

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 Q. Please state your names.

2 A. Andrew G. Wood, Richard McKnight, Lore de la Bastide,  
3 Hollis Krieger, and Robert Sherman. In initial  
4 testimony, we testified as the Customer Operations  
5 Panel.

6 Q. What is the purpose of your additional testimony?

7 A. We respond to the testimony of Staff witness Rieder,  
8 Consumer Protection Board (CPB) witnesses Elfner and  
9 Schultz/DeRonne, and City witness Chernick relating to  
10 Advanced Metering Infrastructure ("AMI"). We also  
11 address testimony by Staff witness Graves on Mandatory  
12 Hourly Pricing ("MHP"); Staff's Consumer Services Panel  
13 relating to Call Center applications, Low Income  
14 Customer Needs and Field Operations; Staff's Consumer  
15 Services Panel and CPB witnesses Schultz/DeRonne  
16 relating to Outreach; City Witness Galgano on the  
17 Street Light Billing System (SLBS); Retail Energy  
18 Supply Association (RESA) and Direct Energy Services,  
19 LLC witness Smith on the Retail Electric Market; and  
20 Consumer Power Advocates witness Dowling on the Retail  
21 Access Information System ("RAIS").

22 ADVANCED METERING INFRASTRUCTURE

23 Q. Do any of the parties address the Company's AMI  
24 program?

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 A. Yes. Staff witness Rieder and CPB witnesses Elfner and  
2 Schultz/DeRonne discuss issues related to the Company's  
3 AMI proposal.

4 Q. Please explain.

5 A. Mr. Rieder notes that the Company's plan for the  
6 development and deployment of advanced electric and gas  
7 metering infrastructure, which was filed on March 28,  
8 2007 in the Commission's AMI proceeding (Case Nos. 04-  
9 E-0952, 00-E-0165, and 02-M-0514), is already under  
10 Commission consideration and that a more timely  
11 decision on the Company's plan could be made in the AMI  
12 proceeding than in this rate proceeding. Mr. Elfner  
13 and Schultz/DeRonne similarly argue that the Company's  
14 AMI proposal be considered in the AMI proceeding and  
15 that the Company's proposed revenue requirement in this  
16 case be reduced to exclude AMI costs.

17 Q. Do you agree with these recommendations?

18 A. No, we do not. Among other reasons, we are not  
19 convinced that the Commission will necessarily rule on  
20 the Company's AMI proposal in the AMI proceeding  
21 earlier than the time for a decision in this  
22 proceeding.

23 Q. Please explain why.

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 A. First, no schedule has been adopted in the AMI  
2 proceeding that indicates a timeframe for a decision on  
3 the pending proposals. Nor is Mr. Rieder in a position  
4 to explain the Commission's intentions as to timing, as  
5 indicated by his response to the Company's discovery  
6 request No. 12 to Staff.

7 MARK FOR IDENTIFICATION AS EXHIBIT\_\_\_\_ (CO-4)

8 Therefore, there is no certainty, or apparent  
9 likelihood, that the Commission would render a decision  
10 on the Company's proposal in the AMI proceeding earlier  
11 than the timeframe for rendering a decision in this  
12 case.

13 Q. Does the Company have any objection to the AMI issue  
14 being resolved earlier than March 2008 in the AMI  
15 proceeding?

16 A. We do not. And if that were to occur, the Commission  
17 could consider its findings as to the AMI program in  
18 that proceeding in rendering a decision in this rate  
19 proceeding as to the Company's proposed recovery of AMI  
20 costs in the rate years. However, the possibility of  
21 Commission action in the AMI proceeding should not  
22 prevent the consideration of the AMI efforts and  
23 associated costs reflected in the Company's revenue

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 requirement for the rate year and under the Company's  
2 proposed three-year rate plan.

3 Q. Why is it important to avoid the risk of not  
4 considering the proposed AMI costs in this proceeding  
5 and delayed Commission action in the AMI proceeding?

6 A. As noted in the Company's initial testimony (pp. 7-8),  
7 Con Edison believes that AMI is an important endeavor  
8 that "will provide a basis for cost-saving changes in  
9 customer operations as well as enabling benefits for  
10 customers, the environment, and society generally."  
11 The Company proposes to install AMI throughout its  
12 service territory on both electric and gas services by  
13 2014. According to The City of New York ("City")  
14 witness Chernick; our proposal is consistent with the  
15 Mayor's PlaNYC, which supports universal installation  
16 of advanced meters by 2014.

17 Q. Please continue.

18 A. Under the Commission's Order Relating to Electric and  
19 Gas Metering Services (issued Aug. 1, 2006 in Case 04-  
20 E-0952), Con Edison was required to file a  
21 comprehensive plan for development and deployment of  
22 advanced metering. To satisfy this order, the Company  
23 commenced project development and investigation in  
24 regard to AMI. The Company is currently moving forward

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 with AMI efforts, and resolution of this matter in this  
2 case is needed so as not to unduly prejudice the  
3 Company in pursuing these initial AMI efforts and if  
4 those efforts are to continue.

5 Q. As additional support for his position, Mr. Rieder  
6 comments that it would be beneficial to review the  
7 Company's individual AMI plan in the context of the  
8 overall generic benefits and costs that the Commission  
9 is considering with regard to AMI. Do you agree?

10 A. No. The Commission ordered each utility in the state  
11 to file a comprehensive plan for development and  
12 deployment of AMI. Such plans need to be reviewed  
13 individually by the Commission in order to properly  
14 consider the unique aspects that apply to  
15 implementation in the various service territories.

16 Q. Does Mr. Rieder provide any other reasons why AMI  
17 should be considered in the AMI proceeding and not in  
18 the rate proceeding?

19 A. Yes. Mr. Rieder notes that because AMI affects both  
20 the electric and gas businesses, it would be  
21 inappropriate to make decisions regarding the Company's  
22 AMI plan in a proceeding that considers only electric  
23 matters. He notes further that the Joint Proposal  
24 awaiting action in the pending Con Edison gas rate

1 proceeding, Case No. 06-G-1332, does not address the  
2 Company's AMI plan.

3 Q. Do you agree?

4 A. No. First we would note that the Joint Proposal in the  
5 Company's gas rate proceeding provides for the Company  
6 to defer costs for AMI it is initiating, while  
7 recognizing that the associated programs will be  
8 considered in the AMI proceeding. In addition, single  
9 service rate cases frequently address programs common  
10 to the various services of a combination utility and  
11 adjust rates for that service's allocated share of  
12 total costs.

13 Q. Please explain the CPB position in regard to the AMI  
14 pilot projects.

15 A. Mr. Elfner recommends that the Company be permitted to  
16 recover the costs of its AMI pilots in this proceeding  
17 (p. 10). This position is supported by Schultz/DeRonne  
18 (p. 67). However, Schultz/DeRonne state that these  
19 costs should not be embedded in the revenue requirement  
20 established in a one-year rate case because they are  
21 one-time in nature (p. 67).

22 Q. Do you agree?

23 A. No, we do not, as we do not understand what  
24 Schultz/DeRonne mean when they say these costs are one-

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 time in nature. Costs incurred for the AMI pilots  
2 include costs for AMI meters and other AMI  
3 infrastructure that are expected to remain in place as  
4 part of the permanent AMI infrastructure after the  
5 pilots are completed.

6 The AMI pilots are being undertaken as the initial  
7 stage of full scale AMI implementation to evaluate the  
8 performance of various aspects of the Company's  
9 proposal and serve as an integral part of the AMI plan  
10 for delivering benefits to every customer, whether such  
11 benefits are direct or indirect. The Company's  
12 intention is for these meters to remain in place  
13 whether or not the Company's AMI plan is approved as  
14 proposed.

15 Q. Does the CPB have any other comments on the AMI  
16 proposal?

17 A. Yes. Schultz/DeRonne question the fact that the AMI  
18 communication system will be installed in advance of  
19 meter installations, wondering how the system can be  
20 tested if the meters have not been installed. They  
21 also observe that much of the O&M project costs will be  
22 experienced prior to full AMI deployment.

23 Q. Do you agree with these concerns?

1 A. No. Multiple deployment strategies can be used for AMI  
2 implementation. The Company's AMI proposal provides  
3 for the installation of the communications  
4 infrastructure prior to the installation of meters.  
5 Under this approach, meters can be communication  
6 enabled as they're installed. This method enables  
7 communication for the widespread geographic deployment  
8 of AMI as well as the deployment of AMI at locations  
9 where meters are installed or replaced during the  
10 normal course of business. This deployment strategy  
11 does require that much of the O&M project costs be  
12 experienced prior to full AMI deployment.

13 Q. Does the City comment on the economics of AMI  
14 implementation and deployment strategy?

15 A. Yes, City witness Chernick suggests that for the meters  
16 to be cost-effective, Con Edison (and/or an ESCO) must  
17 develop a market-responsive rate structure and the  
18 infrastructure to inform customers of dynamic market  
19 prices. Furthermore, customers must be able and willing  
20 to respond to those price signals. The City goes on to  
21 state that meters should be deployed to the largest  
22 customers first and that the Company should thereafter  
23 regularly re-examine the economics of advanced meters  
24 for progressively smaller customers.



CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 Q. Do you agree with the City's statements in this regard?

2 A. No. The City is focusing on only one aspect of the  
3 advanced metering solution as a basis for the  
4 cost/benefit analysis and for deployment planning.  
5 While the Company agrees with the importance of real-  
6 time-pricing with respect to demand response, the  
7 benefits of deploying AMI are derived from a number of  
8 sources. Over the long run, the most significant  
9 direct benefit is expected to be the reduction in the  
10 Company's meter reading costs. Due to this, the  
11 strategy for meter deployment must be considered in  
12 relation to the cost to read meters in specific  
13 geographic areas. It was this rationale that led the  
14 Company to commence deployment of automated meter  
15 reading ("AMR") in Westchester before other regions in  
16 our service territory. Appreciating this, one sees the  
17 benefit of deploying meters to cover complete meter  
18 reading routes as opposed to the selective deployment  
19 that would result under the model suggested by the  
20 City. It should also be noted that the Company has  
21 already presented a positive economic business case for  
22 the implementation of AMI to our complete customer  
23 population as part of the Company's AMI filing.

24 Q. Please continue.

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 A. The Company's proposal to expand its Mandatory Hourly  
2 Pricing ("MHP") program serves to address the City's  
3 interest in enabling the Company's largest customers to  
4 participate in demand response programs. The expansion  
5 of MHP will include customers over 500 kW. We also  
6 note that the Company's AMI plan includes pre-  
7 deployment projects that will enable a similar range of  
8 tests to those identified by the City and, further,  
9 under the Company's AMI plan, the Company anticipates  
10 that universal deployment of AMI meters will be  
11 completed by 2014 in line with PlaNYC.

12 Q. Please summarize your position as to AMI costs.

13 A. The Company is currently pursuing AMI consistent with  
14 energy policy established by the Commission, the  
15 Governor, New York City and other jurisdictions. The  
16 time is ripe to rule on the Company's proposed costs in  
17 this rate proceeding. Action in this proceeding will  
18 not interfere with Commission action in the AMI  
19 proceeding, should the Commission decide to accelerate  
20 the processes in that proceeding. Moreover, any  
21 decision in the AMI proceeding before a decision on the  
22 Company's rate filing would be duly considered by the  
23 Commission in rendering a decision in this case.

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 The Company has initiated its AMI program in good faith  
2 and in furtherance of Commission policies. However, it  
3 cannot do so indefinitely. The prospect that the  
4 Commission will not act on the Company's AMI plan in  
5 this proceeding or by March 2008 in the AMI proceeding  
6 must necessarily cause the Company to reevaluate its  
7 current efforts and to consider terminating or  
8 suspending those efforts, which would be to the  
9 detriment of its customers and other stakeholders.

10 MANDATORY HOURLY PRICING EXPANSION

11 Q. Do any of the parties address the Company's Mandatory  
12 Hourly Pricing (MHP) Expansion program?

13 A. Yes. Staff witness Graves states that the roll out and  
14 expansion of MHP for customers with demands over 1 MW  
15 and up to and including 1.5 MW should be delayed to  
16 allow these customers the opportunity to review at  
17 least six months of hourly load data, including their  
18 usage in the summer months. In regard to those  
19 customers with demand over 500 kW and up to and  
20 including 1 MW, Mr. Graves says that installation of  
21 interval meters should be timed to provide those  
22 customers with at least one full year of interval load  
23 data.

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 Q. Do you agree that the availability of six months of  
2 interval data should be a prerequisite to  
3 MHP implementation for customers over 1 MW?

4 A. No. First, it should be noted that the Commission has  
5 not heretofore established a minimum period of exposure  
6 to hourly usage and demand data before hourly pricing  
7 is implemented. Second, in the Commission's Order  
8 Instituting Further Proceedings and Requiring the  
9 Filing of Draft Tariffs, (issued Sept. 23, 2005, in  
10 Case No. 03-E-0641, p. 9), the Commission stated,  
11 "Accelerating the implementation of RTP is a necessary  
12 response to burdensome electricity price increases,"  
13 and noted its desire to implement hourly pricing  
14 expeditiously in order to provide accurate price  
15 signals, afford an opportunity for customers to shift  
16 load and realize potential savings, and to reduce peak  
17 system demand, particularly in the summer.

18 The Commission's subsequent order, Order Denying  
19 Petitions for Rehearing and Clarification in Part and  
20 Adopting Mandatory Pricing Requirements (issued April  
21 24, 2006), expressed the Commission's conclusion that  
22 establishment of hourly pricing was critical before the  
23 summer to encourage demand response given the tighter  
24 load and capacity situation in the downstate area.

1 Q. Please continue.

2 A. The Company's MHP proposal supports an accelerated  
3 schedule for the implementation of RTP. Under this  
4 schedule, MHP billing will be implemented in January  
5 2009 for customers over 1 MW and January 2010 for  
6 customers over 500 kW to encourage demand response at  
7 the earliest practical date. The Company's plan  
8 provides for an extensive outreach and education  
9 program prior to the implementation of MHP billing. It  
10 also provides customers with access to interval data  
11 prior to the summer period that MHP billing would be in  
12 effect.

13 Q. Can you project the impact of implementing Mr. Graves's  
14 proposal to provide for access to interval load data  
15 for a six-month period to customers over 1 MW and a 12-  
16 month period to customers over 500 kW, including the  
17 summer, prior to the initiation of MHP billing?

18 A. Even with an aggressive installation schedule, we  
19 estimate expansion of MHP billing would have to be  
20 delayed for customers over 1 MW from January 2009 until  
21 no earlier than Fall 2009. Thus, the earliest summer  
22 period that MHP billing would be in effect for  
23 customers over 1 MW would be Summer 2010. Likewise,  
24 for customers over 500 kW, MHP billing would be delayed

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 with Summer 2011 the earliest summer period that MHP  
2 billing would be in effect.

3 Q. Witness Graves testimony notes the experience of  
4 National Grid in installing interval meters over seven  
5 months in 2006. In its report of July 30, 2007,  
6 "Mandatory Hourly Pricing Six Month Evaluation,"  
7 National Grid reported that seven months was not enough  
8 time to procure, program, test and install meters (p.  
9 9).

10 Q. How does the Company's plan address these issues?

11 A. The Company's MHP implementation schedule allows  
12 sufficient time for the installation of meters,  
13 outreach and education, and the implementation of a  
14 meter data management system. The availability of  
15 interval data to these customers, together with our  
16 outreach and education efforts, will enable customers  
17 to be properly prepared for their first summer under  
18 the MHP pricing model.

19 Q. Please describe the Outreach and Education program  
20 proposed by Mr. Graves.

21 A. Mr. Graves proposes a very expansive outreach and  
22 education effort, including communication with Con  
23 Edison personnel; live information sessions/seminars  
24 with customers (including those over 1.5 MW),

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 consultants, and ESCOs; webcast/video of workshops;  
2 training on software tools; and a monthly newsletter.  
3 He also proposes that the outreach and education be  
4 expanded to include energy efficiency, distributed  
5 generation, and use of financial hedges.

6 Q. Do you agree with his proposal?

7 A. We agree with his objective but find his overall  
8 program to be somewhat excessive. Con Edison proposed  
9 an extensive outreach and education program using  
10 direct mail and bill inserts to both full service and  
11 retail access customers with demands over 500 kW up to  
12 and including 1.5 MW, including customers that will be  
13 exempt, and may include information exchange meetings.  
14 Like Mr. Graves, the Company believes in the importance  
15 of outreach and education in this area to properly  
16 support our customers. However, we would note that our  
17 ability to support even our current outreach and  
18 education plan, which is less costly than that  
19 recommended by Mr. Graves, would be considerably  
20 undermined by the adoption of the Staff Consumer  
21 Services Panel's (the "CS Panel" or the "CSP")  
22 recommendations in respect to our general Outreach and  
23 Education plan.

24 Q. Please explain.

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 A. The CS Panel would require removal of the majority of  
2 the new outreach and education programs that the  
3 Company has proposed, including education in regard to  
4 the MHP expansion. As explained later on, without the  
5 outreach and education funding requested, the Company  
6 will have to considerably reduce its current plans.  
7 Needless to say, it will be impossible under these  
8 conditions to embark on the much more expansive  
9 campaign envisioned by Mr. Graves. Moreover, even if  
10 the Company is granted the funding it requested for  
11 outreach and education, additional funding, estimated  
12 to be \$100,000 per year, would be required to implement  
13 Mr. Graves' plan.

14 Q. Mr. Graves suggests elimination of the \$1,000 special  
15 charge when meter access is denied because he believes  
16 that Con Edison's previous experience, from 15 years  
17 ago, predicts that one customer would refuse Con Edison  
18 access to change its meter. Further he states that he  
19 does not believe that Con Edison's past experience with  
20 time-of-use customers is a good guide for this  
21 installation of interval meters. Mr. Graves claims  
22 that customers trying to avoid MHP can do so by simply  
23 switching to an ESCO, an option not available in 1992.  
24 Mr. Graves also cites National Grid as not reporting



CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 any such problems during their recent meter roll-out.  
2 Do you agree?  
3 A. No. Although the Company expects that the number of  
4 cases where we would actually impose the fee would be  
5 very small, such a fee is necessary to encourage all  
6 customers to provide timely access. In our experience  
7 with the time-of use program and DC elimination  
8 program, some customers do not freely provide access  
9 for some reason or no reason. Experience dictates that  
10 some customers believe they will be disadvantaged by  
11 MHP. And Mr. Graves is incorrect when he suggests that  
12 customers migrating to retail access can avoid the  
13 impact of hourly usage measurement. In fact, the  
14 customer's energy costs will most likely reflect the  
15 customer's hourly usage whether the customer purchases  
16 supply from the utility or from an ESCO. If the fee  
17 were eliminated, the Company would be without any  
18 leverage to encourage cooperation by customers that  
19 have a direct interest in delaying the meter  
20 conversion. Although Mr. Graves observes that National  
21 Grid, which operates in a very different supply  
22 environment to Con Edison, did not mention any problems  
23 accessing meters in their "Mandatory Hourly Pricing Six  
24 Month Evaluation," this report does not comment

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 specifically on the subject of meter access.

2 Therefore, no conclusions can be drawn on this issue  
3 from that report.

4 Q. Mr. Graves recommends (p. 20) that Con Edison's meter  
5 costs "be recovered via a tariffed incremental meter  
6 charge in conformance with the Commission's April 2006  
7 MHP Order" in Case 03-E-0641, Order Denying Petitions  
8 for Rehearing and Clarification in Part and Adopting  
9 Mandatory Hourly Pricing Requirements (issued April 24,  
10 2006) (the "April 2006 Order"). Do you agree with this  
11 suggestion?

12 A. No. The Company believes that all MHP program costs,  
13 including metering costs, should be recovered via  
14 delivery rates because MHP is deemed to benefit all  
15 customers. The April 2006 Order did not require that  
16 MHP customers bear this burden alone, only that they  
17 not bear it as a lump-sum, up-front charge.

18 Q. Do you have any comments on the position taken by City  
19 witness Rosenberg related to real time pricing (RTP)?

20 A. We do not but the Electric Rate Panel testifies with  
21 respect to Dr. Rosenberg's comments on this subject.

22 CALL CENTER APPLICATIONS

23 Q. Does any party address the Company's proposals for Call  
24 Center enhancements?

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 A. Yes, the CSP does not support the Call Center  
2 enhancements, including the increase of Call Center  
3 staffing by 36 customer service representatives  
4 ("CSRs") and two managers, speech recognition  
5 technology and remote agent technology. Also CSP  
6 partially rejects the Company's request to add  
7 additional outbound lines at the Call Center, scaling  
8 back the Company's request from 48 to 24 additional  
9 lines. They accept the Company's request for an  
10 uninterrupted power supply for the Call Center.

11 Q. What reasons does the CS Panel give for these  
12 adjustments?

13 A. CSP notes that conclusions reached by Staff in their  
14 February reports on service outages in Westchester and  
15 Long Island City indicate that investments in the Call  
16 Center are unnecessary. Specifically, CSP cites  
17 Staff's February 9, 2007 report on the Long Island City  
18 network outage that concluded, "Con Edison performed  
19 well with regard to providing a sufficient number of  
20 representatives for the Call Center, in providing  
21 adequate incoming lines" and in answering calls "within  
22 a reasonable time." As to the speech recognition  
23 technology, they claim that it is a non-essential

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 investment given the magnitude of the infrastructure  
2 investment presented in this case.

3 Q. As to the staffing, do you agree with CSP position?

4 A. No. It should be recognized that the increase in CSRs  
5 is intended to support overall staffing levels and is  
6 not targeted to service specifically in times of  
7 emergency. CSP testimony focuses on the Company's  
8 staffing resources during major outages. During these  
9 events non-emergency calls are deferred so that all  
10 available resources are prioritized to meet the demands  
11 at the time. CSP does not consider the full effect of  
12 the need for increased Call Center staffing during non-  
13 emergencies. Less than five percent of the total calls  
14 the Company receives each year are emergency-related.  
15 CSP notes that the Company's proposed investments to  
16 its electric infrastructure will diminish the need for  
17 extra staffing over time. However, since the Company's  
18 proposal to increase staff is not focused on emergency  
19 calls, the link made by CSP is inapt.

20 Q. Please explain the need for increased staffing in non-  
21 emergency situations.

22 A. The Company's need for increased staffing originates  
23 with the high attrition rate of Customer Service  
24 Representatives ("CSRs") in the Call Center. The high

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 attrition rate means that new hires come in to the Call  
2 Center and need to be trained. In recent years, it has  
3 become difficult to maintain full staffing of the Call  
4 Center as a number of the staff are consistently in  
5 training. Specifically, the Call Center has operated  
6 at a deficit of 36 fully trained CSRs. Full  
7 availability of Call Center personnel is important so  
8 that customers can continue to receive appropriate  
9 service for both emergency and non-emergency calls.  
10 Thus, the Company proposed to hire an equivalent number  
11 of additional Call Center employees to be able to  
12 adequately staff positions while members of this group  
13 of employees are at training.

14 Q. Please respond to CSP's position in regard to the  
15 remote agent program.

16 A. CSP relates the remote agent technology to the need for  
17 an increased level of staffing. This association is  
18 incorrect. The remote agent technology is a key  
19 ingredient to the Call Center's business continuity  
20 strategy and is not driven by staffing levels. This  
21 technology offers our workforce the ability to handle  
22 customer calls remotely during emergencies and other  
23 times when staffing demands surge and is intended to  
24 help customers in any situation, including a disaster,

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 get through to the Company. This is an important  
2 communication element. Further, and as explained in  
3 our initial testimony, this technology offers  
4 flexibility in staffing and broadens the pool of  
5 prospective employees that can be recruited for  
6 positions in the Call Center.

7 Q. CSP suggests that the enhancement of speech recognition  
8 software is unnecessary and might be replaced by a less  
9 costly touch-pad based solution. Further CSP states  
10 that the Company must prioritize its "non-essential"  
11 investments in light of the magnitude of the Company's  
12 rate increase request.

13 Q. Do you agree?

14 A. While one can debate the meaning of "essential," we do  
15 believe that this program is important and should be  
16 funded.

17 Q. Please explain.

18 A. Because our IVR is approaching the end of its useful  
19 life, the Company initiated the selection and  
20 installation of a speech recognition solution. This  
21 provides our customers with a comprehensive and  
22 intuitive automatic communications facility.  
23 Maintaining and enhancing this system is necessary to  
24 ensure that the highest number of customers possible

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 are satisfied with the service they receive via this  
2 system.

3 Q. Although the CS Panel does not accept the Company's  
4 proposal to increase outbound lines from 24 to 72, the  
5 Panel does say that a smaller increase in outbound  
6 lines is appropriate. What is your response to this?

7 A. By proposing that the Company increase its outbound  
8 lines by 24, CSP clearly recognizes the importance of  
9 this facility. However, its failure to support the  
10 Company's entire request seems to be based on an  
11 arbitrary decision on the number of lines required. In  
12 contrast, the Company's proposal was based on a careful  
13 study of the requirements of the Emergency Control  
14 System (ECS), and specifically the number of lines  
15 required to support peak outbound requirements. The  
16 Company has a responsibility to prepare for the worst-  
17 case scenario, such as a system-wide event, rather than  
18 an event occurring in one operating area, such as a  
19 storm in the Westchester area. We believe that such  
20 preparation is what is expected of us by all of our  
21 stakeholders, including Staff.

22 LOW INCOME PROGRAM

23 Q. The CS Panel recommends that the monthly customer  
24 charge payable by low income customers participating in

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 the low income program be frozen at \$6.50. Do you  
2 agree?

3 A. No, we do not. The Company currently provides for a  
4 discount of approximately \$5 per month to eligible  
5 customers. As indicated in our initial testimony, the  
6 Company proposes to continue the discount at this  
7 level.

8 Q. What reasons does Staff give for its proposed increase?

9 A. Staff says that its proposed discount is reasonable  
10 given the rising cost of electricity, the impact of  
11 electricity costs on low income customers, and the  
12 potential for offsetting benefits to the Company and  
13 all customers.

14 Q. Do you agree with Staff's rationale for their proposed  
15 increase?

16 A. No, we do not. Staff's very general rationale could  
17 arguably support any discount amount. Staff's  
18 recommendation would result in a monthly discount of  
19 \$8.71 from the Company's proposed customer charge.  
20 This is an increase in the discount of approximately 75  
21 percent, which we believe would place an unreasonable  
22 additional subsidy on the Company's other customers.

23 IMPROVEMENTS IN FIELD OPERATIONS



CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 Q. The CS Panel discusses the Company's proposal to  
2 increase Field Operations Customer Field  
3 Representatives ("CFRs") available to read the meters  
4 on demand-metered accounts and investigate ("field")  
5 inactive accounts. Please describe the CS Panel's  
6 testimony.

7 A. The CS Panel comments first on the work volume of the  
8 proposed CFRs. Referring to the Company's response to  
9 CPB 14-k, they observe that the Company's staffing  
10 request is mostly in the service of fielding meters  
11 where consumption is reported on inactive accounts.

12 Q. Do you agree with this characterization?

13 A. No. The Company's response to CPB 14-k indicates that  
14 of the 15 CFRs requested, seven positions are needed to  
15 support activity on inactive accounts and eight CFRs  
16 are needed to support demand meter reading.

17 MARK FOR IDENTIFICATION AS EXHIBIT\_\_\_ (CO-5)

18 That is, less than half the Company's request would be  
19 dedicated to the fielding of meters where consumption  
20 is reported on inactive accounts.

21 Q. Please continue.

22 A. The CS Panel further notes that the fielding of such  
23 accounts protects the Company's revenues by providing  
24 for the billing of revenues associated with these

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 accounts and the resolution of service responsibility  
2 issues between the old and new customers. Based on  
3 this, CSP claims that these new positions should be  
4 self-funding.

5 Q. Do you agree?

6 A. No. Inactive meters need to be addressed to the  
7 benefit of all legitimate stakeholders. We have an  
8 obligation to the community to take steps to protect  
9 the integrity of our infrastructure and to identify  
10 those who may be improperly utilizing our service. In  
11 addition, by their very nature, these inactive meters  
12 are difficult to resolve and the potential revenues  
13 that may be produced by this activity are therefore  
14 speculative at best. Accordingly, the Company should  
15 not be denied recovery of reasonably incurred expenses  
16 for discharging its responsibilities.

17 Q. Please summarize your position as to this request.

18 A. For the reasons stated above, the entire request to  
19 increase Field Operations staffing should be granted.

20 OUTREACH AND EDUCATION

21 Q. The CS Panel recommends that the Company's proposed  
22 Outreach and Education ("O&E") program be substantially  
23 reduced because the magnitude of the requested increase

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 for O&E and the resulting bill impacts cannot be  
2 justified. Do you agree?

3 A. No, we do not. The CS Panel recommendation is  
4 unsupported by any specific concern about the program  
5 or its components. A significant and detailed program,  
6 which has been structured to meet one of the  
7 Commission's core objectives - the educational needs of  
8 our customers in regard to a wide range of current and  
9 rising issues - should not be dismissed in such a  
10 fashion, especially in light of Staff's acknowledgement  
11 as to the effectiveness of the Company's historical  
12 efforts in this area (p. 19). In addition, we would  
13 note that while Staff premises its opposition to this  
14 program on the resulting bill impacts, the bill impacts  
15 would be significantly lower than those that would be  
16 experienced if the low income program increase  
17 recommended by the Staff were adopted. The needs of  
18 our general body of customers, which include low income  
19 customers, are no less important than a program  
20 targeted exclusively for low income customers.

21 Q. Please continue.

22 A. We proposed specific programs, with specific goals  
23 intended to contribute to meeting Commission concerns  
24 about educating customers on energy efficiency and

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 power problems and other important issues of our day,  
2 including new and additional efforts in reaching  
3 customers whose first language may not be English.  
4 We also note that since this rate case was filed, the  
5 Commission has ordered Con Edison to enhance its  
6 communications with customers in connection with power  
7 outages (see Case No. 06-E-0894, Order Implementing  
8 Outage Recommendations, July 20, 2007). The order  
9 directs Con Edison to "periodically notify its  
10 customers . . . through a variety of methods, including  
11 bill inserts, advertisements, and public service  
12 announcements" how to respond to service outages and  
13 what information to expect the utility to provide.

14 Q. Do Staff witnesses take a consistent approach on  
15 outreach and education funding?

16 A. Not as we read their testimony. As indicated earlier  
17 in this rebuttal testimony, Staff witness Graves  
18 recommends that the Company should expand its outreach  
19 and education efforts associated with the Mandatory  
20 Hourly Pricing program. However, we read the CS  
21 Panel's testimony as eviscerating the Company's planned  
22 MHP outreach efforts and certainly precluding the  
23 increase in related activities contemplated by Mr.  
24 Graves.

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 Q. Does CSP make any further recommendations?

2 A. Yes. CSP recommends that the Company be directed to  
3 develop and present annually a detailed public  
4 awareness, outreach and education program plan. This  
5 plan is to be presented at least 90 days before the  
6 date of implementation, in order to be evaluated on an  
7 expedited basis through a collaborative discussion as  
8 to both program content and final budget.

9 Q. What is the Company's response to this proposal?

10 A. First, as previously stated, the CS Panel acknowledges  
11 in their testimony the historical success of the  
12 Company in regard to managing its outreach and  
13 education program. Second, for the last three years,  
14 Staff has asked the Company twice each year to submit  
15 public awareness and education plans for the upcoming  
16 season. This has occurred for the years 2005, 2006 and  
17 the current year, 2007. The Company has freely  
18 provided these plans to Staff as requested. Staff has  
19 indicated that the information they obtain from the  
20 utilities about their public awareness and education  
21 plans are compiled along with the Commission's and  
22 NYSERDA's program information and are used to help  
23 Staff monitor statewide energy awareness and education  
24 efforts. In addition, Staff makes their own plans

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 known to the utilities and urges the utilities to  
2 ensure that the particular messages that are identified  
3 by Staff are promoted.

4 Q. Please continue.

5 A. This process for exchanging information has worked well  
6 in the past and has proved to be a viable and efficient  
7 way to keep all the parties informed of each other's  
8 plans and campaigns. Each party is free to develop and  
9 plan according to the needs of their individual  
10 stakeholders and it has historically been a very  
11 successful process. It has also allowed all parties  
12 the time to plan their respective programs and  
13 campaigns well in advance of the season. This helps  
14 parties take advantage of securing media outlets early  
15 in a cost effective manner, and to adequately plan for  
16 campaigns and secure event space and cooperation from  
17 partners in various programs. In this regard, we  
18 believe we are already exceeding CS Panel's  
19 recommendation, and, therefore, no additional reporting  
20 requirement should be imposed. It seems contradictory  
21 to us that the CS Panel suggests adding a process that  
22 would impose additional administrative costs at the  
23 same time as it is suggesting costs be reduced. We  
24 note, in addition, that the proposal neither estimates

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 nor provides for an adjustment to the revenue  
2 requirement for such costs. Further, we maintain that  
3 the process we have described above, which has been  
4 taking place for the last three years, has been  
5 successful and has addressed the need for collaboration  
6 between the utilities, Staff and NYSERDA. We believe  
7 that the CS Panel's suggestion is redundant in the  
8 context of the existing process.

9 Q. Has any other party addressed the Company's Outreach  
10 and Education Program?

11 A. Yes. CPB witnesses Schultz/DeRonne submitted testimony  
12 on this subject.

13 Q. Do Mr. Schultz and Ms. DeRonne have a general comment  
14 in regard to the Company's filing?

15 A. Yes. The witnesses suggest that the Company's filing  
16 lacks organization, detail and cross referencing. They  
17 go on to suggest that the CO Panel lacks awareness of  
18 what is included in the filing. This is clearly a  
19 gross mischaracterization of the facts. The Company  
20 accepts it made an error of omission in regard to CPB  
21 IR 14g in that we failed to respond to the question  
22 where the \$1.3 million increase for Customer Service  
23 Representatives is shown on a CO Panel exhibit. In  
24 fact, this cost was not presented on any CO Panel

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 exhibit. However, that error does not provide a basis  
2 for CPB's broad criticisms of the Company's detailed  
3 proposal or its recommendations to reject the expenses  
4 for the necessary programs. Moreover, we refer you to  
5 the Accounting Panel's general rebuttal of CPB's  
6 unfounded criticisms of the myriad information provided  
7 by the Company in this proceeding in support of its  
8 programs.

9 Q. Do you agree with the CPB witnesses' testimony in  
10 regard to the Outreach and Education program?

11 A. No. First and foremost, CPB suggests that the Outreach  
12 and Education request for \$10.15 million be reduced by  
13 \$4.46 million, in large part by eliminating most of the  
14 funds intended for direct mail distributions of  
15 information. They say that informational material  
16 could instead be provided by bill insert or via other  
17 channels, such as the Company website. They do not  
18 address the portion of our testimony that explains that  
19 we have established, through customer surveys that  
20 information by direct mail is a preferred form of  
21 communication from the Company. This same research has  
22 established that the Company website, while a valuable  
23 tool for many communication initiatives, is not as  
24 effective a channel for these messages at this time.



1 Q. Please continue.

2 A. As explained in our testimony, people respond to  
3 information differently when it is presented in  
4 different ways. For some customers, bill inserts are  
5 the most effective means while for others separate  
6 mailings (direct mail) have more of an impact. Still  
7 other customers and non-customers prefer to receive  
8 information over the Internet while some people want to  
9 see it in their daily or community newspapers, hear it  
10 on the radio or see it on transit posters and  
11 advertisements. Considering the very real costs of  
12 electricity and its importance in our customers' daily  
13 lives, we need to communicate with them, the members of  
14 their households, consumers who are not direct  
15 customers, landlords, elected officials, and others in  
16 different ways.

17 Q. CPB suggests that the Company has not provided the  
18 appropriate level of documentation to support the  
19 increase requested. How do you respond to CPB's claim?

20 A. CPB's witnesses were apparently concerned that the  
21 Company did not present a detailed project plan for  
22 each expenditure in each category. This would not have  
23 been practicable. The Company has provided a detailed  
24 explanation of each expected program cost both via our

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 original testimony and the associated exhibit  
2 (Exhibit\_\_CO-3). These program costs have been provided  
3 in greater detail than in previous rate cases. We also  
4 refer to our testimony above regarding our voluntary  
5 submission of our O&E programs to Staff at the  
6 commencement of each season. This recognizes that the  
7 specific details sought by CPB are not available now,  
8 as these materials are developed on a more current  
9 basis to reflect, among other things, recent events,  
10 new Commission policies, changes in technology, and the  
11 like.

12 Q. Apart from the documentation issue above, CPB claims  
13 the increase in regard to media spending is excessive.  
14 How do you respond?

15 A. The increase in media spending from \$1.465 million to  
16 \$4.265 million reflects \$800,000 for web-based  
17 educational messaging. That leaves an increase for  
18 print, radio and transit messaging of \$2 million. In  
19 the market in which Con Edison operates, this amount  
20 represents a modest amount by any standard. We  
21 increasingly use ethnic- and community- based  
22 publications to reach segments of the customer base  
23 that respond to languages other than English. Con  
24 Edison is challenged to communicate to a vastly

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 different and growing population to a much greater  
2 degree than other utilities in the state. As an  
3 example, based on the 2000 Census, the percentage of  
4 household members aged five or more who speak a  
5 language other than English is 47.6% in New York City  
6 and 28.4% in Westchester County. For other areas in  
7 the state, the corresponding percent is 12.4% for  
8 Buffalo, 13.2% for Albany, 13.6% for Binghamton, 12.0%  
9 for Troy and 13.2% for Syracuse.

10 As we branch out to a greater variety of media to reach  
11 consumers, more funding is required.

12 While the outreach and education programs we conducted  
13 in the past and the vehicles we have used have been  
14 proven successful, we continue to make a concerted  
15 effort to deliver messages to our customers in a  
16 variety of formats using various media to better  
17 educate and inform them about issues concerning their  
18 safety and their rights and responsibilities as utility  
19 customers. However, in response to our  
20 responsibilities to our customers and others in our  
21 service territory, we cannot rest on our past  
22 achievements and it is incumbent on us to always  
23 explore new and better vehicles for delivering our  
24 messages.

1 On the basis of the foregoing, we believe that the  
2 costs for the program as originally presented and  
3 further explained above are appropriate and should not  
4 be reduced.

5 Street Lighting

6 Q. Do any of the witnesses discuss Con Edison's street  
7 lighting billing system (SLBS)?

8 A. Yes. NYC witness Galgano states (p. 2) that he  
9 believes that "the Company historically has done a poor  
10 job of maintaining accurate records of New York City  
11 street lights." He also states that the Company has  
12 failed to meet requirements set forth in the current  
13 electric rate plan with regard to development and  
14 implementation of a new street light billing system  
15 (SLBS).

16 Q. Do you agree with Mr. Galgano's characterization of the  
17 street light register and the status of the new SLBS?

18 A. No. We believe Mr. Galgano makes errors of fact and  
19 omission.

20 Q. Please explain your position in regard to the Company's  
21 streetlight records.

22 A. We take exception to inferences in Mr. Galgano's  
23 statements as to the Company's failing to maintain  
24 accurate records of New York City street lights. The

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 responsibility for maintaining accurate street light  
2 records resides with both parties. The City is  
3 responsible for providing accurate and timely  
4 information about street light installations, removals,  
5 and changes in lamp size. The Company has been  
6 responsible for updating the streetlight register with  
7 this information on a timely basis. The parties to the  
8 2005 Joint Proposal underlying the current electric  
9 rate plan agreed that a SLBS would aid in the  
10 maintenance of records that reflect all lamp changes on  
11 a more contemporaneous basis. The City has been  
12 deficient at times at providing timely and accurate  
13 information. If the City provides inaccurate  
14 information to the new system, the register will be no  
15 more correct than it is now.

16 Q. What is your position in regard to the development of  
17 the new SLBS?

18 A. Mr. Galgano is correct that the system is not yet in  
19 use. That is not to say that the Company did not  
20 fulfill the requirements of the current electric rate  
21 plan in respect to the development and construction of  
22 this system. The Company, in full compliance with the  
23 current rate plan, developed a new SLBS that satisfied  
24 all of the requirements agreed to by the Company, New

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 York Power Authority, and the City in the Functional  
2 Scope Document dated April 1, 2005. According to the  
3 Rate Plan, the City was to accept this system based on  
4 its conformance to the design requirements. The City  
5 did not accept the new system but requested changes  
6 that go beyond the original scope. Therefore, the  
7 system is not yet available for use. In the spirit of  
8 collaboration, we are in the process of making these  
9 changes, and completion is expected in December 2007.

10 Retail Access Program

11 Q. Do any of the witnesses discuss Con Edison's retail  
12 electric market?

13 A. Yes. RESA witness Smith discusses the current status  
14 of the retail electric market in New York and notes  
15 "that the number of customers served by ESCOs in the  
16 mass market has increased and that the Con Edison  
17 service territory has made significant progress." She  
18 further notes that "the programs introduced by the  
19 Commission and implemented by Con Edison have played a  
20 critical role in increasing customer awareness of their  
21 options in the marketplace, and in facilitating the  
22 exercise of choice by a growing number of customers who

1 have found benefits and value among their competitive  
2 options."

3 Q. Please continue.

4 A. Witness Smith further notes that "referral programs,  
5 for the customers of utilities such as Con Edison, have  
6 significantly reduced barriers" to competition. She  
7 notes that these programs offer customers who make  
8 telephonic contact with the utility information on the  
9 referral program. She further notes that "new  
10 customers" "are not provided the same opportunity to  
11 take advantage of the ESCO referral as are existing  
12 customers who contact Con Edison" and recommends that  
13 Con Edison's existing referral program be expanded to  
14 apply to customers who are designated "new customers."  
15 She also notes that this enhancement of the referral  
16 program could be could be made with a "modicum of  
17 additional effort and expense."

18 Q. Do you agree with Witness Smith's characterization of  
19 Con Edison's referral program and the changes that  
20 should be made to it?

21 A. No. Customers calling the Call Center are not  
22 automatically provided information about the referral  
23 program. Customers are provided with information about  
24 the Con Edison referral program through a number of

CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 vehicles including via the customer bill and Company  
2 web site. Customers may enroll in the referral program  
3 via a number of vehicles including enrollment via a  
4 toll free telephone number and website. In addition,  
5 customers may contact our Call Center and be enrolled  
6 in the referral program.

7 Q. Please continue.

8 A. With respect to making the referral program available  
9 to new customers, expansion of the referral program  
10 will require system and process changes that are not  
11 insignificant.

12 Q. Is the Company willing to expand the referral program  
13 to make it available to new customers?

14 A. The Company is willing to evaluate technology and  
15 funding issues related to expanding our referral  
16 program to make it available to new customers.

17 Q. Witness Smith also recommends that a collaborative be  
18 instituted to examine providing ESCOs with access to  
19 relevant customer data in a just and reasonable manner.  
20 Do you agree with this recommendation?

21 A. No. The Commission is currently examining Retail  
22 Access programs and practices in Case 07-M-045,  
23 Proceeding on Motion to Review Policies and Practices  
24 Intended to Foster the Development of Competitive



CUSTOMER OPERATIONS PANEL - ELECTRIC  
REBUTTAL

1 Retail Energy Markets. This issue should be addressed  
2 in that proceeding.

3 Q. Witness Dowling of Consumer Power Advocates states that  
4 Con Edison should provide to customers the identical  
5 access to the Retail Access Information System as is  
6 now provided only to ESCOs. Do you agree with this  
7 proposal?

8 A. No. Much of the information on RAIS can be accessed  
9 via the RAIS website in the "view only mode." Other  
10 customer data is available on My Account on  
11 www.coned.com and on the DMS website to which access  
12 can be arranged at the customer's request.

13 Q. Does this complete the Panel's rebuttal testimony?

14 A. Yes.

Data requests to DPS Staff (Michael Rieder) (question 12):

**Question 12:**

On pages 3-4 and 26, Staff states that there is a pending proceeding before the Commission for AMI:

- a) What is the status of this proceeding?
- b) Who are the Staff members assigned?
- c) What are the procedural steps being undertaken as part of the AMI proceeding?
- d) Is there an expected date for a Commission decision in that proceeding?
- e) How does Staff propose the Company's AMI costs should be recovered if the Company's AMI plan is approved by the Commission?
- f) What depreciation rates are applicable to the various components of AMI investment?

Response:

- a) The status of the Commission's advanced metering proceeding (Case Nos. 94-E-0952, 00-E-0165, 02-M-0514) is on-going. By Order issued August 1, 2006, utilities were directed to file plans for development and deployment of advanced electric metering system. Plans were received on or about February 1, 2007 and on March 28, 2007 from Con Edison and Orange and Rockland. The plans are currently being reviewed by staff.
- b) A staff team has been assembled to review the plans. The staff team leads are Martin Insogna and Michael Rieder.
- c) Staff is reviewing the plans, holding further discussion with the utilities, seeking additional information, and will prepare its recommendation to the Commission.
- d) No.
- e) At this time, Staff has not developed a proposed method for cost recovery of the Company's proposed AMI plan.
- f) At this time, Staff has not developed proposed depreciation rates applicable to the various components of the AMI investment.

Company Name: Con Edison  
Case Description: Electric Rate Filing  
Case: 07-E-0523

Response to CPB Interrogatories – Set CPB1

Date of Response:  
Responding Witness:

Question No. :14k

(k) Subject: Customer Operations. Refer to pages 32-34 of the Customer Operations Panel Testimony. Provide a detailed explanation of how the added employees will improve the access to the meters, how the increase in CFR employees was determined, show the calculation, explain how the Company plans to fill the positions and by why date. Also identify where the costs are shown on a Customer Operation Panel's exhibit and where the costs are reflected on Exhibit\_\_ (AP-5), Schedule 8.

**RESPONSE:**

Fifteen additional CFRs are requested to address demand meter reading where access to the meter is a problem and the field visits to meters where consumption is reported on inactive accounts. The additional CFRs requested to read demand meters where access is a problem will improve access to these meters by supporting the multiple efforts needed to gain access to these meters.

Components and the calculation used to derive the increase of 15 CFRs to address demand meter reading and the field visits to meters where consumption is reported on inactive accounts are below.

**Components:**

- Increase in projected work volumes
  - For demand meter reading – Projected volume of demand meters where access is a problem is based on increase of 3,774 work units in 2007.
  - For inactive accounts – Projected volume of inactive accounts where consumption is reported is based on increase of 12,718 work units in 2007.
- Time Required to perform the work function – Based on the average time needed to perform the work function plus the additional time associated with performing the work function (travel time to the location and delays experienced related to the performance of the work function such as time needed to gain access to the meter or individuals needed to provide information)
- Human resources formula – (variations in work volumes) x (time required to perform the work function) / (60 – to establish hours) / (available annual work hours).

**Calculation:**

| <b>Year</b>               | <b>Inactive<br/>Accounts</b> | <b>Demand<br/>Meter<br/>Reading</b> | <b>Total</b> | <b>Time<br/>Required<br/>(Minutes)</b> | <b>HR</b> |
|---------------------------|------------------------------|-------------------------------------|--------------|--|-----------|
| <b>2007<br/>Projected</b> | 175,250                      | 98,135                              | 273,385      |  |           |
| 2006<br>Actual            | 162,532                      | 94,361                              | 256,893      |  |           |
| Variations                | 50,872                       | 26,638                              | 77,510       | 18.4                                   | 15        |

Seven (7) CFR positions needed to support activity on inactive accounts were filled June 2007.

Eight (8) CFR positions needed to support demand meter reading expected to be filled July 2007.

The costs for this program are not presented in a Customer Operation Panel exhibit. These costs are reflected on Exhibit \_\_ (AP-5), Schedule 6, page 3, not on Schedule 8.