. These benefits include centralized marketing and
14 communications management, a knowledge management database
15 accessible by all customer-facing employees, employee
16 dashboards to manage interactions/transactions and help
17 customers more efficiently, and program enrollment
18 management focusing on clean energy and payment assistance
19 programs.

20 Q. Will this tool be integrated with other IT platforms?

21 A. Yes. When fully developed, the CRM program will integrate
22 with the new CSS, AMI, DCX and numerous clean energy
23 programs (e.g., Demonstration Projects, AMI Innovative
24 Pricing Pilots (Smart Energy Plan), Energy Efficiency

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1 programs). Additionally, the CRM platform will serve as an
2 action center for several ongoing and new capital projects
3 proposed in this filing, including Virtual Assistant,
4 Journey Mapping, Outage Communications and Customer Data
5 and Analytics.

6 Q. What are the benefits of this program?

7 A. The CRM will facilitate consistent, seamless customer
8 experiences. It will reduce inbound calls to the call
9 center by increasing proactive outbound communications that
10 anticipate customers' needs; enable seamless campaign
11 management from development to customer messaging, allowing
12 the Company to target the right customers with the right
13 clean energy offers at the right time; help the Company
14 more effectively educate customers about rate offers; and
15 guide customers through payment options when they fall
16 behind.

17 CRM also allows customer-facing departments to act on
18 and draw conclusions from the Customer Data and Analytics
19 program to create intelligent solutions for day-to-day
20 problems and have rich historical data to help customers
21 during transactions/interactions.

22 Q. Why should these investments be made now?

23 A. A CRM will allow the Company to achieve increased customer
24 engagement and satisfaction by enabling all internal

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1 organizations to better understand our customers' needs
2 (with an initial focus on residential and small commercial
3 mass market customers) and target them for the new programs
4 that fit their profiles.

5 From a customer service perspective, one of the
6 biggest challenges the Company currently has is fragmented
7 processes and multiple systems of record which prevent
8 employees from helping customers through multiple issues in
9 the same interaction. The CRM's integration with other
10 Company programs as well as external vendors that provide
11 customer communications will give employees full visibility
12 into Con Edison's interaction with customers, so we can
13 engage with them more efficiently and successfully.

14 Clean energy programs such as energy efficiency,
15 demand management, distributed generation, energy storage
16 and building electrification can leverage a robust CRM to
17 improve the customer experience with tailored offerings
18 based on a full 360-degree view of the customer's
19 interactions with the Company. The customer-facing
20 programs described in the CES Panel testimony could
21 leverage a CRM system to not only monitor customer
22 engagement, but also gain useful insights on preferences
23 and interests based on past interactions across the various
24 organizations within the Company.

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1 accelerate the deployment of clean energy solutions
2 throughout the State, thereby creating significant value
3 for customers.

4 Since 2016, the Company has grown its technical
5 capabilities to offer a robust suite of options for third
6 parties to access customer data - with customer consent -
7 including building application program interfaces ("APIs")
8 to enable transmission of large quantities of interval
9 usage data from our AMI system, among other data elements.
10 These efforts have been documented in the Company's
11 biannual Distributed System Implementation Plan ("DSIP")
12 filings, as well as its quarterly reports on the Next Gen
13 CX programs, which can be found in Cases 16-M-0411 and 19-
14 E-0065, respectively.

15 The main customer data-sharing platforms are as
16 follows:

- 17 • Share My Data - allows utility customers to automate the
18 secure transfer of their own energy usage data to
19 authorized third parties, based on affirmative (opt-in)
20 customer consent and control, consistent with the Green
21 Button Connect My Data standard.
- 22 • Large Customer API - allows large customers with numerous
23 accounts to retrieve the same customer billing and

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1 interval data available in Share My Data for their
2 accounts without the upfront consent process.

3 • ESCO API -similar to Large Customer APIs, ESCO APIs allow
4 energy services companies to retrieve customer data for
5 specific account numbers with presumed consent in
6 accordance with the Uniform Business Practices.

7 • Third Party Access to My Account - an extension of the
8 Company's My Account web portal which was piloted in 2019
9 and publicly launched in 2021 that allows third parties
10 to request access to customers' My Account experience to
11 manage their accounts, retrieve data, and transact on
12 behalf of customers.

13 • Aggregated Whole-Building Usage Data - Con Edison offers
14 a web service for building owners or their authorized
15 agents to automatically import aggregated whole-building
16 data into Energy Star Portfolio Manager®.

17 Q. What type of third parties use these data-sharing tools?

18 A. Third parties who use these tools include companies that
19 provide wide variety of products to customers. These
20 companies include aggregators, energy software vendors,
21 energy management and compliance companies, rate
22 consultants and third parties looking to provide services
23 for companies to reduce their carbon footprint and offer
24 alternative clean energy solutions.

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1 Q. Have third parties been using the platforms successfully?

2 A. Yes. As of December 29, 2021, there are 19 third parties
3 fully approved and active on the Share My Data platform,
4 eight third parties in the onboarding queue, and 9,304
5 customers that have authorized Con Edison to share their
6 data with a third party.

7 We are in the process of onboarding two large
8 customers (NYPA and and the New York City Department of
9 Citiwide Administrative Services) to access the Large
10 Customer API platform, and there has been interest in
11 joining the platform from hospitals and other large
12 agencies.

13 As of January 4, 2022, there are 275 users registered
14 with the Third Party Access to My Account platform, and
15 90,348 customers have authorized third parties to view
16 their information this way.

17 With respect to Aggregated Whole-Building Usage Data,
18 in 2021, there were 27,985 distinct properties with
19 consumption requests and 973 distinct requestors using this
20 service. Similarly, there were 25,357 distinct properties
21 with consumption requests and 934 distinct requestors in
22 2020.

23 Q. Have there been any lessons learned along the way?

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1 A. The Company has sought to continuously improve the
2 platforms over time in response to stakeholder feedback as
3 well as PSC orders. For example, from 2018-2020, the
4 Company expanded the data available via its API-based
5 platforms beyond interval usage data to include near-real-
6 time usage information with a latency of less than four
7 hours, two years of historical billing information, service
8 addresses, and account numbers.

9 For Third Party Access to My Account, the Company
10 expanded its features in response to stakeholder feedback
11 in 2021, enabling exports of account data, bulk requests
12 for customer authorization (up to 50 at a time) and a tool
13 to view all of the accounts associated with a third party's
14 profile.

15 We have also taken steps to facilitate the technical
16 onboarding required for third parties to use the data-
17 sharing platforms, providing detailed documents for
18 businesses and technical consultants, a testing "sandbox"
19 to allow for technical testing, online web forms to
20 initiate onboarding, and standardized process expectations
21 for implementation.

22 Q. What are you proposing for this program over the 2023-2025
23 time period?

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1 A. The Company proposes to spend \$1 million in capital for
2 Rate Year 1, \$2.5 million in capital for Rate Year 2 and
3 \$2.5 million in capital for Rate Year 3. The Company also
4 requests \$1.35 million in O&M spending starting with Rate
5 Year 1. The O&M spending will not change in Rate Years 2 or
6 3.

7 The Company seeks capital funding to continue
8 development and expansion of Share My Data, Large Customer
9 API and ESCO API, including infrastructure and dataset
10 enrichment based on customer and third-party needs,
11 expanded capabilities such as bulk authorization on the
12 Share My Data platform, and enhancements to the onboarding
13 process through automation and improved testing
14 capabilities.

15 In addition, the Company seeks O&M funding to support
16 the growing platforms through an expanded team of technical
17 resources to monitor performance and system availability
18 and engage third parties to improve onboarding and
19 technical issue resolution. This same resource capacity
20 will also support ongoing needs of customers and third
21 parties using the Third-Party Access to My Account
22 services. O&M will also be used to build out incremental
23 improvements to the Company's processes that enable

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1 benchmarking by buildings using aggregated whole-building
2 data.

3 Q. How will this investment fulfill third-party and
4 stakeholder needs for improvement to these platforms?

5 A. As listed in EXHIBIT__(CO-12) Example of Data Sharing Focus
6 Areas, the Company has logged a number of suggestions from
7 third parties to improve the user experience and
8 performance of our data-sharing platforms. Many of the
9 items are a result of stakeholder feedback.

10 For example, performance enhancements to improve
11 platform response time will address pain points in data
12 transfer processes. The team supporting the data-sharing
13 platforms has also identified potential improvements to
14 data quality, such as mapping of meter numbers across data
15 exchanges.

16 Additionally, continued growth of datasets and
17 technical resources is needed as utilization by customers
18 and third parties increases. Without adequate funding, the
19 data-sharing platforms will not be properly supported,
20 resulting in sub-optimal performance.

21 Q. Why should these investments be made now?

22 A. The funding proposed for the Customer Data Sharing program
23 supports mandated initiatives required by PSC orders, local
24 laws and New York State laws, including the CLCPA.

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1 The new capabilities outlined below and further
2 detailed in the exhibits noted below are made possible by
3 the Company's prior investments in software that increased
4 the flexibility and efficiency of bill and correspondence
5 generation. They are also made possible by the design
6 overhaul that led to the current modern, customer-friendly
7 bill format aligned with My Account and the Company's
8 mobile applications. With this work complete, the Company
9 can proceed to further adapt bill designs to accommodate
10 targeted messaging for clean energy programs and the
11 advanced formats needed to present charges for new and
12 emerging rates, such as net crediting for Community
13 Distributed Generation ("CDG").

14 Q. What funding is required for the program?

15 A. The Company proposes to spend \$1 million in capital for
16 Rate Year 1, \$1 million in capital for Rate Year 2 and \$1
17 million in capital for Rate Year 3. O&M funding is
18 \$400,000 annually starting in Rate Year 1 to coordinate the
19 program, fund IT resources, conduct customer research and
20 pay fees associated with new technology platforms and
21 services. The O&M funding will not change for Rate Years 2
22 or 3.

23 Q. What are the main categories of work to be undertaken as
24 part of this program?

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1 A. The main categories are Billing and Customer Communication
2 Process Enhancements, Payment Enhancements and Technology
3 Upgrades.

4 Q. Please continue.

5 A. With Billing and Customer Communication Process
6 Enhancements, the Company will improve bill presentation
7 with customer-focused targeted messages; implement a
8 centralized documents archiving program in coordination
9 with the Back Office Automation and Workforce Management
10 Program; investigate the potential to consolidate back-end
11 outbound communications processes so that the Company can
12 create and deliver hard copy and digital correspondence,
13 emails, texts and other types of messages from a central,
14 coordinated delivery platform; and evaluate how to offer
15 bill and correspondence content in languages beyond English
16 and Spanish.

17 Payment Enhancements work will focus on exploring
18 partnerships and implementing necessary integrations to
19 offer payment transactions via third-party platforms on
20 which customers increasingly rely, like PayPal, Apple Pay,
21 Venmo, and Google Pay.

22 Technology Upgrades will involve maintaining billing
23 and payment platforms at the most current version,
24 evaluating future platform upgrade features to keep up with

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1 industry changes and customer expectations, and exploring
2 additional technology that would allow bank account
3 transactions to be completed in near-real time (as opposed
4 to the 1-3 day delay customers experience today).

5 Q. What are the benefits of the program?

6 A. Overall, the funding proposed in the Billing and Payment
7 Enhancements program will assist in keeping up with further
8 advances in technology, enhance customer satisfaction by
9 delivering the right message and payment options at the
10 right time, and enable targeted messaging and on-bill
11 promotion of clean energy programs to help achieve
12 statewide clean energy goals. It will also help to
13 centralize communications delivery and archiving, and offer
14 customers easy methods for conducting their personal and
15 business payment transactions with the Company.

16 A centralized customer communication management
17 ("CCM") system will achieve cost efficiencies by
18 eliminating redundancies across multiple communications
19 vendors and delivery channels. The program will also
20 improve communications during outages by delivering
21 messages via customers' preferred methods.

22 Continued bill enhancement through specific targeted
23 messaging will benefit customers in need of payment
24 assistance, expose customers to and educate them on clean

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1 energy programs, and introduce customers to new optional
2 rates that will both save them money and support grid
3 efficiency.

4 Q. Why should these investments be made now?

5 A. A recent Bill Redesign project survey indicated that 97% of
6 our customers were either somewhat or very satisfied with
7 our bill redesign. Funding proposed for Billing and
8 Payment Enhancements will assist in keeping up with further
9 changes in digital technology and customer expectations.

10 As an example of how swiftly the billing and payment
11 landscape is changing, in March 2021, 1,875 Con Edison
12 residential and commercial customers were surveyed and 44%
13 showed interest in making payments through Venmo, PayPal or
14 Zelle. In a September 2019 survey, only 4% preferred those
15 methods. As third-party options are becoming increasingly
16 popular, customers expect their utility to provide payment
17 options on par with their other day-to-day transactions.

18 Additionally, maintaining the most current version of
19 billing and payment platforms and evaluating future
20 platforms upgrades will allow the Company to keep up with
21 industry changes while maintaining the high availability
22 and reliability of this important software.

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1 Q. Have you prepared, or had prepared under your supervision,
2 exhibits that detail the Company's proposed investment in
3 the Billing and Payment Enhancements program?

4 A. Yes. We have prepared four exhibits, entitled
5 EXHIBIT__(CO-16) Billing and Payment Enhancements,
6 EXHIBIT__(CO-17) Billing and Payments Enhancements Request,
7 EXHIBIT__(CO-18) Post Bill Re-Design Survey Report, and
8 EXHIBIT__(CO-19) CE Bill Payment Method Survey Report.

9 **Digital Customer Experience**

10 Q. Please describe the background of this program.

11 A. The Digital Customer Experience ("DCX") program is a multi-
12 year program spanning all of the Company's digital
13 platforms (i.e., web, mobile web and apps) that continually
14 refines and builds upon the Company's core digital platform
15 in operation since 2017. The DCX program has consistently
16 delivered customer value, including increased adoption of
17 digital self-service across various key customer
18 transactions. In addition, the Company through this
19 program continues to identify customer experience
20 enhancements to meet changing market and customer needs.

21 Q. What funding is required for the program over the 2023-2025
22 time period?

23 A. The Company proposes to spend \$11.4 million in capital for
24 Rate Year 1, \$15.03 million in capital for Rate Year 2, and

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1 \$15.05 million in capital for Rate Year 3. This includes
2 internal labor, vendor costs and software and hardware
3 needs.

4 The Company also requests an increase in O&M spending
5 of \$2.6 million for Rate Year 1, an incremental increase of
6 \$360,000 in Rate Year 2, and an incremental increase of
7 \$380,000 in Rate Year 3. These costs include maintenance
8 of information technology infrastructure, software as a
9 service fees, cloud hosting fees, maintenance fees,
10 contractor services, storm hardening testing and additional
11 full-time equivalent ("FTE") resources to provide day-to-
12 day maintenance, manage the customer experience and create
13 and introduce new creative content.

14 Q. What are you proposing for this program over the 2023-2025
15 time period?

16 A. The DCX program will continue to use a customer-centric,
17 "Agile" project management approach (i.e., an iterative and
18 incremental method of managing the design and build of the
19 digital platform) that will adapt project scopes to
20 changing priorities based on customer feedback, analytics
21 and regulatory mandates. The planned areas of focus for
22 DCX during the 2023-2025 time period are as follows:

- 23 • Ongoing Optimization & Transactional Expansion -
24 ongoing efforts to improve the user experience, remove

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1 transactional friction points, expand online self-
2 service options, create new experiences to support
3 clean energy programs (e.g., offers and enrollment in
4 eligible energy efficiency programs, and streamlined
5 understanding of complex programs and their impact on
6 billing) and address emerging issues, as the Company
7 did when implementing COVID-19 protections in 2020 and
8 2021.

- 9 • Mobile App Enhancement - keeping the apps consistent
10 with web enhancements and planned expansion of
11 features across the digital platforms.
- 12 • Technology Upgrades and Enhancements - maintain a high
13 level of reliability and an error-free experience
14 across the digital platforms by evaluating timing of
15 upgrades and potential infrastructure improvements.
- 16 • Personalization and Control - ongoing efforts to add
17 value by personalizing the digital experience,
18 including leveraging the Customer Data and Analytics
19 program to build granular customer segmentation that
20 will allow for more targeted journeys and experiences.
- 21 • Interactive Voice Enhancements & Upgrades - expand the
22 DCX program scope to include additional digital
23 channels, including the IVR system, text and email.

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- 1 • Leverage Emerging Technologies - continue to monitor
2 both customer and industry trends to offer simple and
3 convenient ways to transact across the Company's
4 digital platforms and build new and expanded features
5 to support the Company's clean energy programs, such
6 as smart home, electric vehicles, solar and building
7 electrification initiatives.

8 Q. Does the Company propose a specific effort to support CLCPA
9 goals?

10 A. Yes. Under the Personalization and Control focus area, the
11 Company proposes to develop improved web tools which allow
12 CDG hosts to more effectively manage their subscribers.
13 This includes improved features to input and update
14 subscriber allocations and to view changes in the status of
15 subscriber accounts.

16 Q. What are the benefits of this effort?

17 A. A DCX web portal for CDG providers will support increasing
18 regulatory requirements and customer/provider expectations,
19 digitize CDG-related transactions to provide faster
20 response times, enable more self-service features, and
21 provide customers a unified experience for CDG billing and
22 crediting history within a single portal. This will
23 support the State's long-term 10 GW statewide solar goal
24 (by 2030) as well as its recent proposal to fund at least

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1 an additional 200 MW of CDG in Con Edison's service
2 territory.

3 Q. How will the implementation of a new customer service
4 system in 2023 impact the DCX program?

5 A. The Company's customer-facing digital experiences have been
6 designed with the flexibility to continue to provide value
7 to customers as the Company migrates to a new CSS. The
8 Company will need to integrate the new CSS with the
9 existing DCX platform as part of the transition. Costs
10 associated with these integrations have been included in
11 the funding estimates for the new CSS program.

12 Additionally, with the implementation of a new CSS
13 there will be opportunities to deliver new functional
14 experiences for customers. These enhancements will take
15 advantage of efficiencies of the newer billing system and
16 the alignment of all commodities within a single billing
17 system. For example, the new billing system will provide
18 greater billing details that can be made accessible to
19 customers online. These future enhancements will need
20 validation and deeper dives, which will take place after
21 implementation and integration of the new CSS in 2023.

22 New digital enhancements that are identified during
23 the new CSS transition will be earmarked for implementation
24 post go-live. For example, if the Journey Mapping program

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1 identifies an online process refinement in early 2023, this
2 item can be prioritized for implementation once the new CSS
3 is stabilized.

4 Q. What are the benefits of the program?

5 A. The DCX program's continuous improvement approach - relying
6 on agile project management, journey mapping
7 recommendations and customer feedback - has resulted in
8 measurable increases in customer satisfaction and effort
9 scores. See EXHIBIT__(CO-1) Customer Experience Progress
10 for additional details of this progress. In addition,
11 since the launch of the My Account experience in July 2017,
12 the Company has seen monthly average users (i.e., the
13 number of users who log in at least once a month) increase
14 from 99,000 to over 376,000.

15 During the 2023-2025 time period, DCX will continue to
16 focus on driving cost efficiency through increased adoption
17 of lower-cost digital channels. Examples of success in
18 this area include enhancements to the customer moving
19 process (developed in conjunction with the Journey Mapping
20 program) that resulted in an increase from about 20% to
21 over 55% of customers starting service online instead of by
22 calling the call center.

23 The Company will also prioritize transactions and
24 journeys for customers experiencing payment difficulties,

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1 including continued enhancement of payment agreement
2 processes - building on the expanded self-service options
3 developed in response to the COVID-19 economic crisis - and
4 online enrollment in the Company's discount program for
5 eligible low-income customers.

6 Continued investment in the DCX program is also
7 critical to the Company's ability to support statewide
8 clean energy goals by providing customers with important
9 information and tools regarding programs, energy usage and
10 rates, and lead generation for clean energy programs.

11 The value to be gained by customers from continued
12 support and funding for the DCX program is perhaps best
13 illustrated by the program's ability to nimbly pivot
14 priorities to meet emerging regulatory, customer and
15 business needs. The Company met the COVID-19 legislative
16 and regulatory requirements around customer attestation to
17 financial hardship and payment assistance options with
18 robust self-service options. Additionally, the Company
19 responded after Tropical Storm Isaias with online spoilage
20 claim forms and, later, expanded claim form options for
21 non-storm matters. DCX allows the Company to continually
22 evaluate priorities and work with stakeholders to deliver
23 value with speed and agility.

24 Q. Why should these investments be made now?

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1 A. DCX has already delivered improved customer satisfaction,
2 customer engagement and reduced cost through call
3 deflection. Continued investment is necessary to sustain
4 performance while keeping up with rapidly changing customer
5 expectations and evolving technology trends.

6 Q. Have you prepared, or had prepared under your supervision,
7 exhibits that detail the Company's proposed investment in
8 the DCX program?

9 A. Yes. We have prepared four exhibits, entitled
10 EXHIBIT__(CO-20) DCX, EXHIBIT__(CO-21) DCX Request,
11 EXHIBIT__(CO-22) DCX Capital Request Detail and
12 EXHIBIT__(CO-23) DCX O&M Request Detail.

13 **Virtual Assistants**

14 Q. Please describe the background of this program.

15 A. The Company began its Virtual Assistant program in 2020,
16 developing an Artificial Intelligence ("AI") enabled
17 conversational bot that is available 24 hours a day, 7 days
18 a week, 365 days a year on the web and IVR channels. The
19 Company launched the virtual assistant, named Watt, in
20 2021, and it has resulted in more than 20,000 successful
21 transactions, with a total customer satisfaction score of
22 4.19 out of 5.

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1 Q. Is the Company increasing the customer service abilities
2 and transactions within the virtual assistant as proposed
3 in its 2019 rate filing?

4 A. Yes. In the first quarter of 2021, the Company launched
5 Watt with four use cases - stop/start/move service,
6 identify and authenticate customer, register for an online
7 profile, and provide feedback. Since then, the Company has
8 added five additional cases, including view/pay bill, pay
9 as a guest, enroll in a payment agreement, self-identify as
10 being impacted financially by COVID-19, and request a
11 payment extension. The Company also integrated Watt with
12 live chat agents for customers that want to continue
13 chatting online but want to do so with a live
14 representative. Also, the Company has made Watt available
15 across 13 pages of the Con Edison website.

16 In January 2022, the Company released new programming
17 so that callers to the Company's main phone number can
18 choose to interact with Watt to complete transactions
19 without waiting to speak with an agent. Customers who
20 choose this option receive a link on their cell phone where
21 they can seamlessly continue their transaction with Watt.
22 In this same release, the Company also enabled Watt to
23 engage with customers in Spanish.

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1 As the team gathers feedback from customers and
2 reviews transcripts, the Company is continually looking for
3 additional opportunities to improve service within the
4 virtual assistant by identifying and remediating specific
5 places where Watt is having trouble completing customer
6 transactions. We then train the bot to work through these
7 areas and answer increasingly complex requests before
8 escalating to a representative.

9 Q. What funding is required for the program over the 2023-2025
10 time period?

11 A. The Company proposes to spend \$3.1 million in capital for
12 Rate Year 1, \$5.5 million in capital for Rate Year 2, and
13 \$4.1 million in capital for Rate Year 3. The Company also
14 request an O&M increase of \$1.53 million for Rate Year 1,
15 an incremental increase of \$800,000 in Rate Year 2, and an
16 incremental increase of \$600,000 in Rate Year 3.

17 Q. What is the Company proposing for the Virtual Assistant
18 program over the 2023-2025 time period?

19 A. The Company seeks to continue investing in its virtual
20 assistant by expanding the types of interactions it can
21 support, integrating Watt with other parts of the business,
22 leveraging the bot to further the Company's efforts on
23 State clean energy goals, ensuring Watt is updated
24 regularly to align with DCX enhancements and other system

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1 changes that are necessary to support the transition to a
2 new customer service system, and adding reporting and
3 tracking functionality to continuously monitor the bot's
4 performance and improve use cases. Activities planned
5 include but are not limited to the following:

- 6 • Add new self-service capabilities through Watt, including
7 sign up for e-Bill, submit a meter read for AMI opt-out
8 customers, set up a Level Payment Plan and report an
9 outage. These four use cases alone make up approximately
10 43,000 monthly customer inquiries handled by CSRs.
- 11 • Enable Watt to suggest a payment agreement with flexible
12 terms based on the customer's payment and credit history.
- 13 • Allow Watt to update and modify how customers would like
14 to be contacted for different types of communications.
- 15 • Provide customers with answers to questions about
16 electric vehicles and guide them to resources on the Con
17 Edison website to help inform their purchasing decisions.
- 18 • Link AMI data, home energy audit and Alexa/Google
19 assistant skills within Watt.
- 20 • Update Watt's skillset to act as an energy advisor and
21 provide customers with energy conservation advice based
22 on their personal usage history.

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1 Q. What are the benefits of continued investment in this
2 program?

3 A. Further investment will allow Watt to provide personalized
4 and dynamic on-demand messaging that considers customers'
5 needs, account status, preferences and household energy
6 factors. For example, Watt will act as a clean energy
7 advisor and provide simple, accessible resources for
8 customer clean energy solutions, which will reduce
9 customers' costs, improve the customer experience and
10 support Company and State clean energy goals. Watt will
11 also be able to provide convenient, streamlined education
12 and access to payment assistance for customers, which is
13 particularly important in light of the financial impact of
14 the COVID-19 pandemic on customers in the Company's service
15 territory. Operationally, Watt enables a reduction in
16 phone calls, helping to drive cost efficiencies by
17 eliminating unnecessary calls to CSRs.

18 Q. Why should these investments be made now?

19 A. The Company's continued enhancements to the Virtual
20 Assistant program, combined with ongoing advancements in
21 this proven technology, will enhance the customer
22 experience in a cost-effective manner.

23 Maintaining the Virtual Assistant program as-is,
24 without further investment, would result in the Company

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1 failing to maximize the full potential of its technology
2 and result in an inferior customer experience. The Company
3 would not be able to scale or add additional use cases
4 without upfront costs, which would severely limit the
5 potential of this technology to help attract new customers
6 to self-service and increase participation in clean energy
7 programs.

8 Q. Have you prepared, or had prepared under your supervision,
9 exhibits that detail the Company's proposed investment in
10 the Virtual Assistant program?

11 A. Yes. We have prepared three exhibits, entitled
12 EXHIBIT__(CO-24) Virtual Assistants, EXHIBIT__(CO-25)
13 Virtual Assistants Request and EXHIBIT__(CO-26) Virtual
14 Assistants Capital Request Detail.

15 **Journey Mapping**

16 Q. Please describe the background of this program.

17 A. Journey Mapping is a process improvement method that
18 explores the full sum of a customer's experience when
19 interacting with a company, not just discrete interactions
20 or transactions. Unlike other process improvement
21 techniques, Journey Mapping focuses on the customer and is
22 grounded in what is commonly referred to as "Voice of the
23 Customer" data, which is an amalgam of customer research,
24 benchmarking data, and operational data.

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1 Con Edison launched its Journey Mapping program in
2 2017 to enable the Company to consistently provide a high-
3 satisfaction, low-effort customer experience across
4 interaction journeys. Our dedicated team uses Agile
5 project management and Design Thinking practices with
6 customer research, data analytics and employee input to
7 design enhanced experiences and deliver quick-to-market
8 improvements.

9 The Company has made extensive progress with the
10 initial journeys outlined for improvement in its 2019 rate
11 filing, validating that Journey Mapping is an effective
12 process improvement method that warrants implementation as
13 a best practice across all customer interactions. For
14 further information, please see EXHIBIT__(CO-27) Journey
15 Mapping Completed Journey Improvements. The Company has
16 also been reporting on the progress of the Journey Mapping
17 program in its quarterly Next Gen CX reports filed in Cases
18 19-E-0065 and 19-G-0066.

19 Additionally, having a Journey Mapping team has
20 enabled the Company to continually adapt products and
21 services for customers with increasingly dynamic needs and
22 wants. For example, the main objective for improvement to
23 the Customer Outage Communications Journey over the past
24 few years was to enhance communications during a major

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1 outage event. Our research during this effort also
2 highlighted an opportunity to improve the experience of
3 customers with flickering lights or low-voltage conditions,
4 outside of a major event, which the team plans to address.

5 Q. What funding is required for the program?

6 A. The Company proposes to spend \$1.1 million in capital for
7 Rate Year 1, \$2.2 million in capital for Rate Year 2, and
8 \$2 million in capital for Rate Year 3.

9 Q. Is the Company planning to increase the amount of O&M
10 associated with this program?

11 A. Yes. The Company request an increase of \$380,000 for Rate
12 Year 1 and an incremental increase of \$100,000 in Rate Year
13 2 to expand the Journey Mapping team and capabilities and
14 fund the implementation of identified improvements that
15 cannot be capitalized. O&M needs will decrease
16 incrementally by \$400,000 in Rate Year 3 due to a decrease
17 in contract/vendor services following completion of journey
18 enhancement projects in Rate Years 1 and 2.

19 Q. What is the Company proposing for this program over the
20 2023-2025 time period?

21 A. For the years 2023-2025, the Company proposes capital
22 funding to implement technology improvements identified
23 during the Journey Mapping process. The Company also seeks
24 additional O&M funding to expand the team and capabilities

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1 to support an increased number of journeys, as well as fund
2 the implementation of identified improvements. Expanded
3 capabilities will include additional customer research,
4 toolkits, a playbook for enabling Journey Mapping
5 principles across the enterprise, and data analysis and
6 project execution resources.

7 Ongoing Journey Mapping efforts will include
8 refinement of the customer experience as program offerings
9 and customer expectations evolve, with a focus on low-
10 income customers, commercial customers and their agents,
11 and customers participating in clean energy programs.

12 Please see EXHIBIT__(CO-31) Journey Mapping Focus Areas for
13 a detailed listing of potential focus areas during Rate
14 Years 1-3.

15 Q. What are the benefits of continuing the program?

16 A. Customer satisfaction increases when customers are given
17 the experience they want to accomplish a goal. The Journey
18 Mapping team creates journey maps that enable the Company
19 to understand customers on an emotional level and implement
20 better experiences that help customers accomplish their
21 goals more easily. By continuing this program, the Company
22 will realize the full potential that a robust Journey
23 Mapping program has to offer, including process
24 optimization, error reduction and increased customer

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1 satisfaction and brand trust - particularly among customers
2 that are adopting clean energy solutions, struggle to pay
3 their bills or have special needs. For example, Journey
4 Mapping supports these customers to better understand,
5 access, and receive the payment assistance they need. This
6 will be increasingly important as the COVID-19 pandemic has
7 resulted in more customers requiring assistance.

8 We therefore believe that this program will in
9 particular provide for our low- and moderate-income
10 customers who generally reside in disadvantaged
11 communities.

12 Journey Mapping also benefits customers by producing
13 low-effort, high-satisfaction interactions and avoiding
14 interactions that frustrate customers, require follow-up
15 calls, and drive up operating costs.

16 Q. Why should these investments be made now?

17 A. Through benchmarking, data analysis and customer research,
18 the Journey Mapping program is essential to keeping up with
19 changing customer expectations. Suspending or limiting the
20 Journey Mapping team at this juncture would dramatically
21 reduce the potential benefits that could be gained from
22 bringing together and improving customer interaction-
23 related processes across the Company.

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1 New York State's clean energy transformation will
2 necessitate streamlined customer adoption of clean energy
3 products and programs as well as new rates. Journey
4 Mapping will support this goal by designing effective
5 journeys that improve customers' understanding and adoption
6 of new technologies and identifying opportunities for
7 customers to learn about clean energy solutions and new
8 rate options at various touchpoints (e.g., when
9 establishing service or during high-bill inquiries).
10 Additionally, for emerging clean energy programs and new
11 rates, Journey Mapping will help mitigate the risk of
12 creating long and expensive implementation projects without
13 fully understanding customers' needs and expectations.

14 Finally, the outage communications Journey Mapping
15 team has made many improvements to how the Company
16 communicates with its customers during an outage event.
17 See EXHIBIT__(CO-28) Outage Communications Past Progress
18 for details on outage communications deployed during recent
19 outage events. As climate change drives the potential for
20 more frequent severe weather events, the Journey Mapping
21 team will continue working on improvements to meet rising
22 customer expectations for reliable service and accurate
23 information when outages do occur.

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1 Q. Have you prepared, or had prepared under your supervision,
2 exhibits that detail the Company's proposed investment in
3 the Journey Mapping program?

4 A. Yes. We have prepared four exhibits, entitled
5 EXHIBIT__(CO-29) Journey Mapping, EXHIBIT__(CO-30) Journey
6 Mapping Request, EXHIBIT__(CO-31) Journey Mapping Focus
7 Areas and EXHIBIT__(CO-27) Journey Mapping Completed
8 Journey Improvements.

9 **Back Office Automation and Workforce Management**

10 Q. Please describe the background of this program.

11 A. The Back Office Automation and Workforce Management program
12 encompasses a collection of investments in software and new
13 systems that will automate repetitive and manual back-
14 office tasks, improve workflow and exception management
15 processes and enhance tools used by employees.

16 This program began in 2020 and to date has largely
17 focused on robotic process automation ("RPA") of back-
18 office tasks, a new exception management tool, and
19 enhancements to the tools used to guide CSRs through
20 customer interactions.

21 Q. Has this program produced value in terms of reduced back-
22 office work to date?

23 A. The RPA has successfully automated addressing meter issues
24 in the Meter Data Management System, which reduces

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1 estimated bills and enables on-time, accurate billing. In
2 addition, RPA has successfully automated validating account
3 information before issuing an estimated bill, validating
4 and adjusting accounts with inconsistent readings,
5 addressing customer accounts when rejected readings are
6 populated and addressing customer accounts that are not
7 billed up to date after cancellations due to rate changes
8 and ESCO marketer changes. The RPA engagement has been a
9 success due to synergy between and among all departments
10 working alongside one another. We have successfully
11 reduced repetitive work, allowing our back-office staff to
12 focus on more complex work. To date we have completed 20
13 use cases that are now live, including AMI Billing Process,
14 Commercial Net Metering Billing, Rejected Meter Exchange,
15 PSC Complaints, Over Estimation, Statement Generation,
16 Solar Onboarding Process and Community Solar Allocate
17 Energy for Bill Credits. We continue to work on automating
18 processes, with our upcoming use cases to include Value of
19 Distributed Energy Resources ("VDER") Reporting Automation
20 and Onboarding Solar Accounts into the CSS.

21 Q. What funding is required for the program?

22 A. The Company proposes to spend \$1.5 million in capital for
23 Rate Year 1, \$2.5 million in capital for Rate Year 2, and
24 \$2.5 million in capital for Rate Year 3, which includes

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1 funding for software and hardware costs for an AMS tool,
2 Content Management tools and Workforce Management
3 solutions, Robotic Process Automations, Gas Service Line
4 Inspection Applications and Call Center Work Management
5 Tools. The Company is also proposing an increase in O&M
6 spending of \$760,000 in Rate Year 1 and an incremental
7 \$100,000 in Rate Year 2, which covers licensing and
8 supports costs associated with improved technologies
9 including training, software bug fixes, testing and code
10 migration. O&M expenses will not increase from Rate Year 2
11 to Rate Year 3.

12 Q. What specifically is the Company proposing for this program
13 over the 2023-2025 time period?

14 A. The Company plans to build on the initial successes of this
15 program and expand its scope to include systems that will
16 streamline additional back-office work. The proposed work
17 streams include:

18 • Robotic Process Automation. While the Company has made
19 great strides in RPA, more work is necessary in exception
20 work management to prepare for the transition to a new
21 customer service system. The Company will prioritize
22 additional automation opportunities based on overall
23 effort involved, associated customer satisfaction and
24 projected cost savings.

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- 1 • Access Management System for Workflow Management Tools.

2 The Company will implement an automated access management
3 system ("AMS") for existing back-office workflow
4 management tools - including the Field Collection System,
5 Load Profile Data System and others - to act as a central
6 controller that unifies different access rights systems
7 and automate employee access to multiple applications.

- 8 • Gas Line Service Inspection Application. The Company
9 will develop and implement a custom, automated process to
10 communicate with customers regarding required gas service
11 line inspections, replacing a manual process that has
12 presented challenges. This process will add a dashboard
13 to quickly identify target customers and enable reporting
14 functions. This project will enhance the Company's
15 ability to perform these inspections in accordance with
16 the Commission's April 20, 2017, Order in Case 15-G-0244,
17 directing utilities to fine customers that do not provide
18 access for inspection and terminate service if customers
19 do not cooperate after being fined.

- 20 • Content Management. In conjunction with the Billing and
21 Payment Enhancement program, the Company will explore
22 software and tools to manage the lifecycle, distribution
23 and use of customer content/documents received by CSRs at

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1 the Customer Experience Centers, consistent with document
2 retention regulations.

3 • Call Center Workforce Management Solution. The Company
4 plans to procure a Workforce Management ("WFM") solution
5 that will enable it to monitor call center and back-
6 office staffing levels, exception times (e.g., holidays,
7 vacation, and sick and training time), scheduling
8 accommodations and intraday performance in one
9 centralized platform. The WFM solution will improve the
10 existing management processes used by our operating areas
11 and support the Company's efforts to provide a high level
12 of service to customers in the most efficient manner.

13 Q. What are the benefits of the program?

14 A. The investments will contribute to a more efficient,
15 positive customer experience while reducing costs,
16 enhancing back-office processes, and empowering employees
17 with the proper tools to provide exceptional customer
18 service. Additionally, investments in Back Office
19 Automation and Workforce Management will save time, money
20 and effort by improving data storage, management, and
21 exchange. Specific examples include:

22 • RPA will reduce the number of customers receiving
23 estimated bills, or not receiving a bill, and result in
24 more bills being issued in a timely fashion.

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- 1 • Access Management System for Workflow Management will
2 secure and speed up the provision of user permissions.
3 AMS will also reduce the risk of human error in managing
4 access to important customer information systems.
- 5 • Gas Line Inspection Application will equate to
6 approximately 4.5 FTE employees in Gas Operations and
7 Customer Operations who would otherwise be needed to
8 perform these tasks.
- 9 • Content Management will create a means to effectively
10 capture, index, route and archive customers' documents,
11 allowing processing to advance more rapidly and giving
12 front and back-office personnel a more complete view of
13 the customer's records. These improvements will
14 contribute to shorter call times and eliminate the need
15 for repeated interactions.
- 16 • The Call Center Workforce Management Solution is expected
17 to improve staff utilization with accurate demand-based
18 scheduling and drive an improved customer experience in
19 terms of CSR availability. It will also improve the
20 Company's understanding and adaptation to fluctuations in
21 call volumes, patterns and agent availability, leading to
22 shorter wait times for customers.

23 Q. Why should these investments be made now?

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1 A. For each of the projects outlined above, continuation of
2 existing inefficient and manually intensive processes will
3 increase customer resolution time, erode customer
4 satisfaction and reduce operational efficiencies. As an
5 example, one of the main risks the Company will encounter
6 in not acquiring a new Workforce Management solution is a
7 deficiency in its response time to customers' calls.
8 Without an advanced WFM tool, Con Edison is unable to
9 thoroughly analyze and address the root cause of this
10 increase in response time.

11 Q. Have you prepared, or had prepared under your supervision,
12 exhibits that detail the Company's proposed investment in
13 the Back Office Automation and Workforce Management
14 program?

15 A. Yes. We have prepared four exhibits, entitled
16 EXHIBIT__(CO-32) Back Office Automation and Workforce
17 Management, EXHIBIT__(CO-33) Back Office Automation and
18 Workforce Management Request, EXHIBIT__(CO-34) Back Office
19 Automation and Workforce Management Tool Assessment
20 Readout, and EXHIBIT__(CO-35) RPA Implementation Steps.

21 **Outage Communications**

22 Q. Please describe the background of this program and the ways
23 in which the Company has already begun to address concerns
24 regarding its outage communications.

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1 A. Customer and stakeholder expectations of communications
2 related to outages are increasing as technology advances
3 make real-time error reporting and status updates a reality
4 in many industries. Accordingly, our customers want
5 specific and timely outage communications available via
6 multiple channels as soon as possible.

7 As noted earlier in this Panel's testimony, the
8 Company responded to concerns regarding its outage
9 communications by forming a Journey Mapping team. This
10 team has made great strides in expanding the frequency,
11 volume, clarity, and delivery of customer outage
12 communications, as detailed in EXHIBIT__(CO-28) Outage
13 Communications Past Progress. Improvements to increase the
14 number of touchpoints with customers experiencing an outage
15 and expand communication channels have reduced call volumes
16 and freed up CSRs to focus on customers in need of the most
17 urgent assistance.

18 Q. Has the Company identified opportunities for further
19 development of its outage communications?

20 A. Yes. Based on successes seen at other utilities, the
21 Company believes there is an opportunity to develop new
22 technologies and platforms, as described below, which will
23 allow us to provide more detailed information to targeted

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1 groups of customers before, during and after outages to
2 meet safety and customer satisfaction goals.

3 Q. What funding is required for the program?

4 A. The Company proposes to spend \$1.01 million in capital for
5 Rate Year 1, \$1.6 million in capital for Rate Year 2, and
6 \$2.1 million in capital for Rate Year 3. O&M changes
7 include an increase of \$1.09 million in Rate Year 1, an
8 incremental decrease of \$50,000 in Rate Year 2, and an
9 incremental increase of \$60,000 in Rate Year 3.

10 Q. What are you proposing for this new program over the 2023-
11 2025 time period?

12 A. The program would include the following components:

- 13 • Emergency Customer Messaging Center ("ECMC"), a
14 centralized platform to identify specific groups of
15 customers affected by an imminent or ongoing emergency
16 and create and send customized messages as quickly as
17 possible.
- 18 • Continued Investment in Outage Messaging, including:
 - 19 o Continuing to support and create iterative
20 enhancements to our internal message creation
21 process, efficacy of messages, and customer outreach
22 tools, including the Outage Map, based on
23 stakeholder feedback.

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- 1 o Expanding the reach of the Company's existing outage
2 communications by delivering messages in additional
3 languages and enabling outage reporting and status
4 updates in new and preferred channels (e.g., Virtual
5 Assistant, social media).
- 6 o Expanding the Outage Communications program to
7 eliminate gaps in communications with master-metered
8 customers and create new touchpoints with customers
9 facing electric problems considered "non-outages,"
10 such as flickering lights or voltage issues.
- 11 o Creating a comprehensive and continuous human-
12 centered training for all Control Center and field
13 employees.
- 14 • Emergency Event Task Tool ("EETT"), an internal
15 operational and communications task management platform
16 focused on large-scale outage events and coordination of
17 internal tasks for customer communications, which
18 archives all event activity and tasks.

19 Q. What are the benefits of the program?

20 A. First, investments outlined above will improve customers'
21 experiences during outage events and increase overall
22 customer satisfaction.

23 Second, weather and climate realities are evolving
24 rapidly, creating a need to constantly adapt and develop

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1 more agile processes and technologies that enable faster
2 and more flexible communications. As the Company's service
3 territory experiences unprecedented extreme weather events,
4 the Company needs the ability to craft new, non-template
5 messages that speak to customers about these events.

6 Additionally, the improvements proposed in this
7 program are crucial to enhancing customer communications
8 for safety. While today we can create web banners, press
9 releases and social media posts, we do not yet have the
10 ability to script a message specific to an urgent event and
11 get it to customers quickly via email and text. Increasing
12 our ability to communicate with customers more quickly will
13 enable them to react sooner. It is also important to build
14 digital tools that can accurately track and record outage-
15 related tasks and communications in real time, as well as
16 report out after events occur.

17 Q. Why should the investments be made now?

18 A. The PSC has noted that effective communications with
19 customers through press releases, social media and other
20 customer messaging or alerts are a key aspect of how a
21 utility disseminates useful information. Customers and
22 stakeholders have also asked for better outage
23 communication.

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1 to implement a program structure that provides customers
2 and consumers the rights afforded them under the
3 regulations that New York and other states are promulgating
4 that mirror the GDPR and CCPA. For example, the GDPR and
5 CCPA require companies to provide information when
6 requested about where a resident's data resides in our
7 systems. There are numerous places where it could reside
8 in our systems. Manual processes and efforts will not be
9 sufficient to address these requests. Thus, the Company is
10 seeking funding to respond effectively and efficiently from
11 the customer's perspective.

12 The Company has a significant population of
13 applications and systems that collect and store personal
14 information and personally identifiable information
15 ("PII"), as well as numerous third-party vendors that
16 process personal information and PII on the Company's
17 behalf. To proactively assess and prepare for the evolving
18 regulatory landscape and anticipated privacy regulation,
19 the Company engaged a consultant in 2020 to prepare a
20 Privacy Readiness Plan.

21 Q. What funding is required for this program?

22 A. The Company proposes to spend \$12 million in capital for
23 Rate Year 1, \$4.13 million in capital for Rate Year 2, and
24 \$2 million in capital for Rate Year 3 to support the

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1 technology infrastructure described below. The Company
2 also requests \$5.98 million of O&M funds beginning in Rate
3 Year 1 for an Office of Privacy Management team to
4 implement and maintain the technology infrastructure and
5 processes, and updates to foundational IT infrastructure
6 involving non-labor expenses such as software vendor fees
7 and other technology costs. O&M costs will stay the same
8 in Rate Year 2 and increase by an incremental \$20,000 in
9 Rate Year 3.

10 Q. What specifically are you proposing for this program over
11 the 2023-2025 time period?

12 A. The Company is proposing a two-part program:

- 13 • Technology Infrastructure: To meet customer and regulator
14 expectations, the Company will invest in technology to
15 assist in complying with the proposed privacy laws. The
16 nascent technology will track the types of personal data
17 stored in our systems, while providing individuals rights
18 over that data.

19 The key tools to be developed under this part of the
20 program include standardized consent management
21 solutions, an enterprise customer preferences portal, a
22 framework and platform for data subject rights
23 management, a mechanism for verification of the data
24 subject requestor, customer-facing software and

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1 workflows, integration of consent management solutions,
2 and a mechanism to fulfill customer data requests.

3 • Governance Resources: The Company hired a Director of
4 Privacy Compliance (aka Chief Privacy Officer), who will
5 build a dedicated team of three specialists. This team
6 will provide centralized leadership, guidance, and
7 monitoring of privacy-related activities and controls.

8 Q. What are the benefits of the program?

9 A. The staffing, processes and technologies implemented as
10 part of this program will provide the Company with the
11 capabilities to meet evolving compliance requirements.

12 Q. Why should these investments be made now?

13 A. The Privacy Readiness Program is a set of strategic efforts
14 intended to position the Company to comply with expected
15 upcoming New York privacy law changes and support business
16 and customer needs. And, even if such laws are not passed
17 during the expected time frame, the program is a best
18 practice standard the Company should implement considering
19 the current threat environment and general customer
20 concerns regarding data privacy. Moreover, as more states
21 pass similar legislation, this type of privacy program will
22 become a baseline requirement that companies must meet
23 regardless of where they do business.

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1 Q. Have you prepared, or had prepared under your supervision,
2 exhibits that detail the Company's proposed investment in
3 the Privacy Readiness Program?

4 A. Yes. We have prepared three exhibits, entitled
5 EXHIBIT__(CO-40) Privacy Readiness, EXHIBIT__(CO-41)
6 Privacy Readiness Request and EXHIBIT__(CO-42) Privacy
7 Readiness Capital and O&M Request Detail.

8 **IV. Supporting Core Customer Service Activities**

9 **Retail Access System Replacement**

10 Q. Does the Company plan to replace its Retail Access Systems
11 during the Rate Years?

12 A. Yes, the Company plans to replace its Retail Access Systems
13 as part of a two-year project taking place from 2024 to
14 2026.

15 Q. What funding is required for the project?

16 A. The Company proposes to spend \$3.842 million in capital for
17 Rate Year 2 and \$21.70 million in capital for Rate Year 3
18 to support the replacement of the existing systems. This
19 includes, labor, and accounts payable costs associated with
20 implementation of the capital work described below.

21 Q. Please describe the Company's estimated O&M spending for
22 the project.

23 A. The Company forecasts O&M spending of \$2.16 million in Rate
24 Year 3 to maintain the technology infrastructure, software

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1 license fees, and processes associated with the new
2 platform.

3 Q. Please describe the Company's existing systems and
4 processes that are used to manage the Retail Access
5 program.

6 A. During the early stages of the New York State Retail Access
7 program, the Company custom-built a suite of Retail Access
8 applications to support the transactions and functionality
9 necessary to fulfill its central role in facilitating the
10 competitive energy marketplace - e.g., enrolling customers
11 with ESCOs, billing transactions and exchanging customer
12 usage information. After 20 years, these systems remain
13 critical pieces of infrastructure, without which the
14 Company could not perform its Retail Access functions.

15 Q. Why is the Company proposing to replace these systems?

16 A. Since the inception of the Retail Access market,
17 participation in the Company's service territory has grown
18 to over 600,000 customers and 200 ESCOs. The combined
19 volume of transactions required for account changes, price
20 changes, and monthly and historical usage requests is now
21 close to 14.5 million per year. However, the technology
22 used to build the Retail Access Systems cannot scale to
23 meet the volume or complexity of today's market. This is
24 resulting in more transactions being delayed, as the

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1 Company, ESCOs and Electronic Data Interchange ("EDI")
2 providers must resolve issues.

3 While the Company has made a concerted effort over the
4 years to enhance its processes, modify the applications,
5 and implement monitoring and alerts for when transactions
6 fail to process, there are limitations in what can be
7 achieved because the technologies used to build the
8 applications do not integrate with modern monitoring tools.
9 To continue to fulfill its role in the competitive energy
10 market and comply with the PSC's Uniform Business Practices
11 and Retail Access-related orders, the Company must reduce
12 risk and improve operational efficiencies by replacing its
13 legacy applications.

14 Q. What are the key activities that the Company will undertake
15 in the proposed Retail Access System Replacement project?

16 A. This project will replace the Company's legacy systems that
17 enable market interactions with ESCOs and EDI providers
18 with a robust new platform that is adaptable to meet future
19 needs through modern technologies and infrastructure. To
20 accomplish this, the Company will select and hire a
21 knowledgeable and experienced system integrator, select a
22 technology solution, and initiate system development,
23 including testing, training and overall change management.

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1 Q. Does the project's scope include the Company's functions to
2 schedule natural gas on behalf of approved Gas Marketers?

3 A. No, it does not. For information on the Company's plans
4 related to Gas Marketers, please see the Gas
5 Infrastructure, Operations and Supply Panel's testimony.

6 Q. Have you prepared, or had prepared under your supervision,
7 exhibits that detail the Company's proposed investment in
8 the Retail Access System Replacement Project?

9 A. Yes. We have prepared two exhibits, entitled EXHIBIT__(CO-
10 43) Retail Access System Replacement and EXHIBIT__(CO-44)
11 Retail Access System Replacement Request.

12 **Contact Center Cloud**

13 Q. Does the Company have any plans to invest in its Customer
14 Experience Center infrastructure that went into service in
15 2016?

16 A. Yes. The Company has concluded that it is necessary to
17 replace its on-premises contact center systems and
18 technologies with a vendor-provided Software as a Service
19 ("SaaS") cloud solution. This transition is planned for
20 2025.

21 Q. What funding is required for the project?

22 A. The Company proposes \$2 million in capital for Rate Year 3
23 for costs associated with developing IVR and Automatic Call

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1 Distribution ("ACD") applications via third-party
2 professional services.

3 Q. Please elaborate on how the Company arrived at the decision
4 to invest in a cloud-based system.

5 A. In 2026, the Company's Customer Experience Center
6 infrastructure will reach an operational age of ten years.
7 The Customer Assistance department has taken stock of which
8 applications/systems are nearing end of life and where
9 there might be opportunities to rethink operations,
10 processes and architecture to take advantage of cloud
11 services. These ongoing evaluations have led the Company
12 to conclude that it is time to transition the Customer
13 Experience Center platform to the cloud

14 Q. Please explain the rationale behind the 2026 go-live date.

15 A. Due to the lifespan of the existing contact center
16 infrastructure, the Company anticipates in 2026 it would
17 need to perform a refresh of the hardware, software and
18 platform. It would be most beneficial, financially and
19 operationally, to transition to a cloud-based platform at
20 that time instead of investing further in the existing
21 infrastructure.

22 Q. What are the benefits of moving to a SaaS cloud solution?

23 A. Moving to a cloud-based platform will create cost
24 efficiencies; increase reliability, resiliency, flexibility

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1 and safety; and reduce cybersecurity threats and the need
2 for Company resources to maintain on-premises
3 infrastructure.

4 Q. Have you prepared, or had prepared under your supervision,
5 exhibits that detail the Company's proposed investment in
6 the Contact Center Cloud project?

7 A. Yes. We have prepared two exhibits, entitled EXHIBIT__(CO-
8 45) Contact Center Cloud and EXHIBIT__(CO-46) Contact
9 Center Cloud Request.

10 **Site Safety Enhancements**

11 Q. Please explain the term Site Safety and the operational
12 area that is covered by this project.

13 A. The Company has a requirement in its Electric Emergency
14 Response Plan filed with the Commission in Case 21-E-0567
15 to protect the public from downed wires during an overhead
16 electric emergency. To meet this requirement, the Company
17 has developed a comprehensive Site Safety program that
18 manages the resources needed to address reports of downed
19 wires. Specifically, Site Safety resources are dispatched
20 to a downed wire location, make the area safe and stay at
21 the location until additional Company personnel arrive who
22 can fix or de-energize the downed wire.

23 Q. Does the Company have existing systems and processes that
24 are used to manage the Site Safety program during an event?

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1 A. Yes. In response to outage events in the 2018-2020 time
2 period, the Company has developed a Site Safety Management
3 System, a mobile application used to coordinate and share
4 information between Site Safety management and wire guards
5 in the field, and a suite of trainings and educational
6 materials for employees and contractors supporting Site
7 Safety.

8 Q. What funding is required for the Site Safety Enhancements
9 project over the 2023-2025 time period?

10 A. The Company proposes to spend \$0.35 million in capital for
11 Rate Year 1, \$0.35 million in capital for Rate Year 2, and
12 \$0.35 million in capital for Rate Year 3.

13 Q. What are you proposing for this project over the 2023-2025
14 time period?

15 A. The Company proposes updates to all Site Safety program
16 training material (e.g., eLearning, training videos,
17 customer materials) and system applications (i.e., Site
18 Safety Management System and mobile app).

19 Q. Why are updates necessary at this time?

20 A. The Company needs to make these enhancements so that the
21 many employees performing Site Safety can do so safely,
22 efficiently and in accordance with changes to the Site
23 Safety process that the Company has already filed with the
24 Commission as part of its Electric Emergency Response Plan.

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1 Q. What are the benefits of the project?

2 A. The enhanced Site Safety Management System and mobile app
3 will enable the Company to automatically track down wire
4 tickets and resources, account for Site Safety personnel's
5 time in the field, and enhance communication between Site
6 Safety management teams and wire guards in the field.
7 These systems will also allow for automatic distribution of
8 work/tickets to wire guards, eliminating manual
9 distribution. In addition, contractors will have access to
10 the new systems, giving them more complete information and
11 the ability to communicate with the management team.

12 Q. Have you prepared, or had prepared under your supervision,
13 exhibits that detail the Company's proposed investment in
14 the Site Safety Enhancements project?

15 A. Yes. We have prepared one exhibit, entitled EXHIBIT__(CO-
16 47) Site Safety Enhancements.

17 **Credit Modeling Tool**

18 Q. Please describe the background of this program.

19 A. The Company uses field collections of customer arrears due
20 to non-payment as a last resort, when the Company's robust
21 programs to help customers who are experiencing payment
22 challenges have not been successful. Since 2018, the
23 Company has been using a predictive analytics credit
24 modeling and customer behavior risk scoring tool ("Credit

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1 Modeling Tool" or "Tool"). The Tool was developed to
2 support field collections of customer arrears due to non-
3 payment and adopt a more risk-based approach to loss
4 management. It helps identify accounts most likely to
5 close with a high balance for field collection
6 prioritization. This in turn helps the Company maximize
7 efficient use of field resources, minimize disruption for
8 customers that are deemed likely to pay and will not
9 require a field visit, and mitigate uncollectible bill
10 losses to the benefit of all customers.

11 Q. What funding is required for the program during the 2023-
12 2025 time period?

13 A. The Company requires \$400,000 per year in O&M for this
14 program beginning in 2023. O&M spending does not increase
15 in Rate Years 2 or 3.

16 Q. What does the Company propose to do with the Credit
17 Modeling Tool during the 2023-2025 time period?

18 A. The Company proposes funding for maintenance costs to
19 maintain and enhance the Tool, which will allow for more
20 frequent updates to the model and enable more accurate
21 field prioritization. Additional enhancements will include
22 the use of machine learning models that capture
23 relationships among known data factors and encompass the
24 use of data mining, statistics, modeling and artificial

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1 intelligence to analyze data and make predictions. In
2 addition, new data will be incorporated into the model to
3 improve the accuracy of the algorithms where appropriate.

4 Q. Why should these investments be made now?

5 A. The proposed enhancements to the Credit Modeling Tool will
6 help reduce the risk of uncollectible bills resulting from
7 the COVID-19 pandemic. As of December 31, 2021,
8 residential customers in arrears increased approximately
9 40% and accounts receivable balances have increased 147%
10 compared to December 2019. The impact is even higher on
11 commercial customers, with customers in arrears increasing
12 more than 150% and balances increasing approximately 500%
13 compared to pre-pandemic levels.

14 Given the unprecedented number and balances of
15 customers in arrears, proactively using the Credit Modeling
16 Tool to identify customers early in the arrears process
17 will assist in maximizing our field resources and
18 mitigating uncollectible bills, providing value to all
19 customers.

20 Q. Have you prepared, or had prepared under your supervision,
21 exhibits that detail the Company's proposed investment in
22 the Credit Modeling Tool program?

23 A. Yes. We have prepared one exhibit, entitled EXHIBIT__(CO-
24 48) Credit Modeling Tool.

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Replevin and Final Bills

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Q. What operational processes are addressed in this program?

A. The Company's proposal covers fees stemming from two ongoing processes - one related to the Company's efforts to reduce the number of unlocked gas meters associated with inactive accounts, and the other related to the Company's final attempts to collect unpaid bills. These processes are designed to protect customer and public safety and reduce uncollectible losses, respectively, which benefits all customers.

Q. Please summarize the processes.

A. The Inactive Gas Replevin process is used as a final resort to provide for the safety of the Company's customers and mitigate operational, financial, and regulatory risks associated with unlocked gas service without a responsible party. The process involves the Company requesting an order through the courts to remove a meter when we are not able to gain access to the premises and are not able to cut service in the street.

The Final Bill process is the Company's last attempt to collect unpaid bills. The Company works with collection agencies to help collect from customers who closed an account with an unpaid balance and have not opened a subsequent account. When the customer closes an account

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1 and does not open a new account in the Company's service
2 territory after a period of approximately 41 days, Con
3 Edison refers the account to a collection agency to collect
4 outstanding balances on the Company's behalf for a
5 commission.

6 Q. What is the Company's proposal regarding these processes
7 for the 2023-2025 time period?

8 A. The Company is seeking a temporary increase in O&M expenses
9 to support increased costs in the Inactive Gas Replevin and
10 Final Bills processes during 2023 and 2024.

11 Q. Why does the Company need increased O&M for this work?

12 A. The Company anticipates increased costs in these two areas
13 due to the COVID-19 pandemic. In the case of Inactive Gas
14 Replevin, the Company has experienced delays in processing
15 court requests because courts have experienced closures and
16 backlogs during the pandemic. As such, there is a growing
17 list of cases that will need to be addressed, and the
18 Company intends to pursue these cases expeditiously to
19 protect customer and public safety.

20 Similarly, the Company voluntarily suspended
21 collections activity for all customers in March 2020 and
22 plans to resume the Final Bill process in 2022. During the
23 disconnection moratorium, both residential and commercial
24 customers have built up large arrears. The Company

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1 anticipates that this will result in a backlog of Final
2 Bill cases when collections resume. It is important that
3 the Company pursue these Final Bill cases to mitigate an
4 increase in bad debt write-offs, which ultimately are paid
5 for by all customers via uncollectible bill costs in rates.

6 Q. How long does the Company anticipate this additional work
7 will take, and what will it cost?

8 A. The Company is proposing a temporary O&M increase of \$1.7
9 million in Rate Year 1, lowering to \$1 million in Rate Year
10 2, to cover replevin and collection agency fees as it works
11 through the backlog of cases described above. The Company
12 anticipates that the operating costs for these two
13 processes will go back down to pre-pandemic levels by Rate
14 Year 3.

15 Q. What are the benefits of the proposed O&M funding?

16 A. The increase in funding for replevin-related fees, will
17 allow the Company to address additional inactive gas cases
18 that require the replevin process to remove the meter. The
19 funding sought by the Company will allow it to fulfill this
20 important obligation in a timely manner and avoid delays in
21 addressing the most difficult-to-reach inactive cases.

22 Regarding the Final Bills process, the Company is
23 forecasting an increase in uncollectible bills over the
24 next five years due to the economic impact of the COVID-19

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1 pandemic. As noted in the Credit Modeling Tool section of
2 this Panel's testimony, current trends indicate an
3 unprecedented increase in the number of customers in
4 arrears and balances associated with those accounts. The
5 Company expects that the financial impact of the pandemic
6 will surpass the impact of the 2008 recession during the
7 2023-2025 time period, as the 2008 recession had a lesser
8 impact on customer arrears. Given these factors, the
9 Company anticipates higher final bill balances, which will
10 translate to higher commissions for collection agencies.
11 The increase in collection agency costs will allow the
12 Company to pursue former customers who owe substantial sums
13 of money, which will decrease the burden of higher
14 uncollectible balances on all customers.

15 Q. Have you prepared, or had prepared under your supervision,
16 exhibits that detail the Company's proposed investment in
17 the Replevin and Final Bills program?

18 A. Yes. We have prepared one exhibit, entitled EXHIBIT__(CO-
19 49) Replevin and Final Bills.

20 **Credit and Debit Card Fees**

21 Q. In 2020, the Company ceased charging per-transaction fees
22 to customers that paid their bill via a credit or debit
23 card, and instead absorbed the projected cost of these fees
24 into rates for the 2020-2022 time period. Does the Company

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1 propose to continue this "no-fee" policy for customers
2 paying via credit and debit cards for the 2023-2025 time
3 period?

4 A. Yes, for multiple reasons. First, most of the utilities in
5 the State have eliminated their per-transaction fees for
6 credit and debit card payments, so continuing with current
7 practice is consistent with the rest of New York State.
8 Second, customer satisfaction would decrease if the Company
9 were to re-instate the transaction fees after they had
10 become accustomed to no-fee payments. Third, as explained
11 in the Customer Operations Panel's initial testimony in
12 Cases 19-E-0065 and 19-G-0066, customers can perform myriad
13 transactions via credit and debit cards in their daily life
14 without paying a fee and expect to have the same payment
15 experience at their utility as they do at the grocery
16 store, pharmacy, and online retailers.

17 Q. What costs does the Company project for the 2023-2025 time
18 period?

19 A. The Company estimates it will incur \$9.9 million in costs
20 for Rate Year 1, \$10.9 million in Rate Year 2, and \$12
21 million in Rate Year 3 for credit and debit card fees.

22 Q. Please explain the basis for these cost projections.

23 A. The Company had initially projected that credit and debit
24 card payment volumes would increase in the initial years of

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1 its no-fee policy. Combined, credit and debit card
2 payments were 7.6 and 9.5 percent of all payments in 2020
3 and 2021, respectively, which is within one percentage
4 point of the Company's projections.

5 Our future projections for this metric - informed by
6 data from Chartwell on utility credit and debit card
7 payment trends - have the percentage of overall payments
8 increasing to approximately 16% by 2026. This reflects a
9 modest 10 percent annual increase in customers paying with
10 credit and debit cards. These projections of increased
11 credit and debit card payments were used to develop our
12 forecast for associated fees. Please see EXHIBIT__(CO-50)
13 Credit and Debit Card Fee Industry Trends for further
14 information on industry trends.

15 **Customer Outreach & Education**

16 Q. Please explain the role of Customer Outreach.

17 A. The Company's Customer Outreach program has been in place
18 for over ten years and was developed to provide customer
19 outreach, education activities and materials for programs
20 to educate the Company's customers regarding their rights,
21 responsibilities, and options as utility customers. The
22 program was later expanded to help customers learn more
23 about energy safety, scam awareness, new program
24 initiatives, energy management, energy efficiency and other

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1 clean energy topics, energy savings and financial resources
2 available to them. For a comprehensive description of this
3 program please see the Company's annual Outreach and
4 Education Plans filed in Cases 19-E-0065 and 19-G-0066.

5 Q. Is the Company planning to increase the amount of O&M spent
6 on Outreach and Education activities?

7 A. Yes. An O&M increase of \$2.18 million is needed beginning
8 in Rate Year 1. There is no increase for Rate Year 2 and
9 an incremental \$100,000 increase in Rate Year 3.

10 Q. How will this funding be used?

11 A. Funding will pay for the following activities:

- 12 • Development of communications and marketing materials to
13 engage our low-income communities as part of our Low-
14 Income and At-Risk Outreach and Education Plan,
- 15 • Increasing staff capacity to deepen and expand
16 relationships in the community as part of the targeted
17 Regional Outreach program,
- 18 • Development of additional personalized education
19 campaigns that provide customer specific and actionable
20 information to targeted audiences, including in languages
21 other than English and Spanish,
- 22 • Expansion of generalized email campaigns, including those
23 associated with key customer journeys such as electric
24 vehicles, payment agreements and self-service tools,

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- 1 • Increased costs for direct mail campaigns and educational
2 awareness materials,
3 • Maintaining our current level of engagement with the
4 communities we serve through the development of
5 multichannel communications, and
6 • Expanding customer notifications, including emails and
7 texts, around credit and collections activities.

8 Q. Have you prepared, or had prepared under your supervision,
9 exhibits that detail the Company's proposed increase in the
10 Outreach and Education program's O&M cost?

11 A. Yes. We have prepared two exhibits, entitled EXHIBIT__(CO-
12 51) Customer Outreach and Education and EXHIBIT__(CO-52)
13 Customer Outreach and Education Request.

14 **V. Supporting Vulnerable Customers**

15 Q. This proceeding is taking place during an unprecedented
16 pandemic that has dramatically impacted customers in the
17 Company's service territory. What impact has the economic
18 downturn had on customers' ability to pay their utility
19 bills?

20 A. The Company understands that the pandemic has created
21 hardships for many customers and is taking steps to provide
22 relief and assistance to those customers. As demonstrated
23 in our monthly Collections Activity Reports filed in Case
24 91-M-0744, many of our customers have struggled to pay

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1 bills during the pandemic. And as noted earlier in this
2 Panel's testimony, as of December 31, 2021 residential
3 customers in arrears greater than sixty days increased
4 approximately 40% and accounts receivable balances for
5 residential customers have increased over 147% compared to
6 December 2019.

7 Q. What is the Company doing to support vulnerable customers
8 during this difficult time?

9 A. Con Edison has current programs and is proposing new
10 programs to support these customers. Current programs
11 include the Energy Affordability Program ("EAP"), where the
12 Company provides discounts to qualifying low-income
13 customers, as more fully described below. The Company also
14 has implemented ongoing outreach and education regarding
15 bill assistance and payment plan opportunities for all
16 customers and is coordinating with social service agencies
17 to apply public assistance funding. The Company is also
18 working in the EAP Working Group led by DPS Staff to
19 discuss statewide efforts to improve the EAP and address
20 growing arrears.

21 Q. Please describe the current programs supporting vulnerable
22 customers in more detail.

23 A. Each of the programs is described further below:

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1 • Energy Affordability Program: The EAP provides bill
2 discounts to low-income customers in accordance with the
3 Commission's Orders in Case 14-M-0565, including
4 substantial increases to our monthly bill discounts
5 implemented pursuant to the Commission's August 12, 2021
6 Order Adopting Energy Affordability Policy Modifications
7 and Directing Utility Filings ("2021 EAP Order"). The
8 2021 EAP Order resulted in a 63% increase in the total
9 EAP program budget compared to the amounts set forth in
10 the 2020-2022 rate plan. See EXHIBIT__(CO-53) Current
11 Low Income Discount Amounts and Budget for the current
12 budgets and bill discount levels for electric and gas
13 customers.

14 The 2021 EAP Order also changed the discount
15 calculation formula to better align discounts with
16 increases in rates, so that participating low-income
17 customers will continue to have a six percent energy
18 burden, on average, even as average bills are expected to
19 increase as a result of approved delivery rate increases.
20 This means that Con Edison customers participating in the
21 EAP will automatically receive discount increases to
22 offset the average bill increases stemming from this rate
23 filing. Please see the Energy Affordability Program
24 section later in this Panel's testimony for further

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1 details on EAP topics, including budget increases
2 reflected in this rate filing, future discount updates,
3 reporting, reconnection fee waivers, cost recovery and
4 social service agency mailing costs.

- 5 • Outreach and Education: The Company has provided
6 outreach, education and engagement on bill assistance and
7 payment plan availability as arrears have grown during
8 the pandemic. This includes the development of a
9 comprehensive home for all information on bill assistance
10 at coned.com/billhelp. The Company has provided ongoing
11 messaging on bills, in emails and in targeted text
12 message campaigns directing customers to this site. The
13 bill assistance site explains customer protections such
14 as disconnection moratoriums, directs customers to public
15 assistance opportunities such as the New York State
16 Emergency Rental Assistance Program ("ERAP"), and
17 explains the Company's offer of flexible no-interest
18 payment plans.

19 The Company has also leveraged its technology
20 investments to improve the experience for customers who
21 have payment challenges. For example, the Company allows
22 customers to enter into custom payment plans on the
23 Company's website or mobile app, with the ability to
24 modify the terms of the agreement, such as the down

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1 payment or number of installments, based on their
2 preference. Also, the Company gave customers multiple
3 ways to obtain protections under the pandemic-related
4 Parker Richardson Act of 2021, including on the Company's
5 website and mobile app. As a result, over 281,000
6 customers attested to financial hardship due to the
7 pandemic. Finally, all of these tools provided on the
8 Company's website and mobile app were also incorporated
9 into the Company's virtual assistant, Watt, which can
10 help customers easily get protections for low-income
11 customers and enter into flexible payment plans.

12 • Coordinating with Social Service Agencies: The Company
13 maintains robust processes to automatically match data
14 with local service agencies on a quarterly basis to
15 facilitate seamless enrollment of customers receiving
16 public assistance into the Company's EAP. In addition,
17 the Company coordinates with public assistance agencies
18 so that the Home Energy Assistance Program ("HEAP")
19 payments and other assistance, such as Utility Guarantee
20 and Direct Voucher payments, are applied properly to
21 eligible customer accounts. Importantly, the Company
22 also prioritized the recently developed ERAP and HEAP
23 Regular Arrears Supplement ("RAS") programs in
24 conjunction with local public assistance agencies and the

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1 Office of Temporary and Disability Assistance ("OTDA").
2 The Company established processes to validate customer
3 eligibility and apply public assistance relief funds and
4 arrears waivers to accounts. Finally, in 2020, the
5 Company administered the Emergency Summer Cooling Credit
6 program, which was proposed by New York City, to provide
7 relief to vulnerable customers on summer electric bills
8 in 2020 so that they could remain home and run their air
9 conditioners to avoid heat-related health impacts in the
10 early days of the pandemic. This was particularly
11 important during the pandemic because of the legitimate
12 concern that customers might be less likely to visit
13 community cooling centers due to fears of COVID-19
14 transmission.

- 15 • Participating in the EAP Working Group: The Company is
16 also participating in the statewide EAP Working Group
17 established in the 2021 EAP Order. The EAP Working
18 Group's goals include reviewing and improving the EAP
19 programs and evaluating means to address arrears caused
20 by the pandemic. Multiple proposals are being considered
21 in this forum, including improvements to the process for
22 customer self-certification for enrollment in the EAP
23 program and arrears management programs. The Company

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1 supports these efforts and is working with stakeholders
2 and DPS Staff on a number of these proposals.

3 Q. Please describe any proposed programs or ongoing actions
4 that will support vulnerable customers during the 2023-2025
5 time period.

6 A. The Company proposes to continue and expand efforts
7 associated with outreach and education to customers who
8 require payment assistance. To that end, the Company
9 proposed an increase in its Outreach and Education program,
10 as described earlier in this Panel's testimony and in
11 EXHIBIT__(CO-51) Customer Outreach and Education. The
12 Company, working with the other utilities and stakeholders
13 in the EAP Working Group, will also be providing outreach
14 and education specifically around assistance and how to
15 self-certify into the EAP program.

16 The Company also proposes to aid vulnerable customers
17 by increasing customer experience technology funding as
18 part of the Strategic CX Portfolio. As described in this
19 testimony, a key value driver of these programs is that
20 they will support customers who require payment assistance.
21 The Company has made great strides in this area, and
22 continued funding will allow the Company to continue this
23 work.

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1 To support small business customers who have been
2 impacted by the pandemic, the Company is also proposing a
3 new business incentive rate program directed to that class
4 of customers. Please see the Electric Rate Panel's
5 testimony for additional information.

6 Finally, the Company is proposing a new Low-Income
7 Renewable Credit Program that would use revenues from
8 Company-owned solar generation to provide incremental bill
9 relief to EAP participants. Please see the CES Panel's
10 testimony for more information.

11 Q. Are there any measures that may help the Company's
12 vulnerable customers that are being considered outside of
13 this proceeding?

14 A. Yes. As noted above, the EAP Working Group is
15 contemplating arrears management or forgiveness programs on
16 a statewide basis. The Company, working with the other
17 utilities, has developed preliminary parameters for an
18 administratively workable arrears management program to
19 help pandemic-impacted residential customers. The Company
20 will continue to actively support the development of such a
21 program in the EAP Working Group.

22 The EAP Working Group is also evaluating potential
23 further changes to the EAP discount methodology that the
24 Company would implement upon Commission Order.

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Energy Affordability Program

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Q. Does the Company propose any changes to its EAP in this filing?

A. The Company will continue with its implementation of the 2021 EAP Order, which established qualifying public assistance programs, discount amounts, a process for updating the discounts, and reporting requirements.

Q. What are the assumed discount costs for Rate Year 1, and how does this compare to the amounts set aside in the 2020-2022 rate plan?

A. The assumed electric discount cost in Rate Year 1 is \$118.8 million, which represents an incremental \$48.6 million in costs above the \$70.2 million currently in rates.

The assumed gas discount cost in Rate Year 1 is \$35.4 million - \$25.7 million for gas heating customers (SC3) and \$9.7 million for non-heating customers (SC1). This represents an incremental \$10.8 million in costs above the \$24.6 million currently in rates for gas discounts.

These assumed discounts reflect updates stemming from the 2021 EAP Order. However, the Company anticipates that the discount amounts may change during the course of this rate proceeding, as OTDA income and benefit level assumptions are updated and as average bill amounts change, and to reflect any 2023 delivery rate increases. The

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1 Company expects that these input assumptions will further
2 increase discount amounts and budgets. The Company will
3 provide an update, if feasible, at the update stage.

4 Q. Does the Company propose to continue the reconnection fee
5 waiver component of the EAP?

6 A. Yes. This rate proposal assumes an annual target cost of
7 \$1,188,186 for electric reconnect fee waivers and an annual
8 target of \$75,000 for gas reconnect fee waivers. All
9 eligible EAP participants will receive a waiver on a first
10 come, first serve basis. The Company's proposed tariff
11 states that each fee waiver program will end once the cost
12 of these programs equals the target for the Rate Year. The
13 Company will notify the parties to this rate case if it
14 projects that the electric and/or gas reconnect fee waiver
15 cost target will be reached during any Rate Year.

16 Q. Adding together the discount costs and the reconnection fee
17 waiver costs, what is the Company's target budget amount
18 for the Electric and Gas EAPs in Rate Year 1?

19 A. The target budget amount for the Electric EAP is
20 \$120,006,792. The target budget amount for the Gas EAP is
21 \$35,468,093.

22 Q. Does the Company propose any form of reconciliation if
23 actual participation in the EAP is higher or lower than the
24 Company's forecast, or if the annual updates to discount

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1 levels result in increased or decreased spending on bill
2 discounts?

3 A. Yes. Consistent with the 2020-2022 electric rate plan, all
4 over- and under-recoveries associated with the electric
5 discounts and the waiver of reconnection fees will be
6 recovered through the Revenue Decoupling Mechanism ("RDM")
7 from all customers subject to the RDM for the Electric EAP.
8 The Company proposes to continue this reconciliation
9 without modification.

10 Similarly, all over- and under-recoveries associated
11 with the gas discounts and the waiver of reconnection fees
12 will be recovered through the Monthly Rate Adjustment
13 ("MRA") from all customers subject to the MRA for the Gas
14 EAP. The Company proposes to continue this reconciliation
15 without modification.

16 Q. Is it possible that the actual costs of the Electric and
17 Gas EAPs may change in subsequent years if the Commission
18 approves a multi-year rate plan in this proceeding?

19 A. Yes. Based on past experience and the Commission's
20 required annual review and potential reset of income
21 discounts in each tier, actual participation in the
22 Company's EAPs will vary over the course of a multi-year
23 rate plan. However, the target amounts for both bill
24 discounts and reconnection fee waivers outlined above will

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1 not be modified in RY2 or RY3 of a multi-year rate plan.

2 This method of recovering program costs in the second and
3 third rate years is consistent with how the Company's EAPs
4 were funded during the 2020-2022 rate period.

5 Q. Does the Company propose to continue funding up to \$100,000
6 in each Rate Year toward the New York City Human Resources
7 Agency and Westchester Department of Social Services'
8 administrative costs?

9 A. Yes.

10 **VI. Providing Multi-Language Customer Service**

11 Q. Does the Company currently provide customer service options
12 for customers who speak languages other than English?

13 A. Yes. The Company operates in a very diverse territory with
14 a large base of customers who speak a diverse array of
15 languages. As a result, the Company provides various
16 resources for customers who speak languages other than
17 English. This includes the ability for a customer to speak
18 with a CSR who speaks Spanish, Russian, Polish, Korean,
19 Mandarin, or Cantonese. Customers may also access services
20 through the Company's language line vendor, which provides
21 translation services in these and other languages.

22 In addition, customers who speak a language other than
23 English can use the IVR phone technology to perform self-
24 service transactions. The Company provides IVR service in

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1 the seven languages spoken by our CSRs. Customers can also
2 utilize the Company's website in over 20 languages using
3 the live translation service offered by Google, which is
4 integrated with the website. The Company's virtual
5 assistant Watt provides service in both English and
6 Spanish. In terms of billing and correspondence, the
7 Company offers these communications in both English and
8 Spanish. Finally, customer outreach material is available
9 in multiple languages as well.

10 Q. Is the Company proposing any efforts to advance these
11 services beyond what is already offered?

12 A. Yes, the Company has incorporated funding in its Outreach
13 and Education and Billing and Payment Enhancements programs
14 to continue progress in this area by exploring offerings in
15 languages other than English and Spanish. Please see
16 EXHIBIT__(CO-51) Customer Outreach and Education and
17 EXHIBIT__(CO-16) Billing and Payment Enhancements for
18 additional information.

19 **VII. Metrics**

20 **Customer Service Performance Mechanism**

21 Q. Does the Company have a proposal for Customer Service
22 Performance Mechanism ("CSPM") metrics and targets?

23 A. Yes, the Company proposes to continue its CSPM metrics with
24 the modifications and targets described below.

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- 1 Q. Describe the Company's current CSPM.
- 2 A. The Company's current CSPM adopted in Cases 19-E-0065 and
3 19-G-0066 consists of seven metrics. The metrics include
4 Commission Complaints; four Customer Satisfaction Surveys
5 focused on Electric Emergency Calls, Gas Emergency Calls,
6 Phone Center Calls (non-Emergency), and Service Center
7 Visitors; Outage Notification; and Call Answer Rate. See
8 EXHIBIT__(CO-54) CSPM Matrix for a matrix of the current
9 CSPM and the associated targets.
- 10 Q. Has the Company met the CSPM targets in the current rate
11 plan?
- 12 A. Yes, despite pandemic challenges the Company has met its
13 targets in RY1 and RY2 of the current rate plan.
- 14 Q. What changes to the individual metrics does the Company
15 propose?
- 16 A. The Company proposes changes to the four Customer
17 Satisfaction Survey metrics and the Commission Complaints
18 metric, and the elimination of the Outage Notification
19 Incentive Mechanism metric.
- 20 Q. Describe the current Customer Satisfaction Survey metrics.
- 21 A. The current Customer Satisfaction Survey metrics involve
22 the fielding of four surveys, twice a year, of customers
23 who called the Company's call center and spoke to a CSR or
24 visited a Company Walk-In Center. The four surveys focus

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1 on Electric Emergency Calls, Gas Emergency Calls, Phone
2 Center Calls (non-Emergency), and Service Center Visitors.
3 The surveys are conducted via phone only and take
4 approximately twenty minutes for customers to answer a
5 series of questions. A composite score is then developed
6 from these responses and evaluated against established
7 targets.

8 Q. What changes does the Company propose for the Customer
9 Satisfaction Surveys metric?

10 A. The Company proposes two changes: a change to the survey
11 instrument being utilized for the metric, and a
12 consolidation of survey groups from four to two.

13 Q. Please describe the details of the proposed change in
14 survey instrument.

15 A. The Company proposes a change to the survey instrument used
16 because the current surveys no longer provide a realistic
17 evaluation of the Company's level of service to customers
18 for several reasons. First, three of the four surveys
19 (Electric Emergency Calls, Gas Emergency Calls, and Non-
20 Emergency Phone Center Calls) only survey customers who
21 spoke with a CSR at the Company's contact center. This
22 approach is no longer representative of customer
23 interactions with the Company, as most customers today
24 interact with the Company through digital and self-service

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1 tools, which have expanded significantly in recent years.
2 For example, in 2021, Con Edison had over 18 million
3 digital transactions on its website, mobile app, and IVR
4 platforms, including start, transfer, and stop service
5 transactions; auto-pay and e-bill enrollment; payment and
6 payment assistance transactions; and outage reporting.
7 During this same period, CSRs at the Company's contact
8 center answered 4.4 million calls.

9 Second, the survey method does not match customers'
10 expectations. The current survey is done only by phone and
11 takes twenty minutes to complete. This is not consistent
12 with modern survey methods, which generally rely on a quick
13 response to 1-3 questions via email or online as soon as
14 possible after the transaction occurred.

15 Third, customers are only surveyed for calls that fall
16 within the two time periods that the survey is fielded per
17 year, which is not necessarily representative of the
18 service the Company provides to customers year-round.

19 Q. What survey instrument does the Company propose to use for
20 its CSPM beginning in Rate Year 1?

21 A. The Company proposes to adopt the statewide customer
22 satisfaction survey designed by the utilities and DPS Staff
23 and implemented on a pilot basis per the October 18, 2018,
24 Order in Case 15-M-0566 ("Survey Order"). Subsequent to

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1 the Survey Order, DPS Staff issued a report on June 15,
2 2020 in the same case recommending that the email survey be
3 continued on a permanent basis effective January 1, 2021.

4 Q. Why is this survey more appropriate for use as a CSPM
5 metric?

6 A. The statewide survey method is a better representation of
7 customer satisfaction than the current survey for a number
8 of reasons. The survey includes customer who interact with
9 the Company on self-service channels, not just those
10 customers who speak with a CSR. In addition, the survey is
11 designed with modern customer survey preferences in mind,
12 which increases the response rate. It is a single-
13 question, five-point scale for customer satisfaction that a
14 customer can respond to via email in less than 30 seconds.
15 The survey is also fielded continuously throughout the
16 year, avoiding measurement of customer satisfaction only
17 during limited weeks. Finally, the survey is a consistent
18 measurement that all New York State utilities deploy and
19 was recommended for use on a permanent basis by DPS.

20 Q. What question is asked of customers on this single-question
21 survey?

22 A. The question that is included in each utility's survey is
23 as follows: Thinking about your most recent transaction
24 with Con Edison, how satisfied are you? Responses to the

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1 question are on a 1-5 scale: 1=Very Dissatisfied,
2 2=Dissatisfied, 3=Neither Satisfied nor Dissatisfied,
3 4=Satisfied and 5=Very Satisfied.

4 Q. Does the Company have email addresses for a large
5 representative percentage of its customers, so that the
6 proposed survey would reach all customer groups?

7 A. Yes. As of January 12, 2022, the Company has email
8 addresses for 72% of our residential customers and 60% of
9 our commercial customers. Within the residential
10 population, we have emails for 61% of our low-income
11 customers and 58% of our CONCERN (i.e., elderly, blind and
12 disabled) customers.

13 Q. Has the Company implemented this survey and, if so, how
14 much data has the Company collected via this survey over
15 time?

16 A. Yes. Consistent with the Survey Order, the Company
17 implemented the statewide survey in January 2019 and
18 continues to receive responses from customers across
19 regions and interaction channels. The Company samples 10
20 percent of each type of customer interaction to receive the
21 surveys daily, so the sampling is proportional to
22 customers' actual inquiry volume across channels. As such,
23 the Company has a robust data set covering its entire
24 service territory for a three-year period. The Company has

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1 also found this continuous feedback from customers to be
2 helpful in identifying opportunities to improve the
3 customer experience. The Company reports information from
4 this survey on its monthly Performance Indicator Report
5 ("PIR") in Case 15-M-0566.

6 Q. What languages is the email survey offered in?

7 A. The survey is offered in English, Spanish, Korean, Polish,
8 Russian and Chinese, for customers who have notified the
9 Company that they require correspondence in those
10 languages.

11 Q. Do responses to the statewide survey the Company proposes
12 come from a diverse group of customers that is
13 representative of the Company's overall customer base?

14 A. Yes, the Company had 32,393 customers respond to the survey
15 in 2020 and 33,290 customers respond in 2021. The
16 responses came from customers from across each region of
17 the Company's territory and included customers
18 participating in the Company's EAP program and CONCERN
19 program. For example, in the month of November 2021, the
20 Company received 2,435 survey responses from customers. Of
21 these responses 12% were from customers participating in
22 the Company's EAP program, and 8.6% were from customers
23 participating in the CONCERN program.

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1 Q. Please describe the details of the proposed change in
2 survey groups from four to two.

3 A. The Company proposes to combine gas and electric emergency
4 interactions into one Emergency Interactions survey. The
5 Company also proposes to combine service center visitor
6 survey responses with all other non-emergency responses
7 into one Non-Emergency Interactions survey.

8 Q. Why is the Company proposing this change?

9 A. The Company proposes to combine gas and electric emergency
10 surveys into one Emergency Interactions survey because
11 these interactions address the same customer issue, and the
12 Company sees no reason to track them separately. In
13 addition, combining the survey responses in these two
14 emergency categories will mitigate the impact of a smaller
15 number of transactions in each separate category, which
16 might create results that are not representative.

17 The Company also proposes to combine service center
18 visitor survey responses with all other non-emergency
19 transactions into one Non-Emergency Interactions survey
20 because service center visitors are a small fraction of
21 overall survey responses and do not warrant separate
22 tracking and targets. As explained in this testimony, the
23 Company proposes a new survey instrument which will measure
24 interactions across channels including web, mobile app,

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1 IVR, and interactions with a CSR. Service Centers are
2 another interaction channel the Company offers and should
3 be evaluated together with all other channels in a single
4 Non-Emergency Interactions survey grouping.

5 Q. Is the Company also proposing a change to the Commission
6 Complaints metric?

7 A. Yes, the company is proposing a number of changes to this
8 metric.

9 Q. Describe the calculation of the current Commission
10 Complaints metric.

11 A. The Company's Commission Complaints rate metric is an
12 annual measure of the number of escalated complaints to the
13 PSC per 100,000 customers. The PSC has an established two-
14 tier structure for customer inquiries. Initial inquiries
15 are referred to utilities through the Quick Resolution
16 System ("QRS") and can then be escalated by the customer to
17 become Standard Resolution System ("SRS") complaints. The
18 PSC calculates the Commission Complaint metric based on
19 escalated SRS complaints only, enabling utilities to
20 resolve inquiries through the QRS process before they
21 become official Commission complaints.

22 Q. How does the Company's complaint performance compare
23 historically with other utilities in the state?

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1 A. While the Company's number of initial inquiries received
2 from customers as part of QRS process is similar to other
3 utilities, more of these inquiries are escalated to the SRS
4 process, and therefore the overall Commission Complaint
5 rate is generally higher for Con Edison than other
6 utilities in the state.

7 Q. What are the drivers of escalated complaints by Con Edison
8 customers?

9 A. Drivers include complaints related to high bills, payment
10 challenges, billing and estimation, and complaints from
11 rate consultants who submit inquiries in these same
12 categories and others on behalf of commercial customers,
13 often on issues where the Commission has already ruled in
14 the Company's favor. Please see EXHIBIT__(CO-55) 2021
15 Commission Complaint Drivers for a breakdown of complaints.

16 Q. What factors might explain why the Company's Commission
17 Complaint rate has historically been higher than other
18 utilities in the state?

19 A. The Company's territory includes one of the largest, most
20 dynamic cities in the country. As a result, the Company
21 has a much larger commercial customer population with more
22 complex billing and rate inquiries compared to other
23 utilities. In addition, compared to other utilities, the
24 Company has more indoor meters, which historically has

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1 created access issues and resulted in estimated bills and
2 billing adjustments. Finally, the Company's service area
3 has an active base of rate consultants who submit a larger
4 number of complaints on behalf of commercial customers
5 compared to other utilities.

6 Q. Has the pandemic or other external or internal influences
7 impacted recent complaint escalations?

8 A. Yes, the COVID-19 pandemic and a multi-year transition to
9 AMI meters have impacted customer complaints.
10 Specifically, meter access issues associated with the
11 pandemic have resulted in an increase in billing and
12 estimation-related inquiries. In addition, the process of
13 removing and replacing over four million meters in the
14 Company's territory as part of the AMI initiative has
15 resulted in billing and meter challenges for some
16 customers. The Company has also been performing
17 Commission-mandated gas service line inspections and
18 applying fees to customers who do not provide access to
19 complete these inspections in accordance with Commission
20 orders and the Company's tariff. In some cases, these fees
21 have resulted in customer complaints, even though the fees
22 are authorized by the Commission.

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1 Q. Does the Company's current Commission Complaints metric
2 properly represent the Company's level of service to
3 customers?

4 A. No. While measuring total complaints per 100,000 customers
5 is appropriate, the current process results in some
6 complaints being included in the calculation of the metric
7 even though these complaints have failed to show any
8 deficiency in the Company's service to customers or involve
9 a rate consultant who submitted dozens of cases on the same
10 issue that has already been decided by the PSC in the
11 Company's favor.

12 Q. What is the Company's proposal to address this issue?

13 A. The Company proposes a change where complaints would be
14 omitted from calculation of the Commission Complaints
15 metric in the following situations:

16 • The initial inquiry is escalated to an SRS complaint
17 without the Company having a chance to respond within a
18 reasonable period of time. This includes cases where the
19 customer escalated the complaint despite not responding
20 to attempts by the Company to reach them or before the
21 Company has had a reasonable period of time to respond.
22 The Company proposes that such a reasonable period of
23 time be 14 calendar days, with the exception of rate
24 consultant cases, for which the Company recommends 30

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1 days because they are often filed for multiple customers
2 at the same time and are generally more complex.

- 3 • The initial inquiry is escalated to a complaint for an
4 issue that the Commission has clearly ruled in the
5 Company's favor in a prior case or ruling.
- 6 • The initial inquiry is escalated to a complaint for an
7 issue concerning an action by the Company that is clearly
8 allowed and performed in accordance with the Company's
9 tariff. For example, complaints about tariff-related
10 fees for refusing access to the Company for meter-related
11 work and gas service line inspections would no longer
12 count toward the metric.
- 13 • Multiple cases are filed on behalf of different customers
14 by a single customer representative for a single issue.
15 The Company proposes that these cases count as one case
16 if the party that filed them alleges the same complaint
17 in all cases. The Company's current rate plan Joint
18 Proposal, as well as past rate plans, has included
19 language stating that one or more inquiries escalated by
20 a rate consultant raising the same issue as to more than
21 one account, whether such contacts are made at the same
22 time or different times, should not be counted as more
23 than one complaint if the issue is under consideration by
24 the Department or the Commission and no Company

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1 deficiency is found. However, this exception has not in
2 practice effectively accounted for the repeated filing of
3 complaints by rate consultants. The Company proposes to
4 reiterate this language with slight modifications to
5 account for complaints that are filed on substantially
6 similar grounds. The Company looks forward to working
7 with Staff to develop a process to identify complaints
8 that should be consolidated for the purposes of the
9 complaint metric, while remaining committed to responding
10 to all complaints in a timely manner.

11 • The initial inquiry is escalated to a complaint where
12 there is no issue the Company can reasonably resolve.
13 These includes complaints about high bills where a meter
14 test finds no underlying problem and complaints about
15 outages caused by extreme weather that could be
16 reasonably expected to result in outages.

17 Q. Does the Company propose any changes to the Outage
18 Notification Incentive Mechanism ("ONIM")?

19 A. Yes, the company proposes elimination of the ONIM metric.
20 Please see the Storm Response and Resilience Panel
21 testimony for the reasons why this metric should be
22 eliminated.

23 Q. Does the Company propose targets for the proposed CSPM
24 metrics?

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1 A. Yes, the Company proposes new targets for the Customer
2 Satisfaction Surveys and Call Answer Rate metrics. The
3 Company proposes no change to the Commission Complaints
4 metric target so long as the proposed changes identified
5 above are adopted.

6 Q. What targets does the Company propose for the Customer
7 Satisfaction survey metrics?

8 A. The Company reviewed three years of available actual data
9 from 2019-2021. The three-year average for Emergency
10 Interactions and Non-Emergency Interactions was 3.76 and
11 4.07 respectively out of a range of 1-5, with 1 being "not
12 satisfied" and 5 being "very satisfied." The Company's
13 proposes targets of 3.55 for Emergency Interactions and
14 3.75 for Non-Emergency Interactions for RY1-RY3. These
15 targets represent a reasonable floor for customer
16 satisfaction for the Company to be evaluated against,
17 especially given the customer service challenges expected
18 as a result of historic levels of arrears during the
19 pandemic.

20 Q. What target does the Company propose for the Call Answer
21 Rate metric?

22 A. The Company proposes a Call Answer rate metric target of
23 65%. This is a slight reduction from the target for RY3 of
24 the current rate plan, which is 67%.

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1 The Company proposes this reduction due to the
2 pandemic-driven arrears increases described earlier in this
3 Panel's testimony and the Company's transition to a new
4 billing system, both which are expected to impact call
5 volumes during the upcoming rate plan. This modest
6 decrease in the target will mitigate cost increases that
7 would be required to maintain a level of 67% as the Company
8 navigates the expected temporary near-term challenges.
9 Customer payment challenges drive increased calls, which
10 the Company has been attempting to manage both by fielding
11 calls and increasing self-service options through the
12 pandemic, as described above. Additionally, also noted
13 above, the transition to a new CSS comes with known
14 complications and challenges. While the Company is
15 preparing for the transition, benchmarking indicates that
16 there typically is a transition period as the new system
17 stabilizes. A temporary change to the metric will allow
18 the Company to properly manage and respond to the expected
19 complications in the rate year.

20 The Company further notes that since 2014 the target
21 has increased from 63% to 67%. Therefore, a modest
22 decrease does not erode all of the increased expectations
23 that have been made in this area.

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1 Q. What target does the Company propose for the Commission
2 Complaints metric?

3 A. The Company propose that the target for Commission
4 Complaints remain at 2.0 complaints per 100,000 customers
5 for RY1-RY3. Given the abnormal levels of arrears created
6 by the pandemic, the Company does not consider now an
7 appropriate time for reductions in the Commission
8 Complaints metric target. The Company's proposed target
9 assumes acceptance of the Company's proposal in this
10 testimony that complaints that meet specific criteria
11 should be omitted from the calculation of the Commission
12 Complaints metric.

13 Q. Does the Company have a proposal for the revenue
14 adjustments associated with the CSPM metrics?

15 A. Yes. The Company proposes to maintain scaled threshold
16 levels that result in increased revenue adjustments at
17 various levels above the proposed targets, in the same
18 manner as the current CSPM. The Company proposes to
19 maintain the total maximum revenue adjustments levels in
20 its current CSPM. Please see EXHIBIT__(CO-56) Proposed
21 CSPM Targets and EXHIBIT__(CO-57) CSPM Target Supporting
22 Data for details of the Company's full CSPM proposal and
23 supporting historical data.

1 **Residential Termination, Uncollectibles and Arrears Incentive**

2 **Mechanism**

3 Q. Does the Company propose to continue the Residential
4 Terminations, Uncollectible Bills and Arrears incentive
5 mechanism during the 2023-2025 period?

6 A. No. The Company proposes to suspend use of this mechanism
7 in light of the COVID-19 pandemic, the Parker-Mosley Act of
8 2020 and the Parker-Richardson Act of 2021, which
9 collectively resulted in an extended moratorium on
10 collections and termination activity for residential
11 customers. This moratorium - and the Company's slow
12 resumption of residential collections activity in 2022 -
13 has distorted the data used to measure the Company's
14 performance for this metric, and therefore the Company
15 believes it is not appropriate to continue during the
16 upcoming rate period.

17 Q. Is this proposal consistent with recent Commission Orders
18 in other utilities' rate cases?

19 A. Yes. In 2021, the Commission adopted similar suspensions
20 for Central Hudson and the National Grid downstate
21 companies.

VIII. Other Topics

Billing and Estimation Challenges

1
2
3 Q. In addition to an impact on customers' arrears, are there
4 any other customer impacts of the COVID-19 pandemic that
5 the Company is working to address?

6 A. Yes, the Company is working with stakeholders to address
7 billing challenges such as estimated billing that have been
8 impacted by the pandemic and other factors.

9 Q. Can you describe the challenges and other contributing
10 factors in addition to the pandemic in more detail?

11 A. Yes. The Company has seen an increase in the number of
12 bills that need to be estimated due to the pandemic.
13 Specifically, the Company stopped reading most non-AMI
14 meters from March 2020 through July 2020 during the height
15 of the COVID-19 pandemic to protect customer and employee
16 safety. As a result, many customers without an AMI meter
17 received estimated bills for this period, and some
18 customers incurred residual impacts to billing once the
19 Company resumed meter reading and reconciled estimated
20 bills. In addition, in 2020 and continuing through 2021,
21 higher levels of estimation for customers without AMI
22 meters have occurred due to challenges with access to
23 buildings as the COVID-19 pandemic has resulted in changes

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1 to access protocols, including changes in the specific
2 personnel who control access to buildings.

3 Q. Has estimated billing impacted any group of customers more
4 significantly than others?

5 A. Yes, commercial customers have generally seen a greater
6 impact for two reasons. First, access to commercial
7 buildings has generally been more challenging due to the
8 pandemic for the reasons noted above. Also, AMI meter
9 deployment was not yet completed in the Manhattan region,
10 which has a higher number of commercial customers who
11 continued to need the Company to read their meter on site.
12 In addition, because commercial billing is more complex
13 than residential billing, when bills are estimated or
14 reconciled after an actual reading, commercial accounts are
15 more likely to require employee review. This, in turn, has
16 created delays in generating or adjusting commercial
17 customer bills.

18 Q. Are there other factors contributing to billing challenges
19 for commercial customers?

20 A. Yes, the Company has been working to complete its
21 transition to AMI meters for all customers. To accomplish
22 this, the Company has had to access all premises and
23 exchange the existing meters for new AMI meters. During
24 this transition, some commercial customers have experienced

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1 billing estimation or delays as the Company exchanged
2 meters and set up the new meters for automated
3 communication and billing in the Company's systems. These
4 temporary challenges have been greater for commercial
5 customers with more complex billing and customers for which
6 access to install AMI meters has been a challenge.

7 Q. What steps has the Company taken to address these
8 challenges?

9 A. The Company has taken a number of actions to address these
10 billing challenges. First, the Company has taken
11 aggressive action to install AMI meters in customer
12 premises, and specifically worked with large customers such
13 as the City of New York to dedicate resources to installing
14 AMI meters in as many locations as possible. As a result
15 of these efforts, from June 2021 to January 2022, the
16 percentage of the City of New York's meters that are AMI
17 meters increased from 44% to 75%. In addition, the Company
18 has continued to work to optimize staff and routing to read
19 as many non-AMI meters as possible to provide billing from
20 actual readings during the AMI transition. The Company has
21 also worked with commercial customers and their
22 representatives to coordinate resolution of specialized
23 accounts where billing has been estimated, delayed, or
24 subject to adjustments. Finally, the Company has worked to

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1 develop automation tools for the back office that allow
2 bills that require adjustment or review to be resolved more
3 quickly.

4 Q. How does the Company expect these issues will be resolved?

5 A. The Company believes the AMI transition-related billing and

6 estimation challenges are a temporary issue that will
7 resolve itself in time after AMI deployment is completed.

8 For example, as of December 2021, the Company's overall
9 percentage of estimated billing for accounts with AMI

10 meters was between 0.87% and 1.47% for the 12 months of

11 2021. Please see EXHIBIT__(CO-58) 2021 AMI Estimated Bill

12 Percentages for additional data. In addition, the Company

13 reports the total level of estimated billing and AMI

14 deployment in the Performance Indicator Report filed in

15 Case 15-M-0566. The data shows that in January 2021, the

16 Company estimated 15% percent of bills, and 78.5% of

17 customers had AMI meters. By December 2021, the Company

18 estimated 6.4% percent of bills and 93% of customers had

19 AMI meters. This data highlights the positive impact of

20 AMI deployment on the Company's overall level of estimated

21 bills. Therefore, the Company expects resolution of the

22 billing and estimation challenges as it installs the

23 remaining AMI meters and continues to optimize the system

24 and network. The Company has proposed funding in the AMI

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1 program, as discussed in the CES Panel's testimony to
2 complete this deployment.

3 Q. Does the Company plan continued actions to address these
4 challenges?

5 A. Yes, the Company will continue to take a number of actions
6 to address billing challenges. This includes working with
7 commercial customers to schedule access for installations
8 of AMI meters and to address accounts that have billing
9 delays or require billing adjustments. In addition, the
10 Company will continue to optimize the AMI network for the
11 small number of customers who experience billing issues
12 after the AMI meters are installed.

13 **Mandatory Hourly Pricing Threshold**

14 Q. In the Joint Proposal approved by the Commission in Cases
15 16-E-0060 and 16-G-0061, the Company agreed to the
16 following: "The Company will continue its Mandatory Hourly
17 Pricing ("MHP") program 'as is' during the Electric Rate
18 Plan (i.e., no change to the threshold kW demand level).
19 The Company will expand its MHP program to include
20 customers with demands over 300kW after the Company's
21 territory-wide completion of AMI installation."

22 Q. Does the Company have any proposals regarding its MHP
23 program in this rate filing?

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1 A. The Company proposes to defer changes to its MHP threshold
2 until its next rate filing.

3 Q. Why does the Company propose to defer changes to the next
4 rate filing?

5 A. The primary factor influencing this decision is the
6 Company's transition to a new customer service system in
7 2023. It is not possible to implement a reduction in the
8 demand threshold until the new system is implemented and
9 stabilized, which could be well into a multi-year rate
10 plan. The transition and stabilization of the new CSS is
11 of paramount importance and, given system freezes and the
12 need to prioritize its successful implementation, lowering
13 the MHP threshold from 500 kW to 300 kW during that process
14 is not possible.

15 Additionally, significant outreach and education is
16 required to engage customers that would be subject to MHP
17 rates well in advance of a transition to MHP. Many
18 customers that would be subject to the lower threshold may
19 not have had an AMI meter installed for a length of time
20 that provides sufficient insight to be prepared for the
21 change to an hourly pricing rate. Providing additional
22 time will allow customers to more thoroughly review
23 granular usage information and understand their usage
24 patterns. Doing so can also provide customers more time to

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1 explore ways to manage the variability of hourly prices,
2 including through clean energy programs. For these
3 reasons, the Company does not believe it is appropriate to
4 introduce a lower demand threshold during this transitional
5 period.

6 **Electric Reconnection Fees**

7 Q. Please explain the context for the Company's forecast with
8 respect to revenues from reconnection fees for electric
9 customers.

10 A. As proposed on page 44 of the November 2015 AMI Business
11 Plan, the Company is in the process of installing electric
12 AMI meters that can connect to and disconnect from the
13 distribution system via a remote wireless signal. (For the
14 remainder of this testimony, we refer to this functionality
15 as "RCD-capable.") The vast majority of electric AMI
16 meters installed through 2023 will be RCD-capable, with the
17 exception being some commercial customers and customers
18 that opt out of receiving electric AMI meters.

19 As outlined in General Rule 15.2 of the Company's
20 Schedule for Electricity Service ("Tariff"), the Company no
21 longer charges a fee to reconnect service at the meter for
22 electric customers with RCD-capable meters whose service was
23 shut off for non-payment or tampering-related reasons, if the
24 Company can restore the customer's service remotely.

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1 Reconnection fees still apply for customers whose service
2 restoration requires an in-person visit from Company
3 personnel, including customers whose service is cut in the
4 street and customers whose service cannot be restored remotely
5 despite the presence of an RCD-capable meter.

6 Q. What does the Company project in terms of other operating
7 revenue from reconnection fees in RY1?

8 A. The Company projects that other operating revenue from
9 electric reconnection fees will be \$86,092 in RY1 because the
10 vast majority of electric customers will have RCD-capable
11 meters by 2023 and therefore are not likely to incur a
12 reconnection fee. To develop this projection, the Company
13 assumed reconnection fees would be 10 percent of the value
14 used in the 2019 rate proceeding.

15 Q. Does this proposal impact the reconnection fee waiver
16 component of the Company's Electric EAP?

17 A. This proposal does not directly impact the reconnection fee
18 waiver benefit for electric EAP customers. If a disconnected
19 low-income electric customer has an RCD-capable AMI meter and
20 their service is successfully restored via remote signal, then
21 that customer would not be subject to a fee or have need for a
22 fee waiver. However, due to the timing of the Company's AMI
23 meter deployment, there may still be electric EAP customers
24 that are assessed reconnection fee waivers during Rate Years
25 1-3. The Company believes it is important to continue

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1 providing these customers relief from reconnection fees. As
2 such, any customer participating in the Electric EAP that is
3 charged a reconnection fee during the rate plan will still be
4 eligible for a fee waiver under the terms outlined in the
5 Energy Affordability Program section of this Panel's
6 testimony.

7 Q. Is this proposal reflected in any other testimony or exhibits
8 included in this rate filing?

9 A. Yes. This proposal is reflected in the Accounting Panel
10 testimony, Exhibit AP-3, Schedule 5.

11 Q. Does this conclude your direct testimony?

12 A. Yes, it does.

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SHARED SERVICES PANEL

1 I. INTRODUCTION

2 Q. Would the members of the Shared Services Panel
3 ("Panel") please state your names and business
4 addresses?

5 A. Our names are Joan Jacobs, La-Asia Hundley, Matthew
6 Sniffen, Lynton Scotland, King Look, and Michele
7 Campanella. Our business address is 4 Irving Place,
8 New York, NY 10003.

9 Q. By whom are the panel members employed?

10 A. We are all employed by Consolidated Edison Company of
11 New York, Inc. ("Con Edison" or the "Company").

12 Q. Please explain your educational backgrounds, work
13 experience, and current general responsibilities.

14 A. **(Hundley)** I am currently the Vice President of
15 Facilities and Field Services for the Company. I have
16 been employed with Con Edison since 2001, holding
17 positions of increasing responsibility in Human
18 Resources, Learning & Inclusion and Gas Operations,
19 including: Department Manager Employee & Labor
20 Relations, Director, Talent Management, and General
21 Manager of Bronx Gas Operations. Effective November
22 2020, I assumed my current position, Vice President of
23 Facilities and Field Services. As Vice President of

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1 Facilities and Field Services, I lead an organization
2 of over 500 diverse employees, both union and
3 management team members. In this role I am
4 responsible for operating and maintaining over 40
5 facilities (office buildings and field operations
6 locations/service centers) within the service
7 territories of Con Edison and Orange and Rockland
8 Utilities, Inc. ("O&R"), including: planning and
9 project management; engineering services; facilities
10 environment, health and safety; and office services.
11 I am also responsible for all the garages throughout
12 Con Edison and O&R as well as Automotive Engineering
13 and Fleet Administration, and for providing tanker
14 support, material delivery services, and other
15 logistics and emergency support services for the
16 Company. I hold a BS in Management from Johnson C
17 Smith University, a master's degree in Finance in
18 Human Resources Management from CUNY/Baruch and a
19 juris doctorate from St. John's University School of
20 Law and am admitted to practice in the State of New
21 York.

22 **(Sniffen)** I am currently the Vice President of
23 Emergency Preparedness for Con Edison. I joined Con

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1 Edison in 1982 as a Management Intern and subsequently
2 served in various supervisory roles in Electric
3 Distribution, including Department Manager of the
4 Manhattan Electric Control Center.
5 My current responsibilities include, but are not
6 limited to, the development of emergency response
7 plans inclusive of drills and exercises designed to
8 ensure readiness for corporate emergencies for all
9 commodities. I currently share the Incident Commander
10 role for the Company's Pandemic Team. Prior to my
11 current role, I held the position of Chief Engineer of
12 Regional Engineering. In that role, I was responsible
13 for developing Electric Distribution's asset
14 investment strategy and justifying its capital
15 projects and programs in support of the Company's
16 budget and general rate case processes. I was also a
17 central figure in Electric Distribution's post-Sandy
18 storm hardening program. I hold a Bachelor of Science
19 in Mechanical Engineering from Manhattan College.
20 **(Scotland)** I am the Vice President Supply Chain and
21 Chief Procurement Officer at Con Edison. In this role
22 I am responsible for the Procurement, Supply Chain and

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1 Stores Operations functions in support of Con Edison
2 and O&R.

3 Prior to joining Con Edison, I held several executive
4 positions with major U.S. Corporations. I was the
5 Chief Procurement officer at W.L. Gore and Associates,
6 a global material science company, with responsibility
7 for Procurement, Strategic Sourcing, and Logistics and
8 Global Trade. I was the Global Strategic Sourcing
9 Leader for the DuPont Protection Solutions business
10 within DuPont; Vice President of Operational Excellence
11 at NRG Energy Incorporated with responsibility for the
12 corporate project management office and the Focus On
13 Return of Invested Capital at NRG ("FORNRG") program,
14 and was co-founder of Sustainable Star, a renewable
15 energy company engaged in the development of large
16 scale solar photovoltaic systems and the sale of gas
17 and electricity in deregulated markets.

18 I am a Trustee Emeritus at the University of Dayton in
19 Ohio having served on the board of the University for
20 the past nine years. I am the former Chairman of the
21 Board of Urban Promise Wilmington (an organization
22 focused on youth education and leadership development
23 in Wilmington, Delaware)

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1 I am a member of the Executive Leadership Council
2 ("ELC"), an organization of senior level black business
3 executives in corporate America; co-chair of the
4 Community Impact initiative and a former board member
5 of the Executive Leadership Foundation.

6 I earned a Bachelor of Science in Chemical Engineering
7 from the University of Dayton; a Master of Science in
8 Statistics from Rutgers University and an MBA from the
9 University of Pittsburgh.

10 **(Jacobs)** I am currently the Vice President of Learning
11 and Inclusion. I assumed this position in August
12 2014. In this role, I oversee the Company's training
13 and conference facility called The Learning Center
14 ("TLC"). I am responsible for design and delivery of
15 professional leadership and technical training
16 programs that meet the training needs of the Company.
17 In addition to training and development, I am also
18 responsible for engaging the workforce in fostering
19 diversity and inclusion throughout the Company. My
20 areas of responsibility include recruitment and
21 staffing, skills training, leadership and career
22 development, succession management, performance
23 management, and organizational development. I am

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1 responsible for managing a staff of over 175
2 professionals.

3 I have over thirty years' experience in human resource
4 management and law. I joined Con Edison in 2001 and
5 have served as director of Talent Management, director
6 of Human Resources Support Services, and director of
7 Equal Employment Opportunity Affairs. Prior to
8 joining Con Edison, I worked as labor attorney at New
9 York Health and Human Services Union 1199. I also
10 worked in Toronto, Canada at the Ontario Human Rights
11 Tribunal, the Labor Relations Board, and the Pay
12 Equity Commission.

13 I hold a bachelor's degree in political science from
14 McGill University and a Juris Doctorate from
15 University of Windsor Law School. I am currently a
16 board member for Coro New York Leadership Center; Con
17 Edison Liaison for New York Stock Exchange Board
18 Advisory Council; Con Edison Human Resources
19 representative for New York Jobs CEO Council; member
20 of Edison Electric Institute Human Resources Diversity
21 and Inclusion Subcommittee; member of Clean Energy
22 Businesses' Diversity and Inclusion Executive Council;

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1 and past liaison to National Action Council for
2 Minorities in Engineering ("NACME").

3 **(Look)** I am the Director of Research and Development
4 ("R&D"). I earned both my Bachelor of Engineering and
5 Master of Engineering degrees in Chemical Engineering
6 from Cooper Union, a Master of Science degree in
7 Electrical Engineering from Manhattan College, and a
8 Master in Business Administration degree in Computer
9 Information Systems from Baruch College. I joined Con
10 Edison in 1983 as an Intern in the Management Intern
11 Program. In 1985, I completed the Management Intern
12 Program and joined the Mechanical Engineering
13 Department as an Associate Engineer. Between 1985 and
14 2017, I worked in various departments, including
15 Mechanical Engineering, Generation Planning, Corporate
16 Planning, Resource Planning, Gas Operations and
17 Electricity Supply and in various positions of
18 increasing responsibility. In December 2017, I
19 started in my current position. In this position, I
20 am responsible for developing new products and
21 processes to enhance the safety, reliability,
22 efficiency, operational excellence, and customer
23 engagement for Con Edison. I oversee fifteen

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1 employees, dedicated to managing and supporting R&D
2 projects for the Company's electric, gas, and steam
3 business units. I guide the overall department
4 strategy and manage the overall R&D budget. In
5 addition to R&D, I also took over the responsibility
6 of overseeing the Quality Management Group starting in
7 August 2020. The Quality Management Group, consisting
8 of three employees, is responsible for developing,
9 updating, and implementing a quality management
10 program to ensure excellence in the operations of the
11 Utility Shared Services Organization.

12 **(Campanella)** I am the Director of Corporate Security.
13 I graduated from Clarkson University with a Bachelor
14 of Science degree in Accounting in 1978 and from New
15 York Law School with a Juris Doctorate degree in 1989.
16 I am an active member of the Security Committees for
17 the American Gas Association and the Edison Electric
18 Institute. I am also a member of the Domestic
19 Security Alliance Council, which is a collaboration
20 between the Federal Bureau of Investigation ("FBI"),
21 Department of Homeland Security ("DHS") and private
22 industry. Prior to joining Con Edison, I was a
23 Special Agent of the FBI from 1980 to 2008. Among

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1 other duties, I served as the Assistant Special Agent
2 in Charge in the Washington Field Office, a position
3 that included oversight of the Security Branch. As
4 the Assistant Special Agent in Charge, I was
5 responsible for the protection of the Attorney General
6 of the United States and the Director of the FBI, the
7 physical security of the properties within the
8 Washington Field Office territory, and the
9 investigative services related to personnel security,
10 including polygraphs, background investigations, and
11 clearances. Since September 2008, I have been the
12 Director of Corporate Security for Con Edison. As the
13 Director of Corporate Security, I formulate and direct
14 security policies, practices, and procedures for the
15 Company. I direct the investigative and security
16 related activities of forty-four investigators and
17 staff; act as a liaison with Federal, State, and local
18 law enforcement agencies; advise senior executives on
19 security-related matters; direct physical security
20 surveys of Company facilities; and make and implement
21 security recommendations throughout the Company. In
22 addition, I develop specifications and monitor the
23 performance of contract guard services, oversee cyber

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1 forensic investigations, and implement training
2 requirements for Company security personnel. I
3 maintain a Top Secret Clearance from the FBI.

4 Q. Have any members of the Panel previously testified
5 before the New York State Public Service Commission
6 ("PSC" or "Commission")?

7 A. **(Campanella)** Yes, I have testified before the
8 Commission as a witness in previous electric and gas
9 rate case proceedings (Cases 09-E-0428, 13-E-0030, 13-
10 G-0031, 16-E-0060, 16-G-0061, 19-E-0065, and 19-G-
11 0066).

12 **(Hundley)** No, I have not previously testified before
13 the Commission.

14 **(Sniffen)** Yes, I have testified before the Commission
15 as a witness in the previous electric rate case
16 proceeding (19-E-0065).

17 **(Scotland)** No, I have not previously testified before
18 the Commission.

19 **(Jacobs)** Yes, I have testified before the Commission
20 as a witness in previous electric and gas rate case
21 proceedings (16-E-0060, 16-G-0061, 19-E-0065, and 19-
22 G-0066).

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1 emergency preparedness functions. All projects and
2 programs discussed in our testimony are common to the
3 Company's electric, gas and steam businesses, and, in
4 most cases, to O&R. The Company's Accounting Panel
5 explains how costs are allocated across Con Edison's
6 businesses and, where applicable, to O&R.

7 Q. Please summarize the Panel's testimony.

8 A. We describe Shared Services efforts to support
9 programs throughout the Company. Our testimony also
10 discusses efforts that Shared Services undertakes to
11 support Company priorities to reduce risk and enhance
12 public and employee safety, increase operational
13 performance, and enhance the customer experience.
14 Overall, we provide crucial support functions to
15 enable the Company to continue to provide utility
16 services in a safe, reliable, and cost-efficient
17 manner. Our testimony is set forth as follows:

18 **First**, we explain the Company's capital request for
19 general equipment.

20 **Second**, we will present several R&D initiatives in the
21 areas of gas and electric services as well as three
22 O&M program changes.

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1 **Third**, we discuss Corporate Security and introduce
2 four capital projects that are confidential and for
3 Staff review.

4 **Fourth**, we address the O&M costs associated with the
5 strike contingency within Human Resources.

6 **Fifth**, we discuss Learning & Inclusion's Transforming
7 Learning Through Innovation and an O&M Program Change,
8 Diversity, Equity, and Inclusion ("DEI") survey.

9 **Sixth**, regarding Facilities and Field Services, we
10 will discuss building service centers; a project to
11 exit a lease, several critical repairs and upgrades,
12 including the repair of critical infrastructure of our
13 various buildings; safety and environmental projects,
14 and four Transportation Operations projects.

15 **Seventh**, we discuss an O&M program related to third-
16 party risk management.

17 **Finally**, we discuss two O&M programs, one to support
18 weather monitoring and the other to support additional
19 personnel.

20 Q What period does this testimony cover?

21 A. The Panel will present projects and programs planned
22 for the 12-month period ending December 31, 2023
23 ("Rate Year" or "RY1"). As discussed by the

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1 Accounting Panel, the Company is not proposing a
2 multi-year rate plan in this rate case but is willing
3 to pursue, through settlement discussions with Staff
4 and interested parties, a three-year rate plan. To
5 facilitate settlement discussions, we also address
6 capital plant additions and other programs and
7 initiatives for the two years following the Rate Year.
8 We will refer to the 12-month periods ending December
9 31, 2024 and December 31, 2025 as "RY2" and "RY3",
10 respectively.

11

12 **II. GENERAL EQUIPMENT**

13 Q. Please explain the Company's category of capital
14 expenditures known as General Equipment.

15 A. General Equipment represents specific categories of
16 capital equipment, defined below, that are classified
17 under the Uniform System of Accounts as General Plant.
18 In general, these items have a purchase cost equal to
19 or greater than \$500 and have a life expectancy of
20 more than one year, as detailed in the Company's
21 Corporate Instruction CI-610-1.

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1 Q. What is the Company projecting for General Equipment
2 expenditure levels covered by this testimony over RY1
3 through RY3?

4 A. We project the following capital expenditures:

5 • RY1 - \$72.54 million

6 • RY2 - \$67.41 million

7 • RY3 - \$85.31 million

8 Q. What are the categories of General Equipment?

9 A. General Equipment consists of nine main categories of
10 capital plant or "tools." Con Edison commonly refers
11 to each category as an XM, which is a unique budget
12 reference coding for the Company's General Equipment.
13 The following is a list of the Company's XMs.

14	Office Furniture	(XM-1)
15	Transportation Equipment	(XM-2)
16	Stores Equipment	(XM-3)
17	Shop Equipment	(XM-4)
18	Laboratory and Test Equipment	(XM-5)
19	Tools and Work Equipment	(XM-6)
20	Miscellaneous Equipment	(XM-7)
21	Communication Equipment	(XM-8)
22	Computer Equipment	(XM-10)

23 Q. Will you discuss each XM Category in this testimony?

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1 A. No. The IT Panel will discuss XM8 and XM10. We will
2 discuss all other XM categories.

3 Q. Please generally describe the nature of and need for
4 General Equipment.

5 A. General Equipment is the tools and work equipment
6 employees need to perform their day-to-day job
7 functions. It includes, among other items, desks for
8 offices, bucket trucks for overhead operations,
9 shelving for storerooms, equipment for testing before
10 entering manholes, jack hammers to break the street to
11 locate underground equipment, safety hoists for
12 entering underground structures, and radio frequency
13 equipment for employees to communicate.

14 The following example illustrates the vital role
15 General Equipment plays in the Company's daily
16 operations. An underground splicing crew requires, in
17 addition to splicing equipment such as a propane torch
18 (XM-6), a van (XM-2) to deploy the crew and a
19 mandatory rescue device (XM-7) for employee safety.

20 The actual work of splicing the cable requires the
21 mechanic to use cutter and crimper equipment (XM-6) to
22 install the new section of cable.

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1 Q. How does the Company determine when General Equipment
2 needs to be replaced?

3 A. Replacement for General Equipment is driven by normal
4 wear and tear, changing operational requirements, and
5 changes in technology, among other factors, and is
6 intended to provide Company employees the tools
7 necessary to complete their tasks in a safe and
8 efficient manner.

9 Q. How did the Company develop the XM equipment requests
10 included in this rate request?

11 A. Con Edison bases XM Equipment requirements on the
12 historical spend, adjusted for forecasted work needs.
13 Forecasted work needs can include emergent work. For
14 example, as discussed later in this testimony, there
15 is a significant increase in the request for utility
16 trucks in Transportation Equipment (XM-2), based
17 several different emergent needs.

18 Q. Please discuss the manner in which General Equipment
19 spend is developed and budgeted throughout the year.

20 A. Facilities prioritizes projects via a Capital
21 Optimization methodology to develop an optimal project
22 portfolio that aligns with the Company's strategic
23 goals. The Facilities Governance Committee, comprised

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1 of officers that review and oversee capital
2 expenditures under the Utility Shared Services group,
3 reviews and approves the capital optimization. The
4 Company then allocates to and procures the required
5 Equipment for the list of prioritized projects. The
6 Facilities Governance Committee meets quarterly to
7 review the status of all projects and make changes in
8 the Utility Shared Services portfolio. The Company
9 follows a different process for Transportation
10 Equipment (XM-2) which we discuss further in this
11 testimony.

12 Q. Do the projected spending levels included in this case
13 reflect any efforts by the Company to minimize
14 expenditures for these tools, equipment, and
15 furniture?

16 A. Yes. We evaluate tools, equipment, and furniture
17 before replacing them; only those that are deemed un-
18 repairable or uneconomic to repair are replaced,
19 except when the equipment is purchased due to
20 operating or work practice changes requiring a new
21 type of device. As a general practice, desks, chairs,
22 and office partitions are reused within the Company
23 whenever possible. In addition, most contracts for

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1 new tools, equipment and furniture are competitively
2 bid and, where possible, XM orders are consolidated to
3 take advantage of volume discounts. For example, in
4 2021 the Company consolidated many Tools and Equipment
5 (XM-6) contracts under one main vendor to take
6 advantage of the vendor's competitive purchase pricing
7 and tool repair services.

8 Q. Was a document, entitled "Shared Services - General
9 Equipment - Capital," Exhibit ___(SSP-2), that
10 explains each category of General Equipment contains
11 Corporate Instruction CI-610-1, prepared under your
12 direction and supervision?

13 A. Yes, it was.

14 MARK FOR IDENTIFICATION AS EXHIBIT ___ (SSP-1)

15 Q. What does this Exhibit show?

16 A. This Exhibit shows the expenditures for all General
17 Equipment categories from RY1 through RY3.

18 **XM-2, XM-5, & XM-6 New Trucks and Equipment**

19 Q. Earlier in your testimony, you indicated that the
20 Transportation Equipment category (XM-2) was managed
21 differently than other equipment categories. Please
22 explain the XM-2 category and any challenges facing
23 the Company for the rate plan.

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1 A. The XM-2 equipment category covers the Company's
2 capital vehicle replacement program and provides for
3 the annual replacement of mobile equipment such as
4 cars, SUVs, heavy trucks, cranes, and construction
5 equipment used for Con Edison operations. The Company
6 will need to significantly increase the number of
7 vehicles purchased in the XM-2 category during a
8 three-year rate plan. The Company's request falls into
9 three categories: 1) trucks to meet current employee
10 needs, 2) bucket trucks for storm response, and; 3)
11 vehicles for new hires required to meet the increased
12 capital spend by Electric Operations.

13 Q. Please describe the trucks for current employees.

14 A. In 2022, the Company had planned to purchase 52
15 additional trucks to provide vehicles for current
16 employees. The Company will not be able to purchase
17 those trucks in 2022 due to nation-wide supply chain
18 constraints on this type of construction equipment.
19 As a result, the Company is seeking \$12 million in
20 2023 to purchase these vehicles.

21 Q. Please explain the bucket trucks for storm response.

22 A. The Company plans to use reasonable business efforts
23 to purchase up to 100 additional overhead bucket

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1 trucks for storm response contractors who arrive by
2 plane from out-of-State. The Electric Storm Response
3 and Resilience panel explains the need for the trucks.

4 Q. What is the Company's plan for purchasing the trucks?

5 A. As more fully discussed by the Electric Storm Response
6 and Resilience panel, the Company will seek to
7 purchase 30 trucks in RY1, 30 in RY2 and 40 in RY3.

8 Q. Are these trucks included in the Company's revenue
9 requirement?

10 A. No. As noted above, there are nation-wide supply
11 chain shortages for utility construction equipment
12 with no availability in 2022. The Company currently
13 estimates that the three-year total cost of purchasing
14 up to 100 trucks will be \$31 million. The Company is
15 continuing to refine its estimate regarding the cost of the
16 trucks and will include its capital request in the revenue
17 requirement at the preliminary update stage of this
18 proceeding.

19 Q. What about O&M expenses for the trucks?

20 A. The Electric Storm Response and Resilience panel
21 addresses the O&M costs for the new storm vehicles,
22 including the effect of the settlement agreement
23 approved by the Commission in Case 20-E-0422.

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1 Q. Please describe the new vehicle requirements for new
2 hires.

3 A. As more fully explained by the Company's Electric
4 Infrastructure and Operations panel, the Company will
5 require at least 200 additional employees to perform
6 the capital work related to the Company's core, clean
7 energy, and resilience investments. The Company will
8 need to provide these employees with vehicles for this
9 work.

10 Q. How many new vehicles is the Company planning to
11 purchase?

12 A. Once EIOP finalizes the required number of employees,
13 Shared Services will develop the capital and O&M needs
14 for new trucks and required equipment, provide an
15 updated white paper, and an update to the revenue
16 requirement in the preliminary update.

17 Q. Are other XM categories impacted by the Company's
18 plans for new vehicles?

19 A. Yes. Con Edison will need to equip the new vehicles
20 with Laboratory and Test Equipment (XM-5), such as
21 ground fault and air monitoring equipment, and Tools
22 and Work Equipment (XM-6), such as chain hoists and
23 emergency personnel retrieval devices.

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1 Q. Please detail the cost for the Laboratory and Test
2 Equipment (XM-5) and Tools and Work Equipment (XM-6)
3 required for three categories of new vehicles.

4 A. For category 1) trucks to meet current employee and
5 needs, the estimate is \$1.13 million (XM5) and \$6.48
6 million (XM6). The Company included this request in
7 the revenue requirement.

8 For category 2, bucket trucks for storm response, the
9 Company will provide an update to the revenue
10 requirement in the preliminary update. The Current
11 estimate for the new storm response trucks is provided
12 in the Company's White paper (SSP-1 XM-5 and XM-6).
13 The projected spend for XM5 is \$0.7 million in 2023,
14 \$0.7 million in 2024, and \$0.9 million in 2025. For
15 XM6 the projected spend is \$3.1 million in 2023, \$3.1
16 million in 2024, and \$4.1 million in 2025.

17 For category 3) as previously discussed the company
18 will provide costs to equip the vehicles for new hires
19 required to meet the increased capital spend by
20 Electric Operations in in the preliminary update.

21

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1 **XM-1, XM-3, XM-5, XM-6 and XM-7**

2 Q. Please describe the categories of equipment controlled
3 by Facilities and Field Services.

4 A. Facilities and Field Services is the Control Agency
5 for Office Furniture (XM-1), Stores Equipment (XM-3),
6 Laboratory Equipment (XM-5), Tools and Work Equipment
7 (XM-6), and Miscellaneous Equipment (XM-7).

8 Q. What is the projected spending in RY1 through RY3 for
9 these General Equipment categories (XM-1, XM-3, XM-5,
10 XM-6, and XM-7)?

11 A. The projected spending levels for these General
12 Equipment categories is \$16.65 million in RY1, \$9.0
13 million in RY2, and \$9.0 million in RY3. The spending
14 levels for each separate category are listed in
15 Exhibit __ (SSP-1)

16 Q. Describe the XM categories in more detail.

17 A. Under the XM-1 budget category Con Edison purchases
18 chairs, desks, workstations, modular office
19 partitions, laptop charging cabinets and other general
20 office furniture.

21 Under the XM-3 budget category Con Edison replaces
22 warehouse and material handling equipment, including
23 storage bins, pallet racks, pipe racks, shelving, and

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1 strapping/wrapping equipment. The Company maintains a
2 central warehouse to provide materials needed in the
3 routine maintenance and construction of the Company's
4 electric, gas, and steam transmission and distribution
5 systems and infrastructure. It also operates
6 approximately fifteen smaller satellite locations at
7 major workout centers. Some of the key satellite
8 locations are located at Van Nest (Bronx), College
9 Point Boulevard (Queens), Third Avenue Yard
10 (Brooklyn), and Neptune Avenue (Brooklyn).

11 Q. Please continue.

12 A. Under the XM-5 budget category Con Edison replaces
13 both laboratory and testing equipment.

14 Q. Please describe laboratory and testing equipment.

15 A. Laboratory and testing equipment includes volt meters,
16 gas detectors, recorders, test boxes, and pressure
17 gauges. Con Edison field forces use these devices to
18 test and evaluate electric, gas, and steam system
19 components, including gas levels in the atmosphere
20 when a worker descends into a manhole or in
21 excavations.

22 Q. What is in the XM-6 budget?

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1 A. The XM-6 budget category is designated for the
2 replacement of tools and equipment, including portable
3 pumps, chainsaws, and hydraulic jacks, pneumatic
4 hammers, parts washers, and tire repair equipment.
5 Con Edison field forces use this equipment to install,
6 repair, and maintain electric, gas, and steam system
7 components as well as to repair fleet vehicles. This
8 category also includes devices that are critical to
9 the safety of our employees, such as lifting devices
10 that allow employees who are overcome in a confined
11 space to be lifted out by fellow employees from above,
12 and Self-Contained Breathing Apparatus and Respirators
13 with escape bottles to allow employees to enter
14 underground structures and confined spaces when the
15 atmosphere is unable to support human life.

16 Q. Please continue.

17 A. The XM-7 budget category represents the Company's
18 miscellaneous equipment, such as, safety and training
19 equipment, fire protection, and audio visual and
20 photographic equipment, which includes security
21 cameras and recorders and kitchen equipment.

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1 Q. What is the procedure or process associated with the
2 replacement requirements for XM-1, XM-3, XM-5, XM-6,
3 and XM-7 categories?

4 A. We typically replace items covered under the XM-1, XM-
5 3, XM-5, XM-6, and XM-7 categories when they are
6 deemed beyond economical repair. In the past, tools
7 and equipment have also been replaced due to procedure
8 and/or specification changes. Operating departments
9 usually initiate these changes due to operating or
10 work practice changes, new tasks, or improvements in
11 safety, quality, or productivity.

12 Q. Can you provide an example of these changes?

13 A. Yes. In 2021, Distribution Engineering introduced
14 specifications for battery-operated cable cutters and
15 crimpers used by Electric Operations, which fall under
16 the XM-6 category. The Company increased the use of
17 the battery-operated tool rather than the hydraulic
18 counterpart due to the improved ergonomics. These
19 battery-operated tools are lighter and portable,
20 allowing work to be performed more efficiently.

21 **XM-2**

22 Q. Please discuss the Transportation Equipment (XM-2)
23 category.

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1 A. The XM-2 category provides for the purchase of mobile
2 equipment, such as trucks, cars, cranes, construction
3 equipment and forklifts that we use in our operations.
4 Facilities and Field Services' Automotive Engineering
5 group manages this equipment category for the Company.
6 Under this category of expenditures, the Company owns
7 approximately 4,200 vehicles, including passenger
8 vehicles, bucket trucks and tractors. Factoring in
9 other pieces of mobile equipment, like backhoes,
10 forklifts and trailers used to move equipment and
11 materials, the Company owns close to 5,200 items of
12 transportation equipment. This figure includes
13 highway, non-highway powered equipment, trailers and
14 equipment for tracking purposes.

15 Q. What is the projected spending from 2023 to 2025 for
16 XM-2?

17 A. The White Paper entitled "XM-2" in Exhibit __ (SSP-1)
18 sets forth historical and projected XM-2 expenditures
19 related to the replacement of existing equipment. We
20 project to spend \$55.53 million in 2023, \$58.02
21 million in 2024, and \$75.91 million in 2025.

22 Q. Please describe the manner in which General Equipment
23 XM-2 "Transportation Equipment" is budgeted.

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1 A. The Company has a pre-determined methodology for
2 selecting vehicles and mobile equipment(based on cost,
3 age, maintenance, and residual value). This
4 methodology, referred to as the lifecycle model, uses
5 factors related to capital cost, residual value, cost
6 of maintenance and use over the life of a
7 representative asset to determine an appropriate point
8 at which it makes financial sense to replace such
9 asset. The Company maintains a database of these
10 assets and their associated operating costs.

11 Annually, Automotive Engineering identifies vehicles
12 and mobile equipment that are at or beyond lifecycle
13 for the specified budget year. This serves as a
14 starting point for its vehicle replacement decisions.
15 The Company also employs its judgment and experience,
16 as well as case-by-case evaluations of certain assets,
17 in making its replacement decisions.

18 Q. Can you please explain in more detail the methodology
19 employed for that review?

20 A. The Company uses historical, actual and expected
21 maintenance data, as well as vehicle use data, to
22 determine when it is most economical to replace an
23 asset rather than incur increasing maintenance costs

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1 and risk. The lifecycle model takes into account the
2 change in maintenance costs as the asset ages and,
3 more specifically, the rate-of-change for maintenance
4 costs. This optimizes the Company's overall cost to
5 own and maintain these assets. The lifecycle model
6 identifies the optimum time to replace a deteriorating
7 asset.

8 Q. How is that analysis used to budget from year to year?

9 A. The Company maintains a database of various asset-
10 types and their ideal/economic replacement age. This
11 is a starting point and is further refined by looking
12 at the specific assets chosen as candidates for
13 replacement. Based on that review, the Company may
14 either retain an asset that has performed better than
15 its peer group or accelerate the replacement of an
16 asset that is performing poorly. For instance, the
17 current expected life-cycle analysis for utility
18 trucks indicates it is efficient to replace them
19 roughly every eight years.
20 The Company considers age, maintenance, history,
21 usage, and technology advances in considering
22 replacements. Therefore, a utility truck in Manhattan
23 used seven days a week for three shifts could be

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1 replaced before an older vehicle in Westchester that
2 has two shifts of usage in a typical week because of
3 higher usage/mileage. The final selection is made
4 jointly by Facilities and Field Services and the
5 operating areas.

6 Q. Is there any other analysis that is performed to
7 determine which vehicles should be replaced?

8 A. Yes. Con Edison incorporates the factors identified
9 above into a prioritization model for XM-2 spending.
10 In the prioritization model, the vehicles identified
11 as "beyond life-cycle" are rated using transportation
12 criteria (which includes vehicle life cycle age,
13 reliability, use, and cost impacts) and are then
14 prioritized for replacement.
15 The highest priority are critical heavy-duty vehicles
16 that are due for replacement and/or equipment that
17 would likely be condemned by the local repair facility
18 if a major component were to fail. Loss of this
19 equipment would result in significant incremental
20 maintenance costs and lost productive field time.
21 The next priority includes medium and light-duty
22 trucks that are past-due for replacement and would
23 impact cost and productivity, but to a lesser extent.

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1 And finally, passenger vehicles that are past their
2 normal replacement cycle represent the lowest
3 priority.

4 Q. How does the Company's Transportation group approach
5 these investments?

6 A. Yes, the Company's Transportation group periodically
7 evaluates the life-cycle model described earlier. In
8 some cases, Transportation employees have been able to
9 work with manufacturers and engineers to improve
10 designs and remove common causes of failures. For
11 instance, in 2019, Con Edison's engineers improved the
12 design of its utility trucks with a built in winch.
13 The improved design, which incorporated a smaller
14 chassis and body design, allowed for the purchase of a
15 lower gross vehicle weight rated (GVWR) chassis and
16 reduced the overall procurement cost by approximately
17 9 percent per vehicle. In addition, by competitively
18 bidding large contracts to multiple vendors and
19 negotiating volume discounts with the major original
20 equipment manufacturers, the Company leverages its
21 buying power, reducing the up-front cost of the
22 equipment for both Con Edison and O&R. These factors
23 reduce initial cost and maintenance, all of which

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1 translate into being able to prolong the life of our
2 assets and/or maximize the effect of our capital
3 replacement programs. Furthermore, we continue to
4 monitor and analyze our fleet size and seek to right-
5 size the number of vehicles in our fleet.

6 Q. Are there any factors that increase the initial
7 purchase cost of Transportation assets?

8 A. Yes, the EPA continues to require diesel-emission
9 engine control equipment for new vehicles, the most
10 recent changes being 2021. In previous years, these
11 diesel emissions components added approximately
12 \$15,000 to the purchase price of every diesel vehicle.
13 The Company annually purchases about 150 diesel
14 vehicles that are affected by these regulations, which
15 have added a total cost of approximately \$2.0 million
16 annually. In addition, new safety and operational
17 features, such as, cameras, sensors and fall
18 protection, have added additional cost to the medium
19 and heavy duty fleet. Finally, to comply with the NYS
20 Zero Emissions 2035 goal and the Company's clean
21 energy commitment, we have developed a strategy to
22 electrify all light-duty vehicle by 2035, with 80%
23 electrified by 2030. We have identified approximately

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1 600 light-duty vehicles that we will seek to electrify
2 in RY1 to RY3. This program incurs addition capital
3 vehicle cost, up to 200% per unit, verses a
4 conventional gasoline powered counterpart.

5 **XM-4**

6 Q. Please describe the category of equipment known as XM-
7 4.

8 A. Under the XM-4 Budget Con Edison replaces Shop
9 Equipment at the Van Nest Shops Operations Facility,
10 the Transformer Shop in Astoria, the Transportation
11 Garages and the Electric Operations Metering Facility
12 located at Van Dam Street in Long Island City. The
13 equipment includes floor grinders, compressors,
14 lathes, milling machine, scribers, brazing and welding
15 equipment, Computerized Numerical Control (CNC)
16 machinery, jib cranes and hoists.

17 Q. How much does the Company plan to spend from RY1 to
18 RY3 in this category?

19 A. We expect to spend approximately \$0.36 million
20 annually in RY1, RY2 and RY3 for XM-4 equipment. The
21 spending levels for each separate category are listed
22 in the White Paper entitled "XM-4" in Exhibit __ (SSP-
23 1).

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1 **III. RESEARCH AND DEVELOPMENT**

2 Q. Please describe the R&D organization.

3 A. The R&D organization conducts R&D efforts for Con
4 Edison and O&R. R&D is organized by energy commodity,
5 with an emphasis on projects that align with the
6 Company's Clean Energy Commitment while also
7 furthering the Company's objectives: (1) reduce risk
8 and enhance public and employee safety; (2) increase
9 operational performance and flexibility; and (3)
10 enhance customer experience and engagement. R&D,
11 guided by corporate goals and objectives, and in
12 consultation with other Company organizations,
13 determines priorities, and develops the portfolio.

14 Q. What is the purpose of Con Edison's R&D program?

15 A. Con Edison's energy systems require continual
16 modernization and reinforcement at all levels,
17 including transmission and distribution, to provide
18 safe and reliable service and facilitate the clean
19 energy future. R&D assesses projects that consider
20 factors that are unique to our system, such as the
21 significant population and energy infrastructure
22 density of the Company's service area. Energy
23 infrastructure density refers to the significant

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1 underground urban congestion of high-load density,
2 large underground secondary network electric systems,
3 and the multi-layered underground infrastructure of
4 gas and steam pipes. This, in addition to their close
5 proximity to water lines, telecommunication lines,
6 sewer piping, subway infrastructure, and vehicular
7 infrastructure, make any improvement or repair more
8 complicated and time consuming.

9 Q. Why does the Company itself undertake R&D?

10 A. It has been the Company's experience that
11 manufacturers are not willing to unilaterally develop
12 technologies for challenges unique to the Company
13 without any broader market potential. To stimulate
14 development, the Company has found that it needs to
15 fund research, often through full-scale demonstrations
16 and pilot programs, in collaboration with partners
17 where possible, to prove feasibility for concepts of
18 value to the Company and its customers.

19 Q. Was a document, entitled "Shared Services - Research &
20 Development - O&M," Exhibit ___(SSP-2), prepared under
21 your direction and supervision?

22 A. Yes, it was, MARK FOR IDENTIFICATION AS
23 EXHIBIT___(SSP-2)

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1 Q. How is the R&D portfolio developed?

2 A. R&D develops and prioritizes a combination of internal
3 and external R&D projects in conjunction with the
4 operating organizations. In addition to evaluating
5 past successes and/or failures, Con Edison continually
6 refines the portfolio to reflect new challenges to the
7 Company and to better define needs, such as improving
8 resiliency or planning for distributed generation,
9 storage, and building management systems.

10 Q. Please explain how Con Edison's R&D portfolio is
11 established and managed.

12 A. First Con Edison determines whether a project meets
13 the Commission's definition of R&D. R&D analyzes each
14 potential project, with expected advantages reviewed
15 against financial resources required for successful
16 project development. The analysis considers:

17 (1) The probability of achieving success in a
18 reasonable time period;

19 (2) the qualitative and quantitative benefits of
20 conducting the project(s);

21 (3) the cost of deploying the project if the
22 research is successful.

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1 Con Edison uses these and other metrics, such as risk
2 mitigation, to select and prioritize projects. Con
3 Edison concurrently develops and reviews Electric, Gas
4 and Steam R&D activities, and their programs and
5 budgets, to avoid duplication and identify potential
6 synergies with other R&D programs. There are, for
7 example, potential synergies across commodities for
8 EH&S tools, inspection techniques, damage assessment,
9 weather impact forecasting, sensors, and
10 communications. The project portfolio is then
11 reviewed and approved by the R&D Leadership Team.

12 Q. How often is the portfolio reviewed?

13 A. Con Edison reviews the R&D portfolio on a quarterly
14 basis to assess the status of existing projects and
15 the potential to include new ones.

16 Q. Please provide recent examples of successful R&D
17 projects.

18 A. The Company has a long history of successful R&D
19 project completions. Projects that have improved our
20 Electric operations in the past two years include:
21 1. Developed and demonstrated the use of factory-
22 pre-made Carbon Fiber Wrap (CFW) Sleeve to
23 replace the manually intrusive CFW repair process

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- 1 for dielectric fluid leak in underground High-
2 Pressure Fluid-Filled Transmission (HPFF) pipes.
3 The use of this repair sleeve provides benefits
4 that include quality and productivity
5 improvements in the CFW repair process.
- 6 2. Developed and demonstrated the use of a remote
7 breaker racking system, which will protect
8 station operators from arc flash hazards and
9 possible soft tissue injuries when handling
10 medium voltage circuit breakers that weigh up to
11 800 pounds. The semi-autonomous robotic device
12 was demonstrated in a substation, and at
13 DistribuTECH 2020, a leading electric
14 transmission and distribution event.
- 15 3. Developed and demonstrated the use of a safety
16 device that can be placed inside medium voltage
17 switchgear cubicle to safely and efficiently
18 perform cubicle inspections, maintenance and
19 repairs, without taking bus outages. This device
20 was also demonstrated at DistribuTECH 2020 and is
21 now deployed for use at Company substations.
- 22 Q. Please describe some recent successful gas projects
23 conducted under the current program.

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- 1 A. Successful gas R&D projects in the past two years
2 include the following:
- 3 1. Evaluated the Zero Emission Vacuum and Compressor
4 (ZEVAC) on medium and high-pressure main
5 replacements as a means of avoiding releasing
6 natural gas to the environment. The device was
7 determined to be effective and additional units
8 were purchased by Gas Operations for deployment.
 - 9 2. Developed the Emergency Main Shut-Off System
10 ("EMSOS") for large diameter, low-pressure
11 metallic mains. EMSOS serve as a lower cost
12 alternative to installing isolation valves by
13 providing an alternative means for main isolation
14 during emergencies. Con Edison also completed
15 the final technology deployment and
16 commercialization phase for EMSOS that includes
17 creating O&M procedures and engineering diagrams,
18 conducting training activities, and supporting
19 initial field deployments.
 - 20 3. Tested and evaluated a thermally activated gas
21 shutoff safety device for customer meter
22 installations. The device automatically shuts
23 off gas flow upon sensing heat from events such a

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1 fire. The device was determined to be effective
2 and is now integrated into our gas meter set
3 standards providing medium and high-pressure
4 service.

5 Q. Are all R&D projects successful?

6 A. No. Because of the nature of R&D, some projects do
7 not result in a successful product and the Company
8 cannot know in advance how any project will turn out.
9 To address that challenge, most projects are conducted
10 in phases to reduce the risk of overcommitting
11 resources in advance.

12 **R&D O&M Program Changes**

13 Q. Is Con Edison projecting a change in R&D expenditures
14 for RY1, RY2, and RY3 in relation to the level of
15 expenditures in the twelve months ending September 30,
16 2021 ("Historic Year")?

17 A. Yes. We are requesting increases of \$2.50 million in
18 RY1, \$2.25 million in RY2 and \$1.75 million in RY3 in
19 the electric R&D funding level for implementing two
20 program changes. We are not requesting an increase in
21 the gas R&D funding level in RY1, RY2 and RY3.

22 Q. What are the two program changes?

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1 A. They are: (1) development of a prototype of an all-
2 electric version of three medium/heavy duty trucks,
3 i.e., a digger derrick truck, flush truck, and cable
4 truck; and (2) development of an underground primary
5 distribution feeder splicing machine.

6 Q. On the first program volume change, why is there a
7 need to develop electric prototypes of medium/heavy
8 duty trucks?

9 A. Con Edison has committed to electrify 100% of its
10 light-duty vehicle fleet by 2035, with 100% of our new
11 light-duty vehicles purchases being electric vehicles.
12 To fully eliminate the use of fossil fuels for our
13 vehicle fleet, however, we need to address our
14 medium/heavy duty utility trucks. Currently, there
15 are no electric medium/heavy duty utility trucks
16 commercially available in the market for purchase. As
17 a result, Con Edison seeks to lead the industry and
18 also move towards our clean energy commitment of fleet
19 decarbonization by pursuing the development of a
20 prototype of three of the most commonly used
21 medium/heavy duty utility trucks, which are the digger
22 derrick truck, flush truck, and cable truck. The
23 funding requested would allow Con Edison to be part of

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1 the development and design process for these types of
2 trucks.

3 Q. Please describe specifically how Con Edison will be
4 part of the design and development process.

5 A. Con Edison will work closely with one or more vendors
6 to design and develop the electric truck prototypes.
7 In designing these trucks, we will specify their
8 requirements, such as minimum hours of continuous
9 operations under various operating modes, maximum
10 allowable time for recharging, and the need to be at
11 least comparable in performance to their conventional
12 fossil-fueled counterpart. In the development phase,
13 we will oversee the activities of the vendor(s) to
14 ensure the development will result in the final
15 products as designed.

16 Q. Do you have an exhibit that provides additional
17 information on the development of a prototype of an
18 all-electric version of three medium/heavy duty
19 trucks?

20 A. Yes. Additional information is shown in Exhibit ____
21 (SSP-2) on the pages entitled "Medium Heavy Duty
22 Electric Truck."

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1 Q. On the second program change, please describe the
2 initiative to develop the underground primary
3 distribution feeder splicing machine.

4 A. In this initiative, Con Edison, Exelon, and Prysmian
5 will partner together on a multi-year project to
6 develop an industry first autonomous splicing machine
7 that will perform at minimum a one-way, one-way
8 straight splice.

9 Q. What are the benefits of this splicing machine?

10 A. Benefits include: (1) enhancing the safety of
11 employees, (2) improving the quality and longevity of
12 splices by producing consistent quality products with
13 less variation than those completed by human beings,
14 and (3) significantly reducing the amount of time
15 workers must spend in underground electrical enclosed
16 spaces.

17 Q. Do you have an exhibit that provides additional
18 information regarding the development of an
19 underground primary distribution feeder splicing
20 machine?

21 A. Yes. Additional information is shown in Exhibit ____
22 (SSP-2) on the pages entitled "Underground Primary
23 Distribution Feeder Splicing Machine."

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1 we can exclusively define, for example in helping us
2 to conduct important root cause analysis of feeder
3 failures.

4 In addition, our R&D staff maintains regular contact
5 with other utilities, electric trade groups,
6 universities, technology developers and the National
7 Laboratories.

8 Q. Please provide some examples of collaborative research
9 for the electric sector.

10 A. Working collaboratively with EPRI, a working model of
11 an electronic job briefing application was developed
12 and demonstrated, providing the capability to conduct
13 live multi-user interactive job briefings with data
14 storage and retrieval. This job briefing application
15 addresses the social distancing requirements
16 associated with COVID-19 and the administrative burden
17 of preparing and filing paper documentation by
18 allowing for real time data entry. The application
19 allows the user to upload real time inputs of
20 supporting photos, notes, and history of prior work.
21 It also requires user interaction so that the user
22 understands the job and required safety requirements.
23 Finally, the application also allows the job briefing

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1 document to be electronically filed and easily
2 referenced for future review. The Company will pilot
3 this application with Electric Operations to gain
4 experience. Other collaborative research projects with
5 EPRI, CEATI and NEETRAC include: advancing distributed
6 energy resources and energy storage technologies to
7 facilitate their expansion on the electric grid,
8 enhancing the resiliency of our electric system
9 against climate change and geo- and electromagnetic
10 events, and minimizing the environmental impact of
11 dielectric fluids.

12 Q. Please describe the Company's internal R&D program for
13 the electric sector.

14 A. Con Edison's internal electric R&D program primarily
15 focuses on problems that are unique to the Company's
16 electric system. The program also focuses on the
17 development of products that the Company may need to
18 deploy in a timeframe that is earlier than that
19 required by others in our industry, such as the
20 development of the infrared borescope camera for
21 through cover inspection of our underground secondary
22 structures.

SHARED SERVICES PANEL

1 Q. Please provide some examples of the projects in the
2 Company's electric internal R&D program to be
3 undertaken in the rate years.

4 A. Projects in the Company's electric internal R&D
5 program include:

- 6 • Develop and demonstrate new technologies to
7 prevent, detect or mitigate dielectric oil leaks
8 from transmission cables and transformers.
- 9 • Explore and demonstrate new technologies, such
10 as, modeling and forecasting techniques, energy
11 storage and hydrogen to facilitate the
12 integration of large-scale renewables in support
13 of New York State's Climate Leadership and
14 Community Protection Act (CLCPA).
- 15 • Develop and demonstrate new technologies to
16 enable a smarter and more resilient distribution
17 system. This may include expanding the use of
18 the Company's Advanced Metering Infrastructure
19 (AMI) and developing sensors, algorithms, and
20 communication protocols to identify and locate
21 faults and manage loading on the distribution
22 system.

SHARED SERVICES PANEL

1 **R&D - Gas**

2 Q. Please describe the Company's collaborative research
3 efforts in the gas sector.

4 A. Con Edison works extensively with two research
5 collaboratives that include other gas companies in the
6 U.S. and Canada. These collaboratives are NYSEARCH,
7 which began in New York, and Operations Technology
8 Development ("OTD") that is part of the Gas Technology
9 Institute ("GTI"). NYSEARCH and OTD both consist of
10 member gas companies, some of which are members of
11 both groups, such as Con Edison. The Company also
12 works with the American Gas Association ("AGA") as
13 well as the United States Department of Transportation
14 Pipeline and Hazardous Materials Safety Administration
15 ("PHMSA"). Like the collaborative research on
16 electric, the R&D staff also maintains regular contact
17 with other utilities, gas trade groups, universities,
18 technology developers, and the National Laboratories.

19 Q. Please provide some examples of collaborative research
20 for the gas sector.

21 A. Working collaboratively with NYSEARCH, utilities
22 throughout the nation and government agencies, the
23 EXPLORER robots have been developed for in-line

SHARED SERVICES PANEL

1 inspection of our gas transmission mains. These
2 robotic tools enable the inspection of un-piggable
3 transmission mains without disruption in service. Un-
4 piggable mains are those that are designed with plug
5 valves and/or complex pipe bends that make using
6 standard in-line inspection tools impossible. In
7 addition, we have researched the advancement of
8 residential methane detectors, and the development of
9 non-destructive inspection and repair technology for
10 the Company's polyethylene distribution
11 infrastructure. The collaborative members for these
12 projects are GTI through its OTD program, NYSEARCH,
13 and AGA.

14 Q. Please describe the Company's internal R&D program for
15 the gas sector.

16 A. Like the Company's internal electric R&D program the
17 internal gas R&D program focuses on problems that are
18 unique to the Company's gas system and on the
19 development of products that the Company may need to
20 deploy before others in our industry do, such as
21 advanced methane detectors.

SHARED SERVICES PANEL

1 Q. Please provide some examples of the projects in the
2 Company's gas internal R&D program to be undertaken in
3 the rate years.

4 A. Projects in the Company's gas internal R&D program
5 include:

- 6 • Pursue opportunities to increase the viability of
7 low carbon fuels.
- 8 • Develop materials and procedures to minimize the
9 risk of a burnout from the electric system
10 impacting the gas system.
- 11 • Develop advanced metering infrastructure ("AMI")
12 capable devices to monitor for corrosion control
13 related field function, intrusion detection, and
14 pressure monitoring.

15 Q. Is R&D funding currently subject to a reconciliation
16 mechanism?

17 A. Yes, under the current Gas Rate Plan, Gas R&D funding
18 is subject to a downward-only reconciliation
19 mechanism.

20 Q. Is the Company proposing that Gas R&D expenditures
21 continue to be subject to reconciliation during the
22 Rate Year?

23 A. No.

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1 Q. Please explain why.

2 A. The Company does not believe that there is a
3 reasonable basis for subjecting this individual
4 element of Company expense to reconciliation and
5 certainly not to downward-only reconciliation. A
6 downward reconciliation of these programs impacts our
7 ability to pursue technological advancements by
8 reducing funding for future efforts due to short term
9 decline in expenditures.

10

11 **IV. CORPORATE SECURITY**

12 Q. Please explain the responsibilities of Corporate
13 Security.

14 A. Corporate Security's core mission is to maintain a
15 comprehensive security program that proactively
16 partners with internal groups, law enforcement, and
17 governmental and regulatory agencies.

18 To meet our mission, we have incorporated
19 comprehensive security processes to protect critical
20 infrastructure. These processes encompass a wide
21 array of functional responsibilities including:
22 policies and procedures, investigative and tactical
23 response, cyber forensic investigations, electronic

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1 security systems, physical security measures, central
2 station monitoring, compliance with governmental and
3 regulatory initiatives and standards, security
4 awareness training, and regular interaction with law
5 enforcement. We also provide oversight and guidance
6 to both Facilities and operating organizations
7 regarding physical security measures and contract
8 guard services at Company locations. Con Edison
9 recognizes its electric, gas and steam systems are a
10 critical component of the infrastructure of New York
11 City and Westchester County. To adequately safeguard
12 its facilities, Con Edison continues to incorporate
13 comprehensive security processes to protect the
14 Company, its employees, and its physical assets.

15 Q. What are the security-related projects that the
16 Company is proposing?

17 A. The Company is proposing four capital projects.

18 Q. What are the forecasted capital expenses for Security
19 programs?

20 A. The Company plans to spend approximately \$6 million in
21 RY1, \$6 million in RY2, and \$6 million in RY3 in
22 capital for four security programs.

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1 Q. Do you have an exhibit that detail the four projects
2 listed above?

3 A. Yes, this exhibit was submitted to the Commission's
4 Records Access Officer for Staff Only review.

5 Q. Was this exhibit prepared under your direction and
6 supervision?

7 A. Yes.

8 MARK FOR IDENTIFICATION AS EXHIBIT ____ (SSP-3) and (ITP-7)

9

10 **V. HUMAN RESOURCES**

11 Q. What is the HR organization responsible for?

12 A. The HR organization consists of the following groups:
13 Benefits, Compensation, Employee and Labor Relations,
14 HR Support and Employee Wellness Center ("EWC"). The
15 mission of HR is to "Advance workplace solutions,
16 safety, and services through our commitment to
17 excellence, innovation, engagement and wellness." Our
18 priorities of Ensuring Operational Excellence through
19 Process Improvements, Productivity and Compliance and
20 of Improving Safety support this mission and continue
21 to be the basis for our initiatives, programs,
22 services, and performance measures.

23 Q. What programs is HR sponsoring in this testimony?

SHARED SERVICES PANEL

1 A. HR is sponsoring one O&M program change: strike
2 contingency.

3 Q. What are the forecasted expenditure levels for the
4 strike contingency O&M program change?

5 A. The Company plans to allocate \$450,000 per rate year.

6 Q. Was a document, entitled "Shared Services - Human
7 Resources - O&M," Exhibit ___(SSP-4), prepared under
8 your direction and supervision?

9 A. Yes, it was.

10 MARK FOR IDENTIFICATION AS EXHIBIT___(SSP-4)

11 **Strike Contingency**

12 Q. Please generally describe the Company's strike
13 contingency efforts.

14 A. The Company and its two local unions, IBEW Local 3 and
15 UWUA Local 1-2 employees, have collective bargaining
16 agreements. The Local 1-2 agreement will expire in
17 June 2024 and Local 3's agreement will expire in June
18 2025. In the event of a labor stoppage, the Company
19 has a planned approach to provide for the continued
20 safe operation of its facilities and its services.

21 Q. Are there costs associated with these preparations?

22 A. Yes. The Local 1-2 and Local 3 Contingency Programs
23 are ongoing initiatives that the Company has

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1 traditionally implemented once every four years to
2 align with the end of the collective bargaining
3 agreement period. If a three-year rate plan is
4 developed, each of these contracts will potentially
5 expire during the rate plan. As a result, and since
6 recent contracts have been for four years, the Company
7 collects one-fourth of the estimated cost (i.e.,
8 \$450,000) each year. The estimated cost for strike
9 contingency is \$1.6 million for Local 1-2, and
10 \$200,000 for Local 3, or a total of \$1.8 million as
11 shown in Exhibit (SSP-4). This is based on our
12 experience with the contingency planning that occurred
13 in 2016 for Local 1-2, and in 2017 for Local 3. We
14 did not rely on the negotiations in 2020 and 2021
15 since they were conducted in abnormal conditions due
16 to the COVID-19 pandemic. Due to social distancing
17 measures, most meetings and training sessions were
18 conducted remotely, therefore the Company spent much
19 less on hotels and training. One-fourth, or \$450,000,
20 will be included in each rate year. The Accounting
21 Panel will address the proper allocation of these O&M
22 costs.

23

SHARED SERVICES PANEL

1 **VI. LEARNING & INCLUSION**

2 Q. What is the Learning and Inclusion ("L&I")

3 organization responsible for?

4 A. The L&I organization consists of the following groups:

5 Talent Management, the office of Diversity and

6 Inclusion, and TLC. The vision of L&I is: "To be a

7 leader in delivering innovative training and

8 development solutions that inspires employees to be

9 engaged and deliver their best performance to achieve

10 business excellence."

11 We will accomplish our Vision through the following

12 Mission, which is to: Deliver relevant, state-of-the-

13 art training and development options; advance

14 meaningful performance and career development

15 planning; implement optimized sourcing and recruiting

16 results; enhance technical and leadership skills and

17 competencies of our employees; foster a culture of

18 inclusion, equity and respect for all; and engage

19 employees to demonstrate behaviors that support our

20 company values

21 Our Key Areas of Focus are to: Inspire a New Culture

22 of Learning and Development; embrace innovative

23 technologies and tools; respond flexibly to learning

SHARED SERVICES PANEL

1 needs; value diversity, foster equity and advance
2 inclusion.

3 We are responsible for delivering innovative training
4 and development solutions that inspire employees to be
5 engaged and deliver their best performance to achieve
6 business excellence. Our mission is to deliver
7 relevant, state-of-the-art training and development
8 options to;

- 9 Enhance technical and leadership skills and
- 10 competencies of our employees
- 11 Foster a culture of inclusion, equity and respect
- 12 for all
- 13 Engage employees to demonstrate behaviors that
- 14 support our company values
- 15 Advance meaningful performance and career
- 16 development planning
- 17 Implement optimized sourcing and recruiting
- 18 results

19 Q. Was a document, entitled "Shared Services - Learning
20 and Inclusion - O&M," Exhibit ___(SSP-5), prepared
21 under your direction and supervision?

22 A. Yes, it was.

23 MARK FOR IDENTIFICATION AS EXHIBIT___(SSP-5)

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DEI Survey

Q. What program is L&I sponsoring in this testimony?

A. L&I is sponsoring the Diversity, Equity and Inclusion ("DEI") Survey.

Q. What are the projected costs for this program?

A. The projected O&M request is \$150,000 per rate year. The White Paper "DEI Survey" can be found in Exhibit __ (SSP-5).

Q. Why is the project important to the Company?

A. The DEI survey enables the Company to:

- Hear directly from our employees and gain their insights about our diversity, equity, and inclusion strategy
- Identify areas where we are making and have made progress and then opportunities for improvement

The results of the survey also provide us with a measure for our ongoing efforts and performance. An inclusive culture is critical for us to understand and serve our customers. A diverse workforce with varied experience fosters innovation, which fuels improvements in safety, operational excellence, and the experience of our customers.

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1 To that end, the experience of inclusion survey
2 represents one of our efforts to create a culture
3 where employees can work to their full potential, feel
4 valued and a sense of belonging. Con Edison employs
5 more than 14,000 employees with 49% diverse and 21%
6 women - we must continue to advance our efforts to
7 have our workforce reflects the demographics of the
8 markets we serve. Similarly, measuring the level of
9 employee inclusion enables the Company to better
10 support our current and future employees and fully
11 leverage talent across all dimensions of diversity.

12 **Transforming Learning Through Innovation**

13 Q. What program is L&I sponsoring in this testimony?

14 A. L&I is sponsoring one capital funding request:

15 "Transforming Learning Through Innovation."

16 Q. Do you have an exhibit with the White Paper titled
17 "Learning Inclusion Digital Learning Transformation"
18 detailing this initiative and its associated costs?

19 A. Yes.

20 Q. Was it prepared under your direction and supervision?

21 A. Yes, it was.

22 Q. What are the projected costs for this capital project?

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1 A. The projected capital request is \$5.0 million for RY1,
2 \$4.25 million in RY2, and \$3.1 million in RY3. The O&M
3 request is \$0.6 million in RY1, \$1 million in RY2, and
4 \$1 million in RY3.

5 MARK FOR IDENTIFICATION AS EXHIBIT (ITP-3).

6 Q. Why is the project important to the Company?

7 A. Con Edison will develop and implement a learning model
8 that imparts technical proficiency and leadership
9 skills to the employee through various learning
10 channels that will increase engagement, knowledge
11 retention and compliance while offering cost effective
12 training solutions across a variety of delivery
13 channels. Employees will have the flexibility to
14 learn quickly to meet the demands of changing
15 regulatory, industry, and technology environments.
16 The project includes integrating a mobile video
17 training platform (Cloud based) a content management
18 platform and ultimately the replacement of the
19 existing enterprise Learning Management System
20 (eTrain). The goal to have a state-of-the-art
21 learning program that blends our current successful
22 learning process with the appropriate digital learning
23 technologies to achieve high levels of performance.

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1 **VII. FACILITIES AND FIELD SERVICES**

2 Q. Please explain the role of Facilities and Field
3 Services.

4 A. Facilities and Field Services is a support
5 organization comprised of three major groups:
6 (1) Facilities, which provides logistical support
7 activities and maintains the Company's properties;
8 (2) Transportation Operations, which provides
9 maintenance and repairs to the corporate fleet and
10 manages the fleet vehicle replacement program; and
11 (3) Astoria Operations, which provides crane and
12 rigging services, tanker support, technical services,
13 Company-wide material delivery services, and manages
14 and operates a hazardous waste storage facility in
15 Astoria. The organization also provides logistical
16 and support services during contingent and emergency
17 situations.

18 Q. What projects and programs are Facilities and Field
19 Services sponsoring?

20 A. Facilities and Field Services is sponsoring fifteen
21 capital projects and programs and one O&M program,
22 which we have grouped into five separate project
23 categories:

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- 1 • Real Estate Strategy (four projects)
- 2 • Critical Repair and Upgrade programs and projects
- 3 (four projects/programs)
- 4 • Safety and Environmental Programs and Projects (three
- 5 projects/programs)
- 6 • Transportation Operations Projects (four projects)
- 7 • Prevailing Wage (one program)

8 Q. Have you prepared exhibits titled "Shared Services -

9 Facilities and Field Services - Capital and O&M"?

10 A. Yes, we have.

11 Q. Were these exhibits prepared under the Panel's

12 direction and supervision?

13 A. Yes, they were.

14 MARK FOR IDENTIFICATION AS EXHIBITS ____ (SSP-6)

15 Q. What are the forecasted expenditures for your

16 Facilities and Field Services Capital projects and

17 programs during RY1 through RY3?

18 A. The Company expects to spend approximately \$203.17

19 million in RY1, \$120.09 million in RY2, and \$117.62

20 million in RY3 for Facilities Capital projects and

21 programs.

22 Q. What steps does Facilities and Field Services take to

23 control costs?

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1 A. For Facilities and Field Services projects, a team
2 consisting of Engineering, Project Planning, Finance
3 Planning and Analysis, and the Department's General
4 Managers, Vice President and Senior Vice President
5 meet on a monthly basis to review the Facilities
6 project portfolio, current working estimates,
7 construction status, and to discuss any projected cost
8 under/over-runs in order to best manage the project
9 portfolio. A similar team also meets with the
10 Construction Services Department monthly to discuss
11 project cost and construction status. These meetings
12 provide an understanding of the relative position of
13 each project in the Facilities' portfolio and help to
14 allocate resources to keep projects on track and costs
15 under tight control.

16 **Real Estate Strategy**

17 Q. What does the first category of Facilities and Field
18 Services project plan support?

19 A. The Real Estate Strategy category consists of four
20 projects:(1) the Sherman Creek Service Center project,
21 (2) the Worth Street Site Master Plan, (3) the 30
22 Flatbush Lease Exit Strategy, and (4) and the Van Nest
23 Cable Lab Renovation.

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1 Sherman Creek Service Center

2 Q. What are the forecasted expenditures for the Sherman
3 Creek project during RY1 through RY3?

4 A. The total estimated project cost based on engineering
5 conceptual estimates is \$184 million. The Company
6 expects to begin construction of this project this
7 year and complete it in 2024. We plan to spend \$89.02
8 million in RY1 and \$16.16 million RY2.

9 Q. Do you have a White Paper entitled "Sherman Creek?"

10 A. Yes. Please see Exhibit SSP-6.

11 Q. What is the status of the Company's project to build a
12 new service center at Sherman Creek in northern
13 Manhattan?

14 A. As outlined in the Sherman Creek White Paper, the
15 Company is now in final negotiations with New York
16 City to construct a new service center on Company-
17 owned property in Northern Manhattan. As discussed in
18 more detail in the whitepaper, the facility is needed
19 to provide congestion relief to the existing Manhattan
20 and Bronx service centers.

21 Q. The Company first proposed this project in the 2016
22 Rate Case filing and then again in the 2019 Rate Case.
23 Why has the Company postponed the project?

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1 A. During its initial planning for the facility, the
2 Company was approached by the City of New York with a
3 proposal to include the Company's planned facility in
4 the City's rezoning of the Inwood neighborhood where
5 the facility is located. The rezoning proposal
6 provided for increased development rights on the
7 Company's two largest parcels, thereby permitting a
8 consolidation of the planned facility and for the sale
9 (once the new facility came online) of the other
10 Company-owned parcels that had originally been planned
11 as part of the new facility. By postponing design
12 development, the Company was able to work with the
13 City and achieve a significant enhancement in the
14 design.

15 Q. Why did the City approach Con Edison to make this
16 change?

17 A. In early 2017, the City advised Con Edison that it was
18 proceeding with a District re-zoning plan for Inwood,
19 which would include six Con Edison owned lots located
20 on either side of 9th Avenue between West 202nd
21 and West 205th Street. Under the re-zoning plan, the
22 City proposed zoning modifications that would allow
23 Con Edison to consolidate the construction of the new

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1 Sherman Creek service center from five lots as
2 initially designed onto two lots (Lots 1 & 20) to the
3 east of 9th Avenue. This benefitted the City in three
4 ways. First, due to Con Edison consolidating the new
5 service center onto two lots, the City would be able
6 to "upzone" three of the remaining four lots from
7 manufacturing to mixed use/residential use. Upon
8 completion of the new Service Center, Con Edison
9 agreed to market the remaining surplus lots for sale
10 at (the increased) fair market value for development
11 by others, including for affordable housing, which was
12 a key objective of the re-zoning plan. Second,
13 consolidating Con Edison's operations onto the two
14 lots to the south of 204th Street would help the City
15 to create a 'buffer' between manufacturing type uses
16 to the south of Inwood and commercial and residential
17 uses to the north. Lastly, Con Edison and the City
18 negotiated the transfer of various property rights,
19 including Con Edison granting the City an easement
20 along the waterfront of Con Edison owned lots between
21 Academy Street and West 202nd Street to improve public
22 access to the Harlem River. This will facilitate the

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1 City's future construction of a waterfront esplanade
2 for the neighborhood's residents.

3 The City's District Rezoning application was formally
4 certified in January 2018, which initiated a formal
5 seven-month Uniform Land Use Review Procedure
6 ("ULURP") process that culminated with an approval of
7 the Inwood rezoning proposal in August 2018. However,
8 in December 2018, a local advocacy group 'Inwood Legal
9 Action' filed a lawsuit challenging the Inwood
10 District Rezoning and in December 2019 the State
11 Supreme Court ruled against the City and vacated the
12 rezoning. In January 2020, in response to the ruling,
13 Con Edison cancelled the Design-Build procurement and
14 put all project activities on hold pending appeal. In
15 July 2020, the Appellate Division of the State Supreme
16 Court reinstated the Inwood District rezoning. The NY
17 State Court of Appeals denied further review.

18 Accordingly, the District rezoning was fully
19 reinstated in November 2020. The next month Con
20 Edison Supply Chain re-started the Design-Build
21 procurement process by re-engaging with the low-bid
22 Design-Builder subject to the vendor standing by the
23 commercial terms previously negotiated during the

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1 competitive bid selection process. Con Edison also
2 immediately re-engaged with Economic Development
3 Corporation ("EDC") to negotiate and document the
4 transfer of the various property interests between the
5 City and Con Edison approved under the Inwood District
6 Rezoning, including an easement to be granted to Con
7 Edison to construct a bridge over 203rd
8 Street that is critical for connecting the two service
9 center buildings.

10 Q. What is the current status of the project and when is
11 the anticipated project completion date?

12 A. As of November 2021, Con Edison continues to negotiate
13 with the City with the goal of finalizing the transfer
14 of the various property interests in the first quarter
15 of 2022. Assuming a Purchase Order ("PO") award to
16 the Design-Builder in the second quarter 2022, the
17 anticipated project completion is now mid-2024.

18 Q. What was Con Edison's estimated cost for Sherman Creek
19 in its 2019 rate filing?

20 A. Con Edison forecasted a spend of \$110 million for 2020
21 to 2022. Due to the delays discussed above, Con
22 Edison spent \$36,723 in 2020 and \$169,737 in 2021.

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1 Q. Do you anticipate using any funds in 2022 for Sherman
2 Creek?

3 A. Yes, the Company plans to spend \$75.6 million in 2022.

4 Q. Has the Company reallocated the remaining funds?

5 A. The remaining funds were shifted to infrastructure
6 projects following the Company's capital allocation
7 process.

8 Q. The estimated project cost has increased from the
9 estimate in the last rate case filing. Why?

10 A. As of November 2021, the capital project budget has
11 increased from \$155 to \$184 million, based on updated
12 cost estimates submitted by the low-bid design-builder
13 for the design and construction of the facility
14 following a competitive Request For Proposal ("RFP")
15 process. The cost increased due to these additional
16 scope items: seismic foundation design as required by
17 Code based on geological site conditions; all-electric
18 HVAC aligned with Con Edison's sustainability goals;
19 the cost to maintain two separate tax lots, which
20 requires separate incoming utilities and building
21 systems; and cost escalation due to pandemic-related
22 supply chain constraints.

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1 Q. Are there any O&M costs associated with the proposed
2 Sherman Creek Service Center?

3 A. Yes. Once built, this new facility will require
4 maintenance associated with the capital project. The
5 projected O&M costs are \$1.8 million in 2024 and \$2.5
6 million in 2025.

7 Worth Street Site Master Plan

8 Q. Please explain the Worth Street Site Master Plan.

9 A. The Worth Street Site Master Plan is a two-stage
10 evaluation of the approximately eight-acre Company-
11 owned site at 267 Saw Mill River Road, Yonkers
12 (commonly known as 'Worth Street'). Stage One
13 comprised a comprehensive site analysis to document
14 existing site conditions including zoning, topography,
15 site drainage and geotechnics. Stage Two will provide
16 the blue-print to develop coordinated engineering,
17 filing and construction packages for: (1) the
18 relocation and construction of a new service center
19 building (\$25 million) out of the flood plain; (2) re-
20 location of the fuel station to improve site
21 circulation, if warranted following further
22 investigation(\$4 million); (3) improved site ingress
23 and egress to address congestion and delays at peak

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1 hours(\$4 million); (4) site security improvements,
2 including perimeter fencing (\$6 million); (5) site
3 drainage improvements (\$5.2 million); and (6) other
4 improvements to improve vehicular and pedestrian
5 safety (\$9.1 million). The service center program
6 will also incorporate the primary Gas Control Center,
7 currently located at another Company location.

8 Q. How much will the Site Master Plan cost?

9 A. The current working estimate based on preliminary
10 square footage program information and historic costs
11 for similar work at other Company locations is
12 approximately \$59.5 million. The cost estimates of
13 the project elements comprising the Site Master Plan
14 will be further refined during stage two of study.

15 Q. What are the projected rate year costs?

16 A. The projected cost is \$15.43 million for RY1, \$25.07
17 million for RY2, and \$7.27 million for RY3.

18 Q. Do you have a White Paper entitled "Worth Street
19 Master Plan New Construction?"

20 A. Yes. Please see Exhibit SSP-6.

21 Q. How does the Worth Street Site Master Plan fit into
22 the Company's overall strategy?

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1 A. The Site Master Plan is aligned with the Company's
2 real estate strategy to optimize Company-owned
3 property assets. The proposed construction of a new
4 service center provides the opportunity to locate the
5 building above the flood zone in accordance with Con
6 Edison's Climate Change Planning and Design Guideline.
7 The Site Master Plan will also align with the
8 Company's sustainability goals. For example, the HVAC
9 system for the new service center building will be
10 all-electric. In addition, the site infrastructure
11 will be upgraded as needed to support the planned
12 electrification of the Company's small vehicle fleet.
13 The potential for battery storage and solar
14 installations on site will be evaluated during the
15 Stage Two Site Master Plan Study.

16 Q. Why are you requesting funding for the Worth Street
17 Site Master Plan itself and not for the individual
18 projects themselves?

19 A. We are requesting funding for the Site Master Plan as
20 the individual projects are inter-connected and must
21 be presented to the City of Yonkers and New York State
22 Department of Environmental Conservation ("NYSDEC")
23 under the State Environmental Quality Review Act

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1 (SEQRA) as a cohesive site plan application. Separate
2 applications for individual projects under a planned
3 site development, termed 'segmentation', are
4 prohibited under SEQRA.

5 Q. Please explain why you are not renovating the existing
6 service center building rather than incurring the cost
7 to demolish and construct a new building?

8 A. Initially, the capital project plan for Worth Street
9 anticipated the renovation of the existing service
10 center (known as 'Building One'). However, in 2019,
11 after receiving renovation bids and out of concern
12 that costs would increase, the Company suspended
13 renovation. Specific concerns included the potential
14 significant cost to repair severely frost/water
15 damaged exterior brickwork; replace life-expired roof
16 covering; the mitigation of widespread mold to
17 bathrooms and occupied offices and the known presence
18 of asbestos throughout the premises. The renovation
19 bid costs (not including possible additional costs
20 that may be incurred as the structure was fully
21 exposed as the work progressed) were comparable to the
22 estimated cost to build a new facility (currently
23 estimated at \$1,000/SF for budgeting purposes). As

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1 such, the Company decided to evaluate alternative new-
2 build options for a modern service center, ideally
3 located outside the Saw Mill River flood zone, that
4 was not constrained by the limiting layout and
5 condition of the original 1920's building.

6 Q. Where are the employees being accommodated while you
7 plan for the new service center construction??

8 A. In planning for the renovation of Building One, the
9 project plan originally anticipated the need to
10 temporarily relocate employees into 'swing space'
11 accommodation during the gut renovation work.
12 However, due to the deteriorating condition of the
13 building and concern for the health and safety of our
14 employees due to damp and mold conditions, the
15 decision was made to pursue the original plan to
16 vacate the building and locate employees in temporary
17 accommodation pending the construction of the new
18 service center.

19 Q. Why can't the employees remain in the temporary office
20 accommodation indefinitely?

21 A. The City of Yonkers granted temporary approval for the
22 office and bathroom accommodation on the understanding
23 the facilities were only required as an interim

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1 measure until the project construction work is
2 complete. The associated permit is currently being
3 extended every six months. Upon completion of the
4 project, we are required under the terms of the permit
5 to remove all temporary accommodation in compliance
6 with City code.

7 Q. How long do you anticipate the Site Master Plan
8 process will take?

9 A. Assuming the Site Master Plan is approved in mid-2022,
10 the current schedule assumes engineering in 2023, with
11 phased construction activities through to 2026. The
12 phasing of each project element will be subject to
13 review upon completion of the Stage 2 Site Master Plan
14 Study.

15 Q. Why is Worth Street an important location for the
16 Company?

17 A. Worth Street is ideally located to provide access to
18 both Southern Westchester and northern Bronx. At
19 approximately eight acres, the site can safely
20 accommodate multiple uses including employees with
21 vehicle parking and material lay-down requirements.

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1 30 Flatbush Avenue Lease Exit Strategy.

2 Q. Please explain the 30 Flatbush Avenue Lease Exit
3 Strategy project?

4 A. The 30 Flatbush Ave Lease Exit Strategy project
5 comprises the work required to be able to exit the
6 leased premises at 30 Flatbush Avenue, Brooklyn in
7 advance of the lease expiration in November 2027. In
8 summary, the project scope comprises the relocation of
9 the Regional Electric Control Center to a Company-
10 owned location; the migration of Customer Operations
11 Call Center Operations to a virtual operating model
12 and various alterations and upgrades to Company-owned
13 facilities to receive approximately 420 employees from
14 30 Flatbush before the end of the current lease.

15 Q. What are the projected rate year costs?

16 A. The projected cost is \$5.48 million in RY2, and \$35.84
17 million in RY3.

18 Q. Do you have a white paper entitled "30 Flatbush Avenue
19 - Lease Exit Strategy"?

20 A. Yes. Please see Exhibit SSP-6.

21 Q. Can you please explain why the Company has decided to
22 exit the lease at 30 Flatbush Avenue, Brooklyn, NY at
23 the end of the current term in November 2027 rather

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1 than exercise its final option to extend its tenancy
2 through 2037?

3 A. There are four main reasons for the decision to exit
4 the lease at the end of the current term in 2027:

5 1. Occupancy Cost forecast to Increase - the current
6 annual cost to occupy 30 Flatbush Avenue, including
7 rent, taxes and Facilities' related costs is
8 approximately \$10 million. However, if the Company
9 exercises the option to extend the lease for another
10 ten years, it is anticipated that the office rent
11 (currently below market) will be reset to 95% of fair
12 market value. Assuming a step-increase in rent and
13 anticipated increases in other Facilities' related
14 costs, the annual occupancy cost is forecast to
15 increase from \$10 million to approximately \$15 million
16 in 2027. The aggregate cost to extend our occupancy
17 through 2037 would then be approximately \$200 million.

18 2. Cost Risk associated with Triple Net ("NNN") Lease -
19 The lease is on NNN terms and Con Edison is
20 responsible for all repairs and maintenance required,
21 including any improvements required to remain in
22 compliance with updated building code and local laws.
23 Due to the age and type of construction of the

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1 building, there is significant additional cost risk to
2 Con Edison if our occupancy were extended through
3 2037. For example, if Con Edison does not exit this
4 lease in 2027 and extends the lease to 2037, the
5 Company may be liable for building upgrades required
6 to achieve emissions reductions and energy efficiency
7 goals by 2030 to comply with Local Law 97. Con Edison
8 currently estimates that the cost of bringing 30
9 Flatbush into compliance is \$10 million; however, the
10 potential cost risk associated with extending the
11 lease could range significantly depending on the
12 outcome of further engineering studies and
13 negotiations with the landlord.

14 3. Landlord's Development Plans - In 2019, the Landlord's
15 interest was acquired by Robert L. Stark Enterprises,
16 Inc., a Cleveland-based real estate development
17 company. Before the pandemic, Stark indicated to Con
18 Edison its intention to further develop the site,
19 including possibly renegotiating Con Edison's lease to
20 allow the developer to add floors to the existing
21 building in order to maximize the available
22 development rights. Stark's development plans for the

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1 property, and any impact on the Company's tenancy,
2 remain uncertain at this time.

3 4. Less Office Space Required - currently, approximately
4 950 Con Edison employees report out of 30 Flatbush
5 Avenue. However, the Company's office needs continue
6 to evolve in response to the pandemic and
7 technological advances that have supported remote
8 working successfully for the past two years and which
9 are expected to continue as the Company adopts more
10 flexible 'hybrid' work arrangements. It is
11 anticipated that approximately 500 customer service
12 representatives or 56% of the current 30 Flatbush
13 Avenue headcount will continue a 'home-agent' work
14 arrangement, greatly reducing the need for office
15 space. In addition, Con Edison continues to evaluate
16 more flexible office-based practices and it is
17 anticipated that the overall need for office space
18 will reduce as employees adopt a hybrid work model.

19 Q. What is your strategy to relocate the Regional
20 Electric Control Center currently located at 30
21 Flatbush Avenue?

22 A. Electric Operations is currently evaluating
23 alternative Company-owned locations to construct a new

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1 Control Center in support of the lease exit strategy.
2 The Company-owned locations currently being considered
3 to receive the Regional Electric Control Center
4 include Rye Headquarters and Third Avenue Service
5 Center. The estimated cost to construct a new 15,000
6 square foot control center, including associated IT
7 infrastructure at the selected location, is
8 approximately \$38.5 million.

9 Q. What is your strategy to relocate the Customer Call
10 Center including approximately 500 customer
11 representatives?

12 A. Currently, approximately 500 Customer Operations
13 employees report out of 30 Flatbush Avenue. The
14 Organization successfully implemented a 'home agent'
15 operating model and Customer Operations recently
16 reached an agreement with Local 1-2 Leadership to
17 continue the home agent model and plans to move
18 permanently to a virtual operation in the future.
19 This project includes the cost to relocate existing IT
20 infrastructure from 30 Flatbush Avenue to other
21 Company-owned location(s) to support a virtual call
22 center operation. The estimated cost to relocate and
23 upgrade existing IT infrastructure serving 30 Flatbush

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1 Avenue and migrate to a virtual call center model is
2 approximately \$12.6 million.

3 Q. In addition to the employees associated with both the
4 Regional Electric Control Center and the Customer Call
5 Center, what is your strategy to relocate the balance
6 of employees who currently report out of 30 Flatbush
7 Avenue?

8 A. A total of approximately 950 employees currently
9 report out of 30 Flatbush Avenue - approximately 500
10 working in Customer Operations and 450 primarily in
11 Electric Operations. Following the permanent move to
12 a virtual call center model, Customer Operations
13 anticipates that approximately 450 employees will work
14 remotely full-time. This project includes minor
15 alterations and upgrades at other Company-owned
16 properties to be able to receive approximately 50
17 Customer Operations employees who will likely continue
18 to report to an office location. In addition, this
19 project includes for other alterations and upgrades to
20 make-ready Company-owned properties to receive the
21 balance of the approximately 420 employees, (excluding
22 those employees assigned to the Regional Control
23 Center), who currently report out of 30 Flatbush

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1 Avenue. The full scope of alterations and upgrades
2 required to prepare receiving locations is currently
3 being evaluated but is anticipated to include internal
4 alterations and upgrades including architectural,
5 lighting, fire protection, HVAC improvements and new
6 furniture at Third Avenue and internal architectural
7 alterations, restacking and new furniture at other
8 potential locations including 4 Irving Place, Rye HQ
9 and Davis Avenue. Based on early concept plan layouts
10 and approximate \$/square foot costs using adjusted
11 historic costs for similar scope of work, the
12 estimated cost to receive employees at receiving
13 locations is approximately \$33.8 million.

14 Van Nest Cable Lab Renovations

15 Q. Why is this project required?

16 A. This project will allow for an exit of the 1601
17 Bronxdale Avenue leased premises no later than
18 February 2023 to support the Company's real estate
19 strategy to optimize the use of Company-owned
20 facilities, reduce lease costs and to coincide with
21 the landlord's planned redevelopment of the property.
22 Relocation space is needed to receive the
23 approximately 440 office and field employees in

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1 Bronx/Westchester Electric Operations, Customer
2 Operations, Construction, Gas Engineering, Meter and
3 Test, Corporate Security, and Facilities and Field
4 Services that are currently housed at that leased
5 location.

6 Q. What are the estimated annual costs that will be
7 avoided by exiting the 1601 Bronxdale Avenue lease?

8 A. The current annual cost to lease 1601 Bronxdale Avenue
9 is approximately \$1.3 million. If the equivalent
10 space were to be leased from 2023, (assuming suitable
11 space were even available locally), the projected rent
12 would likely increase significantly. The use of
13 Company-owned space avoids such lease costs.

14 Q. What are the projected rate year costs?

15 A. The projected cost is \$5.52 million in RY1.

16 Q. Do you have a white paper entitled "Van Nest
17 Renovations"?

18 A. Yes. Please see Exhibit SSP-6.

19 **Critical Repairs and Upgrade Projects and Programs**

20 Q. What does the next category of Facilities and Field
21 Services capital spending plan support?

22 A. The capital spending plan supports:

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1 o Critical Infrastructure - Short Term Priority
2 Projects and Programs

3 o Roof Program Projects

4 o Service Center Renovation and Storeroom
5 Modernization Program

6 o Facility Security Program Upgrades

7 Q. Please explain the critical repair and upgrade
8 activities of the Facilities group.

9 A. Facilities plans, directs, and controls the
10 maintenance of all building systems and the day-to-day
11 building and yard operations at Company-owned and
12 leased office buildings and service centers. With the
13 assistance of Central Engineering - Facilities
14 Engineering, we also perform periodic assessments and
15 inspections of all buildings and, if necessary,
16 prepare corrective action plans, so that critical
17 building systems are operated and maintained
18 appropriately.

19 Q. Please discuss the projected Facilities capital
20 spending level and why it is necessary to modernize,
21 upgrade, and improve the Company's facilities.

22 A. Most of the Company's facilities were constructed
23 between 20 and 65 years ago or more. Projects set

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1 forth in the Exhibit are needed to correct potentially
2 unsafe conditions, address environmental issues,
3 comply with local, state, or federal regulatory
4 requirements/building codes, maintain the structural
5 integrity of the buildings, improve the overall
6 condition of the buildings, and guarantee that the
7 various equipment and systems required to operate
8 these facilities are functional, economical, and
9 practical.

10 Q. How does Facilities minimize costs?

11 A. Facilities minimizes costs in two ways; both relate to
12 the proper identification and then strict monitoring
13 of projects and their associated costs. With the
14 assistance of Central Engineering - Facilities
15 Engineering, Facilities identifies its projects via
16 periodic programmatic assessments, such as the
17 Facilities Roof Inspection, Steel/Concrete/Façade
18 Inspection, Emergency Diesel Generator and Electrical
19 System, Bathroom/Locker Room and HVAC Evaluation
20 Programs, which the Company periodically performs.
21 The Company also uses the Engineering Service Request
22 ("ESR") process, which evaluates a particular problem,
23 assesses various solution options, and then provides a

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1 conceptual scope of work/budgetary order of magnitude
2 cost estimate. Facilities uses this information to
3 prioritize projects according to the following program
4 categories: "compliance", "critical infrastructure -
5 short term priority", "critical infrastructure -
6 programs", "roof,", "energy efficiency", and "service
7 center renovation". By studying, evaluating, and
8 assessing the condition of equipment and systems,
9 developing work scopes and cost estimates, and
10 categorizing and prioritizing projects accordingly,
11 Facilities develops an understanding of where to most
12 effectively allocate its project funding and
13 resources.

14 Critical Infrastructure - Short Term

15 Priority Projects and Programs

16 Q. Are there additional categories of projects that need
17 to be undertaken?

18 A. Yes. There are two categories of work performed under
19 Facilities Buildings and Yards - Critical
20 Infrastructure, which are broken down into either
21 Short-Term Priority "Projects" or "Programs". This
22 category has a white paper included in Exhibit ____

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1 (SSP-6), entitled "Facilities Critical Infrastructure
2 Short Term Priority/Program".

3 Q. How much is the Company planning on spending in this
4 critical infrastructure category for short term
5 priority projects and other programs during RY1
6 through RY3?

7 A. In RY1, we project expenditures of \$16.98 million; in
8 RY2, we project to spend \$16.98 million; and in RY3,
9 we project to spend \$20.58 million.

10 Q. Do you have a White Paper entitled "Facilities
11 Critical Infrastructure Short Term Priority/Programs"?

12 A. Yes. Please see Exhibit SSP-6.

13 Q. Please first describe the projects under Critical
14 Infrastructure - Short Term Priority Projects
15 (emergent).

16 A. These are projects that we have initiated because they
17 are deemed necessary to maintain the structural
18 integrity of the Company's Facilities' buildings, to
19 allow them to operate as designed, or to protect
20 critical equipment (e.g., high maintenance or obsolete
21 HVAC systems, LAN Room AC Installations, Yard Paving).
22 We add Critical Infrastructure Short Term Priority
23 projects to the list as ESRs are completed, equipment

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1 nears end-of-life, or programmatic assessments are
2 performed that deem these projects as high priority.

3 Q. Can you please provide examples of some of these
4 short-term priority projects?

5 A. Yes. Examples of projects in this category involve
6 rehabilitating severely corroded building and yard
7 drainage systems and roof parking access ramps,
8 rehabilitating building envelopes such as facades,
9 windows, and exterior walls, performing yard paving
10 and/or resurfacing, and replacing or refurbishing
11 failing and problematic HVAC systems. There are
12 several projects currently listed in this category for
13 the rate years, however history has shown that
14 additional projects may arise that need to be
15 undertaken on an expedited basis. The Critical
16 Infrastructure Short-Term Priority projects category
17 is a contingency fund for such emergency situations.
18 Examples of past short-term priority capital projects
19 include:

- 20 • 3rd Ave Yard Stores Building 1 - Remediation of
21 Cracks on Building Walls for \$2.4 million.
- 22 • Irving Place - Sidewalk Concrete/Structural
23 Rehabilitation and Water Intrusion for \$0.4 million

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- 1 • Irving Place - Replacement of Chilled Water
- 2 Distribution Risers and add Strainers for \$1.24
- 3 million

4 Q. Now, please describe the projects under Critical
5 Infrastructure - "Programs" (programmatic, lower
6 priority).

7 A. These capital programs are also intended to maintain
8 and improve overall conditions at the buildings and
9 yards as well as maintain the facilities.

10 We list projects in the Critical Infrastructure -
11 Programs Category either as a result of a completed
12 ESR or program assessment or based on engineering or
13 historical knowledge of the systems and equipment
14 (e.g., since the expected life of a Freon-based HVAC
15 system is approximately 20 to 25 years, units that are
16 15 years or older will be listed in the five-year
17 plan). A completed ESR provides a scope of work and
18 budgetary order of magnitude cost estimate required to
19 address a system problem. The full scope and examples
20 of these projects is outlined in the white paper
21 entitled "Facilities Critical Infrastructure Short-
22 Term Priority/Programs".

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1 Q. Does Exhibit ____ (SSP-6) detail the expected critical
2 infrastructure programs to be undertaken in the next
3 several years?

4 A. Yes. Exhibit ____ (SSP-6) lists these upcoming
5 programs.

6 Q. Do you have an example of how Facilities Engineering
7 studied, evaluated, and assessed the condition of
8 equipment/systems and then developed the most
9 efficient solution to address a problem?

10 A. Yes. One example of the process described above is
11 the recently completed Rye Headquarters HVAC
12 Replacement Project. Facilities Engineering weighed
13 different design options, analyzing equipment age,
14 configuration, condition/maintenance history and
15 environmental impacts before choosing an effective,
16 cost-efficient replacement strategy. The final design
17 centralized heating and cooling equipment into a
18 packaged system, which minimized purchased equipment,
19 piping, and structural installation costs. In
20 addition, existing condenser water distribution piping
21 was re-purposed/converted for chilled water
22 distribution supplying the new Air Handling Units,
23 thus eliminating the need to run new large bore

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1 piping. This project was appropriated for \$6.6
2 million.

3 Roof Replacement Program

4 Q. What is the Company planning to do for roof
5 replacements?

6 A. Facilities Engineering inspects each roof on a
7 periodic basis and recommends critical repairs or
8 replacements as required. A roof generally has a
9 lifespan of 20 to 25 years, provided that repairs are
10 made in accordance with the five-year inspection
11 reports. We plan to address roof replacements at
12 various facilities across our territories, including
13 The Learning Center, Victory Boulevard, 16th Street,
14 Atlantic Avenue, and Bruckner Boulevard as indicated
15 in Exhibit ___ (SSP-6), white paper entitled
16 "Facilities Buildings and Yards - (Roof Replacement
17 Program)). Note that these roof projects are intended
18 to be completed prior to failure/water leakage into
19 the building.

20 Q. How much do you plan on spending on the roof
21 replacement project?

22 A. For roof replacement and other related anticipated
23 work from the ongoing roof inspection program, we

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1 project spending approximately \$9.0 million in RY1,
2 \$3.98 million in RY2, and \$5.97 million in RY3.

3 Q. Please explain the projected differences for RY1, RY2
4 and RY3.

5 A. Facilities Engineering, with the assistance of an
6 outside consultant, performs periodic roof inspections
7 to assess the condition and damage at the various
8 facilities. The Company looks to evaluate each roof
9 every five years. Based on the roof condition and
10 level of damage, the assessment provides each location
11 with a numerical rating (*i.e.*, from 1-10, with 10
12 being the worst). This information, along with the
13 year inspected, can be seen in the Roof White Paper
14 and in Exhibit ____ (SSP-6). Facilities Engineering
15 uses that information, along with the
16 importance/criticality of the facility (*e.g.*, TLC,
17 Headquarter Buildings) and stakeholder feedback
18 (leaks/complaints) to establish the five-year plan.

19 Facilities Service Center Renovation
20 and Storeroom Modernization

21 Q. Please explain your Facilities Service Center
22 Renovation and Store Room Modernization Program.

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1 A. Service Center Renovation projects are performed each
2 year to maintain and improve on overall conditions at
3 Con Edison buildings and yards. This program will
4 renovate various office spaces located within the
5 Company's Headquarters Buildings (Rye HQ, and Davis
6 Ave) and Service Centers (such as College Point and
7 Eastview), many of which have not been renovated since
8 their original construction. Much of the
9 infrastructure at Con Edison buildings and yards is
10 outdated. The air conditioning is essentially
11 unchanged since it was installed, with inefficient air
12 changes, air flow and controls that result in
13 unsatisfactory comfort levels in the buildings. As
14 part of the renovations, all the distribution ductwork
15 and controls will be replaced, including Variable Air
16 Volume ("VAV") systems that change the air flow
17 depending on need. Similarly, lighting will be
18 completely replaced with an energy-efficient system
19 that responds to a central controller and dims at the
20 perimeter to respond to available daylight. All
21 renovated floors will have wireless access.
22 The Storeroom Modernization project aims to
23 consolidate the various storerooms within service

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1 centers, originally created by individual operating
2 groups, into one main storeroom in each service
3 center. The primary purpose of the project will be to
4 reduce material and tool redundancy, minimize physical
5 storeroom footprints, streamline and standardize
6 processes, and optimize staffing required to manage
7 the storerooms. These renovations allow significant
8 opportunity to update processes by reducing or
9 eliminating paper-based transactions and employing
10 state-of-the-art technology for ordering and tracking
11 material. Note that Stores hired an expert in this
12 field to complete a study of the locations and
13 recommend the best way to consolidate and/or
14 streamline operations in College Point, E 16th Street,
15 Eastview, Rye, W 28th Street, Victory Blvd, 3rd Ave,
16 and Van Nest. The study provides the foundation for
17 our long-term improvement plan.

18 Q. How much do you plan on spending on the Service Center
19 Renovation and Storeroom Modernization project?

20 A. We project spending approximately \$8.01 million in
21 RY1, \$8.01 million in RY2, and \$11 million in RY3.

22 Q. Do you have a White Paper entitled "Facilities Service
23 Center Renovation and Storeroom Modernization?"

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1 A. Yes. Please see Exhibit SSP-6.

2 Q. Please explain the need and associated benefits for
3 such a program.

4 A. Most Con Edison buildings are over twenty-five years
5 old, with certain locations, such as Cleveland Street
6 and Rye Service Centers, over sixty-five years old.
7 Interior offices, in certain cases, do not meet
8 current space-use or industry standards. The planned
9 renovations will bring the floors to the industry
10 standard for new office buildings, with the intent to
11 provide a work environment that is flexible,
12 productive, easy to maintain, and will require no
13 substantial investment for many years.
14 Currently, storerooms in each service center are
15 comprised of nonadjacent rooms or spaces, often
16 serving individual operating groups in Electric, Gas,
17 Steam and Customer Operations. Because of the
18 locations and configurations of these spaces, there is
19 duplication of material and personnel. An architect
20 with expertise was engaged and has provided
21 recommendations on how to physically consolidate the
22 storerooms and optimize storage space utilization.
23 Adopting these recommendations will result in savings

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1 and efficiencies but will require physical
2 construction and technology investment to accomplish.

3 Q. Are there reasonable alternatives to the program?

4 A. These spaces can be repainted and cleaned to make
5 cosmetic improvements to the office environment and
6 employee comfort, but few of the benefits and industry
7 standards described above can be reasonably achieved.

8 Facility Security Program Upgrades

9 Q. What is the Company planning to do for the Security
10 Program Upgrades?

11 A. The Facilities Security Upgrade Program will include
12 upgrade/enhancements to several facilities.

13 Q. Do you have a white Paper explaining the facility
14 security program upgrades projects?

15 A. Yes. The White Paper "Facilities Security Upgrade
16 Program" has been submitted to the Commission's
17 Records Access Officer for Staff-Only review.

18 Q. What are the projected rate year costs?

19 A. The projected cost is \$3 million for RY1, \$3 million
20 for RY2, and \$3 million for RY3.

21 **Safety and Environmental Programs and Projects**

22 Q. What does the fourth category of Facilities and Field
23 Services capital spending plan support?

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- 1 A. The capital project plan for the Safety and
2 Environmental Program and Projects category supports:
- 3 o Energy Efficiency Program
 - 4 o Compliance Projects (Safety, Environmental, and
5 Regulatory)
 - 6 o Astoria SWSS Corrective Action Project

7 Energy Efficiency Program

8 Q. What is the Company planning to do for the Energy
9 Efficiency Program?

10 A. The Energy Efficiency Program is a compilation of
11 various Energy Efficiency Measures ("ECMs") identified
12 in the Level III Investment Grade Energy Audits
13 completed for: Irving Place Corporate Headquarters;
14 Flatbush Avenue, Rye and Davis Avenue Regional
15 Headquarters; and TLC buildings. A Level III Energy
16 Audit provides detailed project cost and savings
17 calculations with the high level of confidence
18 required for major capital investment decisions. Con
19 Edison conducted Energy Audits as part of its efforts
20 to comply with the New York City Local Law 87
21 requirement to conduct periodic audits.
22 These ECMs identify methods to reduce energy use at
23 each location. The majority of the ECMs identified

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1 are associated with lighting, HVAC systems (to include
2 sensors, building management system and software) and
3 attributed to the energy inefficient building façades
4 (e.g., building envelope components such as windows).
5 The window replacement program, which addresses over
6 2,000 windows at Irving Place is underway and will
7 carry over into the rate years.

8 This Rate Case request will primarily address the
9 lighting ECM items identified in the building Energy
10 Audits and Local Law 88 ("LL88"), which requires large
11 non-residential buildings to upgrade their lighting
12 systems to meet the NYC Energy Conservation Codes by
13 January 1, 2025. The Energy Efficiency Program will
14 primarily address the installation of new LED lights
15 and daylight harvesting controls at the Regional
16 Headquarters and Service Centers and also address
17 completion of the Irving Place window installation
18 project. The details for these various projects may
19 be found in the white paper entitled "FFS Energy
20 Efficiency Program", found in Exhibit ____ (SSP-6).

21 Q. How much do you plan to spend on the FFS Energy
22 Efficiency Program?

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1 A. The Company will spend approximately \$23.96 million
2 RY1, \$19.96 million in RY2 and \$5 million in RY3.

3 Compliance Projects and Programs

4 Q. Please explain the compliance projects.

5 A. Compliance projects are required to address
6 potentially unsafe conditions and environmental issues
7 to comply with the latest local, state, or federal
8 regulatory requirements and building codes.

9 Q. What are the projected costs of all the compliance
10 projects that you have addressed?

11 A. The estimated capital costs for this category of
12 projects are \$4.97 million in RY1, \$10 million in RY2,
13 and \$13 million in RY3. The RY2 and RY3 expenditures
14 are primarily for projects to comply with Local Law 11
15 ("LL11"), which must be completed by the time
16 indicated in the filing report submitted by New York
17 City Department of Buildings ("NYCDOB").

18 Q. Please summarize this project.

19 A. Irving Place Local Law 11 - Cycle 9 Façade
20 Rehabilitation Work - The Local Law 11 ("LL11") Cycle
21 9 engineering façade inspection report for Irving
22 Place is scheduled to be completed and submitted to
23 the NYCDOB by the due date of February 2023. The

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1 Cycle 8 inspection report depicted a large number of
2 Safe With a Repair and Maintenance Program ("SWARMP")
3 conditions and it is anticipated that the Cycle 9
4 inspection report will also depict a large number of
5 SWARMP conditions. The Cycle 8 inspection produced
6 approximately \$8.7 million of capital
7 repair/rehabilitation work, with \$5.6 million of
8 associated expense work, and was based on the LL11
9 inspection requirements at the time; two scaffold
10 inspection drops per façade and a binocular-type
11 inspection from the street level. The LL11 inspection
12 requirements have been revised and Cycle 9 requires a
13 scaffold inspection drop every 60 feet. It is
14 therefore anticipated that Cycle 9 will uncover a
15 larger or equivalent number of SWARMP conditions as
16 Cycle 8. The subsequent project will correct
17 structural and facade issues identified in the Cycle 9
18 inspection and will be executed in 2024/2025.

19 Q. Are there other regulatory compliance projects that
20 need to be undertaken?

21 A. Yes. LL11 is an example of a larger job in this
22 category. We anticipate there will be other emerging
23 projects that will result from future environmental,

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1 local law, and safety regulations. The white paper
2 entitled "Facilities Buildings and Yards (Safety,
3 Environmental Regulatory)" included in Exhibit (SSP-
4 6), contains additional examples of capital compliance
5 projects. These projects are generally required for
6 compliance with the Occupational Safety and Health
7 Administration ("OSHA"), NYSDEC and other regulatory
8 requirements.

9 Q. Do you have examples of some of the projects included
10 in this category?

11 A. Yes. One such large project concerns the Facilities
12 Cooling Towers Conductivity Monitoring Sensors,
13 Automatic Blowdown - Irving Pl, West End Avenue, 16th
14 St, TLC, Davis Ave, Eastview, which will address
15 Legionella concerns. Smaller-cost projects include
16 upgrading the Davis Ave Stairwell D 1st Floor Landing,
17 and Cleveland Street - Parking Lot Study/Improvements.
18 These projects are included in Exhibit ____ (SSP-6).

19 SWSS Correction Project

20 Q. Please describe the purpose of the Southwest
21 Stormwater System ("SWSS")?

22 A. The SWSS is located in the southwestern portion of the
23 Astoria Site along 18th Avenue and collects storm water

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1 from approximately 18 acres of the facility and
2 discharges to the East River via Outfall B. We
3 reconstructed the SWSS in 2015 and incorporated
4 several pollution reduction controls into the design
5 of the system, including oil/grit separators,
6 sediment/silt filters, and oil-separation devices.
7 These controls were intended to reduce the amount of
8 total suspended solids ("TSS"), oils, polychlorinated
9 biphenyls ("PCBs"), and other pollutants from
10 discharging into the East River.

11 Q. How has the system operated since the new system went
12 into operation?

13 A. The Company has continued to identify PCBs in onsite
14 stormwater at concentrations that sporadically exceed
15 the 200 parts per trillion ("ppt") action level
16 established under a 2010 Order on Consent with the
17 NYSDEC. NYSDEC staff has advised Con Edison that
18 stormwater PCB sample results from Outfall B piping
19 must consistently be below 200 ppt to comply with New
20 York State Pollutant Discharge Elimination System
21 ("SPDES") requirements and to avoid potential SPDES
22 violations and potential substantial penalties.

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1 Q. What is the Company proposing in this rate case to
2 address this issue?

3 A. We are proposing the SWSS Correction Project, which is
4 discussed further in the white paper entitled "Astoria
5 Southwest Storm Water System Corrective Action Plan,"
6 in Exhibit____(SSP-6).

7 Q. What are the projected costs associated with the SWSS
8 Correction Project in RY1 - RY3?

9 A. We plan to spend approximately \$9.3 million in 2022
10 and \$14.61 million in RY1.

11 Q. Can you provide background on the project?

12 A. In 2016 and 2017, a Company consultant identified the
13 likely contributors of PCBs and TSS into the SWSS, as
14 well as categories for system improvements. Among
15 other things, the consultant recommended we supplement
16 the SWSS drainage collection system by adding catch
17 basins and slot drains to improve stormwater runoff
18 from the East Storage Yard, which presently overwhelms
19 downstream catch basins. This would improve drainage,
20 reduce the flow of runoff from this area to the North
21 Storage Yard, alleviate bypassing and clogging of
22 catch basins with high sediment loads, help capture
23 and treat runoff from the Site more effectively,

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1 reduce the frequency of inlet filter clogging across
2 the site, and reduce stormwater runoff from flowing
3 across the Site cover, all of which are expected to
4 reduce PCB concentrations. The consultant also
5 recommended that the existing concrete/asphalt system
6 of the Astoria East Yard be completely removed and
7 replaced with a new concrete system that includes
8 proper drainage. In addition to improving Stormwater
9 Collection and Conveyance, replacing the Astoria East
10 Yard concrete slab and asphalt would address slips,
11 trips, and fall safety hazards associated with the
12 area. The existing eight-inch heavy duty concrete
13 slab, which makes up most of the yard was installed
14 approximately fifty years ago. It has suffered damage
15 from aging, freeze-thaw cycles, and the leaching of
16 lime and salt contamination. Both recommendations are
17 reflected in the project we are proposing.

18 Q. The Company proposed this project in its last rate
19 filing. Why was the project not completed within the
20 planned timeframe, i.e., 2022.

21 A. The earlier project's scope included constructing a
22 new covered structure for receiving and washing down
23 dirt and debris from transformers before they were

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1 temporarily stored outside. The Company postponed the
2 project as a whole while it evaluated the need for
3 this piece of it, which it ultimately cancelled,
4 reducing costs by approximately \$10 million.

5 **Transportation Operations Projects**

6 Q. What does the last category of Facilities and Field
7 Services capital spending plan support?

8 A. The capital project plan for Transportation Projects
9 category supports: Electric Vehicle Charging Station
10 Expansion Project Gasoline and Diesel Fuel Station
11 Upgrade; Third Avenue Yard Transportation Garage
12 Demolition, and the Third Avenue Yard Transportation
13 Garage Rebuild.

14 Q. Please explain the activities of the Transportation
15 Operations group.

16 A. Transportation Operations provides automotive
17 engineering and fleet support for the Company. The
18 group also manages Company fueling stations
19 (gasoline/diesel, compressed natural gas, and electric
20 vehicle chargers), creates specifications for new
21 vehicle equipment, purchases and administers parts and
22 service contracts for garage support, and manages the
23 capital budget for vehicle procurement.

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1 Q. Please describe the capital projects Transportation
2 Operations is planning to undertake.

3 A. Transportation is planning to undertake three
4 projects: 1) expansion of the electric vehicle
5 charging stations at multiple sites 2) continuation of
6 fuel station upgrade (gasoline and diesel fuel
7 stations at College Point and Neptune Avenue workout
8 locations);3) demolition of the 3rd Avenue Yard
9 Transportation building; 4) rebuilding of the Brooklyn
10 garage at our 3rd Avenue workout location.

11 Q. What are the projected costs of these projects and
12 what are the anticipated in-service dates?

13 A. The Electric Vehicle Charging Station Expansion
14 Project at various locations is estimated at \$7.5
15 million and is expected to be completed by year-end
16 2025. The fuel station upgrade project is estimated
17 to cost \$8.8 million and will be completed by year end
18 2025. The demolition of the 3rd Avenue Yard
19 Transportation building is estimated at 11.8M and is
20 estimated to be completed by year end 2024. And
21 finally, the Brooklyn garage project is estimated at
22 \$12 million and is expected to be completed in 2025.

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1 Electric Vehicle Charging Station Expansion Project.

2 Q. Please explain the Electric Vehicle Charging Station
3 Expansion Project.

4 A. This project funds the expansion, design, and
5 construction of new charging infrastructure required
6 to re-fuel plug-in vehicles. Vehicle charging
7 stations will be constructed in 15 locations. The
8 design of these stations will have two levels of
9 charging:

10 Level 2 - (4 to 6 hour charging time); and DC Fast
11 Charger (< 1 hour charging time).

12 Q. What are the projected rate year costs?

13 A. The projected cost is \$2.0 million in RY1, \$2.5
14 million in RY2, and \$3.0 million in RY3.

15 Q. Do you have an exhibit that provides additional
16 details associated with the Electric Vehicle Charging
17 Station Expansion Project?

18 A. Yes. The details are shown in Exhibit ____ (SSP-6), on
19 the White Paper entitled "Electric Vehicle Charging
20 Station Expansion Project."

21 Q. Please explain why is it necessary to install electric
22 vehicle charging stations at these locations.

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1 A. As part of Con Edison's Clean Energy Commitment, the
2 Company is committed to lowering greenhouse gas
3 emissions by electrifying its fleet. The Company will
4 replace all its light duty fleet vehicles with an
5 electrified option. The Electric Vehicle Charging
6 Station Expansion Project will provide the Company
7 with the required infrastructure to achieve these
8 goals by installing readily accessible facilities for
9 these electrified vehicles to plug in. Con Edison has
10 a regulatory commitment (DOE - EPCAct) to use alternate
11 fuels, such as electric, in its fleet. The use of
12 electric vehicles enhances our ability to meet EPCAct
13 compliance. Failure to comply with this EPCAct mandate
14 could result in penalties being imposed on the
15 Company.

16 Q. What other benefits will be realized by the
17 installation of these electric vehicle charging
18 stations?

19 A. The Company plans to replace all light duty petroleum-
20 powered vehicles with plug-in electric technology by
21 2035, with 80% electrified by 2030. There is an
22 approximate 50% cost savings (fuel/maintenance) to
23 operate an electric passenger vehicle versus a

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1 conventional petroleum fuel. In addition, plug-in
2 technology can assist in the development of clean
3 alternative fuel markets.

4 Gasoline and Diesel Fuel Station Upgrade

5 Q. Can you please explain the gasoline and diesel fuel
6 station upgrade project?

7 A. This project funds the replacement of obsolete and
8 deteriorating equipment at two of the Company's
9 fueling stations (College Point - Queens and Neptune
10 Avenue - Brooklyn). The major components of these
11 stations are over 30 years old. The scope of the
12 project includes replacing fueling islands, gas and
13 bio-diesel dispensing equipment, several single wall
14 tanks, associated hardware, and a card reader system.

15 Q. Do you have an exhibit that provides additional
16 details associated with the gasoline and diesel fuel
17 station upgrade project?

18 A. Yes. The details are shown in Exhibit ____ (SSP-6), on
19 the White Paper entitled "Fuel Station Upgrade."

20 Q. What are the forecasted expenditures for your Fuel
21 Station Upgrade project during RY1 through RY3?

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1 A. The Company expects to spend approximately \$0.81
2 million in RY1, \$2.01 million in RY2, and \$5.97
3 million in RY3.

4 Q. Why do you need to upgrade these stations?

5 A. These fuel stations provide fuel for the daily
6 operation of the Company's fleet of cars, trucks, and
7 equipment. Due to obsolescence, replacement parts are
8 becoming difficult to obtain. There are also
9 environmental concerns because of the potential for
10 system leaks (higher due to the age of the equipment).
11 In addition, if a major failure were to occur at a
12 station, it is possible the station would be out-of-
13 service for a considerable amount of time until
14 repairs could be completed. This would severely
15 impact the ability to fuel Company vehicles at the
16 site, resulting in the use of more costly retail
17 fueling sites. These upgrades will significantly
18 improve the operation and reliability of the fuel
19 stations and reduce the risk of an environmental event
20 (leaks). We also expect to see a reduction in station
21 maintenance costs over time. In addition, these
22 stations are at high risk of flooding events, and this
23 project will fund the storm hardening to reduce the

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1 threat, such as elevating electrical components,
2 purchasing long lead spare parts, and backup power.

3 Q. Are there any other benefits to performing these
4 upgrades?

5 A. Yes. Because bio-diesel (B-20) is not available at
6 retail fueling stations, the upgrades to the Company
7 stations will continue to help reduce petroleum
8 consumption by using Bio-Diesel fuel in order to meet
9 the Department Of Energy (DOE) requirement for clean
10 alternate fuel compliance (Energy Policy Act - EAct).

11 3rd Avenue Yard Transportation Garage Demolition

12 Q. Please explain the demolition portion of the 3rd Ave
13 Yard Transportation Garage project.

14 A. The 3rd Avenue Yard Flush/Transportation Garage
15 Building is a 42,400 square foot single-story
16 structure that uses a timber bow-string roof truss
17 support. It includes office space and service pits for
18 truck maintenance. The Splice Room is an 800 square
19 foot single-story brick structure that is adjacent to
20 and connected to the main garage. The facility is
21 designated for demolition due to structural stability
22 issues with the main timber bow-string truss system,
23 which is the primary support structure for the garage

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1 roof. The project will install clean fill over the
2 entire demolished area and a new chain-link fence with
3 gates for security and personnel protection.

4 Q. Is the funding request for the demolition included in
5 the Revenue Requirement calculation?

6 A. No. The funding request is not included in the
7 Revenue Requirement calculation. The Company began to
8 make plans for the demolition and the construction of
9 the new building. The Company completed the design
10 for the new build and included the costs in the
11 Revenue Requirement, while the demolition plans were
12 still being developed and therefore the costs were not
13 available. The current estimates in Capital
14 expenditure is \$8.85 million in 2023 and \$2.95 million
15 in 2024 and the anticipated O&M expenditure is \$1.75
16 million in 2023 and \$0.59 million in 2024. The
17 Company will provide revised numbers at preliminary
18 Update.

19 Q. Have you prepared an exhibit to reflect the additional
20 capital request for the demolition portion of the
21 project?

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1 A. Yes. The details are shown in Exhibit ____ (SSP-6), on
2 the White Paper entitled "Third Avenue Transportation
3 Garage Demolition."

4 Q. Did Con Edison have an engineering assessment
5 performed for this building?

6 A. Yes. Company central engineering personnel, with the
7 support of an outside service engineering firm,
8 performed a structural analysis of the wood truss
9 system that supports the roof of the north and south
10 transportation garages and determined them to be
11 structurally compromised by splits, cracks and other
12 deficiencies that have caused stress conditions that
13 require shoring to stabilize the structure. Con
14 Edison installed shoring systems to address stress
15 deficiencies, but the building has since been vacated
16 due to safety concerns.

17 Q. Is this shoring system still in place?

18 A. Yes, the system is in place and the temporary
19 stanchions will remain there until the building is
20 demolished; engineering performs periodic inspections
21 of the support system to ensure its
22 stability/integrity. The last inspection showed that
23 some stanchions had loosened up and wood support

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1 members had cracked requiring emergency repairs. This
2 measure is not recommended as a long-term alternative
3 and the building must be demolished to prevent the
4 possibility of a catastrophic collapse and potential
5 asbestos release.

6 Q. Normally demolition type projects are charged to net
7 retirement; but this project has large capital and O&M
8 dollar request associated with it. Please explain the
9 need for these dollars.

10 A. Existing electrical, mechanical, fire protection,
11 security equipment, and gas infrastructure serving the
12 adjacent office building, flush facility, storeroom,
13 electrical vehicle charging stations and CNG station
14 will need to be relocated/installed and made
15 operational before the buildings are demolished.
16 These overhead and underground systems either run
17 through/under the transportation garage or are
18 attached to its building walls and serve as part of
19 critical systems that support the yard operations.
20 The work described above will be completed prior to
21 the beginning of the demolition and allow for minimal
22 disruption to the site since the yard will be fully

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1 functional and operational for the duration of
2 project. This work has been ruled capital and O&M.

3 3rd Avenue Yard Transportation Garage Rebuild

4 Q. Please explain the Brooklyn garage rebuild project.

5 A. The 3rd Avenue garage is a vehicle repair facility. It
6 has been closed since October 2019 due to structural
7 issues with the roof and associated building
8 components. Because of this closure, all vehicles and
9 equipment assigned to the Third Avenue facility are
10 being maintained/repared at the Neptune Avenue repair
11 facility in Coney Island. There are currently 520
12 vehicles assigned to the Third Avenue facility and 212
13 vehicles assigned to the Neptune Avenue facility.
14 Thus, the closure of Third Avenue has resulted in a
15 245% increase in workload at Neptune Avenue. This is
16 not sustainable because of space and logistical
17 difficulties in transporting, staging, and maneuvering
18 the additional vehicles. The logistical issues also
19 present increased costs due to the use of towing
20 vendors and compound the potential for motor vehicle
21 collisions because of the increased number of
22 vehicles. This project proposes to construct a new,
23 10,000 square-foot vehicle repair facility on the

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1 Third Avenue property over a three-year period (2023-
2 2025). The new construction could support work on six
3 to eight vehicles within its confines and is estimated
4 to cost \$10 million (there is already \$1 million
5 allocated for engineering/consultants in 2022). The
6 new construction would be modeled after the O&R Spring
7 Valley repair facility, including additional overhead
8 clearance to permit "flying" of bucket truck boom
9 apparatus, which would otherwise need to be done
10 outdoors. The new construction would also include
11 drive-through work bays, which would allow vehicles to
12 be driven/pushed into the garage and allow them to
13 exit in the same direction on the other side, removing
14 the necessity to back out, which will reduce the
15 potential for collisions.

16 Q. Do you have an exhibit that provides additional
17 details associated with the 3rd Avenue Yard
18 Transportation Garage Rebuild?

19 A. Yes. The details are shown in Exhibit ____ (SSP-6), on
20 the White Paper entitled "Third Avenue New
21 Transportation Building."

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1 Q. What are the forecasted expenditures for the 3rd
2 Avenue Yard Transportation Garage Rebuild project
3 during RY1 through RY3?

4 A. The Company expects to spend approximately \$0.99
5 million in RY1, \$3.98 million in RY2, and \$6.97
6 million in RY3.

7 **Prevailing Wage**

8 Q. Describe how Public Service Law §42-a (the "Prevailing
9 Wage Law") impacts Con Edison?

10 A. In early April 2020, the New York Legislature passed,
11 and the Governor signed, an amendment to Public
12 Service Law §42-a, which requires that "building
13 service workers" who work at certain critical
14 infrastructure facilities of utilities such as Con
15 Edison, be paid at least the prevailing wage, as
16 determined by the New York State Department of Labor
17 or the New York City Comptroller. Although Company
18 employees are not directly impacted, the services
19 provided by building service workers under current
20 contracts are impacted. These workers include
21 cleaning, security and maintenance services workers.

22 Q. Describe the Prevailing Wage O&M request.

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1 A. With the passing of the Prevailing Wage Law, the
2 Company has experienced incremental expenditures.
3 Specifically, at critical infrastructure locations
4 identified by the Company, vendors have modified
5 service contracts to reflect the required prevailing
6 wage retroactive to October 1, 2020. In some
7 instances, the new wage requirements have
8 significantly increased the cost. For example, for
9 multiple contracts the year-end costs associated with
10 wages and benefits for building service workers in
11 2020 was \$2.9 million and, due to the Prevailing Wage
12 Law, the cost for wages and benefits in 2021 was \$5.2
13 million, which included the increased costs and
14 retroactive payments as required under the law.

15 Q. Do you have an exhibit explaining the Prevailing Wage
16 Request?

17 A. Yes. The white paper entitled "Prevailing Wage," in
18 Exhibit___(SSP-6).

19 Q. What is the Company's prevailing wage O&M request?

20 A. The forecasted increased O&M cost for the Prevailing
21 wage is \$4.85 million in RY1, \$5.0 million in RY2, and
22 \$5.15 million in RY3.

23 Q. Are there any other potential impacts?

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1 A. Yes. Expenditures associated with the Prevailing Wage
2 Law can increase substantially if the scope of the
3 requirements are determined to go beyond those
4 locations the Company has currently identified or to
5 job classifications beyond guards and cleaners.
6 To the extent possible, the Company has identified all
7 properties that are Critical Facilities and the
8 contractors working at those facilities that are
9 subject to the law. However, the Prevailing Wage Law
10 states that it applies to critical facilities as
11 determined by the Division of Homeland Security and
12 Emergency Services in consultation with the New York
13 State Department of Public Service. Con Edison could
14 see a significant increase in the cost of complying
15 with the law if the Division of Homeland Security and
16 Emergency Services expands either the number of Con
17 Edison's facilities or the type of employee. As such,
18 the Company proposes to continue the deferral of
19 incremental costs to comply with the Prevailing Wage
20 Law.

21

22 **VIII. Supply Chain**

23 Q. Please describe the Supply Chain organization.

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1 A. Supply Chain is primarily responsible for all
2 procurement and warehouse operations in support of
3 company-wide, day-to-day operating activities across
4 Con Edison and Orange and Rockland Utilities.
5 Procurement activities include market analysis,
6 sourcing, contract management and supplier
7 relationship and performance management.

8 Q. Do you have an exhibit for the Third Party Risk
9 Management Program (TPRM) and was this exhibit
10 prepared under your direction and supervision?

11 A. Yes, please see Exhibit SSP-7 titled "Shared Services
12 - Supply Chain - O&M."

13 MARK FOR IDENTIFICATION AS EXHIBIT ___SSP-7

14 **Third Party Risk Management**

15 Q. Please provide a summary of the Third Party Risk
16 Management Program.

17 A. The Company is implementing this program to expand its
18 review of third-party vendors for additional risks.
19 The new program will allow the Company to have a more
20 robust risk review program while collecting and
21 centralizing data on third-party vendors and
22 establishing periodic reviews.

23 Q. Is there a capital component to the TPRM?

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1 A. Yes. The technology requirements for the TRPM Program
2 are contained in Exhibit "Common IT Projects" (IT-3)
3 which is supported by the Company's IT Panel. The
4 estimated capital costs for the TPRM project are \$0.25
5 million in RY2 and \$1.0 million in RY2.

6 Q. Is there an O&M component to the TPRM?

7 A. The Company has detailed the internal staffing
8 requirements, external consultant needs and ongoing
9 software maintenance requirements in the White Paper
10 (SSP7). The estimated O&M costs for the TPRM project
11 are \$1.35 million in RY1, \$1.55 million in RY2, and
12 \$1.55 million in RY3.

13

14 **VIII. Emergency Preparedness**

15 Q. Please describe the functions/responsibilities of
16 Emergency Preparedness.

17 A. Emergency Preparedness is a shared service
18 organization within Utility Shared Services that
19 partners with stakeholders to provide effective risk
20 assessment, mitigation, preparedness, response,
21 recovery, and communications. High level
22 responsibilities include weather analysis, business

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1 continuity, after action reviews, plans, exercises,
2 and training, etc.

3 Q. Describe the two O&M Programs Changes in Emergency
4 Preparedness.

5 A. The first program change is for the NYC Micronet and
6 the other is for Additional Support Personnel.

7 Q. Have you prepared an exhibit entitled "Shared Services
8 - Emergency Preparedness - O&M Equipment?"

9 A. Yes.

10 Q. Was this exhibit prepared under your direction and
11 supervision?

12 A. Yes, it was.

13 MARK FOR IDENTIFICATION AS EXHIBIT ____ (SSP-8)

14 **NYC Micronet**

15 Q. Provide some background on the NYC Micronet project.

16 A. The Con Edison New York City Micronet (NYCM) is a 17-
17 station climate network established across the five
18 boroughs of New York City in the fall of 2020. Con
19 Edison installed this network on its properties across
20 the City. The network monitors and collects weather
21 data across the City.

22 Q. What type of information is being collected?

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1 A. Con Edison has installed at each site a mix of high-
2 precision sensors, collectively reporting air
3 temperature, relative humidity, precipitation,
4 pressure, wind speed and direction, solar radiation,
5 snow depth, soil temperature and moisture, and water
6 temperature. The site also has cameras that provide
7 photos for additional measurement validation.

8 Q. Do you have an exhibit explaining the NYC Micronet
9 Project?

10 A. Yes. This project is discussed further in the white
11 paper entitled "NYC Micronet," in Exhibit__(SSP 8).

12 Q. What are the projected incremental O&M costs of the
13 NYC Micronet?

14 A. For each rate year the Company forecasts \$300,000 for
15 contract services and \$100,000 in incremental labor
16 (one FTE) to enable more detailed data scrutiny as
17 well as data synthesizing.

18 Q. Describe the purpose of the maintenance program.

19 A. The Company implemented a maintenance program in 2021
20 when the equipment was installed. This program
21 includes analysis, preventive maintenance, rapid field
22 response, regular sensor calibration and upgrades,

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1 automated and manual data quality control, power and
2 communications monitoring, and software security.

3 Q. What are the benefits of this program?

4 A. As discussed above, Con Edison has already installed
5 the sensors, which provide real-time hyper-local
6 weather data available to all Company operating
7 groups. In particular, the Company's meteorologists
8 have plans to incorporate this data stream into the
9 Company impact model, dependent upon the data quality
10 going forward, which will aid with storm response and
11 Con Edison's efforts to understand and assess climate
12 change locally.

13 Q. What type of maintenance is included in the program?

14 A. For the maintenance schedule please refer to the "Work
15 Description" section the white paper entitled "NYC
16 Micronet."

17 Q. Where there any maintenance costs in the test year?

18 A. The maintenance program was included with the
19 installation costs of the sensors in 2021 and
20 therefore, not included in the test year or the
21 revenue requirement. The University of Albany provides
22 the maintenance services for the Company. Emergency
23 Preparedness Additional Support Personnel

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1 **Additional Support Personnel**

2 Q. Describe the program change for the Emergency
3 Preparedness Additional Support Personnel?

4 A. These positions will continually be evaluating the
5 impacts of climate change and weather volatility to
6 strategically shift preparation planning. They will
7 also support the development and execution of
8 exercises and drills as corporate risks evolve and
9 continue to be identified (e.g., cybersecurity,
10 electric, gas).

11 Q. Do you have a White Paper that explains the functions
12 of the additional support personnel?

13 A. Yes. This project is discussed further in the white
14 paper entitled "Additional Support Personnel," in
15 Exhibit__ (SSP 8).

16 Q. What are the projected costs of this program?

17 A. The O&M impact for the Additional Support Personnel is
18 \$0.2 million in each Rate Year.

19 Q. Does this conclude your direct testimony?

20 A. Yes, it does.