

RANDOLPH S. PRICE - STEAM

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WITNESS INTRODUCTION

1

2 Q. Please state your name and business address.

3 A. Randolph S. Price, 4 Irving Place, New York, NY 10003.

4 Q. By whom are you employed and in what capacity?

5 A. I have been employed by Consolidated Edison Company of
6 New York, Inc. ("Con Edison" or the "Company") since
7 August 2001 as Vice President for Environment, Health
8 and Safety ("EH&S").

9 Q. By whom were you employed prior to joining Con Edison,
10 and what positions did you hold?

11 A. From 1982 until 1994, I worked for the DuPont Company.
12 I started as a plant environmental coordinator and
13 subsequently worked in various positions of increasing
14 responsibility before leaving DuPont in 1994. In 1994,
15 I joined J.M. Huber Corp. as Corporate Director of
16 Environment, Health and Safety, where I stayed until
17 1996, when I joined Allied Signal (now known as
18 Honeywell International) as Director of Environmental
19 Affairs & Six Sigma.

20 Q. Please describe your educational background.

21 A. I received a Bachelor of Science Degree in Biology from
22 the State University of New York at Cortland in 1975,

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1 and a Master of Science degree in Sanitary Science from
2 Syracuse University in 1982.

3 Q. Do you belong to any professional organizations?

4 A. Yes. I am one of Con Edison's representatives to the
5 Edison Electric Institute ("EEI"), serving as a member
6 of EEI's Environment Executive Advisory Committee.

7 Q. Have you previously submitted testimony to the New York
8 State Public Service Commission ("Commission")?

9 A. Yes. I have either submitted testimony or testified in
10 various electric, gas and steam rate cases.

11

12 **SUMMARY OF TESTIMONY**

13

14 Q. Please summarize your testimony.

15 A. My testimony focuses on the following EH&S-related
16 activities and their projected costs during the rate
17 year, October 1, 2010 through September 30, 2011:

- 18 • Remediation Program expenditures that are mandated by
19 agreements, regulations, consent orders, or permit
20 requirements - in particular, I describe Con Edison's
21 program for the investigation and remediation of former
22 manufactured gas plant and manufactured gas storage
23 holder sites ("MGP Sites"). I also discuss Superfund

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1 sites for which Con Edison is responsible, as well as
2 the requirements of the Appendix B section of the
3 November 1994 Consent Order between Con Edison and the
4 New York State Department of Environmental Conservation
5 ("DEC"), as modified by the December 2006 Consolidated
6 Consent Order ("Appendix B"). In addition, I address
7 the Resource Conservation and Recovery Act ("RCRA")
8 corrective action requirements of the hazardous waste
9 management facility operating permit that was initially
10 issued by the DEC in May 1994 and subsequently renewed
11 in March 2001 and July 2008 for the Company's
12 PCB/Hazardous Waste Storage Facility at its Astoria
13 site. I discuss underground storage tank ("UST")
14 sites, which the Company must address under Federal and
15 New York State regulations. In total, we expect \$58.9
16 million in expenditures for these site environmental
17 investigation and remediation activities ("SIR
18 Program") during the rate year. I explain the steps the
19 Company takes to control and mitigate its SIR Program
20 costs, and I detail the process for site investigation
21 and remediation, including the development of work
22 plans as well as Company and contractor staffing for
23 its SIR Program;

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- 1 • An additional \$100,000 in O&M expenses for contracting
- 2 for the services of certified arborists to comply with
- 3 New York City regulatory requirements;
- 4 • Program change of \$427,000 to fill four currently
- 5 vacant staff positions in the Company's EH&S Department
- 6 to provide continued support for the Company's
- 7 environmental, health and safety compliance programs;
- 8 and
- 9 • Estimated proceeds of approximately \$281,000 for rate
- 10 year one from sales of the Company's sulfur dioxide
- 11 ("SO2") allowances.

SIR PROGRAM

- 14
- 15 Q. Please provide an overview of Con Edison's SIR Program.
- 16 A. Con Edison has a comprehensive on-going program for
- 17 managing its SIR sites and verifying that required
- 18 remedial response measures (investigations followed by
- 19 any necessary remedial action) are properly performed
- 20 for sites that have been contaminated by past releases
- 21 of petroleum products, hazardous wastes, and hazardous
- 22 substances from Con Edison's and its predecessor
- 23 companies' facilities and/or operations. This program

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1 encompasses the following types of sites, each of which
2 is discussed more fully below: (1) MGP Sites; (2)
3 Superfund Sites; (3) oil and dielectric fluid spill
4 sites subject to the investigation and cleanup
5 requirements of Appendix B; (4) the areas of the
6 Astoria Site subject to the RCRA corrective action
7 requirements imposed under the DEC's hazardous waste
8 management facility operating permit for the Company's
9 PCB/Hazardous Waste Storage Facility at that site, and
10 (5) UST Sites.

11 **MGP SITES**
12

- 13 Q. Before turning to Con Edison's investigation and
14 remediation efforts for its MGP Sites, please provide a
15 brief background on Con Edison's and its predecessor
16 companies' former manufactured gas plants ("MGPs") and
17 manufactured gas storage holder facilities.
- 18 A. MGPs provided energy in the form of combustible gases
19 of varying composition to municipal street lighting
20 systems and to homes and businesses in cities and towns
21 across the more densely populated regions of the United
22 States. In the case of the areas served by Con Edison

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1 and its predecessor companies, MGPs operated from the
2 late 1820s through the early 1960s. The earliest of
3 these plants produced illuminating gases from whale oil
4 and rosin. The plants constructed during and after the
5 1830s converted coal (oven gas) or a combination of
6 coke or coal, oil and water in the form of steam
7 (carbureted water gas) into a gas product that could be
8 used for lighting, cooking, and heating. There were
9 more than 200 MGPs in New York State and an estimated
10 3,000 to 5,000 in the United States, mostly in the
11 Northeast and Midwest, prior to these plants becoming
12 obsolete due to the construction of natural gas
13 pipelines and large electric generating stations.
14 Holder stations were used for the storage of
15 manufactured gas that had been produced at MGPs. They
16 consisted of large storage tanks (holders) of varying
17 composition and design.

18 Q. What are the present environmental concerns related to
19 MGP Sites?

20 A. Manufactured gas production was a complex process that
21 entailed the handling and storage of significant
22 quantities of feedstock materials, by-products, and
23 residuals that contain organic and inorganic chemical

1 constituents that are now considered to be hazardous
2 substances under federal and New York State laws and
3 regulations and that, when released to soil,
4 groundwater, or waterways, may pose a threat to human
5 health or the environment. The materials of primary
6 concern at MGP Sites include carbureting oils, scrubber
7 oils, coal tar, coal tar-related emulsions and sludges,
8 and gas purification wastes. At gas storage holder
9 sites, these materials include oils (which were used in
10 hydraulic systems as lubricants or to maintain airtight
11 seals between holder tank bases, bellows and shells)
12 and coal tar (which at times condensed out of stored
13 gas or was used to maintain airtight seals between
14 holder tank bases, bellows, and shells).

15 Q. Has the DEC increased its activities regarding MGP
16 Sites?

17 A. Yes. The DEC has pressured New York State's investor-
18 owned utilities to investigate and, when necessary to
19 protect human health and the environment, to undertake
20 remedial response actions for the sites of their former
21 manufactured gas plants. Most New York State utilities
22 have entered into administrative consent orders
23 ("ACOs") or cleanup agreements with the DEC under which

1 the utilities have agreed to address their MGP Sites.
2 In some cases (such as Con Edison), these ACOs or
3 cleanup agreements cover multiple sites. Under the
4 DEC's MGP program, investigations and/or remedial
5 action work have been undertaken or are planned at more
6 than 190 former MGP sites across the State. DEC's MGP
7 program is grounded in a federal initiative to ensure
8 that former MGP sites are addressed throughout the
9 country. The New York State Department of Health
10 ("DOH"), which works with the DEC in evaluating the
11 results of MGP site investigations and determining the
12 need for remedial response actions for them, views the
13 primary goal of these investigations as assessing
14 potential human exposure to MGP-related contaminants.

15 Q. Turning to Con Edison's MGP Site investigation and
16 remediation program, can you please provide the
17 background for the program?

18 A. Yes. Con Edison and its predecessor companies formerly
19 manufactured gas and maintained storage holders for
20 manufactured gas at MGP Sites located throughout
21 Manhattan, the Bronx, Westchester County, and western
22 Queens, New York. Many of these sites are now owned by
23 parties other than Con Edison and have been redeveloped

1 by their new owners for other uses, including schools,
2 residential and commercial developments, public parks,
3 and hospitals. The DEC requires the Company to
4 investigate and, if necessary, develop and implement
5 DEC and DOH-approved remedial action plans for all of
6 its and its predecessor companies' confirmed MGP Sites,
7 which presently include 34 manufactured gas plant sites
8 and 17 storage holder sites. Of these 51 sites, only
9 16 are still owned in whole or in part by the Company.

10 Q. Has a listing been prepared of the sites of the former
11 MGPs and manufactured gas storage holder facilities
12 that DEC is requiring Con Edison to investigate and, if
13 deemed necessary by DEC and/or the DOH, to implement
14 remedial action plans?

15 A. Yes, the exhibit entitled "CONSOLIDATED EDISON COMPANY
16 OF NEW YORK, INC. MGP SITE LISTING" is a listing of
17 those sites and the current status of the Company's
18 required investigation and remediation activities for
19 them.

20 Q. Was this exhibit prepared under your direction or
21 supervision?

22 A. Yes, it was.

23 MARK FOR IDENTIFICATION AS EXHIBIT ____ (RSP-1)

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1 Q. What has contributed to the significant increase in the
2 level of activities in the Company's MGP Program in the
3 last several years?

4 A. On August 15, 2002, Con Edison entered into a cleanup
5 agreement ("MGP Agreement") with the DEC to conduct
6 investigations and, if necessary, DEC/DOH-approved
7 remediation at 45 of the 51 MGP Sites listed in Exhibit
8 ____ (RSP-1). Of the remaining six sites listed in that
9 exhibit, five are covered by either individual cleanup
10 agreements with the DEC (the Tarrytown and White Plains
11 Gas Works Sites), DEC consent orders (the East 14th
12 Street Gas Works and Farrington Street Holder Station
13 Sites), or the RCRA corrective action requirements of
14 the previously discussed DEC hazardous waste management
15 facility operating permit (the Astoria Site). The sixth
16 site, the Hastings-on-Hudson Gas Works Site, was
17 identified by the Company after it had entered into the
18 2002 MGP Agreement. The Company and DEC modified the
19 MGP Agreement in September 2007 to add this site to the
20 initial list of 45 MGP and manufactured gas holder
21 station sites that Con Edison is obligated to
22 investigate and, if deemed necessary by DEC and/or the
23 DOH, remediate under the MGP Agreement.

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1 Con Edison's execution of the MGP Agreement began
2 a period of significant increased activity in the
3 Company's MGP Program. Due to the large number of
4 sites covered by the MGP Agreement, the DEC and the
5 Company agreed on a prioritization strategy under which
6 MGP sites that are now the location of schools or
7 residential properties would be investigated first.
8 Other priority sites besides schools and residential
9 properties can and have surfaced primarily as a result
10 of proposed redevelopment projects by present property
11 owners (West 45th Street and Pemart Avenue Gas Works
12 Sites, West 58th Street Holder Station Site) or
13 subsurface construction activities, such as the
14 installation of storm sewers by the NYS Department of
15 Transportation, that have unearthed MGP-related
16 contamination (East 173rd Street Gas Works Site). The
17 investigation of all 51 former MGP Sites will take
18 several more years to complete. The remediation work
19 for sites at which such action is deemed necessary by
20 the DEC and DOH will take longer to complete. At some
21 sites, the remediation may not be completed until after
22 the buildings and structures present on the sites are
23 demolished.

1 Q. What is the current status of Con Edison's MGP Program?

2 A. The current status of each of Con Edison's MGP Sites is
3 summarized in Exhibit ____ (RSP-1). As indicated in
4 that exhibit, Con Edison has made significant progress
5 in investigating and, when found to be necessary,
6 remediating its MGP Sites. Through the end of August
7 2009, site characterization study ("SCS") or remedial
8 investigation ("RI") work plans (or both) covering all
9 or portions of 50 of Con Edison's 51 MGP Sites have
10 been submitted to the DEC, and investigations of all or
11 portions of 44 of those 50 sites have been started or
12 completed. Of the 44 investigations the Company has
13 conducted, 33 sites have been found to require or will
14 likely require additional investigation or some level
15 of remedial action to address MGP-related
16 contamination. Remedial Action Work Plans ("RAWPs")
17 addressing all or portions of 16 of these 33 sites have
18 been submitted to the DEC. Remedial activities have
19 been initiated at all or portions of 11 sites, with
20 remediation having been completed at five sites.

21 The Company has received a "No Further Action"
22 determination from the DEC for 13 of the 44
23 investigated sites, either because the required

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1 remedial action has been completed or because the DEC
2 (with input/consent from the DOH) has determined on the
3 basis of the investigation results that remediation is
4 not required with respect to the former MGP operations.
5 Regarding the West 42nd Street Gas Works Site, the "No
6 Further Action" determination by DEC applies to the
7 properties located on the grounds of the former MGP.
8 For this site, DEC is requiring the Company to
9 investigate the extent of off-site impacts (outside the
10 boundaries of the West 42nd Street Site properties)
11 from the historical MGP operations. In addition to
12 these 13 sites, DEC has also issued "No Further Action"
13 determinations for portions of three sites either based
14 on investigation findings or the completion of DEC/DOH-
15 approved remediation programs. As I indicated above,
16 Exhibit ____ (RSP-1) provides a summary of the status
17 of each of Con Edison's MGP Sites.

18 Q. What are the costs included in the rate year for MGP
19 Sites?

20 A. The expected costs for the rate year are approximately
21 \$47.6 million.

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- 1 Q. What specific MGP Site investigation and remediation
2 activities are expected to be conducted during the rate
3 year?
- 4 A. During the rate year, the Company plans to: (1) conduct
5 supplemental investigations at several sites where
6 additional information is required to characterize and
7 delineate MGP-related or gas holder station-related
8 contamination, (2) proceed into the remedial planning
9 phase for those sites where investigations have found
10 that remedial action is warranted and sufficient
11 information exists to determine the appropriate remedy,
12 and (3) continue site characterization studies at
13 several sites where such investigations have not yet
14 been completed. In addition, the Company expects to
15 complete the required site remediation work at the
16 Mount Vernon Gas Works Site and to initiate or continue
17 site remediation work at six other sites.
- 18 Q. Do you expect the Company to continue to conduct
19 similar MGP Site investigation and remediation
20 activities over the next five years?
- 21 A. Yes, but the number of sites being investigated will
22 decrease during that period and number of sites for

1 which remedial planning/design activities or
2 remediation work is performed will increase.

3 **SUPERFUND SITES**
4

5 Q. What types of sites are covered by Con Edison's
6 Superfund Site investigation and remediation program?

7 A. Con Edison's Superfund Program covers the following
8 categories of sites:

- 9 • Third party-owned sites to which Con Edison shipped
10 hazardous substances for treatment, storage, or
11 disposal and where it has been designated a potentially
12 responsible party ("PRP") for the investigation and
13 remediation of site contamination by the United States
14 Environmental Protection Agency ("EPA"), DEC, or
15 another government environmental agency pursuant to the
16 federal Comprehensive Environmental Response,
17 Compensation and Liability Act ("CERCLA") or to
18 comparable state statutes, including statutes that
19 impose liability for the costs of investigating and
20 cleaning up oil spills;
- 21 • Sites formerly owned by Con Edison and for which the
22 current site owners assert claims against Con Edison

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1 for investigation and remediation costs pursuant to
2 CERCLA or comparable state statutes; and

3 • Sites (whether or not owned Con Edison) at which Con
4 Edison is required to conduct cleanup work because of
5 releases of oil, dielectric fluid, PCBs, or other
6 hazardous substances from its or its predecessor
7 companies' equipment, facilities, or operations.

8 Q. What are the costs included in the rate year for
9 Superfund Sites?

10 A. The expected costs for the rate year are approximately
11 \$944,000.

12 Q. Please discuss the Company's anticipated investigation
13 and remediation activities during the rate year for its
14 Superfund Sites.

15 A. The following activities are anticipated during the
16 rate year at the Company's Superfund Sites:

17 1. Curcio Scrap Metal, Inc. Site - Saddle Brook, NJ:

18 Con Edison's ACO with the EPA was modified on April
19 27, 2005, to require Con Edison to continue
20 implementing this site's groundwater monitoring
21 program for an additional five years. As required
22 by the ACO, Con Edison has petitioned the New Jersey
23 Department of Environmental Protection ("NJDEP") to

1 establish and impose local groundwater use
2 restrictions for the site and the off-site area
3 affected by the site's groundwater plume. The NJDEP
4 approved Con Edison's petition in 2008. Con Edison
5 expects that the EPA consent order will be modified
6 again to extend the site's groundwater monitoring
7 program for an additional five years and that it
8 will complete one round of groundwater sampling at
9 the site during the rate year. The projected cost
10 for the rate year is estimated at \$70,000.

- 11 2. Cortese Landfill Site - Tusten, NY: Con Edison is a
12 member of a PRP steering committee that is obligated
13 under its ACO with EPA to design and implement EPA's
14 selected remedy for this site. The steering
15 committee has completed the drum removal, landfill
16 capping, and other remedial construction elements of
17 EPA's selected site remedy. EPA has directed the
18 steering committee to develop the site groundwater
19 treatment program called for in EPA's selected
20 remedy. Although the EPA's selected site remedy
21 specifies a groundwater pump and treatment system,
22 in January 2009, EPA and the steering committee
23 reached agreement in principle on the terms of a

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1 risk sharing arrangement for an innovative solvent-
2 enhanced oxidation technology that EPA has
3 identified as a potential remedial alternative for
4 the site's groundwater contamination. Under the
5 risk sharing arrangement, the steering committee
6 would complete an EPA-approved pilot test program
7 for the solvent-enhanced oxidation technology to
8 determine whether it is effective for treating the
9 site's groundwater contamination. If the pilot test
10 program confirms the effectiveness of the solvent-
11 enhanced oxidation technology and EPA approves its
12 use for the site, the steering committee would
13 implement this technology, instead of the more
14 costly pump/treatment technology. If EPA determines
15 that solvent-enhanced oxidation technology is not an
16 acceptable alternative remedial technology for the
17 site's groundwater contamination: (i) EPA would
18 reimburse the steering committee for 50 percent of
19 its cost of conducting the EPA-approved pilot test
20 program for this technology; and (ii) the steering
21 committee would be required to proceed with the
22 design and construction of a pump/treatment system
23 for the site.

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1 The initial results of the bench scale pilot test
2 indicated that the alternative technology may be
3 feasible to effectively address contamination in
4 shallow groundwater but not in deeper groundwater.
5 In an April 2009 letter, the EPA authorized the PRP
6 Group to proceed with the final design of a pump and
7 treat system in parallel with its evaluation of the
8 alternative technology. It is anticipated that the
9 PRP Group will submit the final design report in mid
10 2010. The agency will then determine whether the
11 PRP Group must implement the pump and treat system
12 for all groundwater depths or whether it could
13 implement a combination of pump and treat and
14 solvent-enhanced oxidation to treat groundwater at
15 various depths. Construction of the site's
16 groundwater pump and treatment system or solvent-
17 enhanced oxidation system could potentially begin
18 during the rate year. However, because of the
19 current uncertainty as to the specific remediation
20 technology to be used and the timing of its
21 implementation, the Company's Superfund Site cost
22 projections do not include any rate year costs for
23 this site.

1 3. Maxey Flats Site - Morehead, Kentucky: Con Edison is
2 a member of a PRP steering committee that is
3 required to implement the first phase of EPA's
4 selected remedy for this former low-level
5 radiological waste land burial facility under a
6 consent decree with the United States. The remedial
7 construction elements of the phase one remedy have
8 been completed. The steering committee is
9 implementing the ten-year, post-remedial
10 construction monitoring program that it is required
11 to carry out for the site under the consent decree.
12 During the rate year, the steering committee will
13 continue implementing that program. Costs for work
14 at this site, which are expected to be minimal, are
15 not included in the cost projections provided herein
16 for the rate year.

17 4. Metal Bank Superfund Site - Philadelphia: Con Edison
18 is a member of a PRP steering committee comprised of
19 electric utilities that shipped scrap transformers
20 to this site during the late 1960's and 1970's. EPA
21 issued Unilateral Administrative Orders compelling
22 Con Edison, most of the other steering committee
23 members, and the current and former site owners and

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1 operators to design and implement EPA's selected
2 remedy for the site and the PCB-contaminated
3 sediment in the area of the Delaware River along the
4 site's waterfront. EPA's selected remedy was
5 challenged by the current and former site owners and
6 operators in the U.S. District Court for the
7 Northern District of Pennsylvania in the context of
8 litigation in which the United States sought its
9 past site response costs from them. The members of
10 the steering committee also sought contribution from
11 the current and former site owners and operators.
12 After years of negotiations, the parties entered
13 into series of settlements that resolve all claims
14 in the litigation, and consent decrees embodying the
15 settlements were approved and entered by the
16 district court on March 14, 2006. Under their
17 consent decree with the government, the steering
18 committee members are responsible for designing and
19 carrying out the required remediation work for the
20 site and Delaware River sediment affected by the
21 site's contamination, but are entitled to
22 contribution of approximately \$4.1 million from the
23 principals of the metal reclamation company that

contaminated the site with PCBs while salvaging scrap transformers. The steering committee members are also entitled to seek reimbursement of their remediation work-related costs from the \$13.2 million trust fund established as part of the settlement of their claims against the bankruptcy estate of the corporate parent of the current site owners and operators. The implementation of the remedy was started in mid-2008, but is not expected to be finished until early 2010. During the rate year, the Company expects that the steering committee will be conducting the remedy construction required in its consent decree with the government. Because the cost of the remedy construction is now expected to exceed the \$17.3 million available to the steering committee, Con Edison's pro rata share of the anticipated additional cost to complete the work is included in the cost projections provided herein.

5. Arthur Kill Site: In March 2003, the DEC issued a Record of Decision ("ROD") requiring the remediation of the PCB-contamination caused in the site's waterfront area by the September 1998 transformer

1 fire at the Arthur Kill Station. DEC and Con Edison
2 have entered into an ACO for the implementation of
3 the remedy selected in the ROD for the waterfront
4 area's contaminated soil and sediment. Con Edison
5 completed a pre-remedial design investigation
6 program and developed a remedial design/remedial
7 action work plan that was approved by the DEC in
8 February 2007. DEC approved the Company's
9 remediation design documents, plans, and
10 specifications in March 2008. Con Edison performed
11 the required remediation work during the last half
12 of 2008, and returned to the site during the spring
13 of 2009 to re-plant some of the tidal wetland areas
14 disturbed by the work. During the rate year,
15 inspections will be performed to determine whether
16 vegetation re-planted during spring 2009 was
17 successful. The rate year costs are expected to be
18 \$20,000.

- 19 6. North First Street Terminal ("NFST") Site: Con
20 Edison sued Fyn Paint in the U.S. District Court for
21 the Eastern District of New York seeking relief
22 under CERCLA and New York common law for the solvent
23 contamination that Fyn Paint's operations on its

1 adjoining property caused on the NFST Site. Fyn
2 Paint entered into a Voluntary Cleanup Agreement
3 ("VCA") with the DEC for the investigation and
4 remediation of the contamination that its operations
5 caused on its property and adjoining properties,
6 such as the NFST Site. Based on the results of Fyn
7 Paint's investigation, the DEC approved and Fyn
8 Paint must implement an Interim Remedial Measures
9 Work Plan that entails the operation of a product
10 recovery system to remove the solvents and treat the
11 associated contaminated groundwater from beneath Fyn
12 Paint's property and the NFST Site. In March 2008,
13 the district court entered judgment under which Fyn
14 Paint would fund 72 percent of the costs of the DEC-
15 required investigation/remediation work up to a
16 maximum contribution of \$792,000, and Con Edison
17 would fund the remaining costs up to a maximum
18 contribution of \$3,208,000. Con Edison appealed
19 this judgment to the United States Court of Appeals
20 for the Second Circuit, but, in June 2009, the
21 Appeals Court affirmed the judgment. Accordingly,
22 the district court judgment stands. In accordance
23 with that judgment, Fyn Paint submitted a revised

1 Remedial Action Work Plan ("RAWP") to the DEC, which
2 has determined that the RAWP satisfactorily
3 addresses the DEC's and Con Edison's comments
4 concerning Fyn Paint's previous draft RAWP. The
5 rate year costs for NFST are expected to be
6 \$480,000.

- 7 7. Maspeth Substation Site: Con Edison began
8 remediating PCB-contaminated soil in 2005 under a
9 VCA with the DEC. The last phase of the required
10 soil remediation, removal of PCB-contaminated soil
11 from three adjacent residential properties and from
12 on-site areas adjacent to two of those properties,
13 was completed during the second quarter of 2008.
14 DEC's site remedy includes quarterly groundwater
15 monitoring for a period of at least two years. In
16 July 2008, the Company installed four additional
17 wells on the site and began the quarterly
18 groundwater monitoring program. If the monitoring
19 results indicate exceedances of DEC's groundwater
20 quality standards, the monitoring program may be
21 extended. Assuming that such an extension is not
22 required, Con Edison expects to complete the site's
23 groundwater monitoring activities during the linking

period and submit a final report to the DEC during the rate year. The rate year costs for the Maspeth Substation site are expected to be \$22,000.

8. Flushing Creek Site:

In September 2007, the DEC informed Con Edison that PCB contamination, which the DEC attributes to Con Edison's and its predecessor companies' former operations at the Company's former Flushing Service Center, had been detected in the sediment of a mudflat area of the Flushing Creek along the former service center property's bulkhead. In April 2008, the DEC and Con Edison entered into an ACO, under which Con Edison is required to investigate the extent of the off-site contamination caused by those former operations and, if deemed necessary by the DEC, remediate that contamination. In August 2008, Con Edison submitted for DEC approval a draft remedial investigation/feasibility study ("RI/FS") work plan for the mudflat area and section of the Flushing Creek in the vicinity of the former service center property. The DEC approved the RI/FS work plan in May 2009. Con Edison implemented the initial phase of the approved RI and submitted

preliminary results to the DEC. Based on the findings of the initial phase of the RI, additional investigation will be required to further delineate the extent of contamination. Con Edison anticipates that it will incur expenses of \$200,000 during the rate year for completing the required RI/FS and that any required remediation work would be performed after the rate year.

9. PCB Treatment, Inc. Sites - Kansas City: Con Edison and the other members of the PRP steering committee have completed EPA's selected remedy for the sites of the former PCB Treatment, Inc. facilities located at 2100 Wyandotte Street in Kansas City, Missouri and 45 Ewing Street in Kansas City, Kansas. The PRP Steering Committee has excess funds remaining in its environmental remediation trust for these sites and expects to issue refunds to its members after paying the PRP steering committee's costs of winding down its affairs. Based on current cost projections, Con Edison expects to receive a one-time refund of up to \$677,000 from the PRP Group in the fourth quarter of 2009. This anticipated refund is reflected in the Company's SIR cost projections.

APPENDIX B SITES

1
2
3 Q. Please explain the requirements that the 1994 DEC
4 Consent Order, as amended by the 2006 Consolidated
5 Consent Order, imposes upon Con Edison for "Appendix B"
6 sites.
7 A. Appendix B addresses spills and leaks of "petroleum
8 products" from the Company's fuel oil storage tanks,
9 No. 6 fuel oil pipeline system, high-pressure pipe-type
10 electric feeders, and other types of oil-filled
11 equipment. It requires Con Edison to complete an
12 investigation and remediation process, the procedures
13 and specifics of which are set out in this appendix of
14 the Consent Order, for sites at which such spills and
15 leaks occurred. For each of those sites, the first
16 step in the process is for Con Edison to identify the
17 specific response measures that it implemented at the
18 site when it first became aware of the release. If DEC
19 is satisfied that those completed measures are
20 sufficient to support a determination on its part that
21 no further action is required under the Environmental
22 Conservation Law and Navigation Law, the DEC will close
23 out the spill. For sites for which DEC is unwilling to

1 make such a finding, Con Edison must either conduct
2 additional cleanup work, additional investigation work,
3 or both. The 2006 Consolidated Consent Order
4 streamlined the administrative aspects of the Appendix
5 B program to conform to the DEC's current guidance and
6 eliminated reference to sites that have already been
7 closed out. It did not reduce the number of sites that
8 remained to be addressed and will not materially affect
9 priorities and projected costs.

10 Q. How many sites are covered by Appendix B of the 1994
11 Consent Order?

12 A. Appendix B of the November 1994 Consent Order covered a
13 total of 84 historical oil spill sites. At DEC's
14 request, two of the 84 historical spills sites (Sites 4
15 and 7) were split into two sites each, bringing the
16 total number of sites to 86. At many of the sites,
17 more than one spill occurred. Some of the sites are
18 Con Edison facilities, although most sites are street
19 locations where there were leaks from the Company's
20 fuel oil pipelines or dielectric fluid-filled equipment
21 or feeders. Thus far, 35 sites have been determined by
22 the DEC to require no further action and six have been
23 transferred with divested properties, with the new

1 owners of the affected properties assuming
2 responsibility for the required investigation/cleanup
3 work. The remaining 45 open sites are being addressed
4 in accordance with a DEC-approved Appendix B site
5 prioritization schedule, as reflected in the 2006
6 Consolidated Consent Order. Investigation and
7 remediation of the Astoria site, which is one of the
8 remaining open 45 Appendix B sites, is being performed
9 under the Astoria RCRA corrective action requirements
10 of the DEC hazardous waste management facility
11 operating permit for Con Edison's PCB Waste Storage
12 Facility on the Astoria Site.

13 Q. Please identify the 45 Appendix B sites that Con Edison
14 must still address under the 2006 Consolidated Consent
15 Order.

16 A. The 45 open Appendix B sites are listed in Exhibit __
17 (RSP-2), entitled, "CONSOLIDATED EDISON COMPANY OF NEW
18 YORK, INC. APPENDIX B SITE LISTING," which also
19 specifies the location, DEC-approved priority, and
20 current status of each site.

21 Q. Was that exhibit prepared under your direction or
22 supervision?

23 A. Yes, it was.

1 MARK FOR IDENTIFICATION AS EXHIBIT __ (RSP-2)

2 Q. Please discuss the Company's anticipated investigation
3 and remediation activities during the rate year for its
4 Appendix B sites.

5 A. As indicated in Exhibit __ (RSP-2), 22 (plus Astoria)
6 of the 45 remaining open sites are either actively
7 undergoing investigation or remediation or will have
8 investigation or remediation work started as soon as
9 the DEC approves the Company's proposed work plans for
10 those activities. The Company presently projects that
11 many of these investigations will be partially or
12 completely performed during the rate year. The most
13 significant remediation projects during the rate year
14 are expected to be for Site 10 (Astoria - which is
15 discussed in the next section of my testimony) and Site
16 14 (Hudson Avenue Station). However, the timing of
17 these and other Appendix B projects depends on the
18 findings of the on-going and planned investigations,
19 and the status of DEC review and approval of work plans
20 and reports.

21 Q. What are the expected rate year costs for the Appendix
22 B sites?

1 A. The expected costs for the rate year are approximately
2 \$3.4 million.

3 Q. Do you expect the Company to continue to conduct
4 similar Appendix B Site investigation and remediation
5 activities over the next five years?

6 A. Yes.

7

8 **DEC HAZARDOUS WASTE MANAGEMENT FACILITY OPERATING**
9 **PERMIT FOR THE COMPANY'S ASTORIA PCB/HAZARDOUS WASTE**
10 **STORAGE FACILITY**

11

12 Q. Please describe the nature of the investigation and
13 remediation program for the Astoria site.

14 A. On May 1, 1994, the DEC issued Con Edison a hazardous
15 waste management facility operating permit for its
16 PCB/Hazardous Waste Storage Facility at the Astoria
17 site. DEC subsequently issued renewal permits on March
18 2, 2001 and July 7, 2008. One of the conditions of
19 this permit is to investigate and, if necessary,
20 remediate, several Solid Waste Management Units
21 ("SWMUs") and Areas of Concern ("AOCs") at the Astoria
22 Site, including those with potential MGP residuals.
23 This investigation also encompasses Appendix B spills

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1 at the Astoria Site, which is one of the remaining open
2 sites identified in the 2006 Consolidated Consent Order
3 between Con Edison and the DEC and is one of the sites
4 listed in Exhibit ____ (RSP-2). Between 1993 and July
5 31, 2009, the Company spent approximately \$37.5 million
6 investigating spills and several SWMUs and AOCs at the
7 Astoria Site (e.g., former MGP operating areas, North
8 Storage Yard, Pipe Yard, Southwest Storm Sewer, Central
9 Waste Treatment Facility, East Yard, Eastern Parcel,
10 and Former Pond Area, and initiating the investigation
11 of the Athletic Fields, which the DEC determined in
12 late 2008 was a potential AOC) and performing interim
13 corrective measures ("ICMs"). These ICMs included: (1)
14 recovering oil from groundwater; (2) lining a brick
15 sewer that had provided a pathway for oil to enter the
16 East River; (3) removing wastewater and sludge from two
17 former manufactured gas holder tanks that were
18 converted into neutralization, chemical precipitation,
19 and sedimentation facilities for the treatment of
20 boiler chemical cleaning and other wastewater that
21 contained suspended solids and heavy metals; (4)
22 removing various coal tar seeps; and (5) removing PCB-

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1 contaminated gravel from an embankment near a public
2 area.

3 Q. Please discuss the Company's anticipated investigation
4 and remediation activities during the rate year at its
5 Astoria Corrective Action Site.

6 A. During the rate year, the Company expects to do the
7 following work at the Astoria Site:

- 8 • Perform remedial planning, engineering design, and
9 implement selected remedial actions (e.g., shallow
10 excavations to be performed as ICMS) in various areas
11 of the site;
- 12 • Continue to implement oil recovery ICMS at various
13 SWMUs and AOCs; and
- 14 • Complete remediation of soil in the North Storage Yard,
15 which is contaminated with PCBs, lead, and polycyclic
16 aromatic hydrocarbons.

17 Q. What are the expected rate year costs for the Astoria
18 site?

19 A. The expected costs for the rate year are approximately
20 \$3.1 million.

21 Q. Do you expect the Company to continue to conduct
22 similar remediation activities at the Astoria site over
23 the next five years?

1 A. Yes.

2 **UST SITES**
3

4 Q. Please summarize the regulatory requirements applicable
5 to the Company's UST Program.

6 A. Con Edison's underground storage tanks are regulated
7 under both EPA and DEC regulations. EPA's regulations
8 at 40 CFR 280 ["Technical Standards and Corrective
9 Action Requirements For Owners and Operators of
10 Underground Storage Tanks (UST)"] require UST owners
11 and operators to investigate known or suspected
12 releases from their UST systems and, if necessary, to
13 remediate the contamination caused by those releases
14 under the direction of the implementing state agency
15 (the DEC in New York). New York State regulations
16 require UST owners and operators to report known or
17 suspected releases from their UST systems and to
18 address them to the DEC's satisfaction. Both EPA and
19 the DEC have issued guidance documents describing these
20 requirements. Although the Company is not under a
21 formal agreement (e.g., an ACO or VCA with the DEC) to
22 investigate/remediate these sites, it is obligated to

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1 do so under these federal and New York State regulatory
2 requirements.

3 Q. How many UST sites are currently being addressed under
4 the Company's UST Program?

5 A. The Company currently has nine (9) UST sites that are
6 being investigated and/or remediated under the UST
7 Program.

8 Q. Please identify these UST sites and briefly describe
9 the current status of each site.

10 A. These sites are identified below, with a brief
11 description of their current status:

- 12 • 3rd Avenue Yard, Brooklyn (service center and parking
13 lot) - Remediation and groundwater monitoring on-going;
- 14 • Former AMOCO Fuel Oil Terminal, Queens - Soil
15 remediation in the upland portion of the property
16 completed; additional waterfront remedial planning and
17 design on-going with significant additional remediation
18 planned to begin during the linking period and be
19 completed during the rate year;
- 20 • Atlantic Ave. Service Center, Brooklyn - Initial and
21 supplemental investigations completed and investigation
22 reports submitted to the DEC; remediation may be

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- 1 required, but is not reflected in current cost
2 projections;
- 3 • Bruckner Blvd. Service Center, Bronx - Remediation
4 completed and report submitted; on-going groundwater
5 monitoring;
- 6 • College Point Service Center, Queens - Investigation
7 completed; no remediation required; groundwater
8 monitoring on-going;
- 9 • Rye Service Center, Westchester - Initial and
10 supplemental investigations completed; on-going
11 groundwater monitoring required; expect DEC to require
12 remediation;
- 13 • Van Nest Complex, Bronx - Implemented in-situ chemical
14 oxidation batch treatment and conducting follow-up
15 monitoring to determine the treatment's effectiveness;
16 expect DEC to require another round of in-situ
17 oxidation batch treatment;
- 18 • Victory Blvd. Service Center, Staten Island -
19 Remediation completed; groundwater monitoring has been
20 suspended with DEC's approval; expect DEC to close out
21 this site during the linking period;

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1 • W. 28th St. Service Center, Manhattan - DEC approval
2 pending for a RAWP calling for the construction and
3 operation of an air sparging/soil vapor extraction
4 ("AS/SVE") in-situ treatment system. However, based on
5 recent improvements in groundwater quality, Con Edison
6 has requested DEC approval to: (i) continue groundwater
7 monitoring program in lieu of implementing such an
8 RAWP; or (ii) allow the use of a mobile AS/SVE system
9 to batch treat the groundwater instead of installing a
10 more permanent engineered system. If DEC determines
11 that a DEC-approved RAWP must be implemented, the
12 implementation of that work plan could be affected by
13 New Jersey Transit's and the Port Authority of New York
14 and New Jersey's ("Port Authority") proposal to use
15 portions of this site for the construction of planned
16 new railroad tunnels. (This site use is discussed in
17 the testimony of the Shared Services Panel). The
18 Company presently assumes that the DEC will require
19 implementation of a mobile AS/SVE system during the
20 linking period and that only groundwater monitoring and
21 reporting would be required during the rate year. The
22 Company also assumes that implementation of a mobile

- 1 AS/SVE system would not be prevented by potential New
2 Jersey Transit and Port Authority use of the site.
- 3 Q. Please discuss the Company's anticipated investigation
4 and remediation activities during the rate year at its
5 UST Sites.
- 6 A. During the rate year, the Company currently anticipates
7 that it will primarily perform groundwater monitoring
8 and reporting, but it will also perform a significant
9 waterfront remediation project at the former Amoco fuel
10 oil terminal site and remedial planning for the Rye
11 service center site.
- 12 Q. How much has the Company spent on the UST Program in
13 the past?
- 14 A. During the period January 1, 2003 - July 31, 2009, it
15 spent a total of approximately \$12.2 million.
- 16 Q. How much does the Company project it will spend on UST
17 Sites during the linking period (the 15-month period
18 from July 2009 to September 2010) and the rate year?
- 19 A. Based on current cost projections, the Company
20 anticipates that it will spend approximately \$2.5
21 million during the linking period and approximately
22 \$3.8 million during the rate year.

1 Q. Do you expect the Company to continue to conduct
2 similar UST Site investigation and remediation
3 activities over the next five years?

4 A. Yes, but I expect the overall level of UST Program
5 activity to decrease to less than \$1 million annually
6 after the rate year. However, the level of overall
7 activity could exceed current expectations depending on
8 the findings of on-going investigations and agency
9 decisions on the extent of remediation that is required
10 at various sites.

11

12 **PROJECTED EXPENDITURES FOR MGP, SUPERFUND, APPENDIX B,**
13 **ASTORIA CORRECTIVE ACTION, AND UST SITES**
14

15 Q. How much does the Company expect to spend during the
16 linking period and the three rate years for its SIR
17 Program?

18 A. Expenditures for the Company's SIR Program have
19 increased significantly over the past few years,
20 primarily due to the increase in the level of
21 activities of the MGP Program, as a result of the 2002
22 MGP Agreement. In 2001, the combined expenditures for
23 the various programs under the Company's SIR Program

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1 totaled \$3.3 million. The total increased to
2 approximately \$19.8 million in 2002, \$21.9 million in
3 2003, and \$42.8 million in 2004, essentially remained
4 steady (at \$40.0 million) during 2005, increased to
5 \$44.6 million in 2006 and \$42.3 million in 2007, and
6 increased substantially to \$99.4 million in 2008. The
7 total SIR Program expenditure for the first six months
8 of 2009 was \$38.9 million. For the linking period, the
9 total expenditure for these programs is projected to be
10 approximately \$58.1 million.

11 For the first rate year ending September 30, 2011
12 ("Rate Year 1"), an expenditure of approximately \$58.9
13 million is projected for the Company's SIR Program.
14 The projected expenditure for both the second and third
15 rate years is \$43.1 million. All of these actual costs
16 (for January 2001- June 2009) and projected costs (for
17 the linking period and rate years) are rounded to the
18 nearest \$100,000.

19 Q. Has an exhibit entitled "CONSOLIDATED EDISON COMPANY OF
20 NEW YORK, INC. SITE INVESTIGATION AND REMEDIATION
21 EXPENDITURES (\$ X 1000) RATE YEARS BEGINNING OCTOBER 1
22 OF 2010 (RY1), 2011 (RY2), & 2012 (RY3)" been prepared
23 under your direction or supervision?

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1 A. Yes.

2 MARK FOR IDENTIFICATION AS EXHIBIT ____ (RSP-3)

3 Q. Has an exhibit entitled "2009 Gas-Steam Rate Cases Cost
4 Projections for Linking Period (7/09-9/10) and Rate
5 Year 1 (Based on 6/09 Cost Projections)(\$000's)" been
6 prepared under your direction or supervision?

7 A. Yes.

8 MARK FOR IDENTIFICATION AS EXHIBIT ____ (RSP-4)

9 Q. What information is presented in Exhibit ____ (RSP-4)?

10 A. This exhibit provides quarterly cost projections for
11 the linking period and Rate Year 1 for each Con Edison
12 remediation program and site and a brief description of
13 the projected activities for each site with projected
14 expenditures during each of these time periods.

15 Q. Has an exhibit providing more detailed information on
16 the basis of the Company's forecasted SIR Program
17 expenditures been prepared under your direction or
18 supervision for sites listed in Exhibit ____ (RSP-4)
19 with projected expenditures of at least \$1 million
20 during the linking period or Rate Year 1?

21 A. Yes, that exhibit is entitled "CONSOLIDATED EDISON
22 COMPANY OF NEW YORK, INC. SIR COST PROJECTION
23 ADDITIONAL INFORMATION."

1 MARK FOR IDENTIFICATION AS EXHIBIT ____ (RSP-5)

2 Q. Please discuss the major reasons for the projected SIR
3 Program expenditures of \$58.1 million and \$58.9 million
4 for the linking period and Rate Year 1, respectively.

5 A. The Company's implementation of the extensive DEC-
6 approved RAWP for the Pelham Gas Works Site, which
7 began in January 2008, is one of the major reasons for
8 the increased levels of expenditure during 2008 and so
9 far in 2009. The remedial construction activities
10 specified in the Pelham Gas Works Site RAWP were
11 substantially completed in August 2009 with only minor
12 work remaining. Upon completion of the required
13 remedial construction work, the long-term
14 operations/maintenance activities for the groundwater
15 treatment, coal tar collection, and soil gas
16 depressurization/collection systems specified in the
17 DEC's selected site remedy would begin. The projected
18 expenditures for this site's RAWP construction and
19 long-term operations/maintenance activities during the
20 linking period are expected to total \$12.2 million.

21 In addition to the Pelham Gas Works Site, other
22 MGP sites for which the Company expects to incur
23 significant expenditures during the linking period due

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1 to the implementation of DEC-approved remediation
2 programs include the Mount Vernon (\$13.5 million),
3 White Plains (\$5.9 million), Hunts Point (\$1.7
4 million), and East 115th Street (\$1.1 million) Gas
5 Works Sites. Other SIR Program sites for which
6 significant expenditures are anticipated during the
7 linking period include the Astoria Site (\$5.0 million)
8 and the former Amoco fuel oil terminal UST site (\$1.7
9 million).

10 During the rate year, the Company expects to incur
11 expenditures of approximately \$43.9 million performing
12 remediation or post-remediation operations/maintenance
13 activities at the Mount Vernon, West 18th Street, West
14 45th Street, East 21st Street, Pelham, and Hunts Point
15 Gas Works Sites and the Purdy Street Holder Station
16 Site. The Company also expects to incur significant
17 costs, estimated at approximately \$6.3 million,
18 performing investigation and remediation activities at
19 the Astoria and the former Amoco fuel oil terminal UST
20 sites. As indicated in Exhibit ____ (RSP-4), during the
21 rate year, the Company expects to incur approximately
22 \$8.7 million at various other SIR program sites.

1 Q. How did you determine the projected expenditures in
2 Exhibit __ (RSP-3) and Exhibit __ (RSP-4)?

3 A. The projections are based on forecasted spending levels
4 for the investigation or remediation related activities
5 that are expected to be required as part of these
6 programs. These cost projections are updated on a
7 quarterly basis to ensure that they reflect newly
8 acquired information and changes in the status of the
9 sites. The cost projections included in this testimony
10 are based on the July 2009 quarterly update.

11 The Accounting Panel's testimony explains the
12 allocation of these expenditures to the various Company
13 departments and the amount included in the Company's
14 revenue requirement.

15 Q. Could actual expenditures differ from these estimates?

16 A. Yes. The projected expenditures represent what the
17 Company expects to spend on these programs during the
18 linking period and each of the three rate years based
19 on information that is currently available. Actual
20 expenditures could be higher or lower due to regulatory
21 agency decisions, access agreements, and new
22 information. It is important to note that each site is
23 different due to various factors (e.g., nature of the

1 site, level of contamination, and site usage).
2 Remediation at one site may require \$100,000 in
3 expenditures, whereas another location could require
4 \$50 million or more. The Company's estimates will
5 become firmer as site investigations and remediation
6 work proceed.

7 **SIR COST SAVING EFFORTS**
8

9 Q. What is the purpose of this section of your testimony?

10 A. This section describes the Company's efforts to operate
11 a cost-effective SIR program.

12 Q. What steps has Con Edison taken to control its site
13 investigation and remediation costs and liabilities?

14 A. Con Edison has taken several actions to control its SIR
15 costs and liabilities. They include:

- 16 • When permissible under applicable laws and regulations,
17 Con Edison attempts to pursue remediation requirements
18 with regulatory agencies based on the present and
19 contemplated future use of sites, so that the remedies
20 selected by the agencies are not more stringent than
21 necessary for such uses. For example, if the present
22 and contemplated future use of a site is for industrial

1 or commercial purposes, the Company attempts to
2 negotiate remediation requirements that are consistent
3 with such uses, rather than the more stringent
4 remediation requirements that would apply at sites with
5 residential uses.

- 6 • Con Edison continues to staff the Remediation Programs
7 and MGP Remediation Sections of its EH&S Department
8 with experienced and dedicated project managers. They
9 work closely with qualified consultants and contractors
10 to develop and implement the best possible work plans
11 and specifications, consistent with applicable
12 government agency requirements. Use of experienced in-
13 house staff provides Con Edison with the capability to
14 effectively handle unexpected conditions or issues at
15 its SIR Program sites. It also provides Con Edison
16 with the capability to incorporate cost-effective,
17 innovative technologies in its site remediation work,
18 whenever possible. For example, in 2006, at the former
19 Maspeth Substation Site, when post-excavation soil
20 sampling showed significant PCB contamination at
21 greater depths than anticipated, the remediation
22 contractor proposed a relatively complex sheeting and
23 shoring system and to excavate the entire area to

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1 address the localized deeper contamination. However,
2 Con Edison's internal staff and its consultant, working
3 with another contractor, developed a much less
4 expensive and intrusive plan and obtained DEC approval
5 for it. This revised plan, which was implemented in
6 2007, saved approximately \$4 million. Another example
7 is the constructability review performed by Con Edison
8 of the remedial design specification for the Pelham MGP
9 Site, in which Con Edison determined that a slurry wall
10 barrier could be used instead of the initially proposed
11 secant pile wall barrier, with a resultant cost savings
12 of approximately \$4 million.

- 13 • Whenever feasible and acceptable to the DEC and DOH,
14 excavated soil and stone are reused as backfill at
15 remediation sites. For example, rock crushing and soil
16 reuse saved approximately \$2 million during remediation
17 at the East 173rd Street Gas Works Site (New York
18 City's Starlight Park) in the Bronx, and soil reuse at
19 the Pelham Gas Works Site and Former Amoco Fuel Oil
20 Terminal UST Site in Queens saved approximately \$4.2
21 million and more than \$200,000, respectively;
- 22 • When appropriate and acceptable to the DEC, Con Edison
23 incorporates "step-out" procedures in its SCS and RI

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work plans. These procedures allow Con Edison's project manager and DEC's project manager to expand the scope of an investigation while field work is being performed. Broadening the scope of investigation while field work is in progress helps minimize the need to prepare work plans for and conduct subsequent rounds of investigation.

- Con Edison actively participates in national industry forums and research organizations, such as the Utility Solid Waste Act Group ("USWAG") Remediation & Response Committee and the Electric Power Research Institute ("EPRI"), so that it obtains the benefit of others' experience and knowledge and its in-house staff keeps abreast of technical developments in the remediation industry and innovative technologies. In addition, some of these organizations (e.g., USWAG) comment on regulatory proposals in an attempt to obtain more reasonable, more flexible, and less costly requirements. An example is USWAG's submittal of information to the EPA to support continuation of the hazardous waste exemption for MGP waste that fails the Toxicity Characteristic Leaching Procedure ("TCLP") for benzene. This hazardous waste exemption allows MGP

1 waste that fails the TCLP for benzene and does not
2 exhibit any other hazardous waste characteristic to be
3 disposed of as non-hazardous waste at thermal treatment
4 facilities instead of being disposed of as hazardous
5 waste at much more expensive hazardous waste
6 incinerators.

- 7 • The Company competitively bids all remediation
8 projects, retains qualified contractors, and follows
9 its comprehensive procedures, including remediation
10 contractor management protocols, so that project work
11 is performed properly and cost effectively.
- 12 • Whenever possible, Con Edison seeks to achieve cost
13 savings by coordinating remediation work that requires
14 soil excavation with the excavation work being
15 performed by site developers as part of construction
16 projects. By implementing required remediation work in
17 conjunction with property owners' construction
18 projects, Con Edison minimizes its expenditures by
19 sharing with property owners the costs of activities
20 common to both the remediation work and construction
21 work, such as sheeting/shoring, excavation dewatering,
22 excavation labor, soil transportation and disposal, and
23 back-filling. Remediation work is also coordinated

1 with construction work at Company sites, where
2 possible, to minimize overall costs. Such coordination
3 was accomplished at the Third Avenue Yard (parking lot)
4 and Victory Blvd. UST Sites.

- 5 • The Company has attempted to transition MGP sites with
6 proposed redevelopment projects to the DEC's Brownfield
7 Cleanup Program ("BCP") to take advantage of the tax
8 credits provided for under the New York Tax Law for BCP
9 sites. The DEC allowed the Company to transition two
10 such sites into the BCP, but denied the Company's
11 applications to transition two sections of the West
12 18th Street Gas Works Site into the BCP. In July 2009,
13 the Company received a check in the amount of
14 \$3,324,405 from the owner of River Place II, the
15 developer of one of the parcels located on the grounds
16 of the West 42nd Street Gas Works Site. This payment
17 represented the Company's share of the BCP tax credits
18 pursuant to the Company's cost sharing agreement with
19 that owner.

- 20 • When desirable and permissible under applicable laws
21 and regulations, Con Edison attempts to negotiate with
22 regulatory agencies and third party property owners
23 remediation work plans that rely in whole or in part on

- 1 post-remediation engineering and/or institutional
2 controls in order to avoid more costly remediation to
3 "unrestricted use" standards.
- 4 • When appropriate, the Company performs pre-remedial
5 design investigations to fill data gaps in order to
6 develop the best possible remediation work plans and
7 specifications for regulatory agency approval and for
8 competitive bidding. In addition, where appropriate,
9 treatability or pilot studies are performed to
10 demonstrate the applicability of proposed remedies
11 before they are designed and implemented. For example,
12 a pilot study of in-situ bioremediation/bioventing
13 treatment was performed at Appendix B Site 14 (Hudson
14 Avenue Station) and a pilot study of air sparging/soil
15 vapor extraction was performed at the W. 28th Street
16 Service Center UST site.
 - 17 • Con Edison puts its excess liability insurance carriers
18 on notice of demands by the EPA and DEC that the
19 Company pay for or implement site investigation and
20 remediation work. It also pursues indemnification of
21 the costs of such work with its excess liability
22 insurance carriers and, when necessary and appropriate,
23 pursues litigation against insurance carriers that deny

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1 or reserve coverage for such costs. To date, the
2 Company's litigation efforts against its excess
3 liability insurance carriers (and those of other
4 potentially responsible parties for sites) for the
5 Company's Superfund sites have resulted in settlement
6 proceeds of \$6.67 million. For MGP sites, the
7 Company's insurance litigation (which included an
8 appeal by Con Edison to the New York Court of Appeals
9 for the Tarrytown MGP site litigation) has resulted in
10 settlement proceeds of more than \$45 million.

11 • Con Edison attempts to identify other PRPs and, when
12 appropriate, attempts to recover investigation or
13 remediation costs from such entities. For example, Con
14 Edison instituted CERCLA response cost contribution
15 litigation against the successor in interest to the
16 United Gas Improvement Company ("UGI"), the
17 Philadelphia-based utility holding company that during
18 the late 1800's held controlling interests in the local
19 companies that operated most of the MGPs in Westchester
20 County and that operated three MGPs in Yonkers during
21 that period. The U.S. District Court for the Southern
22 District of New York granted the UGI successor's
23 summary judgment dismissing the action. On appeal to

1 the United States Court of Appeals for the Second
2 Circuit, Con Edison's action was reinstated with
3 respect to the three Yonkers MGPs that UGI actually
4 operated until the formation of the Westchester
5 Lighting Company. Con Edison's appeal also resulted in
6 new Second Circuit precedent that a CERCLA PRP could
7 maintain a cost recovery action against another PRP
8 under Section 107(a) of CERCLA. Con Edison later filed
9 an amicus brief with the United States Supreme Court in
10 the United States government's challenge of a similar
11 ruling by the United States Court of Appeals for the
12 Eighth Circuit that relied largely upon the Second
13 Circuit's ruling in the Con Edison/UGI case. The
14 United States Supreme Court upheld both rulings in June
15 2007. This decision has allowed the Company to obtain
16 a settlement with UGI (requiring UGI to pay a portion
17 of the Company's future costs for the sites of the
18 three Yonkers MGPs), and would enable it to seek
19 recovery of SIR costs from other PRPs in appropriate
20 cases.

- 21 • Con Edison participates in Superfund site PRP Groups to
22 encourage them to negotiate with the government consent
23 decrees and orders that equitably allocate liability

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1 among all financially viable PRPs and, when warranted,
2 institute CERCLA cost contribution actions against
3 recalcitrant PRPs. Examples include the cost recovery
4 actions taken by the PRP Groups for the Metal Bank
5 Superfund Site, Maxey Flats Superfund Site, and PCB
6 Treatment Inc. Sites. As discussed previously in my
7 testimony, the steering committee for the Metal Bank
8 Site instituted CERCLA response cost contribution
9 litigation against the former and current owners and
10 operators of the Metal Bank Site. Under Consent
11 Decrees for the site, the steering committee will
12 receive from the former and present site owners and
13 operators significant contribution towards the costs of
14 the required remediation work for the site. In the
15 case of the Maxey Flats Site, the Consent Decrees that
16 the steering committee entered into with the United
17 States and the other settling PRPs required the
18 settling federal agency PRPs to pay a significant share
19 of the expenses that the steering committee incurred
20 implementing the first phase of EPA's required remedial
21 action program. The steering committee also received
22 funding from EPA from the proceeds of the cash-out
23 settlements that EPA had entered into with *de-minimis*

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1 PRPs for the site. The ACO that the members of the PRP
2 steering committee entered into with the EPA for the
3 PCB Treatment Inc. Sites contained comparable
4 provisions.

5 • To minimize the potential that it will become a PRP at
6 newly listed Superfund sites, Con Edison has
7 established a list of acceptable waste treatment,
8 storage and disposal facilities ("TSDFs") and
9 periodically reevaluates that list. Con Edison's
10 procedures require that new TSDFs be approved by me as
11 the Vice President of EH&S before they are used. Such
12 approvals are granted only after the proposed new
13 facilities are determined to be necessary (e.g., to
14 meet increased capacity needs for disposal of a
15 particular waste type or to provide significant cost
16 savings) and meet acceptance criteria (e.g., robust
17 waste acceptance procedures, solid record of compliance
18 with regulatory requirements, adequate spill/release
19 prevention systems in use, low potential for
20 groundwater/soil contamination). All proposed new
21 TSDFs are evaluated by EH&S staff, which can reject the
22 proposed new TSDF or make a recommendation to me before
23 I make the final decision. An example of a new TSDF

1 approval that is expected to result in significant cost
2 savings for remediation projects involving excavation
3 of MGP and petroleum contaminated material is the
4 approval of a thermal treatment facility that is closer
5 to the Company's service territory than other such
6 facilities. If MGP and petroleum contaminated soil
7 meets this facility's waste acceptance criteria, the
8 use of this facility could result in lower waste
9 transportation costs and could potentially increase
10 contractor productivity (and reduce costs further) at
11 remediation sites with limited capacity for on-site
12 waste storage.

- 13 • To minimize the potential that property transfers might
14 result in significant SIR costs, properties for
15 prospective sale and purchase are extensively evaluated
16 to identify potential environmental risks using
17 environmental site assessment procedures. For example,
18 the Company was considering purchasing a site for a new
19 substation in Manhattan. However, based on EH&S staff
20 review of available records, it was determined that the
21 site was a State Superfund Site because of
22 perchloroethylene releases from a dry cleaner. As a
23 result of this evaluation, the Company decided not to

1 purchase the site and thereby avoided potential
2 remediation costs.

3 **SIR PROGRAM PROCESS**

4
5 Q. What is the purpose of this section of your testimony
6 concerning the Company's SIR Program process?

7 A. This section describes each step in the Company's SIR
8 Program process, from the start of investigation to the
9 implementation of remedies approved by the appropriate
10 regulatory agencies, and explains the Company's
11 management practices and bidding processes as part of
12 our efforts to operate a cost-effective SIR Program.

13 Investigation Process

14 Q. Please describe the process that Con Edison follows for
15 the investigation of its SIR Program sites.

16 A. I will begin by discussing the investigation process
17 for Con Edison's MGP Sites. The process is governed by
18 Con Edison's 2002 MGP Agreement with the DEC and the
19 VCAs, ACOs, and Brownfield Cleanup Agreements ("BCAs")
20 that Con Edison has entered into with the DEC for sites
21 not covered by the 2002 MGP Agreement. It may include
22 multiple rounds of investigation. Each step of the

1 process is subject to the review and approval of the
2 DEC and DOH and must be conducted consistent with
3 applicable DEC regulations, guidance and policies. In
4 addition, Con Edison has prepared a DEC-approved
5 Citizen Participation Plan ("CPP") for its MGP Program.
6 This plan describes the procedures that Con Edison will
7 follow to communicate to interested citizens and
8 elected officials the investigation and remediation
9 activities that the Company is required to undertake
10 for its MGP Sites under its 2002 MGP Agreement, VCAs,
11 ACOs, and BCAs with the DEC. Recently, the DEC has
12 required the Company to prepare site-specific CPPs for
13 some of its sites instead of following its generic CPP.

14 The Company also performs investigation and
15 remediation projects for other types of SIR Sites.
16 For federal Superfund sites, the procedures, policies,
17 regulations, and guidance documents that the Company
18 must follow are specified in the ACOs and consent
19 decrees that the Company has entered into with the EPA.
20 For New York State Superfund sites and Appendix B
21 sites, the required process and protocol are governed
22 by Con Edison's ACOs with the DEC. For the Astoria
23 site, the procedures and protocols are governed by the

1 DEC operating permit discussed earlier in my testimony
2 and the DEC regulations implementing RCRA. For UST
3 sites, the required procedures and protocols are
4 specified in EPA and DEC regulations and guidance.

5 While there are some differences in the specific
6 investigation process for each of these types of sites,
7 the goal of the process applicable to each such site is
8 the same -- to ensure that the scope of the
9 investigation characterizes and delineates the nature
10 and extent of a site's contamination with sufficient
11 specificity to support a determination by the DEC, DOH,
12 and/or EPA as to whether remediation is necessary to
13 protect human health and/or the environment from the
14 risks posed by the contamination and, if remediation is
15 needed, to assess and determine the scope of the
16 required remediation activities.

17 The first step of the investigation process under
18 the 2002 MGP Agreement is to conduct a DEC-approved
19 SCS, which is a subsurface investigation to evaluate
20 whether there is evidence of historical MGP-related
21 contamination in the soil, soil vapor, or groundwater
22 at a site. DEC-approved SCS work plans focus on site
23 areas that were the former locations of MGP structures

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1 that produced or stored feedstock or residual materials
2 capable of causing environmental contamination, such as
3 ammonia wells, condensers, gas holders, oil and coal
4 tar storage tanks, relief holders, and tar wells. As
5 required by the DEC and DOH, a draft SCS work plan must
6 include site background information, including the
7 known/suspected locations of former gas production and
8 storage structures, prior investigation findings, if
9 any, and the proposed work scope (e.g., soil boring and
10 test pit locations, soil vapor sampling, groundwater
11 monitoring well installation, air monitoring, and
12 laboratory analytical requirements).

13 Based upon the historical information that the
14 Company has compiled for the manufactured gas
15 production and/or storage operations formerly conducted
16 at an MGP Site and the input and guidance provided by
17 the Company's EH&S site project manager, Con Edison's
18 environmental consultant prepares a draft work plan for
19 the Company's review. The Company's EH&S site project
20 managers actively communicate with DEC and DOH site
21 project managers and the Company's consultants during
22 the preparation of draft SCS work plans to ensure that
23 the draft plans meet the DEC's and DOH's requirements

1 and the Company's expectations. After any revisions
2 based on the Company's EH&S site project manager's
3 review are made, the draft SCS work plan is submitted
4 to the DEC and DOH for their review and approval.

5 Once the draft work plan has been approved by DEC
6 and DOH, the SCS field work may begin. A fact sheet is
7 typically prepared for distribution to appropriate
8 stakeholders prior to the start of the SCS fieldwork.

9 For sites no longer owned by Con Edison, the
10 Company must obtain the property owner's consent in
11 the form of an access agreement before the SCS
12 fieldwork commences. The negotiation of access
13 agreements for these sites can be a challenging and
14 time-consuming process due to the nature of the
15 operations currently being conducted on them, such as
16 schools, hospitals, apartment building complexes,
17 public parks, and commercial businesses. Access
18 agreements for such sites typically include provisions
19 specifically developed to ensure that the SCS field
20 work does not unduly interfere with on-going site
21 operations.

22 Upon the completion of the SCS fieldwork, a report
23 is submitted to the DEC and DOH for their review and

approval. Depending on the findings of the SCS, these agencies will determine which of the following three steps is the most appropriate for a site:

- No further action is required because there is no evidence of MGP-related impacts that warrants further investigation or remediation;
- Additional investigation is required to better characterize and delineate the nature and extent of the MGP-related impacts present on and around the site; or
- Remediation is necessary to address the MGP-related impacts that have been sufficiently characterized and delineated, and the Company must proceed with the development/evaluation of remedial alternatives.

A RI refers to the second and subsequent rounds of investigation beyond the SCS. More than one round of on-site investigation and, in some cases, off-site investigation may be necessary to define the contamination with a sufficient degree of certainty to support the assessment of potential remedial alternatives and the development of a RAWP incorporating the remedial activities that the DEC and DOH deem appropriate. The RI process is similar to

1 that for SCSs, with community outreach and, when the
2 work is done at a third party-owned property, access
3 agreement negotiations. RI work plans must be approved
4 by the DEC and DOH.

5 After the RI fieldwork and sample analyses are
6 completed, a draft RI report is submitted to the DEC
7 and DOH for their review and approval. Based on the
8 results of the RI, these agencies will make one of the
9 three determinations specified above in my discussion
10 of the SCS process.

11 Remediation Determinations

12 Q. Under what circumstances do the DEC and DOH typically
13 require the remediation of site contamination?

14 A. DEC and DOH require remediation when they determine
15 that the contamination present at a site presents a
16 current or potential future significant threat of harm
17 to human health and/or the environment or is necessary
18 to meet statutory or regulatory goals and objectives.
19 This determination is made on the basis of the results
20 of the SCS and/or RI for a site. With regard to
21 potential human health impacts, DOH will consider
22 whether potential complete exposure pathways have been
23 identified at the site during the investigation work.

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1 Q. Do DEC and the DOH consider economic factors in
2 determining whether remediation is required?

3 A. No. That determination is made by them solely on the
4 basis of whether remediation is required to mitigate a
5 significant threat of harm to human health and/or the
6 environment or to meet statutory/regulatory goals and
7 objectives. If such threats are found to exist or
8 remediation of the contamination is necessary to
9 achieve statutory and regulatory goals/objectives,
10 remediation must be performed.

11 Q. Do economic factors play any role in the remedy
12 selection process?

13 A. While DEC and the DOH do not consider economic impacts
14 in determining whether and to what extent remediation
15 is required, DEC's regulations and guidance documents
16 allow it to consider costs in evaluating remedial
17 alternatives. Under those regulations and guidance
18 documents, "cost effectiveness" is a secondary
19 permissible criterion for such evaluations and can be
20 considered by the DEC when it evaluates and determines
21 whether to select one of two or more remedial
22 alternatives that are consistent with applicable and
23 relevant rules, regulations, policies and guidance.

1 For example, under DEC's regulations and guidance
2 documents, a goal of remediation is to restore sites to
3 their pre-contamination condition to the extent
4 technically feasible to do so. If this goal cannot be
5 met, the remediation selected must, at the minimum,
6 adequately protect human health and the environment,
7 and include technically feasible remediation measures
8 for so-called "source materials", such as free coal
9 tar, coal tar-contaminated soil, and purifier waste. If
10 two or more competing remedial alternatives are capable
11 of meeting these goals, but one alternative is
12 projected to cost less to implement, DEC can select the
13 least costly alternative.

14 Remedial Planning Process

15 Q. Please describe the remedial planning process that Con
16 Edison must follow for SIR Program Sites for which DEC
17 and the DOH or EPA have determined that remediation is
18 required.

19 A. Under the 2002 MGP Agreement (and the ACOs, VCAs, and
20 BCAs for MGP Sites not covered by that agreement, ACOs
21 for New York Superfund Sites, Appendix B, and the
22 hazardous waste management facility operating permit
23 for the Astoria Site), once the DEC and DOH determine

1 that remediation is required, Con Edison is required to
2 identify and evaluate potential applicable remedial
3 alternatives for DEC's and DOH's approval. In the case
4 of federal Superfund Sites, Con Edison must identify
5 and evaluate potential applicable remedial alternatives
6 for EPA's approval.

7 Q. For sites at which remediation is required, please
8 describe the process the Company follows in its
9 development of proposed remedial alternatives.

10 A. I will focus on the specific process for MGP Sites.
11 However, the process applicable to other types of SIR
12 Program sites is similar.

13 For MGP Sites, Con Edison must prepare an
14 Alternatives Analysis Report ("AAR") for DEC and DOH
15 consideration and approval. In that report, Con Edison
16 must identify potential remedial alternatives, screen
17 them to determine which alternatives appear technically
18 feasible to implement, and then assess the feasible
19 alternatives using the evaluation criteria discussed
20 below.

21 The first step in the AAR process is to meet with
22 DEC and DOH to discuss their views on the general
23 parameters of what they believe would comprise an

1 approvable remediation program for a site, given the
2 site's use and the extent of the contamination present.
3 For sites no longer owned by Con Edison, meetings are
4 also scheduled with the site owners to identify any
5 changes in site use being considered by them. These
6 meetings are essential to understanding the perspective
7 of the regulatory agencies and property owners, so that
8 Con Edison does not waste time and resources pursuing
9 "dead ends."

10 Pursuant to the DEC's requirements, the AAR must
11 identify potential remedial alternatives and evaluate
12 them against the following criteria in order to
13 determine which alternative is the most appropriate
14 based on all the relevant factors:

- 15 • protection of human health and the environment;
- 16 • compliance with standards, criteria, and guidance;
- 17 • long-term effectiveness;
- 18 • reduction in toxicity, mobility, or volume;
- 19 • short-term impacts and effectiveness;
- 20 • implementability; and
- 21 • cost-effectiveness.

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1 If the DEC and DOH do not find the Company's AAR to be
2 approvable, these agencies will inform the Company of
3 their reasons for disapproval and specify the revisions
4 that the Company must incorporate into the draft AAR.
5 For example, the DEC or DOH may prefer a different
6 alternative over the one recommended by the Company.
7 Once the DEC and DOH deem the AAR to be approvable, a
8 notice will be published in the State's Environmental
9 Notice Bulletin for a 30-day public comment period (45
10 days for sites in the Brownfield Cleanup Program). A
11 public meeting is held at which DEC, DOH, and Con
12 Edison present the recommended remedial alternative and
13 receive comments from the public. Con Edison will
14 distribute a Fact Sheet to stakeholders announcing the
15 availability of the AAR and the public meeting.

16 After the close of the public comment period, DEC
17 will formally approve the AAR. Depending on the
18 comments received, the AAR may have to be revised to
19 reflect the public's input. Community acceptance is one
20 of the criteria considered by DEC in the selection of
21 an approved remedial alternative.

22 Q. Does Con Edison make the final decision on which
23 remedial alternative must actually be implemented?

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- 1 A. No. That decision is made by the DEC (or EPA for
2 federal Superfund sites), after an opportunity for
3 public comment.
- 4 Q. Is the selected remedial alternative sometimes
5 implemented by third party property owners instead of
6 the Company?
- 7 A. Yes. For properties undergoing redevelopment, the
8 Company and the property owner/developer may enter into
9 a cooperation agreement to coordinate remediation and
10 site redevelopment and share costs. For those sites,
11 it is often more efficient and cost effective for the
12 developer to manage both the remediation and
13 construction phases. In the case of federal Superfund
14 sites in which the Company is a member of a PRP Group,
15 the PRP Group would implement the selected remedy.
- 16 Q. Is agency approval of a remedial alternative the end of
17 the remediation planning process?
- 18 A. No. The decision documents that DEC or EPA issue when
19 they select and approve a remedial alternative for a
20 site generally contain only summary information about
21 the remedial alternative. The RAWPs that Con Edison is
22 required to prepare for DEC and DOH approval provide
23 additional detail regarding the selected remedial

1 alternative, but do not contain all information
2 necessary for the performance of the construction
3 activities needed to effectuate the selected remedial
4 alternative. Con Edison is required to augment the
5 approved AAR and RAWP for a site by developing the
6 detailed drawings, plans, and specifications needed to
7 implement the selected remedial alternative. In some
8 cases, additional studies may be required. For
9 example, if DEC or EPA require groundwater treatment to
10 meet a specified cleanup level, Con Edison must design
11 the treatment system needed to meet that objective.
12 The detailed drawings, plans, and specifications for
13 construction of the selected remedial alternative are
14 subject to DEC/DOH review and approval.

15 Remedial Construction Process

16 Q. Please describe Con Edison's remedial construction
17 process.

18 A. The Construction Management ("CM") Department within
19 Con Edison's Construction organization is responsible
20 for supporting Con Edison's EH&S Department's efforts
21 to manage the remedial construction phase of
22 remediation projects. Remedial design plans and
23 specifications and engineer's cost estimates are

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1 prepared by the Company's environmental engineering
2 consultants working jointly with the EH&S project
3 manager and CM. Depending on the estimated cost of
4 remediation, one of three lists of pre-qualified
5 remediation contractors will be used to solicit
6 technical proposals and bids for the performance of the
7 remedial construction work. For relatively small
8 projects, a technical proposal and associated technical
9 evaluation may not be required.

10 After the award of a Purchase Order to the
11 selected remediation contractor, CM will manage the
12 contractor's performance of the work with the EH&S
13 project manager participating as a key member of the
14 team. DEC generally has a full-time inspector assigned
15 to sites for which significant remedial construction
16 work is required to ensure that the Company complies
17 with the requirements of the approved remedy, RAWP, and
18 design specifications and to participate in project
19 team meetings. For projects entailing less significant
20 remedial activities, the DEC inspector will visit the
21 sites periodically. In addition, Con Edison's
22 environmental engineering consultant that prepared the
23 approved design and bid specifications will be present

1 to insure that the agency-approved RAWP and design and
2 bid specifications are implemented properly, to obtain
3 information needed to prepare the remediation report
4 (sometimes referred to as the final engineering report)
5 and, in some cases, to perform air monitoring and/or
6 post-excavation soil sampling.

7 As indicated previously in my testimony, when
8 remediation is to be performed at third party sites,
9 the Company must enter into an access agreement with
10 the property owner. In addition to providing access,
11 the agreements contain commitments by the property
12 owner not to violate post-remediation institutional
13 controls required as part of the DEC-approved remedy
14 and not to interfere with the operation of any DEC-
15 required engineering controls.

16 Q. Please identify the Company's remediation contractor
17 management protocols.

18 A. These protocols include the Company's Contract
19 Administration Manual ("CAM"), Supplemental
20 Construction Contract Requirements ("Supplemental
21 Requirements"), and the Standard Terms and Conditions
22 of Construction Contracts ("Standard Terms", which are

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1 provided as part of the Company's workpapers in this
2 proceeding.

3 Q. Please summarize the purpose of the CAM.

4 A. The purpose of the CAM is to provide direction for
5 Company personnel in the administration of contracts to
6 promote the efficient use of Company and contractor
7 resources, as well as compliance with all applicable
8 laws and regulations. It provides detailed guidance for
9 the administration of construction contracts, including
10 remediation-related construction work. The manual
11 describes the Company's procedures for requisitioning
12 and procurement of construction contracts, establishes
13 guidelines for executing changes to labor contracts
14 after the purchase order or contract has been issued,
15 defines the procedures utilized to process payments
16 under construction contracts, and establishes a system
17 for monitoring progress of major projects against a
18 planned schedule. It also sets standards of performance
19 for field activities and provides procedures to be
20 followed in their execution and provides instructions
21 to promote compliance with the Company's requirement
22 that contractors working for Con Edison have fully

1 developed site/task specific Environmental, Health and
2 Safety Plans for their work.

3 Q. Please summarize the purpose of the Supplemental
4 Requirements.

5 A. The Supplemental Requirements contain requirements for
6 the contractor's management of construction work,
7 including remediation-related construction work. The
8 Supplemental Requirements establish requirements for
9 contractor performance regarding documentation, notice
10 to proceed, approval of subcontractors, schedule
11 monitoring, working hours, use of proper personal
12 protective equipment ("PPE"), adherence to safety
13 regulations, and identification of hazards encountered
14 at the job site. The Supplemental Requirements identify
15 required submittals and schedule of submissions for
16 items such as shop and work drawings, operating
17 procedures, substitution of materials, and as-
18 constructed drawings. They supplement Con Edison's
19 Standard Terms and govern the contractor's work
20 regarding the use of qualified representatives; work
21 permits; equipment and material delivery, handling, and
22 storage; and site maintenance.

23 Q. Please summarize the purpose of the Standard Terms.

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1 A. The Company's Standard Terms are incorporated into its
2 contracts for construction services, including
3 remediation-related construction work. The Standard
4 Terms define the contractual obligations of the
5 construction contractor and Con Edison. The
6 obligations and stipulations that are addressed
7 include, but are not limited to Contract Formation;
8 Specifications, Plans, and Drawings; Price and Payment;
9 Time for Completion; Excusable Delay; Safeguards in
10 Work; Work Conditions; Contractor's Performance; Con
11 Edison's Authority; Estimated Quantities; Warranties;
12 Changes; Claims; Codes, Laws and Regulations, and
13 Maintenance of Work.

14 Post-Remedial Construction Process

15 Q. Are there post-remediation requirements that the
16 Company must follow?

17 A. Yes. Because many of the sites in the Company's SIR
18 program are located in well-developed areas covered
19 with existing buildings or present other logistical
20 challenges, it is frequently not feasible to remediate
21 a site to meet "unrestricted use" standards pursuant to
22 DEC regulations and guidance. At other sites, it may
23 not be cost-effective to meet "unrestricted use"

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standards due to the background levels or depths of
contaminants present at the site. In such cases, Con
Edison may propose, and the DEC and DOH may allow,
remediation to alternative standards that protect
public health and the environment for certain specified
uses of the site. If Con Edison does not remediate a
site to "unrestricted use" standards, the Company must
comply with one or more institutional and/or
engineering controls at the site to address the
remaining contamination after completing remedial
construction. Examples of institutional controls
include restrictions on the use and redevelopment of a
remediated property that must be made enforceable by
the DEC thorough environmental easements or deed
restrictions. Engineering controls could include a
containment barrier, sub-slab ventilation system, or
product (e.g., coal tar, gasoline, fuel oil) recovery
system. These controls are required in perpetuity or
until DEC, with DOH concurrence, determines that they
are no longer necessary.

In order to comply with these various controls,
the Company is required to prepare a Site Management

- 1 Plan ("SMP") for DEC's approval. A typical SMP
2 includes procedures to:
- 3 • operate and maintain engineering controls and/or
4 treatment systems;
 - 5 • maintain compliance with institutional controls,
6 where applicable;
 - 7 • inspect and evaluate site information periodically
8 to determine whether the remedy continues to be
9 effective; and
 - 10 • monitor and report the performance and effectiveness
11 of the remedy, including periodic sampling.

12 Selection/Use of Contractors

- 13 Q. Please describe the role of outside consultants and
14 contractors in the Company's SIR program.
- 15 A. The Company uses environmental consultants to prepare
16 investigation work plans, perform investigations and
17 prepare reports of investigation findings, evaluate
18 remedial alternatives, prepare remedial action plans
19 and specifications, perform treatability and pilot
20 tests, as well as remediation oversight, and prepare
21 remediation reports. In addition, the Company hires
22 remediation contractors to implement agency-approved
23 remedial action work plans and bid specifications.

1 Q. How does Con Edison select its consultants?

2 A. I will focus primarily on MGP Program consultants.
3 However, the process used by the Company to retain
4 environmental consultants for other SIR Program sites
5 is generally similar.

6 In 2002, the Company retained a team of seven
7 consultants to support its MGP Program. In 2005, when
8 the purchase orders ("POs") issued to those consultants
9 expired, Con Edison conducted a two-step selection
10 process for the issuance of second-round POs. For the
11 pre-qualification phase, 20 environmental consulting
12 firms were invited to submit responses to a
13 questionnaire jointly developed by EH&S and Con
14 Edison's Purchasing Department; 17 firms responded.
15 Because the Company's MGP Program was moving from
16 investigation to remedial planning and remediation at
17 many of the sites, remediation experience was deemed to
18 be a more important consideration in 2005 than in 2002.
19 Con Edison considered each consultant's experience in
20 innovative investigation and remediation technologies,
21 as well as its success in negotiating with regulatory
22 agencies, particularly the DEC. The questionnaire
23 included a test problem designed to give Con Edison

1 insight into each such firm's capabilities in analyzing
2 investigation results and other relevant information to
3 develop cost-effective remedial alternatives that would
4 likely be acceptable to the DEC and DOH. Ten of the 17
5 firms were rated high enough to participate in the
6 second phase of the procurement action.

7 In the second and final phase, these ten firms
8 were invited to provide pricing information for
9 professional services and fieldwork (e.g., drilling and
10 other investigation-related activities). These rates
11 were applied to a model investigation work scope to
12 determine the reasonableness of pricing being offered
13 by each firm for a typical MGP site investigation. The
14 Purchasing Department negotiated with the firms to
15 reduce any premiums and reached acceptable agreements
16 with nine firms. POs were awarded to those nine firms
17 in November 2005 for three-year terms. The expiration
18 date of these POs has been extended to November 30,
19 2009 while the Company is working with seven of these
20 consultants to renew their POs using updated prices.

21 By retaining a team of qualified and competitively
22 priced consultants to support the investigation,
23 remedial planning, and remediation oversight activities

1 of the MGP Program, the Company generally avoided
2 having to conduct a separate procurement action for
3 each individual site. However, EH&S, in conjunction
4 with Purchasing, may determine that a separate PO
5 should be awarded after competitive bidding among the
6 existing consultants for a particular MGP site in
7 certain circumstances, such as a projected very high
8 initial investigation cost estimate developed based on
9 the investigation work plan for that site.

10 The Company's procurement process to retain
11 environmental consulting services for the other
12 programs is similar to the process described above for
13 the MGP Program. Term POs for newly assigned non-MGP
14 sites have been awarded to five consultants. For very
15 large and complex site investigation projects (i.e.,
16 East River Appendix B Site, consolidated Long Island
17 City Site 79 under Appendix B), separate POs were
18 issued. Likewise, separate POs have been issued to
19 environmental consultants for State Superfund Sites
20 (e.g., former Maspeth Substation Site, Echo Avenue
21 Substation Site, former Arthur Kill Generating Station,
22 Flushing Creek Site and North First Street Terminal)
23 that are currently owned or previously owned by Con

1 Edison and for the Curcio Scrap Metal federal Superfund
2 Site, for which Con Edison is the major PRP. Finally,
3 POs have been awarded to two consulting firms for the
4 Astoria RCRA Corrective Action Site, one for the site-
5 wide investigation that was initiated in 1993 and one
6 for the risk assessment and remedial planning for the
7 North Storage Yard, which has PCB and other
8 contamination.

9 Q. What primary types of subcontractors do environmental
10 consultants typically use during investigations?

11 A. The Company's environmental consultants typically use
12 drilling subcontractors to perform test pits and to
13 install soil borings and monitoring wells, laboratory
14 subcontractors to perform sample analyses required by
15 agency-approved work plans, and surveyor subcontractors
16 to document the precise coordinates of test pit,
17 boring, and well locations.

18 Q. Why doesn't the Company contract directly with these
19 subcontractors?

20 A. The Company looks to the environmental consultants for
21 overall management of the investigations, including
22 oversight and coordination of the subcontractors (about
23 half a dozen in most cases). It would be counter-

1 productive and would confuse the line of responsibility
2 between the environmental consultant and subcontractors
3 if the Company were to contract directly with the
4 subcontractors.

5 Q. What about the option of buying the required drilling
6 equipment and using the Company's own laboratory for
7 analytical support?

8 A. There is not sufficient regularly scheduled work to
9 justify the purchase of drilling equipment and hiring
10 of full-time operators. With respect to using an in-
11 house laboratory, although the Company has a state-
12 approved environmental laboratory, that laboratory is
13 not approved for most of the analyses required under
14 the approved investigation work plans for SIR program
15 sites, nor does it meet agency requirements for
16 analytical data validation deliverables. Also, Con
17 Edison's ACOs and consent decrees with the EPA
18 explicitly require the use of independent contractors
19 acceptable to EPA for such work.

20 Q. How does Con Edison select remediation contractors?

21 A. The selection of contractors is a multi-step process.
22 The first step in Con Edison's remediation contractor
23 procurement process for its SIR Program was the

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1 development of a pre-qualified bidders list. The
2 purpose of this list is to streamline selection process
3 by establishing a short list of contractors pre-
4 qualified to bid on future MGP, as well as other,
5 remediation projects. The list obviates the need to
6 evaluate which firms should be invited to bid on each
7 remediation project.

8 A questionnaire related to the contractor's
9 experience with construction and remediation was sent
10 to 28 remediation contractors. The questionnaire was
11 developed by a team comprising of representatives from
12 Con Edison's Purchasing, CM and EH&S Departments.
13 Timely responses were received from 17 of the 28 firms.
14 They were reviewed by a team from CM and EH&S in
15 accordance with predetermined scoring criteria
16 developed to evaluate potential contractor
17 qualifications for remedial construction work. The team
18 concluded, and Purchasing concurred, that 15 of the 17
19 contractors met the Company's qualification
20 requirements. Based on their past experience,
21 including the size of the remediation projects
22 previously handled by them, the 15 firms have been
23 placed in three categories, so that the smaller firms

1 are not invited to bid on larger, more complex
2 remediation projects.

3 The procurement process to hire a remediation
4 contractor consists of the following general steps:

- 5 • Preparation of Purchase Requisition - This is the
6 formal request to Purchasing for procurement action.
7 The Purchase Requisition is issued by CM, and it
8 includes the services requested, estimated budget,
9 recommended bidders, detailed specifications and other
10 related documents. The Purchase Requisition must be
11 approved by the appropriate level within Construction
12 Services before it is sent to Purchasing.
- 13 • Issuance of bid package/Request for Proposal - After
14 Purchasing receives a Purchase Requisition, a buyer is
15 assigned to the project. The buyer works with CM and
16 EH&S to prepare a Request for Proposal ("RFP") inviting
17 the contractors to submit a technical proposal and
18 commercial proposal. Depending on the scope of work and
19 other considerations, Purchasing may issue a Request
20 for Bids ("RFB") under which the contractors are
21 requested to submit a commercial proposal without a
22 technical proposal. The RFP or RFB includes a scheduled

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- 1 field visit to the site and a deadline to submit the
2 proposals.
- 3 • Field visit - The field visit is typically conducted at
4 least one week after the contractors receive the RFP or
5 RFB. This allows the contractors to review the
6 specifications prior to the field visit and ask
7 pertinent questions.
 - 8 • Review of technical proposals - The RFP requires the
9 contractors to submit separate technical and commercial
10 proposals. Technical proposals are forwarded by
11 Purchasing to CM and EH&S for their review. The
12 commercial proposals are retained by Purchasing for
13 later evaluation if the bidding contractors' technical
14 proposals are found to be acceptable. Technical
15 evaluation criteria are normally established by CM and
16 EH&S prior to the issuance of the RFP, and the
17 contractors are informed of those criteria.
 - 18 • Review of commercial proposals - After receiving the
19 results of the technical evaluation from CM and EH&S,
20 the Purchasing Department opens the commercial
21 proposals submitted by those contractors with
22 acceptable technical scores. For projects that do not
23 require a technical proposal, the commercial evaluation

1 begins upon the receipt of the commercial proposals.
2 The Purchasing Department works with the Bid-Check
3 Estimating Section to evaluate the pricing information
4 submitted by the contractor with the lowest cost
5 proposal to determine if the proposed labor rates, unit
6 prices, lump sum prices, and other cost items are
7 reasonable and consistent with current market
8 conditions. A meeting with the contractor may be held
9 to avoid misunderstandings regarding the required work
10 scope.

11 • Contract award - The contractor that submitted a
12 technically acceptable proposal and the lowest cost
13 proposal based on the commercial evaluation is
14 recommended by the Purchasing buyer for award of a PO
15 to perform the remediation. The level of approval
16 required depends on the value of the PO.

17 Q. What types of subcontractors do remediation contractors
18 typically use during remediation projects?

19 A. Remediation contractors typically use engineering
20 subcontractors to prepare detailed design documents
21 (e.g., sheeting and shoring plan) and obtain building
22 permits, environmental/safety consultants to prepare
23 environment, health and safety plans, perform air and

1 personnel monitoring, and obtain wastewater discharge
2 permits, waste transporters and waste management
3 facilities to dispose of wastes generated during the
4 remediation project, and laboratories to perform
5 analyses required by waste management facilities or for
6 other purposes. In addition, remediation contractors
7 use various material and equipment suppliers and
8 installers.

9 Q. Why doesn't the Company contract directly with these
10 subcontractors?

11 A. The Company believes it is more appropriate to place
12 responsibility for these activities on the contractor.
13 This makes the contractor accountable for all aspects
14 of the work, including work performed by
15 subcontractors. For example, if there are any delays
16 in obtaining materials (e.g., steel for sheeting),
17 delays in obtaining permits (e.g., City sewer discharge
18 permit for wastewater, City Department of Buildings
19 permits), delays in obtaining approvals from waste
20 management facilities, or the presence of off-
21 specification material for waste disposal, the
22 contractor would be responsible.

1 Q. What about the option of buying the required
2 construction equipment or using Company employees to
3 perform some of the remediation activities?

4 A. There is not sufficient regularly scheduled work to
5 justify the purchase of specialized construction
6 equipment and the hiring of specially trained
7 operators. Examples of specialty equipment include
8 large diameter (e.g., 30 inches) drill rigs for
9 installing secant piles, equipment used to install
10 slurry walls, equipment for performing in-situ chemical
11 treatment, and equipment for performing in-situ
12 contaminant stabilization.

13 Company Personnel Involved in SIR Program

14 Q. How many Con Edison employees are directly involved in
15 the Company's SIR Program on a full-time or a regular
16 basis?

17 A. The Company currently has 33 employees directly
18 involved in its SIR Program on a full-time or a regular
19 basis. This includes 15 employees in the EH&S
20 Department, 14 employees in the CM Department, and
21 three employees in Regulatory Services.

22 Q. Please describe the role of the EH&S employees in the
23 Company's SIR Program.

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- 1 A. The Remediation Department of EH&S has overall
2 responsibility within the Company for managing the
3 Company's SIR Program. This department consists of a
4 Director, two Section Managers (one for the MGP program
5 and one for other remediation programs), and a total of
6 12 Project Managers (five for the MGP program and seven
7 for the other remediation programs). Remediation staff
8 persons serve as Project Managers and Project Engineers
9 for their assigned sites under the SIR Program. Their
10 responsibilities include:
- 11 • Direct the consultants on the development of
12 investigation work plans for DEC and DOH approval;
 - 13 • Coordinate with Regulatory Services, Public Affairs,
14 and property owners to complete access agreements;
 - 15 • Coordinate with CM to implement the investigation and
16 remediation work plans;
 - 17 • Review and approve the consultants' budget and
18 invoices;
 - 19 • Participate in public meetings and other meetings with
20 stakeholders in connection with investigation findings,
21 proposed remedies, and other project-related issues;

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- 1 • Coordinate with the DEC, DOH, EPA, consultants, and
 - 2 property owners on the development of proposed
 - 3 remedies;
 - 4 • Participate in the procurement process to select a
 - 5 remediation contractor for each of their remediation
 - 6 projects;
 - 7 • Participate in negotiations with property owners on
 - 8 cooperation agreements with respect to remediation
 - 9 responsibilities and cost sharing;
 - 10 • Prepare quarterly projections of expenditures and
 - 11 estimates of future liability; and
 - 12 • Provide periodic reports on the status of their
 - 13 projects to Company management.
- 14 Q. Please describe the role of the CM employees in the
- 15 Company's SIR Program.
- 16 A. The CM employees support EH&S in the implementation of
- 17 the SIR Program investigation and remediation work.
- 18 This includes support of fieldwork, review of bid
- 19 specifications, and management of remediation contracts
- 20 and contractors. Currently, CM has a Construction
- 21 Manager, two Project Specialists, four Chief

1 Construction Inspectors, and seven inspectors primarily
2 assigned to remediation projects.

3 Q. Please describe the role of the Regulatory Services
4 employees in the Company's SIR Program.

5 A. Regulatory Services provides environmental legal
6 support, including: (1) the negotiation and preparation
7 of access and other agreements with the present owners,
8 lessees, and/or developers of the Company's and its
9 corporate predecessors' former MGP and other sites; and
10 (2) the negotiation and preparation of consent orders,
11 consent decrees, PRP group participation agreements,
12 and other agreements for Superfund sites owned by third
13 parties, and (3) when appropriate, litigation to
14 protect the Company's interests when negotiations are
15 unsuccessful in resolving important issues.

16 Q. Are there other Company employees who support the SIR
17 Program on an intermittent basis?

18 A. Yes. These include, but are not limited to, employees
19 in Public Affairs, Occupational Health, Real Estate,
20 other groups within EH&S, Central Field Services, and
21 other organizations as necessary.

22 Q. What is the Company's process for the review and
23 payment of SIR consultant and contractor invoices?

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1 A. Con Edison's EH&S Department manages contracts with
2 environmental consultants, while its CM Department
3 manages contracts with remediation contractors.

4 With regard to environmental consultants, the
5 following steps are generally followed by EH&S project
6 managers in their review of invoices submitted by the
7 consultants:

- 8 • Compare all unit rates in the invoices with those in
9 the consultant's purchase order. This includes
10 reconciliation of the unit rates for labor, material
11 charges, and other line items in the PO.
- 12 • Verify that all calculations for charges claimed are
13 correct and free of errors.
- 14 • Reconcile the number of units for each line item/work
15 activity claimed to have been used/performed with the
16 number of units actually used/performed. This is done
17 through a review of field notes and other
18 documentation.
- 19 • Verify that all supporting documents to the
20 consultant's invoice, such as time sheets or
21 subcontractor invoices, are consistent with the
22 information on the consultant's invoice and that the
23 charges are billed to the correct project.

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1 After completing the steps above, the project manager
2 will either approve the invoice or contact the
3 consultant to reconcile any discrepancies identified.

4 With regard to contracts with remediation
5 contractors, CM uses the following Con Edison documents
6 to format, reconcile and process payment applications
7 from such contractors: (1) CAM; (2) Supplemental
8 Requirements, and (3) Standard Terms. The purposes of
9 these documents are explained earlier in my testimony.

10 The remediation contractor is required to submit a
11 performance statement that correlates with his/her
12 project schedule. Performance Statements are tabulated
13 summaries of the contractor's work and mirror the
14 contractor's price schedule. Lump sum, unit price and
15 change order items are listed on the Performance
16 Statement and include information on the description of
17 work, the quantity of work, the unit price of work if
18 applicable, and the total value of work. The
19 Performance Statements indicate the value of work
20 completed to date, the value of work requested for the
21 current payment application and the total value of work
22 remaining. CM receives invoices from the contractor
23 that includes back-up information such as weight

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1 tickets, survey measurements and as-built drawings that
2 are used to substantiate the accuracy of the invoice.
3 If the invoice is not approvable in its entirety, the
4 contractor is required to revise it as appropriate or
5 approval of partial payment is recommended. Once the
6 invoice is approved by the CM section that manages the
7 remediation contractor, the invoice is sent to CM's
8 Administrative Services Group, where invoice
9 reconciliation is performed again.

10 Once an invoice is approved, regardless of whether
11 it is from an environmental consultant or remediation
12 contractor, it is receipted on the Company's Accounts
13 Payable system with the appropriate account or work
14 order number. After the Accounts Payable Department
15 approves payment, a check is prepared and sent to the
16 environmental consultant or contractor.

17
18 **CONTRACT SERVICES FOR CERTIFIED ARBORISTS**
19

- 20 Q. Please describe the purpose of contract services for
21 certified arborists.
- 22 A. In the City of New York, trees located within sidewalk
23 areas along mapped streets are owned by the City and

1 are under the jurisdiction of the New York City
2 Department of Parks and Recreation ("NYC Parks
3 Department"). NYC Parks Department's regulations
4 require permits for work conducted within the drip-line
5 of city owned trees or trees on NYC Parks' property. As
6 part of its operations, the Company conducts work (such
7 as tree trimming and the installation of electric
8 service laterals beneath sidewalks) that is subject to
9 these regulatory requirements. Since mid-2008, the
10 Company has been working with NYC Parks Department to
11 establish a general permit for routine, recurring
12 maintenance projects conducted in the vicinity of
13 trees. However, to be eligible to work under the
14 general permit, the Company must develop a best
15 management practice plan signed by a certified arborist
16 and submit the plan to NYC Parks Department for
17 approval. The services of certified arborists are
18 necessary to develop the plan and ensure that the
19 approved plan is implemented properly and that NYC
20 Parks Department requirements are met during work with
21 the potential to affect NYC-owned trees.

22 Q. Has the Company commenced work on this program?

1 A. Yes. The Company has developed a best management
2 practice plan approved by a certified arborist, which
3 was submitted to NYC Parks Department on July 19, 2009
4 for review. The costs of the contract arborist
5 services for the initial plan development were de
6 minimis. Once the plan has been approved, and a general
7 permit issued, an appropriate provider of necessary
8 services will be determined and secured.

9 Q. Does the Company currently have certified arborists on
10 staff?

11 A. While the Company has a limited number of certified
12 arborists on staff to support tree-trimming activities,
13 these resources are at full capacity and additional
14 resources are necessary to support the activities
15 required by NYC Parks Department. It is the Company's
16 intention to contract for the services of certified
17 arborists to address the highly specialized issues
18 involved in compliance with the regulations of the NYC
19 Parks Department for conducting work in the vicinity of
20 City-owned trees. The work in the vicinity of City-
21 owned trees can range from excavations in sidewalks to
22 repair of existing utilities, such as underground gas
23 or electric lines, to contingency actions in the event

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1 of a leak. We expect this work will start shortly. It
2 will continue in the rate year and beyond.

3 Q. What is the expected cost of the contract arborist
4 services?

5 A. The estimated annual O&M cost for such services is
6 \$100,000.

7 Q. Has the exhibit entitled "Contract Arborist Services"
8 [Exhibit __ (RSP-6)] been prepared under your direction
9 or supervision?

10 A. Yes.

11 MARK FOR IDENTIFICATION AS EXHIBIT __ (RSP-6)

12

13 Q. Has an exhibit entitled "Contract Arborist Services -
14 Worksheet" [Exhibit __ (RSP-7)] been prepared under
15 your direction or supervision.

16 A. Yes.

17 MARK FOR IDENTIFICATION EXHIBIT __ (RSP-7)

18

19 Q. What do these exhibits present?

20 A. Exhibit __ (RSP-6) provides a brief overview of the
21 program together with an historical and future annual
22 cash-flow of the O&M costs for the necessary contract

1 arborist services. Exhibit ____ (RSP-7) is a
2 spreadsheet supporting the O&M cash-flow projection.
3

4 **PROGRAM CHANGE FOR CORPORATE EH&S PERSONNEL**
5

6 Q. Please discuss the program change for Corporate EH&S
7 personnel.

8 A. EH&S requires an additional \$427,000 for staffing,
9 which is for four positions for individuals who left
10 EH&S before the end of the historic year.

11 Q. Please identify the four positions to be filled and
12 describe their responsibilities.

13 A. The four positions are as follows:

- 14 • **One Safety Project Specialist** - whose responsibilities
15 include: analyzing, planning, organizing, leading and
16 executing multiple projects along with day-to-day
17 safety processes; reviewing work methods/work sites to
18 provide protection for employees and to protect
19 customers and members of the public from accidental
20 occurrences; researching Occupational Safety and Health
21 Administration ("OSHA") standards and other
22 governmental regulations to seek Company compliance
23 with them and to provide technical advice to operating
24 and support organizations; developing and coordinating

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1 safety programs directed at reducing accidents during
2 Company work; providing field presence for prompt
3 consultation and control of safety concerns; developing
4 educational programs and materials for all levels of
5 Company personnel to identify potential situations that
6 could result in accidents during Company work; and
7 making recommendations for preventing to prevent such
8 situations.

- 9 • **One Senior Industrial Hygienist** - whose
10 responsibilities include: developing and implementing
11 Industrial Hygiene Programs for the Company's operating
12 organizations; serving as the corporate subject matter
13 expert on various industrial hygiene and safety issues;
14 identifying environmental and health hazards, assessing
15 potential exposures to chemical and physical hazards
16 and recommending corrective actions; conducting audits,
17 assisting visits and performing field evaluations to
18 maintain a field presence and to determine compliance;
19 reviewing applicable federal, state and local health
20 and safety laws and regulations, and developing
21 compliance programs and procedures for and providing
22 compliance assistance to the Company's operating
23 organizations.

- 24 • **One Water and Waste Senior Scientist** - whose
25 responsibilities include: serving as Subject Matter

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Expert for waste, water, and hazardous materials management issues as well as providing general support on environmental issues; coordinating, monitoring, and providing expert technical and regulatory oversight and guidance in these areas to achieve environmental compliance and promotes environmental excellence and continual improvement; and providing compliance assistance, coordinating, overseeing, and monitoring technical and regulatory efforts, concerns, issues, questions, and activities associated with assigned aspects of the above issues.

- **One Natural Resources Scientist** - whose responsibilities include: serving as Subject Matter Expert for waterfront and dock issues and permits; wetland issues and permits; working with generating stations on major dredging projects; assisting on Right-of-Way vegetation management programs and associated permits; providing support on dam compliance issues and permits; working on wildlife issues associated with operational field work; negotiating with government agencies on compliance matters, permit issues and environmental programs; developing and administering corporate programs and training on natural resource issues; developing green initiatives to enhance natural resource protections.

1 Q. When are these positions expected to be filled?

2 A. The Company intends to fill these positions as soon as
3 practicable.

4 Q. Why are these positions important to customers?

5 A. The primary objective of the Company is to provide safe
6 and reliable service to its customers. All of the above
7 positions support this objective. Further, to benefit
8 its customers and their communities, the Company is
9 pursuing programs and policies that seek compliance
10 with environmental regulations as a platform from which
11 to develop sustainable business practices. The Water
12 and Waste Senior Scientist position will provide needed
13 Company expertise in the proper management of hazardous
14 materials and wastes.

15 Q. Why can't these responsibilities be handled by existing
16 staff?

17 A. The responsibilities of the positions in question, as
18 identified, are highly specialized and require specific
19 experience and qualifications. It is only with suitably
20 experienced and qualified employees that the Company
21 will be able to provide the level of service that its
22 customers expect. While current core requirements are
23 being met, the appropriate level of subject matter

1 expertise and associated programs to provide the level
2 of support needed to make continuing improvements in
3 our programs is greatly hampered without these
4 resources.

5 Q. Have exhibits pertaining to the above program change
6 for corporate EH&S personnel been prepared under your
7 supervision?

8 A. Yes. Two such exhibits have been prepared. They are
9 entitled "Corporate EH&S Personnel" [Exhibit __ (RSP-
10 8)], and "Corporate EH&S Personnel - Worksheet"
11 [Exhibit __ (RSP-9)].

12

13 MARK FOR IDENTIFICATION AS EXHIBIT __ (RSP-8) and
14 EXHIBIT __ (RSP-9).

15

16 Q. What information do these exhibits present?

17 A. Exhibit __ (RSP-8) provides a brief overview of the
18 program change together with an historical and
19 projected future annual cash-flow of the O&M costs
20 associated with this program change. Exhibit __ (RSP-
21 9) is a spreadsheet supporting the O&M cash-flow.

22

23

PROCEEDS FROM SALE OF SO₂ ALLOWANCES

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Q. Does the Company expect to sell SO₂ allowances in the future?

A. Yes.

Q. Please explain.

A. The Clean Air Act Amendments of 1990 established a SO₂ allowance program in an attempt to reduce acid rain. The program was designed to reduce SO₂ emissions in the aggregate through the issuance of a limited number of SO₂ allowances to major emission sources and the establishment of a marketplace where such allowances could be traded. Owners of affected electric generation facilities are provided allowances based upon their emission needs determined during a baseline period. Each allowance authorizes the holder to emit one ton of SO₂ each year. If a holder requires more allowances to cover its SO₂ emissions than the number of allowances allocated to it, it can purchase additional allowances from other holders who have excess allowances for sale. Absent such purchases, the holder is required to reduce its emissions of SO₂.

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1 Con Edison received SO₂ allowances for its
2 generation facilities. As a result of divestiture,
3 retirement of facilities, and the use of fuels
4 containing very little sulfur at its generating
5 facilities, the Company accumulated a surplus of SO₂
6 allowances and continues to receive additional SO₂
7 allowances on an annual basis. The Company is
8 therefore in the position of a seller of SO₂
9 allowances.

10 At the beginning of 2004, the Company developed a
11 strategy to sell accumulated SO₂ allowances. Beginning
12 in the second quarter of 2004, the Company began
13 selling SO₂ allowances in the marketplace. In
14 compliance with the provisions set forth in the Public
15 Service Commission ("PSC") Order in Case 90-E-1194, the
16 Company records the proceeds from these sales in PSC
17 Account 254.

18 Q. How were the Company's surplus SO₂ allowances allocated
19 between its steam and electric operations?

20 A. They were allocated using the method approved by the
21 PSC in its 2006 decision regarding the Company's steam
22 rates (Case 05-S-1376).

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1 Q. What is the expected number of SO₂ allowances allocable
2 to the Company's steam customers that the Company
3 expects to sell with regard to the 2008, 2009, 2010 and
4 2011 vintage years?

5 A. The Company expects to sell approximately 3,900 SO₂
6 allowances allocable to its steam customers with regard
7 to each of the 2008, 2009, 2010 and 2011 vintage years.
8 Vintage Year 2008 allowances will be sold during 2010,
9 Vintage Year 2009 allowances will be sold during 2011,
10 Vintage Year 2010 allowances will be sold in 2012 and
11 Vintage Year 2011 allowances will be sold during 2013.

12 Q. What is your estimate of the proceeds from the sale of
13 surplus SO₂ allowances allocable to the steam system
14 with regard to the 2008, 2009, 2010 and 2011 vintage
15 years?

16 A. I estimate proceeds of approximately \$281,000 each year
17 with regard to the sale of 2008 and 2009 vintage year
18 SO₂ allowances. These amounts are based on a sale
19 price of \$72 per allowance, prevailing market price as
20 of July 10, 2009, the date of our most recent sale. The
21 vintage year 2010 and 2011 allowances, anticipated to
22 be sold as of January 2012, are expected to be
23 approximately half the value as in the current market

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1 due to EPA's Clean Air Interstate Rule ("CAIR") SO₂
2 regulations coming into effect in 2010. The CAIR SO₂
3 regulations will adjust the surrender ratio for
4 allowances to two for one in 2010. This will result in
5 the vintage year 2010 and later SO₂ allowances being
6 only half as valuable as the vintage year 2009 or
7 earlier allowances. Therefore, the proceeds from the
8 sale of 2010 and 2011 vintage year SO₂ allowances is
9 estimated to be approximately \$140,000 per year, based
10 on a market price of \$36 per allowance. The Company
11 plans to sell SO₂ allowances each quarter and the
12 dollars will be available after each quarter.

13 Q. What would be the consequence if the market price at
14 the time of sale is higher than the allowance price you
15 have forecasted allowance?

16 A. The revenue from the sales of SO₂ allowances has been
17 subject to reconciliation, which the Company recommends
18 be continued, so the customers receive the full, actual
19 benefit of any revenue generated from the sale of SO₂
20 allowances.

21 Q. Has an exhibit entitled "Forecast of SO₂ Allowances
22 Sale Proceeds" [Exhibit __ (RSP-10)] been prepared
23 under your direction or supervision?

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1 A. Yes.

2 MARK FOR IDENTIFICATION AS EXHIBIT __ (RSP-10)

3 Q. What information is presented in Exhibit ____ (RSP-
4 10)?

5 A. Exhibit ____ (RSP-10) provides a breakdown of historic
6 SO2 allowance sales and the resulting revenue. It also
7 presents a forecast of future potential sales and
8 revenues.

9 Q. Does this conclude your initial testimony?

10 A. Yes, it does.

**Consolidated Edison Company of New York, Inc.
MGP Site Listing**

**Exhibit __ (RSP-1)
Page 1 of 8**

Site Name	Loc	Street Address	Current and Contemplated Use	Current Status
Purdy Street Station	Bx	St. Raymond High School for Boys 2151 St. Raymond Avenue, Bronx, NY	High School	Investigation completed; remedial planning on-going
East 115th Street Works	M	Manhattan Center for Science and Mathematics 260 Pleasant Avenue, New York, NY	High School	Investigation completed; remedial planning on-going
East 11th Street Works	M	Jacob Riis Houses 152 Avenue D, New York, NY	Residential Apartment Complex	Investigation of onsite areas and sediments completed; additional investigation of off-site areas ongoing. Remedial planning ongoing for onsite areas.
East 11th Street Works	M	184 Avenue D, New York, NY	Sewage Pumping Station	
East 11th Street Works	M	Haven Plaza 3 188 Avenue C, New York, NY	Residential Apartment Building	
East 11th Street Works	M	St. Emeric R.C. Church and School 181 Avenue D, New York, NY	Elementary School and Church	
West 65th Street Works	M	Martin Luther King, Jr. H.S. 120 Amsterdam Ave., New York, NY	High School	No MGP impacts found; DEC has issued a No Further Action letter
West 65th Street Works	M	Con Edison 130 West End Avenue, 10023	Electric Substation	
Mt. Vernon Works	W	342-362 South 8th Avenue Mount Vernon, NY	Residential Apartment Building	DEC has approved remedy. Remediation expected to start in the first quarter of 2010.
Mt. Vernon Works	W	359 South 9th Avenue Mount Vernon, NY	Residential Apartment Building	
Mt. Vernon Works	W	351 South 9th Avenue Mount Vernon, NY	Residential Home	
Mt. Vernon Works	W	349 South 9th Avenue Mount Vernon, NY	Residential Home	
Mt. Vernon Works	W	401 South 9th Avenue Mount Vernon, NY	Residential Apartment Building	
Nepperhan Avenue Works	W	NYSDOT Portion of Nepperhan Avenue	Public Street	No MGP impacts found; DEC has issued a No Further Action letter
Nepperhan Avenue Works	W	City of Yonkers Vacant Land	Vacant Land	
Nepperhan Avenue Works	W	Privately-Owned Vacant Land	Vacant Land	
Central Avenue Works	W	City of Peekskill 900 Central Avenue	Parking Lot	Remedial investigation on-going
Central Avenue Works	W	Barham House Apartments 901 Main Street, Peekskill, NY	Apartment Bldg./Health Care Center	
East 111th Street Works	M	2153 1st Avenue New York, NY	Residential Apartment Building	Investigation completed; report to DEC expected in 4th quarter of 2009

**Consolidated Edison Company of New York, Inc.
MGP Site Listing**

**Exhibit __ (RSP-1)
Page 2 of 8**

Site Name	Loc	Street Address	Current and Contemplated Use	Current Status
East 111th Street Works	M	2138 1st Avenue New York, NY	Commercial	
East 111th Street Works	M	FDR Drive New York, NY	Residential Apartment Building	
East 111th Street Works	M	Thomas Jefferson Park 2158 1st Avenue	Public Park	
East 111th Street Works	M	Con Edison, East 110th Street, New York, NY	Utility Service Center	
Roosevelt Street Station	M	One Madison Street New York, NY	Residential Apartment Building	No MGP impacts found; DEC has issued a No Further Action letter
East 21st Street Works	M	Peter Cooper Village 342 1st Avenue, New York, NY	Residential Apartment Building Complex	Investigation completed; began remedial planning.
West 42nd Street Works	M	640 West 42nd Street New York, NY	Residential Apartment Building	Remediation of on-site areas completed and DEC has issued Certificate of Completion; DEC requires investigation of off-site areas.
West 42nd Street Works	M	11th Avenue New York, NY	Being Redeveloped for Residential Apartment Buildings	
East 17th Street Station	M	Stuyvesant Town 492 1st Avenue, New York, NY	Residential Apartment Building Complex	Investigation completed; began remedial planning.
East 19th Street Station	M	Stuyvesant Town 492 1st Avenue, New York, NY	Residential Apartment Building Complex	Investigation completed; began remedial planning.
Broadway/ Dyckman Street Station	M	12 Dongan Place New York, NY	Residential Apartment Building	No MGP impacts found; DEC has issued a No Further Action letter
Broadway/ Dyckman Street Station	M	4700 Broadway New York, NY	Residential Apartment Building	
Broadway/ Dyckman Street Station	M	20 Dongan Place New York, NY	Residential Apartment Building	
East 108th Street Station	M	2070 1st Avenue New York, NY	Residential Apartment Building	Remedial investigation conducted; report being prepared.
York Avenue Station	M	425 East 61st Street New York, NY	Commercial Condominium	Site characterization study on-going
York Avenue Station	M	417 East 61st Street New York, NY	Museum	

**Consolidated Edison Company of New York, Inc.
MGP Site Listing**

**Exhibit __ (RSP-1)
Page 3 of 8**

Site Name	Loc	Street Address	Current and Contemplated Use	Current Status
York Avenue Station	M	1129 York Avenue New York, NY	Commercial Storage Building	
York Avenue Station	M	1143 York Avenue New York, NY	Residential Apartment Building	
York Avenue Station	M	450 East 63rd Street New York, NY	Residential Apartment Building	
York Avenue Station	M	504 East 63rd Street New York, NY	University	
Hester Street Gas Works	M	180 Centre Street New York, NY	Parking Lot	Site characterization study completed. DEC requires preparation of Site Management Plan; no remediation required at this time.
Hester Street Gas Works	M	204 Hester Street New York, NY	Parking Lot	
Hester Street Gas Works	M	202 Hester Street New York, NY	Residential Apartment Building	
Hester Street Gas Works	M	200 Hester Street New York, NY	Residential Apartment Building	
Hester Street Gas Works	M	128 Baxter Street New York, NY	Residential Apartment Building	
Hester Street Gas Works	M	126 Baxter Street New York, NY	Residential Apartment Building	
Canal Street Works	M	247 Canal Street New York, NY	Vacant	Unable to obtain access from owner; Con Edison performed records review in lieu of investigation; DEC has issued a No Further Action letter based on the report.
Canal Street Works	M	243 Canal Street New York, NY	Commercial and Residential	
Canal Street Works	M	245 Canal Street New York, NY	Commercial	
West 18th Street Gas Works	M	109 10th Avenue New York, NY	High-Rise Commercial Bldg.	Remedial investigation conducted; report being prepared.
West 18th Street Gas Works	M	111 10th Avenue New York, NY	High-Rise Commercial Bldg.	
West 18th Street Gas Works	M	501 West 17th Street New York, NY	Parking Lot being Redeveloped for Residential/Commercial Use	DEC has approved remedy; implementation to be part of site redevelopment.
West 18th Street Gas Works	M	80 11th Avenue New York, NY	Commercial Office Building	Remediation completed as redevelopment; DEC has issued Certificate of Completion.
West 18th Street Gas Works	M	511 West 18th Street New York, NY	Garage Being Redeveloped for Residential Use	Remedial investigation conducted; report being prepared.
West 18th Street Gas Works	M	131 10th Avenue New York, NY	Commercial Trucking Facility being Redeveloped	
West 18th Street Gas Works	M	512 West 19th Street New York, NY	Movie Studio and Warehouse	
West 18th Street Gas Works	M	516 West 19th Street New York, NY	Commercial Office Building being Redeveloped for	No MGP impacts found; DEC has issued a No Further Action letter

**Consolidated Edison Company of New York, Inc.
MGP Site Listing**

**Exhibit __ (RSP-1)
Page 4 of 8**

Site Name	Loc	Street Address	Current and Contemplated Use	Current Status
West 18th Street Gas Works	M	524 West 19th Street New York, NY	Being Redeveloped for Residential and Commercial Use	Remediation completed as part of property redevelopment; report approved by DEC.
West 18th Street Gas Works	M	96 11th Avenue New York, NY	Commercial Office Building	Remediation completed as redevelopment; DEC has issued Certificate of Completion.
West 18th Street Gas Works	M	112 11th Avenue New York, NY	NYS Dep't of Correctional Services Prison	Remedial investigation conducted; report being prepared.
West 18th Street Gas Works	M	100 11th Avenue New York, NY	Being Redeveloped as Residential Building	Remediation completed as part of property redevelopment; report approved by DEC.
West 18th Street Gas Works	M	442 West 18th Street New York, NY	Commercial Warehouse	Remedial investigation conducted; report submitted to DEC.
West 18th Street Gas Works	M	Marginal Street & 11th Avenue West 16th to West 20th Streets	Highway	Remedial investigation conducted; report being prepared.
Kingsbridge Station Site	Bx	233 Landing Road Bronx, NY	Commercial	No MGP impacts found; DEC has issued a No Further Action letter
Kingsbridge Station Site	Bx	Landing Road Park Bronx, NY	Public Park	
East 99th Street Works	M	Metropolitan Hospital 1880 First Avenue, New York, NY	Hospital	Remedial investigation on-going
East 99th Street Works	M	Metropolitan Hospital 1880 First Avenue, New York, NY	Hospital	
East 32nd Street Station	M	NYU Medical Center 433 East 30th Street, New York, NY	Hospital	Site characterization study work plan approved by DEC. Investigation will start after obtaining necessary site access.
Cedar Street Works	W	47 Cedar Street New Rochelle, NY	Commercial	Site characterization study conducted; report submitted to DEC.
Unionport Works	Bx	1066 Zerega Avenue Bronx, NY	Vacant Bulk Fuel Oil Terminal	Site characterization study conducted. Additional investigation required by DEC.
Ossining Works	W	30 Water Street Ossining, NY	Public Works Yard / Garage	Remedial investigation report submitted to DEC. Additional investigation required by DEC.
Ossining Works	W	Con Edison Substation Central Avenue, Ossining, NY	Electric Substation	

**Consolidated Edison Company of New York, Inc.
MGP Site Listing**

**Exhibit __ (RSP-1)
Page 5 of 8**

Site Name	Loc	Street Address	Current and Contemplated Use	Current Status
Pemart Avenue Works	W	189 North Water Street Peekskill, NY	Commercial	Separate reports on remedial investigation of upland areas and Hudson River sediments submitted to DEC. Additional sediment investigation required by DEC.
Pemart Avenue Works	W	199 North Water Street Peekskill, NY	Commercial	
Pemart Avenue Works	W	175 North Water Street Peekskill, NY	Natural Gas Regulating Station	
Pemart Avenue Works	W	190 North Water Street Peekskill, NY	Commercial	
Pemart Avenue Works	W	200 North Water Street Peekskill, NY	Commercial	
Pemart Avenue Works	W	Merto-North Tracks Along Western Side of 200 North Water Street	Rail Road	
Ludlow Street Works	W	162 Downing Street Yonkers, NY	Vacant Land	Site characterization study work plan approved by DEC. Investigation will start after obtaining necessary site access.
West 45th Street Gas Works	M	633 West 44th Street New York, NY	Commercial	Remedial investigation report submitted to DEC.
West 45th Street Gas Works	M	604 West 44th Street New York, NY	Commercial	
West 45th Street Gas Works	M	628 West 45th Street New York, NY	Commercial	
West 45th Street Gas Works	M	621 West 45th Street New York, NY	Commercial	Investigation completed; awaiting the Intrepid Foundation's plan to redevelop the parking lot
West 45th Street Gas Works	M	607 West 45th Street New York, NY	Commercial	Remedial investigation report submitted to DEC
West 45th Street Gas Works	M	Portion of Joe DiMaggio Highway between W. 44th & W. 46th Streets	Highway	
Cross/Little Water St Holder Station	M	60 Centre Street New York, NY	Courthouse	No MGP impacts found; DEC has issued a No Further Action letter.
East 137th Street Station	Bx	Rose Feis Boulevard Bronx, NY 10454	Commercial	Site characterization study work plan approved by DEC; investigation will start after obtaining necessary site access to the properties.
East 137th Street Station	Bx	Rose Feis Boulevard Bronx, NY 10454	Commercial	
East 137th Street Station	Bx	900 East 138th Street Bronx, NY	Commercial	
East 138th Street Works	Bx	885 East 138th Street Bronx, NY	Factory	Site characterization study work plan approved by DEC; investigation will start after obtaining necessary site access to the properties.
East 138th Street Works	Bx	865 East 138th Street Bronx, NY	Car Repair - Produce Distributor	

**Consolidated Edison Company of New York, Inc.
MGP Site Listing**

**Exhibit __ (RSP-1)
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Site Name	Loc	Street Address	Current and Contemplated Use	Current Status
East 138th Street Works	Bx	275 Locust Avenue Bronx, NY	Commercial Warehouse	
East 138th Street Works	Bx	939 East 138th Street Bronx, NY	Fuel Oil Terminal	
West 58th Street Station	M	521 West 58th Street New York, NY	New John Jay College Building	No MGP impacts found; DEC has issued a No Further Action letter
West 132nd Street Station	M	2321 Joe DiMaggio Highway New York, NY	Bus Depot	No MGP impacts found; DEC has issued a No Further Action letter
West 132nd Street Station	M	611 West 131st Street New York, NY	Commercial Warehouse	
West 132nd Street Station	M	624 West 132nd Street New York, NY	Electric Substation	
Zerega Avenue Station	Bx	2383 Blackrock Avenue Bronx, NY	School Bus Terminal	Site characterization study on-going.
Zerega Avenue Station	Bx	Watson Avenue Bronx, NY	Electric Substation	
East 175th Street Station	Bx	1805 Webster Avenue Bronx, NY	Gas Station	Site characterization study work plan approved by DEC; investigation will start after obtaining necessary site access to the properties.
East 175th Street Station	Bx	1815 Webster Avenue Bronx, NY	Fast Food Restaurant	
East 175th Street Station	Bx	1845 Webster Avenue Bronx, NY	Gas Station	
286 Water Street Site	M	Manhattan-Side Support Tower of the Brooklyn Bridge	Bridge	Investigation of this site has not commenced; draft work plan to DEC expected in 4th quarter of 2009.
Rye Gas Works	W	178 Theodore Fremd Avenue Rye, NY	Utility Service Center	Site characterization study on-going.
Farrington Street Gas Works	Q	Downing Street Flushing, NY	Parking/Equipment Laydown	Site characterization study conducted; report being prepared.
Farrington Street Gas Works	Q	133-01 Higin's Street Flushing, NY	Commercial Shopping Center	
Saw Mill River Station	W	30 Worth Street Yonkers, NY	Utility Service Center	Site characterization study work plan approved by DEC. Investigation expected to start in 3rd quarter of 2009.

**Consolidated Edison Company of New York, Inc.
MGP Site Listing**

**Exhibit __ (RSP-1)
Page 7 of 8**

Site Name	Loc	Street Address	Current and Contemplated Use	Current Status
Greenburgh Station	W	469 Tarrytown Road Greenburgh, NY	Electric Substation	No MGP impacts found; DEC has issued a No Further Action letter
Greenburgh Station	W	525 Tarrytown Road Greenburgh, NY	Automobile Dealer	
East 173rd Street Works	Bx	Starlight Park - East 173rd Street and Sheridan Expressway Bronx, NY	Public Park	Remediation completed; awaiting DEC approval of report.
Hunts Point Works	Bx	Hunts Point Avenue Bronx, NY	Wholesale Food Market and Vacant Land	Investigation and remediation of on-site areas are managed by NYC Economic Development Corporation under its own cleanup agreements with DEC; Con Edison is responsible for investigation and remediation, if necessary, of off-site areas; expect to submit work plan to DEC in early 2010.
Hunts Point Works	Bx	Compressor Station Hunts Point Avenue	Gas Compressor Station	Remediation completed; DEC has issued a No Further Action letter
East 39th Street Works	M	Robert Moses Park 724 1st Avenue, New York, NY	Public Park	No MGP impacts found; DEC has issued a No Further Action letter
East 39th Street Works	M	1st Avenue, New York, NY	Mid-Town Tunnel Vent House	
East 39th Street Works	M	708 First Avenue and former Waterside Generating Station	Being Redeveloped for Commercial/Residential Use	Remediated by TRC under contract with Con Edison and the developer as part of First Avenue Project
Pelham Gas Works	W	847 Pelham Parkway Pelham Manor, NY	Commercial Shopping Center	The property owner entered into a separate cleanup agreement with DEC. Con Edison is implementing the DEC-approved remedy on behalf of the owner. Remedial construction completed. Con Edison is responsible for investigating and remediating, if necessary, off-site areas.
Pelham Gas Works	Bx	4325 Boston Post Road Bronx, NY	Commercial Shopping Center	
Woodworth Ave Works	W	119 Woodworth Avenue Yonkers, NY	Commercial	Site characterization study work plan approved by DEC; investigation will start after obtaining necessary site access to the properties.
Woodworth Ave Works	W	115 Woodworth Avenue Yonkers, NY	Commercial	
Woodworth Ave Works	W	95 Woodworth Avenue Yonkers, NY	Commercial	

**Consolidated Edison Company of New York, Inc.
MGP Site Listing**

**Exhibit __ (RSP-1)
Page 8 of 8**

Site Name	Loc	Street Address	Current and Contemplated Use	Current Status
Woodworth Ave Works	W	Metro-North Tracks Between Ashburton Avenue and Babcock Place	Industrial	
Woodworth Ave Works	W	104 Ashburton Avenue Yonkers, NY	Commercial	Investigation/remediation completed by property owner
East 14th Street Works	M	Stuyvesant Town 492 1st Avenue, New York, NY	Residential Apartment Building	Investigation completed; began remedial planning.
East 14th Street Works	M	East River Steam Station	Industrial	Awaiting DEC's comments on the investigation report
East 14th Street Works	M	East 16th Street Service Center	Commercial	
East 14th Street Works	M	Ball Field	Recreational	Investigation completed. Based in investigation findings, DEC notified Con Edison that implementation of institutional controls and site management plan, including erosion control, is required.
Astoria Gas Works	Q	31-01 20th Avenue Long Island City, NY	Industrial	Additional investigation required by DEC.
White Plains	W	12 Water Street White Plains, NY	Commercial Office Building	Remediation on-going.
White Plains	W	9 New Street White Plains, NY	Con Edison Electric Substation	
Farrington Street Holder Station	Q	Farrington Street and 32nd Avenue Flushing, NY	Industrial	Interim remedial measures were completed; post-remediation groundwater monitoring is on-going
Tarrytown	W	129 West Main Street Tarrytown, NY	Mixed Commercial/Residential	Remediation completed; DEC has issued a Certificate of Completion
Tarrytown	W	217 West Main Street Tarrytown, NY	Mixed Commercial/Residential	
Hastings on Hudson Gas Works	W	6-8 Washington Avenue Hastings on Hudson, NY	Residential Apartment Building	Site characterization study report submitted to DEC. Proposed interim remedial measures work plan submitted to DEC.
Hastings on Hudson Gas Works	W	10 Washington Avenue Hastings on Hudson, NY	Commercial	
Hastings on Hudson Gas Works	W	12 Washington Avenue Hastings on Hudson, NY	Commercial/Residential	

Consolidated Edison Company of New York, Inc.
Appendix B Site Listing

Exhibit __ (RSP-2)
Page 1 of 2

Site	Priority*	Site Name	Location	Con Ed Facility?	Status
1	Medium	10th St./ 37-38th Ave.	QN	No	Field investigation completed; investigation report submitted to DEC; supplemental investigation is ongoing.****
2	**	East River Complex	MN	Partially	Initial investigation completed; investigation report under DEC review; a supplemental investigation and some remediation will be required.
4	High	38th-39th Ave./ 21st St.	QN	No	Field investigation completed; investigation report submitted to DEC; a supplemental investigation is ongoing.****
4a	**	LIC Subway/12th St. & 41st Ave.	QN	No	On going groundwater monitoring.
7a	High	Pipeline 2/E71st St.	MN	No	Investigation Work Plan approved; field investigation pending. Will be addressed in conjunction with pipeline closure activities
9	Medium	Astoria Blvd/ 78th Street	QN	No	Investigation Work Plan submitted to DEC.
10	**	Astoria Site	QN	Yes	Investigation and remediation ongoing. Addressed separately under hazardous waste permit.
12	High	Farragut Substation & Vicinity	BK	Partially	Initial investigation completed; investigation report submitted to DEC; a supplemental investigation recently completed; additional investigation will be required. Soil remediation performed on substation site; report to be prepared.
14	**	Hudson Avenue Station	BK	Yes	Investigation completed; remediation required. Pre-design pilot studies completed. On-going product recovery. Installation of fuel oil tank farm moat water level control system underway.
19	Medium	12th Ave./ 40th St - W49th St. Substation	MN	Partially	Dielectric fluid related to an historic spill encountered during feeder repair; recovery system installed and product recovery ongoing. Additional investigation is required; Investigation Work Plan submitted to DEC.
20	**	Hellgate Substation/Locust Ave./132nd St/133rd St.	BX	Partially	Groundwater monitoring ongoing.
22	Low	Westchester Ave./ St. Ann's Ave.	BX	No	***
23	Medium	E 25th St./ FDR	MN	No	Investigation Work Plan being prepared.
26	**	54-08 Vernon Boulevard	QN	No	Field investigation completed; investigation report submitted to DEC; a supplemental investigation is ongoing.****
28	Medium	W 54th St./ 11th Ave.	MN	No	***
30	Low	Meeker Avenue/ Leonard Street	BK	No	***
33	Low	79th St./ 3rd Avenue	BK	No	***
35	Low	Park Place/ New York Ave.	BK	No	***
36	Medium	Vernon Substation	QN	Yes	All spills closed and No Further Action requested.
38	Low	52nd St/ 1st. Ave.	BK	No	***
39	Low	108th St./ 64th Rd.	QN	No	***
40	**	21st St and 46th Road.	QN	No	Field investigation completed; investigation report submitted to DEC and No Further Action requested.****
49	Low	141st Street/ Brook Avenue	BX	No	***
56	High	Broadway/141st St./142nd St.	MN	No	Initial investigation completed; investigation report and plan for supplemental investigation and some remediation submitted to DEC.
57	Medium	4th Ave. and Garfield St./ 6th street	BK	No	***
59	Medium	Jay and Concord Street	BK	No	Investigation Work Plan submitted to DEC.
60	Medium	11th Street Conduit	BK	No	No Further Action requested based on administrative review.
61	Low	Classon And Flushing	BK	No	***
63	Medium	Wythe Avenue and N13th Street	BK	No	Investigation Work Plan submitted to DEC.
64	Low	St. James btw Gates and Fulton	BK	No	***
65	Low	E 189th Street and Webster Avenue	BK	No	***
66	Low	E 233 Street and Webster	BX	No	***
67	High	E 180th Street and Morris Park Ave.	BX	No	Field investigation completed; investigation report submitted to DEC, supplemental investigation completed and Remedial Action Work Plan submitted to DEC.
68	Low	Parkchester-Tremont S/S	BX	No	***

Consolidated Edison Company of New York, Inc.
Appendix B Site Listing

Exhibit __ (RSP-2)
Page 2 of 2

Site	Priority*	Site Name	Location	Con Ed Facility?	Status
69	High	Broadway south of W. 116th St.	MN	No	Initial investigation completed; investigation report submitted to DEC; supplemental investigation and some remediation will be required. Periodic remediation in subway tunnel when oil is found there.
70	Medium	Worth N/O Centre St.	MN	No	***
71	Medium	W 59th Street and 5th Avenue	MN	No	***
72	Medium	E Broadway E/O Grand Street	MN	No	***
73	Medium	W 67th Street w/o Broadway	MN	No	***
76	Low	Ave A and E 6th Street	MN	No	***
78	Low	11th Avenue and 29th Street	MN	No	***
79	High	Vernon Boulevard & 45th Ave/11th St. & 46th Ave.	QN	No	Initial investigation combined with portions of Sites 1, 4, 26, and 40. Initial investigation completed and investigation report submitted to DEC; supplemental investigation will be required.****
80	Low	Cooper Avenue and 73rd Place	QN	No	***
83	**	Dunwoodie Substation	WE	Yes	Investigation completed; groundwater monitoring & some product recovery ongoing.
84	**	Elmsford Substation	WE	Yes	Investigation and soil and manhole remediation completed; remediation report has been submitted and approved by DEC. Product recovery ongoing.

- * Per the DEC-approved Site Prioritization Report.
 ** Not addressed in Site Prioritization Report, since investigation already started or planned.
 *** The site will be addressed in the order prescribed in the Site Prioritization Report.
 **** Costs for Sites 1, 4, 26, 40 and 79 are reported under Site 79 in Exhibit __ (RSP-4)

Consolidated Edison Company of New York, Inc.
Site Investigation and Remediation Expenditures (\$ x 1000)
Rate Years Beginning October 1 of 2010 (RY1), 2011 (RY2), & 2012 (RY3)

	<u>RY1</u>	<u>RY2</u>	<u>RY3</u>	<u>Total</u>
MGP	\$ 47,612	\$ 36,300	\$ 36,300	\$ 120,212
Superfund	944	2,100	2,100	5,144
Appendix B	3,370	2,100	2,100	7,570
Astoria	3,135	2,000	2,000	7,135
UST	3,803	600	600	5,003
Total	58,864	43,100	43,100	145,064

2009 Gas - Steam Rate Cases Cost Projections For Linking Period (7/09 - 9/10) and Rate Year 1 (Based on 6/09 Cost Projections) (\$000's)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Site #	Investigation/Remediation	3Q09	4Q09	1Q10	2Q10	3Q10	Total Linking Period	Linking Period Projected Activities	4Q10	1Q11	2Q11	3Q11	Total RY1	RY1 Projected Activities
2	Appendix B Sites														
3	2	East River Area	100	150	140	80	50	520	Additional investigation, manhole cleanouts, product recovery, groundwater monitoring	30	20	20	20	90	Reporting, groundwater monitoring, manhole cleanouts
4	4a	12th St & 41st Ave	5	5	5	5	5	25	Groundwater monitoring & reporting	5	5	5	5	20	Groundwater monitoring & reporting
5	7a	FRD/E71st St. (Pipeline 2)	0	0	115	85	20	220	Investigation & reporting	5	0	0	0	5	Closeout
6	9	Astoria Blvd/78th Street	30	0	0	80	80	190	Investigation work plan & implementation	35	35	0	0	70	Complete investigation and reporting
7	12	Farragut	75	30	5	5	5	120	Additional investigation, groundwater monitoring, reporting	5	5	5	5	20	Groundwater monitoring & reporting
8	14	Hudson Ave.	200	100	150	150	50	650	Installation and begin operation of pumping system at tank farm., NAPL recovery, groundwater monitoring, reporting.	50	200	200	200	650	Cap tank farm moat, O&M for tank farm pumping system, NAPL recovery, soil remediation, GW monitoring, reporting.
9	19	W. 49th St. Substation Area (11th Ave.)	5	75	65	20	5	170	Product recovery system O&M, prepare investigation work plan, perform investigation, reporting.	5	5	5	5	20	Product recovery system O&M.
10	20	Hellgate Area(Locust Ave)	2	2	2	2	2	10	Groundwater monitoring & reporting	5	0	0	0	5	Closeout
11	23	E. 25th St./FDR Drive	30	0	0	80	80	190	Investigation work plan & implementation	35	35	0	0	70	Complete investigation, reporting
12	25	PL 7 / Kent Ave. Manholes	5	5	5	5	0	20	Inspections, reporting	0	0	0	0	0	Closeout
13	28	W. 54th St./11th Ave.	30	0	0	0	80	110	Investigation work plan & implementation	80	35	35	0	150	Complete investigation and reporting
14	56	Broadway/131st St - 141st St	50	5	0	0	0	55	Supplemental investigation, minor remediation, reporting, closeout	0	0	0	0	0	
15	57	4th Ave. & Garfield St./6th St.	30	0	0	0	80	110	Investigation work plan, start investigation	80	35	35	0	150	Complete investigation and reporting
16	59	Jay St. and Concord St.	15	15	0	0	80	110	Investigation work plan, start investigation	80	35	35	0	150	Complete investigation and reporting
17	60	11th Street Conduit	75	75	25	10	5	190	Perform investigation and reporting	0	0	15	5	20	Complete report, closeout
18	63	Wythe Ave./North 13th St.	75	75	25	10	5	190	Perform investigation and reporting	0	0	15	5	20	Complete report, closeout
19	67	Morris Pk Av./E180th St-Bronx	50	150	10	5	5	220	Soil remediation and reporting	0	0	0	0	0	
20	69	Broadway/108th St - 125th St	30	5	5	0	0	40	Supplemental investigation, minor remediation, reporting, closeout	0	0	0	0	0	
21	72	E. Broadway East of Grand St.	30	0	0	0	80	110	Investigation work plan, start investigation	80	35	35	0	150	Complete investigation and reporting
22	73	West 67th St. West of Broadway	0	30	0	0	0	30	Prepare investigation work plan	80	80	35	35	230	Perform investigation and reporting
23	79	Vernon Blvd/Queens Combined Site (includes Sites 1, 4, 26, 40, & 79)	75	50	50	100	100	375	Supplemental investigations, reporting	50	50	10	10	120	Reporting
24	83	Dunwoodie S/S	5	5	5	5	5	25	Groundwater monitoring & reporting	5	5	5	5	20	Groundwater monitoring, reporting
25	84	Elmsford S/S	5	5	5	5	5	25	Product recovery, groundwater monitoring & reporting	5	5	5	5	20	Product recovery, groundwater monitoring, reporting
26	App B Medium Priority Sites		0	0	60	0	0	60	Prepare investigation work plans	0	160	160	70	390	Perform investigations, reporting
27	App B Low Priority Sites		0	0	20	20	20	60	Prepare investigation work plans	250	250	250	250	1000	Work plan preparation, investigation, reporting
28	Subtotal - Appendix B		922	782	692	667	762	3825		885	995	870	620	3370	
29	Superfund Sites														
30		Echo Ave.	25	0	0	0	0	25	Prepare site management plan, final report	0	0	0	0	0	
31		Arthur Kill OU2	110	5	5	5	5	130	Reporting, O&M	5	5	5	5	20	Inspect restored areas, reporting
32		N. 1st St. Term./Fyn Paint Litigation (Technical Support)	20	20	20	20	20	100	Technical support for oversight of Fyn Paint	20	20	20	20	80	Technical support for oversight of Fyn Paint
33		N. 1st St. Terminal/Fyn Paint	100	100	100	100	100	500	Con Edison share of investigation & remediation costs	100	100	100	100	400	Con Edison share of investigation & remediation costs
34		Curcio SF Site	10	30	20	10	10	80	Groundwater monitoring & reporting	30	20	10	10	70	Groundwater monitoring & reporting
35		Maspeth	55	20	20	20	20	135	Final engineering reports, sidewalk investigation, groundwater monitoring & reporting	20	0	0	0	20	Reporting, closeout
36		Flushing Creek	50	50	200	100	50	450	Finalize supplemental investigation work plan, start investigation, reporting	50	50	50	50	200	Complete investigation & feasibility study, reporting
37		Borne Chemical	4	4	4	4	7	23	PRP Group remediation expenses	7	7	0	0	14	PRP Group remediation expenses

2009 Gas - Steam Rate Cases Cost Projections For Linking Period (7/09 - 9/10) and Rate Year 1 (Based on 6/09 Cost Projections) (\$000's)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Site #	Investigation/Remediation	3Q09	4Q09	1Q10	2Q10	3Q10	Total Linking Period	Linking Period Projected Activities	4Q10	1Q11	2Q11	3Q11	Total RY1	RY1 Projected Activities
38		Metal Bank	0	12	12	12	12	48	PRP Group remediation expenses	12	0	63	63	138	PRP Group remediation expenses
39		PCB Treatment, Inc.	0	-677	0	0	0	-677	Refund of costs paid to PRP Group	0	0	0	0	0	
40		Cortese Landfill	0	10	15	0	0	25	PRP Group remediation expenses	0	0	0	0	0	
41		Maxey Flats	0	0	0	0	0	0	PRP Group remediation expenses	0	2	0	0	2	PRP Group remediation expenses
42		Subtotal Superfund	374	-426	396	271	224	839		244	204	248	248	944	
43	Astoria Site														
		Astoria (Corrective Action)	100	250	350	200	500	1400	Additional investigation, risk assessment, corrective measures study, interim remedial measures (hot spot removal) planning, reporting	500	500	500	500	2000	Remedial planning, hot spot remediation
44		Astoria (IRM)	15	15	15	15	15	75	Product recovery, groundwater monitoring & reporting	15	15	15	15	60	Product recovery, groundwater monitoring, reporting
45		Astoria NSY Remediation	100	250	200	1000	2000	3550	Remedial planning, start remediation (removal of soil with PCBs, lead & other contaminants)	1000	25	25	25	1075	Complete remediation, site restoration, reporting
46															
47		Subtotal Astoria Site	215	515	565	1215	2515	5025		1515	540	540	540	3135	
48	MGP Sites														
		Farrington Holder	50	50	7	7	7	121	Post-remediation long term monitoring and additional investigation due to planned new facility	7	7	7	7	28	Post-remediation long term monitoring
49		White Plains MGP	2900	2900	40	40	40	5920	Remediation and groundwater monitoring	40	40	40	40	160	Groundwater monitoring
50		Hunts Point Compressor Station	0	0	4	0	0	4	Post-remediation annual inspection and certification	0	4	0	0	4	Post-remediation annual inspection and certification
51		Hunts Point EDC site	100	100	500	500	500	1700	Investigation and remediation managed by NYCEDC	500	500	500	500	2000	Investigation and remediation managed by NYCEDC
52		Tarrytown	0	0	0	0	200	200	Post-remediation long term monitoring by owner	0	0	0	0	0	Post-remediation long term monitoring by owner
53		173rd Street MGP (Starlight Park)	0	15	0	15	0	30	Post-remediation long term monitoring and annual inspection/certification	15	0	15	0	30	Post-remediation long term monitoring and annual inspection/certification
54		Purdy Street Station	0	25	100	100	100	325	Remedial planning	100	25	25	2700	2850	Remedial planning and remediation
55		W. 42nd Street Gas Works	50	50	0	15	0	115	Off-site investigation; post-remediation long-term monitoring and annual inspection/certification	15	0	15	0	30	Post-remediation long-term monitoring and annual inspection/certification
56															
57		W. 45th Street Gas Works	50	75	50	50	250	475	Operable Unit 1 remedial planning	250	50	4900	2800	8000	Remedial planning and remediation
58		W. 18th Street	100	50	50	100	250	550	Coal tar recovery at HLP parcel; remedial planning for other parcels.	100	4000	4000	4000	12100	Start remediation of HLP parcel and remedial planning for other parcels.
		E. 99th Street Works	25	25	25	750	25	850	Investigation and reimbursement to MTA for soil disposal associated with Second Avenue Subway construction	25	25	25	25	100	Remedial planning
59															
60		E. 32nd Street Station	150	200	50	0	0	400	Investigation	0	0	0	0	0	
61		Cedar St. Works	0	25	25	25	150	225	Investigation	150	50	50	50	300	Investigation and remedial planning
62		Unionport Works	10	250	350	150	25	785	Investigation	25	25	25	25	100	Investigation and remedial planning
63		Ossining Works - Ossining	35	25	25	300	25	410	Investigation and coal tar recovery	25	25	25	25	100	Investigation and remedial planning
64		Pemart Ave Works - Peekskill	100	100	50	25	25	300	Investigation and remedial planning	25	20	20	20	85	Remedial planning
65		Ludlow Street Works - Yonkers	0	250	125	0	0	375	Investigation	0	0	0	0	0	
66		E. 137th Street Station	25	150	50	40	5	270	Investigation	5	20	20	20	65	Investigation
67		E. 138th Street Works	20	75	75	100	50	320	Investigation	50	20	20	20	110	Investigation
		E. 11 Street Works	50	50	50	0	800	950	Sediment investigation and remedial planning	400	0	0	0	400	Remediation
68															
69		E. 14th Street Works - East River	0	50	0	0	0	50	Design of erosion control	0	800	0	0	800	Installation of erosion control
		E.14St., E.17 St. & E.19th St. (Stuy Town)	25	25	25	0	200	275	Remedial planning	200	0	0	0	200	Installation of sub-slab systems
70															

2009 Gas - Steam Rate Cases Cost Projections For Linking Period (7/09 - 9/10) and Rate Year 1 (Based on 6/09 Cost Projections) (\$000's)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Site #	Investigation/Remediation	3Q09	4Q09	1Q10	2Q10	3Q10	Total Linking Period	Linking Period Projected Activities	4Q10	1Q11	2Q11	3Q11	Total RY1	RY1 Projected Activities
71		E. 21st Street (PCV)	150	50	300	25	25	550	Remedial planning, indoor air testing, and coal tar recovery	25	2500	2500	50	5075	Remedial planning and remediation
72		Mt. Vernon Works	3500	1000	1000	4000	4000	13500	Remedial planning and remediation	4000	4000	4000	20	12020	Remediation
73		Central Ave - Peekskill	100	50	5	5	5	165	Investigation	5	5	5	5	20	Remedial planning
74		Hester Street Gas Works	5	5	0	0	0	10	Site Management Plan preparation	25	0	0	0	25	Annual inspection and certification
75		E.115th Street Gas Works	100	100	300	300	300	1100	Remedial planning, indoor air testing and installation of sub slab system	300	50	50	50	450	Remedial design and procurement (containment and excavation) and indoor air testing
76		E. 108th Street Station	25	25	15	15	15	95	Investigation and remedial planning	15	0	15	15	45	Remedial planning
77		E.111th Street Gas Works	25	25	15	15	15	95	Investigation and remedial planning	15	0	15	15	45	Remedial planning
78		York Ave Station	0	200	0	0	200	400	Investigation	0	0	0	0	0	
79		Zerega Avenue Station	25	300	0	0	0	325	Investigation	0	0	0	0	0	
80		E. 175th Street Station	0	125	125	125	25	400	Investigation	0	0	0	0	0	
81		Rye Gas Works - Rye	200	200	0	0	0	400	Investigation	0	0	0	0	0	
82		Farrington Street Gas Works	125	125	5	5	5	265	Investigation	200	200	50	50	500	Investigation
83		Saw Mill River Station - Yonkers	100	125	125	100	0	450	Investigation	0	0	0	0	0	
84		Greenburgh Station - Greenburgh	1	1	0	0	0	2	No further action required	0	0	0	0	0	No further action required
85		Hastings on Hudson MGP	10	10	100	100	25	245	Indoor air testing, remedial planning and remediation	25	25	25	25	100	Post remediation groundwater monitoring
86		Pelham Gas Works - Pelham Manor	10000	700	500	500	500	12200	Remediation and post-remediation O&M; investigation of off-site areas	500	500	500	250	1750	Post-remediation long term O&M; investigation of off-site areas
87		286 Water Street	0	10	100	50	50	210	Investigation	0	0	0	0	0	
88		Woodworth Ave. Works - Yonkers	0	0	0	350	350	700	Investigation	0	0	0	0	0	
89		Common Expenses	30	30	30	30	30	150	Program wide, non-site specific expenses	30	30	30	30	120	Program wide, non-site specific expenses
90		Subtotal MGP Sites	18086	7571	4221	7837	8197	45912		7072	12921	16877	10742	47612	
91		Underground Storage Tank (UST) Sites													
92		3rd Ave Yard SC Parking Lot	16	16	21	21	11	85	Limited remediation, GW Monitoring	9	9	9	9	36	GW monitoring, reporting
93		3rd Ave Yard SC	68	14	10	10	10	112	Limited remediation, GW Monitoring	10	13	13	13	49	GW monitoring, reporting
94		Former Amoco Fuel Oil Terminal	125	150	70	90	1300	1735	Remedial planning, start remediation	2750	250	100	100	3200	Complete waterfront remediation, GW monitoring, reporting
95		Atlantic Ave. SC	18	28	18	18	18	100	Supplemental investigation, reporting	18	18	18	18	72	GW monitoring, reporting
96		Bruckner Blvd Operations Center	15	15	15	15	15	75	GW monitoring & reporting	15	15	25	21	76	GW monitoring, reporting
97		College Point SC	5	5	20	0	0	30	GW monitoring, reporting, well closure	0	0	0	0	0	
98		Rye SC	15	15	15	15	40	100	GW monitoring & reporting, start remedial planning	145	40	40	60	285	Complete remedial planning, perform remediation, GW monitoring, reporting
99		Van Nest Complex SC	10	85	20	15	10	140	Remediation, GW monitoring & reporting	10	5	5	25	45	GW monitoring, reporting
100		Victory Blvd SC	5	0	0	0	0	5	GW monitoring, closeout	0	0	0	0	0	
101		West 28th Street SC	20	30	10	10	10	80	Remediation, GW monitoring, reporting	10	10	10	10	40	GW monitoring, reporting
102		Subtotal UST	297	358	199	194	1414	2462		2967	360	220	256	3803	
103		Total Remedial Managed Projects	19884	8800	6073	10184	13112	58063		12683	15020	18755	12406	58864	
104															
105		Notes													
106		1. All cost projections were based on information available at the time they were developed and on anticipated actions of others such as approval by the DEC, access provided by property owners, and property owners' development plans.													
107															

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC

SIR COST PROJECTION

ADDITION INFORMATION

Site: Astoria Site

- Cost Projection for Linking Period: \$5.025 million
- Cost Projection for Rate Year 1: \$3.135 million
- Basis for Cost Projections:

The investigation and, if necessary, remediation of the Astoria Site is being addressed under the RCRA Corrective Action module of the DEC hazardous waste management permit for the PCB/hazardous waste storage facility located on the site and under Appendix B of the Consolidated Consent Order with the DEC. The site investigation phase has substantially been completed, although some additional investigation work will be required to address the DEC's comments on the manufactured gas plant site characterization report and central wastewater treatment facility deep groundwater investigation report. A report describing all other investigation work performed for the site during the period 1994-2007 was submitted to the DEC in February 2008. After DEC approves this report, Con Edison will perform a Corrective Measures Study and risk assessment in order to make recommendations to the DEC as to whether remediation or no further action is necessary for the many solid waste management units, areas of concern, and open spills addressed in the investigation. In late 2008, the DEC identified the Astoria Athletic Fields as a potential area of concern and required Con Edison to perform an investigation for this new area of concern. Con Edison implemented this investigation during the first quarter of 2009 and submitted an investigation report in June of 2009. Although the New York State Department of Health (DOH) determined that the fields can be used in 2009, it is not currently known whether and to what extent, the DEC/DOH will require remediation in the Astoria Athletic Fields, and remediation costs for the Athletic Fields are not included in the Company's cost projections for the Astoria Site.

The primary remediation costs projected for the Astoria Site during the Linking Period and Rate Year 1 are associated with the North Storage Yard, in which oil-filled transformers and PCB waste were and continue to be stored. The yard is contaminated with PCBs, polycyclic aromatic hydrocarbons and heavy metals, and the DEC has determined that this yard requires remediation. A conceptual remediation plan has been developed and a draft remedial action work plan submitted for agency review and approval. It includes: soil excavation (to a depth of 2 ft. below surface grade in most of the yard and to greater depths around hot spots); off-site disposal of excavated soil; installation of additional groundwater monitoring wells and five years of monitoring; and institutional controls. The USEPA is also involved in discussions concerning the appropriate remediation requirements for the North Storage Yard because of the presence of PCBs and the agency's RCRA oversight authority. The USEPA required Con Edison to perform a risk assessment, which has been completed and approved by the USEPA. The costs associated with the North Storage Yard remediation were estimated by Con Edison's consultant, ENSR International (now part of AECOM), based on the conceptual remediation plan described above. The estimated costs for the North Storage Yard remediation and required follow-up activities total approximately \$4.8 million, as detailed in the attached cost breakdown. Con Edison estimates that the work associated with the North Storage Yard remediation would cost \$3.55

million during the Linking Period (remedial planning, start remediation) and \$1.075 million in Rate Year 1 (complete remediation, groundwater monitoring, reporting). Based on the results of the risk assessment and negotiations with the DEC and USEPA, the remedial strategy and associated cost estimates may be revised.

Based on the investigation findings thus far, it is assumed that various interim corrective measures will be designed and implemented in the latter part of the Linking Period and Rate Year 1. It is assumed that these interim corrective measures will primarily involve excavation and off-site disposal of contaminated soil and sediment located in site areas other than the North Storage Yard, which is addressed above. In addition, additional investigation will be required to address the DEC's comments concerning the MGP site characterization study report and other reports that include MGP-related impacts. Although specific areas for interim corrective measures have not yet been identified, it is assumed that \$1.4 million will be incurred during the Linking Period and \$2 million will be incurred during Rate Year 1 for the additional investigation and new interim corrective measures. In addition, it has been assumed that costs of \$15,000 per quarter will continue to be incurred for on-going interim corrective measures, which involve gauging and recovery of free product (oil) in several wells located at the site.

Table B-5
Preliminary Cost Estimate - Option 5
Excavation to 2 feet, Permeable Cover

Task	Unit Cost	Quantity	Cost	Notes
Design and Permitting	\$150,000	1	\$150,000	
Contracting	\$50,000	1	\$50,000	
Mobilization and Site Prep.	\$100,000	1	\$100,000	
Excavation 0-2 feet	\$50/ton*	13,800 ton	\$690,000	excavation rate of 100 ton/day, \$5,000 per day
Transport	\$57/ton***	13,800 ton	\$786,600	dump trailer at \$1,250 each, 22 ton capacity
Disposal 0-2 feet	\$172/ton**	13,800 ton	\$2,373,600	13/19 samples over 200 ppm Pb (assume fail TCLP)
Lab analysis for disposal	\$500/sample	92 samples	\$46,000	one sample per 100 cy or 1 per 150 ton
Backfill, common borrow	\$25/CY	4,400 CY	\$110,000	1 foot thick, delivered, placed, compacted
Subbase, crushed stone	\$30/CY	4,400 CY	\$132,000	1 foot thick, delivered, placed, compacted
Storm Water Upgrades	\$10,000	1	\$10,000	
Construction Oversight	\$1,200/day	158 days	\$188,600	10 day site prep, 138 day excav, 10 extra day cover
Final Report	\$75,000	1	\$75,000	
Institutional Controls	\$20,000	1	\$20,000	Legal costs, deed restrictions, signs
Groundwater Monitoring	\$20,000	5 events	\$100,000	Once a year for five years, includes installing 3 new wells and sampling 8 wells per event (VOC, SVOC, PCB, Lead)
Cover maintenance	\$250	30 years	\$7,500	

Total**\$4,839,300****Notes:**

* Excavation cost of \$5,000/day includes excavator, loader, vector truck, operators, foreman, PPE and associated costs.

** Based on estimates provided by CWM Chemical Services \$225/ton PCBs and fail TCLP for lead and \$60/ton PCBs only.

*** Based on cost provided by CWM Chemical Services, assumes 22 tons per dump trailer, \$1250 per trailer.

Costs are calculated on a prorated basis assuming a certain percent will fail TCLP. However, all samples may pass TCLP.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC
SIR COST PROJECTION
ADDITION INFORMATION

Site: Former Amoco Fuel Oil Terminal UST Site

- Cost Projection for Linking Period: \$1.735 million
- Cost Projection for Rate Year 1: \$3.2 million
- Basis for Cost Projections:

Remediation in the upland area, including the removal of petroleum-contaminated soil and the former tank farm fuel oil pipelines, was completed in July 2008. An additional remediation phase will be necessary to address petroleum-contaminated soil in the site's shoreline area and sediment in the East River within the near shore area.

Cost projections for the Linking Period and the Rate Year are based on an environmental engineering consultant's estimates using currently available information. Projected activities during the Linking Period include preparation of a Remedial Action Work Plan (RAWP) for DEC approval and detailed remedial design and bid specifications, and initiation of remediation. The cost projections for Rate Year 1 include completion of remediation, preparation of a remediation report for DEC approval, and initiation of a groundwater monitoring and reporting program.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC

SIR COST PROJECTION

ADDITION INFORMATION

Site: Appendix B Low Priority Sites

- Cost Projection for Linking Period: \$0.06 million
- Cost Projection for Rate Year 1: \$1.0 million
- Basis for Cost Projections:

As of August 31, 2009, there are 15 Low Priority Appendix B sites (numbers 22, 30, 33, 35, 38, 39, 49, 61, 64, 65, 66, 68, 76, 78, and 80) for which investigation work plans have not been prepared. It is estimated that investigation (including work plan preparation and investigation reporting) will cost an average of approximately \$160,000 for each such Low Priority site. Because investigation work plans have not yet been developed or approved by the NYSDEC for these sites, detailed engineering estimates are not available for them. Therefore, the estimated average cost for investigating the Low Priority Appendix B sites has been extrapolated from cost information available for the High Priority and Medium Priority Appendix B sites for which investigations have been completed. Because the number of spills that occurred and the quantities of fuel oil/dielectric fluid that were released at Low Priority sites are generally less than for High and Medium Priority sites, downward adjustments were made in the cost information from High and Medium Priority sites to develop the estimated investigation costs for Low Priority sites.

The cost projections for the Linking Period and Rate Year 1 assume that work plan development will begin in 1Q10 and that field investigations will begin in 4Q10, following NYSDEC approval of the first work plans. Work is projected to continue through the Linking Period and Rate Year 1 and to be completed in 2012 or 2013. Because investigation information regarding the extent of any residual contamination is not yet available, the cost projections assume that no remediation will be required at these sites.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC

SIR COST PROJECTION

ADDITION INFORMATION

Site: White Plains MGP Site

- Cost Projection for Linking Period: \$5.92 million
- Cost Projection for Rate Year 1: \$0.16 million
- Basis for Cost Projections:

The DEC approved the Alternative Analysis Reports and Remedial Action Work Plans for Operable Unit 1 (St. John the Evangelist Church) and Operable Unit 2 (White Plains Substation and 12 Water Street office building) of this site in February 2008. Implementation of the approved remedy for Operable Unit 2 began in October 2008 and is expected to be completed by the end of 2009. The approved remedy for the grounds of Saint John the Evangelist Church involves the installation of additional groundwater monitoring wells and long-term groundwater monitoring. Installation of the required groundwater monitoring wells began in July 2009 and is also expected to be completed before the end of 2009.

The estimated \$5.92 million projected to be incurred during the Linking Period includes the cost of completing the remediation at both Operable Units, lease payments for the 12 Water Street office building property until completion of remediation at Operable Unit 2, preparation of remedial action reports for submittal to DEC, and performance of groundwater monitoring at Operable Unit 1. Con Edison leased the 12 Water Street property so that it could implement the required remediation work. As part of the Company's lease agreement, the 12 Water Street owner has agreed to grant the DEC the Environmental Easement required for DEC to approve a "restricted commercial use" remediation program for that property.

The estimated \$0.16 million projected to be incurred during Rate Year 1 includes the costs of performing groundwater monitoring at Operable Unit 1 and completion of the remedial action reports and site management plans

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC

SIR COST PROJECTION

ADDITION INFORMATION

Site: Hunts Point EDC MGP Site

- Cost Projection for Linking Period: \$1.7 million
- Cost Projection for Rate Year 1: \$2.0 million
- Basis for Cost Projections:

This site is currently the Hunts Point Cooperative Market, which is owned by the City of New York. The MGP investigation and remediation activities at this site are being managed on the City's behalf by the New York City Economic Development Corporation (EDC). In March 2000, Con Edison entered into a Memorandum of Agreement (MOA) under which Con Edison agreed to reimburse the City, subject to cap, it incurred implementing DEC-approved MGP investigation and remediation programs for parcels A, B, C, E and the Perimeter section of the Hunt Point Site under its Voluntary Cleanup Agreements (VCAs) with the DEC.

In July 2008, the Company and EDC entered into a second agreement that addresses MGP contamination found on parcels D, F and E-OU3 within the Hunts Point site. This was necessary because EDC has entered into additional VCAs with the DEC under which EDC will investigate and remediate these parcels over the next few years. The cost projections for the Linking Period and Rate Year 1 represent estimated payments to EDC for: (1) reimbursement of remediation costs for parcels A, B, C, E and the Perimeter section under the 2000 MOA; and (2) reimbursement payments to the EDC for the City's costs of implementing DEC-approved investigation/remediation programs for new parcels D, F and E-OU3 that are covered under the new cooperation agreement between the City and Con Edison. Payments for the new parcels are projected based on EDC's preliminary schedule and cost estimates and Con Edison's experience reimbursing EDC's remedial expenditures under the 2000 MOA.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC

SIR COST PROJECTION

ADDITION INFORMATION

Site: Purdy Street Holder Station Site

- Cost Projection for Linking Period: \$0.325 million
- Cost Projection for Rate Year 1: \$2.85 million
- Basis for Cost Projections:

Con Edison has completed the DEC-approved investigation program for this site, which consists of a portion of the grounds of Saint Raymond's High School for Boys, a high school that is owned by the Roman Catholic Church of Saint Raymond and operated under the auspices of the Archdiocese of New York (collectively, the "Archdiocese").

In October 2007, Con Edison met with DEC and the Archdiocese to discuss the Archdiocese's plan to construct a new school building within the area of the school grounds where the investigation results indicate subsurface MGP contamination is present. In April 2008, the Company submitted a draft Alternative Analysis Report ("AAR") to the DEC that evaluates several remedial alternatives based on the Archdiocese's preliminary design plan for the new school building. However, it now appears that the Archdiocese may not be ready to go forward with the construction of the new school building. As a result of this uncertainty regarding the new school building, the DEC requested and the Company submitted a revised draft AAR that includes evaluation of remedial alternatives without site redevelopment.

Depending on the timing of the Archdiocese's plan and DEC's approval of the Company's proposed remediation program for this site, implementation of remediation may begin during Rate Year 1 or later. For cost projection purposes, it is assumed that remedial planning will occur during the Linking Period and remediation will start during Rate Year 1. The remedy eventually approved by DEC may be more extensive and costly.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC

SIR COST PROJECTION

ADDITION INFORMATION

Site: W. 45th Street Gas Works MGP Site

- Cost Projection for Linking Period: \$0.475 million
- Cost Projection for Rate Year 1: \$8.0 million
- Basis for Cost Projections:

This site has been divided into two Operable Units by the DEC. The Intrepid Museum parking lot is designated as Operable Unit 2 (OU-2) and the rest of the site is designated as OU-1. The investigation of OU-1 was completed in 2008 with no significant MGP impacts found. OU-2 was investigated and significant subsurface impacts were found. The OU-2 area has been paved for use as a parking lot. Unless DEC requires the MGP contamination on OU-2 to be remediated independent of future redevelopment of this parking lot, the Company plans to wait until the Intrepid Foundation proceeds with its plan to construct a building on the parcel.

The cost projection for the Linking Period is for OU-1 remedial planning. With respect to the \$8.0 million forecasted expenditure for Rate Year 1, it assumes the Intrepid Foundation will proceed with redevelopment of the parking lot and remediation of OU-2 will commence during Rate Year 1 and be completed in Rate Year 2.

Attached is a preliminary cost estimate to remediate OU-2 prepared by the Company's consultant in 2003.

**Consolidated Edison Company of New York
W. 45th Street Former Gas Works
Rough Order of Magnitude Construction (only) Cost Estimate**

Excavation and Off-Site Disposal of Impacted Soil

Item	Cost Item/Description	Unit	Quantity	Unit Cost	Total Cost
1.0	Project Documents				
1.1	Prepare Documents & Plans including Permits	ls	1	\$20,000	\$20,000
1.2	Storm Water Management Plan & Implementation	ls	1	15,000	15,000
	Task Subtotal				35,000
2.0	Mobilization/Demobilization				
2.1	Temporary Trailers	mo	5	2,000	10,000
2.2	Construction Survey	ls	1	10,000	10,000
2.3	Equipment Mob/Demob	ls	1	50,000	50,000
2.4	Site Utilities	mo	5	2,000	10,000
2.5	Temporary Truck Scale	mo	5	5,000	25,000
2.6	Dust/Odor/Sediment/Erosion Control	ls	1	100,000	100,000
2.7	Temporary Soil Staging Area	ls	1	10,000	10,000
	Task Subtotal				215,000
3.0	Decontamination				
3.1	Decontamination Trailer	mo	5	2,000	10,000
3.2	Temporary Decon Pad	ls	1	5,000	5,000
3.3	Decon Water	gal	8,000	0.20	1,600
3.4	Decon/Clean Water Storage Tanks (6,000 and 4,000 gal.)	mo	5	1,400	7,000
3.5	PPE (8p*5 days*16 weeks)	days	640	30	19,200
3.6	Disposal of Decontamination Waste	mo	5	4,500	22,500
3.7	Decon Labor (2p*5 days*8 wks)	days	100	500	50,000
	Task Subtotal				115,300
4.0	Excavation, Disposal, and Backfill				
4.1	Pavement Removal & Disposal	cy	1,900	40	76,000
4.2	Soil Excavation	cy	16,700	25	417,500
4.3	Soil Disposal, Hazardous (1.7 tons/cy)	tons	7,100	250	1,775,000
4.4	Soil Disposal, Non-Hazardous (1.7 tons/cy)	tons	21,300	120	2,556,000
4.5	C&D Debris Disposal, (2 tons/cy)	tons	2,290	120	274,800
4.6	Construction Water Management	ls	1	25,000	25,000
4.7	Contaminated Construction Water Disposal	gal	250,000	1	250,000
4.8	Post-Excavation Confirmatory Sampling	ea	85	600	51,000
4.9	Characterization Sampling, disposal purposes (1 sample/500 cy)	ea	35	1,200	42,000
4.10	Sheet Piling/Bracing (install/remove)	sf	35,000	35	1,225,000
4.11	Groundwater Management for Sheet Piling	mo	2	25,000	50,000
4.12	Health & Safety Officer/Air Monitoring	mo	5	15,000	75,000
4.13	Common Fill	cy	16,700	25	417,500
4.14	Geotextile Demarcation Barrier, 10oz, non-woven	sy	630	4.50	2,835
	Task Subtotal				7,234,800
5.0	Monitoring Wells				
5.1	Monitoring Well Abandonment	lf	100	50	5,000
5.2	Monitoring Well Replacement	lf	100	100	10,000
	Task Subtotal				15,000
Subtotal					7,615,100
Contingency (20%)					1,523,020
Subtotal					9,138,120
Construction Management (\$25,000/mo oversight)					125,000
Total Cost					\$9,263,000

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC

SIR COST PROJECTION

ADDITION INFORMATION

Site: W. 18th Street MGP Site

- Cost Projection for Linking Period: \$0.55 million
- Cost Projection for Rate Year 1: \$12.1 million
- Basis for Cost Projections:

The W. 18th Street MGP site is comprised of 10 separate parcels. Because the area in which this site is located has been rezoned to permit certain types of commercial and high-rise residential developments, several properties located on the grounds of the former MGP are being redeveloped. Two such properties (524 West 19th Street owned by HEEA Development LLC and 535 West 19th Street owned by West Chelsea Development Partners) were remediated in 2008 by their respective owners as part of site redevelopment under separate cooperation agreements with the Company.

On May 28, 2008, the DEC approved the Alternatives Analysis Report submitted by Con Edison for a third parcel (76 Eleventh Avenue owned by HLP Properties LLC). The property owner is expected to implement the remedy as part of site redevelopment, also pursuant to a cooperation agreement with the Company. The eastern portion of this parcel is expected to be the Highline Plaza planned by the City of New York, while the western portion of the parcel will likely be developed by the owner for commercial and/or residential use. Although the City of New York had previously indicated a plan to start construction of the Highline Plaza in 2009, the redevelopment schedule for the eastern and western portions of the property has not been finalized by the City of New York or the owner, respectively, at this time. Con Edison and HLP have not agreed to the terms of a cooperation agreement.

For purposes of cost projection, remediation of the eastern portion of the 76 Eleventh Avenue property is assumed to begin and be completed during the Linking Period and remediation of the western portion is assumed to commence during Rate Year 1 and be completed during Rate Year 2.

Attached is the cost estimate for the remediation of the 76 Eleventh Avenue parcels without cost sharing.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
WEST 18TH STREET FORMER GAS WORKS
TAX BLOCK 689, LOT 17
MANHATTAN, NEW YORK

Table 6-7

Cost Estimate for Property-Wide Remedial Alternative VIII - Cap with Institutional/Engineering Controls, Containment of NAPL-impacted Soils in Area of Cribbing, ISS of Remaining NAPL-impacted Soil Along 17th Street, ISCO of Hot Spot Under High Line, and Passive NAPL Recovery in Areas With Cribbing

Item #	Description	Estimated Quantity	Unit	Unit Price (materials and labor)	Estimated Amount
CAPITAL COSTS					
1	Bench Scale Testing/Pilot Testing	1	LS	\$70,000	\$70,000
2	Chemical Optimization Testing	1	LS	\$50,000	\$50,000
3	Pre-design Soil Boring Program	1	LS	\$200,000	\$200,000
4	Treatability Study	1	LS	\$35,000	\$35,000
5	Institutional/Engineering Controls	1	LS	\$250,000	\$250,000
6	Mobilization/Demobilization	1	LS	\$300,000	\$300,000
7	Construct and Remove Decontamination Pad	1	LS	\$25,000	\$25,000
8	Construction and Maintenance of Soil Staging Area	1	LS	\$20,000	\$20,000
9	Installation of Slurry Wall	5,000	VSF	\$70	\$350,000
10	Secant Pile for Containment	11,300	VSF	\$200	\$2,260,000
11	Jet Grouting for Containment	2,900	VSF	\$325	\$942,500
12	In-Situ Stabilization	4,500	CY	\$120	\$540,000
13	Soil Excavation/Stabilization/Handling	11,900	CY	\$150	\$1,785,000
14	Vapor/Odor Control	1	LS	\$15,000	\$15,000
15	Waste Characterization	99	Each	\$1,000	\$98,754
16	Solid Waste Transportation and Disposal	24,700	Ton	\$120	\$2,964,000
17	Backfill	4,300	CY	\$40	\$172,000
18	6" Concrete/Bentonite Mud Slab	76,300	SF	\$6	\$457,800
19	Installation of DNAPL Collection System	1	LS	\$80,000	\$80,000
20	Chemical Injection	1,100	Tons	\$310	\$341,000
21	Provide Water	500,000	Gallons	\$0.10	\$50,000
22	Install Monitoring Network	75	VLF	\$200	\$15,000
23	Install Extraction Wells	60	VLF	\$200	\$12,000
24	Confirmatory Sampling	1	LS	\$10,000	\$10,000
25	Miscellaneous Waste Disposal	1	LS	\$50,000	\$50,000
26	Quality Control Testing	1	LS	\$50,000	\$50,000
27	NAPL Collection Activities	12	EVENTS	\$4,500	\$54,000
28	Transportation and Disposal of NAPL	12	DRUMS	\$500	\$6,000
29	Miscellaneous Waste Disposal	1	LS	\$1,000	\$1,000
30	Annual Monitoring	1	EVENT	\$3,000	\$3,000
Total Capital Cost					\$11,207,054
Administration and Engineering (15%)					\$1,681,058
Construction Management (20%)					\$2,241,411
Contingency (25%)					\$2,801,763
Subtotal Cost					\$17,931,286
ANNUAL OPERATION AND MAINTENANCE (O&M) COSTS - ENGINEERING CONTROLS					
31	Operation & Maintenance Labor (Field)	48	Hours	\$60	\$2,880
32	Operation & Maintenance Labor (Office)	12	Hours	\$80	\$960
33	Semiannual Reporting	1	LS	\$10,000	\$10,000
34	Operation & Maintenance Utilities	1	LS	\$500	\$500
Annual O&M Cost Subtotal					\$14,340
Spare Parts and Non-Routine Maintenance (10%)					\$1,434
Contingency (25%)					\$3,585
Subtotal Annual O&M Cost					\$19,359
30-Year Present Worth Cost of O&M					\$240,245
Total Estimated Cost					\$18,171,531
Rounded to					\$18,200,000

General Notes:

1. Cost estimate is based on ARCADIS of New York, Inc.'s (ARCADIS BBL's) past experience and vendor estimates using 2007 Dollars.
2. This cost estimate has been prepared for the purposes of evaluating a combination of excavation, containment, in-situ stabilization, capping with institutional/engineering controls, passive NAPL recovery and in-situ chemical oxidation for remediation. The information in this cost estimate is based on the information available to ARCADIS BBL regarding the site investigation and the anticipated scope of the subject property remedy. Changes in cost elements are likely to occur as a result of new information and data collected during the pre-design, treatability study and design activities. This cost estimate is expected to be within 30% to 50% of the actual projected cost. Utilization of this cost estimate information beyond the stated purpose is not recommended. ARCADIS BBL is not licensed to provide financial or legal consulting services; as such, this cost estimate information is not intended to be utilized for complying with financial reporting requirements associated with liability services.

Assumptions:

1. Bench scale testing/pilot testing cost estimate includes labor, equipment, and materials necessary to conduct bench scale tests/pilot test to determine appropriate stabilization reagents and design mix for site soils.
2. Chemical optimization testing cost estimate includes labor, equipment, and materials necessary for chemical optimization testing prior to chemical injection.
3. Pre-design soil boring program cost estimate includes labor, equipment, and materials necessary to complete soil borings to the depth of the confining layer (average depth 25 feet). Cost assumes that one boring would be completed every 20 linear feet at the proposed location of the containment barrier to assess the presence of subsurface obstructions and fill material. Cost includes drilling crew, onsite observation, and geotechnical testing (standard penetration testing and soil grain size analysis).
4. Treatability study cost estimate includes labor, equipment, and materials necessary to conduct bench-scale testing of a cement-bentonite mixture. Cost assumes that the bench-scale testing will evaluate the CB slurry wall technology using site-specific NAPL-impacted soil, and various types and amounts of additives (including cement, boiler furnace slag and bentonite) will be added to the NAPL-impacted soil to test the permeability and strength of the mixtures for potential use as a CB slurry wall. The laboratory testing program would be used to assess the potential attainable permeability and compatibility of a CB mixture with impacted site groundwater.
5. Institutional controls cost estimate includes labor, equipment, and materials necessary to set in place environmental easements and/or deed restrictions. Engineering controls cost estimate includes labor, equipment, and materials necessary to install a subslab depressurization system, including a vapor barrier.
6. Mobilization/Demobilization cost estimate includes mobilization and demobilization of all labor, equipment, and materials necessary for soil excavation and backfill, containment, in-situ stabilization, installation of a concrete bentonite cap, and performing in-situ chemical oxidation.
7. Construct and remove decontamination pad cost estimate includes labor, equipment, and materials necessary to construct and remove a decontamination pad and appurtenances.
8. Construction and maintenance of soil staging area cost estimate includes labor, equipment, and materials necessary to construct and maintain a soil staging area.
9. Installation of slurry wall cost estimate includes labor, equipment, and materials necessary to install a CB slurry wall around the NAPL-impacted areas west of the Highline. Costs are provided on an installed per foot basis assuming a slurry wall 185 feet long by 27 feet deep (depth from bottom of cap excavation to clay layer).
10. Secant piles for containment cost estimate includes labor, equipment, and materials necessary to install secant piling as means of containment in the areas assumed to have cribbing. Cost estimate assumes approximately 410 linear feet of secant piling ranging in depth from approximately 16 feet to 46 feet below grade.
11. Jet grouting for containment cost estimate includes labor, equipment, and materials necessary to perform jet-grouting in the areas assumed to have cribbing where secant piles cannot be installed due to obstructions. Cost estimate assume approximately 100 linear feet of jet grouting 29 feet deep (from bottom of cap excavation to clay layer).

12. In-situ stabilization cost estimate includes labor, equipment, and materials necessary to perform in-situ stabilization in the NAPL-impacted area along 17th Avenue where cribbing is not present. Approximately 4,500 cubic yards of soil will be stabilized.
13. Soil excavation/stabilization/handling cost estimate includes labor, equipment, and materials necessary to excavate approximately 11,900 in-place cubic yards of material. Soils in the area located west of the Highline will be excavated to 4 feet below ground surface, east of the High Line to 3 feet bgs, and in the areas of ISS, 25% of the soil volume will be removed to account for "fluff" during ISS. Costs also include soil handling (i.e., transferring soil material to the material staging area) and stabilization (e.g., addition and mixing of lime, Portland cement, or dry soil) of the excavated materials to facilitate transportation for offsite disposal.
14. Vapor/odor control cost estimate includes labor, equipment, and materials necessary to apply odor suppressant to the soil staging area. Cost estimate assumes that up to 20 drums of foam suppressant at a cost of \$425 per 55-gallon drum would be used on the soil staging area during the course of excavation activities.
15. Waste characterization cost estimate includes costs for the analysis of soil samples for PCBs, TCLP VOCs, TCLP SVOCs, TCLP metals, ignitability, corrosivity, and reactivity. Cost assumes that waste characterization samples would be collected at a frequency of one sample per every 250 tons of material destined for offsite treatment/disposal.
16. Solid waste transportation and disposal cost estimate includes labor, equipment, and materials necessary to transport (using rolloff containers) and dispose of excavated soils as nonhazardous waste at a permitted disposal facility. The weight of the material was calculated assuming 1.5 tons per cubic yard plus approximately 25% of the weight additional for soil stabilization materials. Estimate assumes material will be transported to a Subtitle D landfill for disposal. Cost estimate assumes waste will include 11,900 cy of excavated soils and 1,300 cy of spoils from secant piling activities.
17. Backfill cost estimate include labor, equipment, and material necessary to provide, place, grade, and compact 18" of clean soil fill in the footprint of the cap.
18. 6" concrete/bentonite mud slab cost estimate includes labor, equipment, and materials necessary to place 6" of concrete/bentonite over the clean fill material in the excavation footprint. A spray-on vapor barrier will be installed on top of the mud slab.
19. Installation of DNAPL collection system cost estimate includes labor, equipment, and materials necessary to install collection wells in areas known to have NAPL and located in the areas of cribbing. For cost estimating purposes, it has been assumed that up to 8 collection wells with a maximum depth of 31 feet will be installed. A remediation pump with bottom draw will be furnished for NAPL removal.
20. Chemical injection cost estimate includes labor, equipment, and materials necessary for chemical injection in the hotspot located under the Highline. Based on a preliminary cost estimate of \$2,200,000 from Verutek for treating 7102 tons of impacted material located in the northwest portion of the site, a unit cost of \$310 per ton of treated soil was calculated. A total tonnage of material to be treated in the hotspot located under the Highline was calculated to be 1,100 tons. The unit cost includes chemicals and operation of the injection system.
21. Provide water cost estimate includes the cost for providing mix water that would be used during chemical injection activities and slurry wall construction. Cost assumes that the water would be obtained from an onsite municipal water supply. The quantity of water to be used for chemical oxidation was calculated based on the preliminary estimate furnished by Verutek for treating 7102 tons of impacted material.
22. Install monitoring network cost estimate includes labor, equipment, and materials necessary to install a monitoring network to monitor performance and progress of chemical oxidation. Cost estimate assumes that 5 wells up to 15 feet deep will be installed. Cost estimate assumes that one set of wells at the perimeter of the treated area will be sufficient to monitor required parameters.
23. Install extraction wells cost estimate includes labor, equipment, and material necessary to install up to 4 extraction wells x 15 feet deep to establish hydraulic control (if needed).
24. Confirmatory sampling cost estimate includes labor, equipment, and materials necessary to collect samples within the treated area (hotspot under the Highline) to confirm the results of chemical oxidation activities. Cost estimate assumes that up to 2 soil samples will be collected. Sample locations to be collocated with previous sample locations where possible. Samples will be analyzed for VOCs, SVOCs, and metals.

25. Miscellaneous waste disposal cost estimate includes labor, equipment and material necessary to dispose of PPE, staging area, and decontamination pad materials, and disposable equipment and material at a facility permitted to accept the waste.
26. Quality control testing cost estimate includes labor, equipment, and materials necessary to perform quality control testing of in-situ stabilized soil to verify the achievement of performance criteria.
27. NAPL collection activities cost estimate includes labor, equipment, and materials necessary to conduct monthly collection activities. Cost estimate assumes that NAPL collection activities will require two technicians for up to 16 hours/each per event to perform removal of DNAPL from the collection wells using the remediation pump. Recovered DNAPL/water will be containerized in 55-gallon steel drums and staged onsite.
28. Transportation and disposal of NAPL cost estimate includes labor, equipment, material, and services required for the transportation and disposal of NAPL. Cost estimate assumes that each hand-bailing event will generate one 55-gallon drum of NAPL/water. Cost estimate assumes that NAPL will be staged onsite and removed annually and that NAPL will be disposed of as nonhazardous. Disposal cost is based on a disposal cost of \$200 per drum plus a transportation cost of \$1800 per truckload plus 45% for surcharges and taxes.
29. Miscellaneous waste disposal cost estimate is based on disposal of PPE and disposable equipment and materials at a facility permitted to accept the waste.
30. Annual monitoring cost estimate includes labor, equipment, and materials necessary to conduct an annual monitoring event to assess the presence/absence of NAPL in the collection wells. Cost estimate assumes that the monitoring event would require two technicians for up to 10 hours/each.
31. Operation and maintenance labor (field) cost includes all labor necessary to provide operator coverage for quarterly monitoring of the system (including monitoring system pressure gauge and monitoring/sealing of cracks). Cost assumes 12 hours per quarter.
32. Operation and maintenance labor (office) cost includes all labor necessary to coordinate with field personnel to maintain the mitigation system. Cost assumes office-based coordination requires 3 hours per quarter.
33. Semiannual reporting cost includes preparing two mitigation system summary reports per year for submittal to the NYSDEC. Cost assumes completion of each report includes report preparation and submittal of semiannual reports to Con Edison and the NYSDEC.
34. Operation and maintenance utilities cost includes costs for electrical utility service for the fans associated with the mitigation systems. Cost assumes the fans are 1/3 horsepower fans.
35. Present worth is estimated based on a 7% beginning-of-year discount rate (adjusted for inflation) in accordance with OSWER Directive 9355.3-20 "Revisions to OMB Circular A-94 on Guidelines and Discount Rates for Benefit-Cost Analysis" (USEPA, 1993). It is assumed that year zero is 2007.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC

SIR COST PROJECTION

ADDITION INFORMATION

Site: E. 21st Street (Peter Cooper Village) MGP Site

- Cost Projection for Linking Period: \$0.55 million
- Cost Projection for Rate Year 1: \$5.075 million
- Basis for Cost Projections:

Several rounds of investigation have been conducted at this site and off-site areas. The investigation found extensive MGP impacts within the Peter Cooper Village property as well as off-site, including a significant area of sediments in the East River.

Based on the results of the investigation, the Company submitted an Interim Site Management Plan (ISMP) to DEC to address the MGP contamination at Peter Cooper Village on an interim basis while a remedy for the site is being developed. The ISMP proposed periodic indoor air sampling and the collection of coal tar from recovery wells installed at the property. The ISMP has been approved by DEC and the Company has started the implementation of these measures.

The cost projection for the Linking Period includes the costs of carrying out the ISMP and the evaluation of remedial alternatives. The cost projection for Rate Year 1 assumes the completion of remedial planning and the initiation of a DEC-approved remediation program for the Peter Cooper Village property. The projected expenditure of \$5.075 million during Rate Year 1 assumes a minimum remediation program consisting of a barrier wall along the East River to prevent MGP materials from entering the river as well as the installation of coal tar recovery wells. The remedy eventually approved by DEC will likely be more extensive and costly. With respect to the off-site areas, including the East River sediments, the Company does not expect that a remediation program for these areas will be approved by DEC for implementation until Rate Year 2 or later.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC

SIR COST PROJECTION

ADDITION INFORMATION

Site: Mt. Vernon Works MGP Site

- Cost Projection for Linking Period: \$13.5 million
- Cost Projection for Rate Year 1: \$12.02 million
- Basis for Cost Projections:

In July 2008, DEC approved Con Edison's proposed remediation program for this site. The approved remedy includes soil excavation, in-situ chemical oxidation, groundwater treatment, institutional controls, and the installation of sub-slab depressurization systems beneath several small apartment buildings on the site to prevent the potential migration of MGP-related soil vapors into these buildings. Four private homes are being acquired by the Company so that they can be remediated to DEC's "unrestricted use" cleanup criteria without institutional controls. The Company has procured the services of a qualified contractor to implement the DEC-approved remedy. Remediation is expected to begin during the first quarter of 2010 and be completed in approximately 12 to 15 months.

Because this site is located in a residential area with several apartment buildings immediately adjacent to areas from which free coal tar and coal-tar contaminated soil and MGP structures will be excavated, the Company plans to relocate some of the residents during the remediation of those areas. The Company has also requested the owners of the apartment buildings to grant the DEC an Environmental Easement, so that the DEC can approve a restricted residential use remediation program for their properties. Absent such an easement, DEC must require an "unrestricted use" remediation for the apartment building properties and meeting that standard would necessitate the demolition of several apartment buildings. The cost of the Environmental Easement and future relocation services, which include planning, temporary housing, moving, and other related expenses, is expected to be in the order of \$7 million. The cost of remediation (assuming "restricted residential use" cleanup for the apartment building properties) is estimated to be approximately \$18 million. These expenditures are expected to be incurred during the Linking Period and Rate Year 1.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC

SIR COST PROJECTION

ADDITION INFORMATION

Site: Pelham Gas Works MGP Site

- Cost Projection for Linking Period: \$12.2 million
- Cost Projection for Rate Year 1: \$1.75 million
- Basis for Cost Projections:

Remediation of this site, which is currently an active shopping center, began in January 2008 and was substantially completed in August 2009 except for some punch list items.

The activities associated with the anticipated costs during the Linking Period include the following:

- Remedial construction by the remediation contractor;
- Consultant field oversight;
- Additional permit fee paid to the Village of Pelham Manor;
- DEC oversight;
- Preparation of the remedial action report;
- Post-remediation operations and maintenance of the groundwater treatment system, the recovery of coal tar-related materials remaining underground after remediation, and the two sub-slab depressurization systems; and
- Investigation of off-site areas, including Eastchester Creek and property adjacent to the shopping center.

For Rate Year 1, the cost projection of \$1.75 million reflects the post-remediation operation and maintenance activities.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC

SIR COST PROJECTION

ADDITION INFORMATION

Site: East 115th Street MGP Site

- Cost Projection for Linking Period: \$1.1 million
- Cost Projection for Rate Year 1: \$0.45 million
- Basis for Cost Projections:

The DEC has issued a Decision Document approving the remedy for this site, which is currently the location of the Manhattan Center for Science and Mathematics (MCSM). The approved remedy involves installation of a sub-slab depressurization (SSD) system under the MCSM building, limited excavation of MGP-impacted soils, and an underground barrier wall to prevent migration of MGP residuals into the nearby Harlem River. Implementation of the approved remedy is anticipated to begin in 2010 and will be conducted in phases over the next few years in order to accommodate the MCSM school calendar.

The estimated \$1.55 million projected to be incurred during the Linking Period and Rate Year 1 includes the cost of the design and installation of the SSD system (copy of construction cost estimate attached), indoor air testing in the MCSM building, pre-design investigations, and preparation of the design documents and work plans for the other components of the approved remedy.

8 28 day months													
ID	Type	Description	Type	Material	Size	Quan.	Unit Cost	Line Cost	Taxes 5.00%	Freight 5.00%	Contingency 25% Amount	Total \$	
TREATMENT SYSTEM													
Materials and Equipment													
		Concrete Saw Cuts	LF @ 12" deep		LT	740	\$50	\$37,000	\$1,850	\$1,850	\$9,250	\$49,950	
		Piping & Fittings	PVC-Sch 80		LS	1	\$41,700	\$41,700	\$2,085	\$2,085	\$10,425	\$56,295	
		Control Valves	Wafer Mount		EA	6	\$2,500	\$15,000	\$750	\$750	\$3,750	\$20,250	
		Pressure Transmitters	Panel Mount		2" WC	7	\$800	\$5,600	\$280	\$280	\$1,400	\$7,560	
		Control Panel	NEMA 4		EA	1	\$20,000	\$20,000	\$1,000	\$1,000	\$5,000	\$27,000	
		VFDs in Panel	NEMA 4		EA	2	\$7,500	\$15,000	\$750	\$750	\$3,750	\$20,250	
		Blowers	centrifugal		ea	2	\$15,000	\$30,000	\$1,500	\$1,500	\$7,500	\$40,500	
		Cover exposed Pipe & Finish	Conceal	Plaster	12 ft ea	25	\$400	\$10,000	\$500	\$500	\$2,500	\$13,500	
		Concrete floor (restoration)	Restore	concrete & tile	SqFt	640	\$34	\$22,044	\$1,102	\$1,102	\$5,511	\$29,760	
		Building	Pre Engr	concrete	SqFt	120	\$100	\$12,000	\$600	\$600	\$3,000	\$16,200	
		Building Pad			CuYd	3.0	\$500	\$1,481	\$74	\$74	\$370	\$2,000	
								\$209,826	\$10,491	\$10,491	\$52,456	\$283,265	
Contractors													
		Electrical	Crew Size	# of Days	hr /day								
		Mechanical	4	15	12	720	\$100	\$72,000	\$3,600	\$3,600	\$18,000	\$97,200	
		Concrete Saw Cuts	8	30	12	2880	\$85	\$244,800	\$12,240	\$12,240	\$61,200	\$330,480	
		Building Erection	LF @ 12" deep		LF	740	\$50	\$37,000	\$1,850	\$1,850	\$9,250	\$49,950	
			6	4	12	288	\$100	\$28,800	\$1,440	\$1,440	\$7,200	\$38,880	
								0					
								\$382,600	\$19,130	\$19,130	\$95,650	\$516,510	
Engineering													
		Oversight	1	45	12	540	\$100	\$54,000	\$2,700	\$2,700	\$13,500	\$72,900	
		Commissioning	2	8	12	192	\$125	\$24,000	\$1,200	\$1,200	\$6,000	\$32,400	
		O&M Training	1	3	8	24	\$125	\$3,000	\$150	\$150	\$750	\$4,050	
								0					
								0					
								0					
								0					
								0					
								0					
								0					
								756	\$81,000	\$4,050	\$4,050	\$20,250	\$109,350
TOTALS						756		\$673,426	\$33,671	\$33,671	\$168,356	\$909,125	

2010 O&M – Corporate Environment, Health and Safety

Project/Program Title	Contract Arborist Services
Project Manager	Paul Manning
Project Engineer	Maureen Gaffney

Work Description:

Contract arboreal services for assessment and on-going support of Company work conducted in the vicinity of trees owned by NYC and to ensure compliance with NYC Department of Parks and Recreation's (NYC DPR) regulations and specifically the proposed blanket permit associated with these regulations.

Justification:

The Company has been working in collaboration with NYC DPR since mid-2008 to establish a blanket permit for routine, recurring maintenance projects conducted in the vicinity of trees and during 2009 will establish a best practices model for such work. The Company does not have sufficient qualified arboreal expertise on staff to address the anticipated increase in volume associated with the blanket order and will need to contract for such services as and when required to address the highly specialized issues involved in complying with the regulations and established best practices set by NYC DPR for conducting work in the vicinity of city owned trees

Estimated Completion Date:

On-going

Status:

Upon approval of the Best Management Practice Model and general permit, submitted to the NYC DPR on July 16, 2009 and currently undergoing review by NYCDPR borough foresters, an appropriate supplier of the necessary services will be determined.

Funding (\$000):

Actual 2006	Actual 2007	Actual 2008	Budget 2009
-	-	-	-

RYE 2011	RYE 2012	RYE 2013	Forecast Total 2011-2013
\$100	\$100	\$100	\$300

Historical elements of expense (EOE's)

EOE	2006	2007	2008	2009
Labor				
M&S				
*A/P Contract Labor				
Contingency				
Total	\$0	\$0	\$0	\$0+

Forecast

EOE	RYE 2011	RYE 2012	RYE 2013	Total
Labor				
M&S				
*A/P Contract Labor	\$100	\$100	\$100	\$300
Contingency				
Total	\$100	\$100	\$100	\$100

\$0+ = Costs were de minimis.

* Note A/P requires further identification such as A/P – Contract Labor, A/P - Equipment Maintenance, A/P - Corrective Maintenance, etc.

SUBMITTING ORGANIZATION:		Corporate EH&S	Responsible Individual	Paul Manning	PROGRAM/ PROJECT:	X
PROGRAM NAME:		Contract Arborist Services			VOLUME:	
PROGRAM START DATE:		2009			NON-RECURRING:	
					(Normalization)	

AVERAGE HUMAN RESOURCES (MANAGEMENT & WEEKLY) (SEE NOTE BELOW)

Clearing dollar % allocated to O&M per Authority Letter ---->
Clearing dollars % allocated to Capital as per Authority Letter

Wkly. field employee @ Man-hour rate	
Field Supervisors (included in man hour rate)	
Clerical (included in man hour rate)	
Wkly. employee (Basic Labor)	
Management (Basic Labor)	
Engineering support (Basic Labor rate)	
Contractor oversight (Basic Labor rate)	

ELECTRIC
GAS
STEAM
COMMON - ELECTRIC, GAS & STEAM
COMMON - ELECTRIC & STEAM
COMMON - GAS & STEAM
CECONY & O&R
CECONY, O&R & NON-UTILITY

X

2010 O&M – Corporate Environment, Health and Safety

Project/Program Title	Corporate EH&S Personnel
Project Manager	Colin Smart
Project Engineer	Edwin Vazquez

Work Description:

Program change to cater for Corporate Environment, Health and Safety (EH&S) labor. The staff will perform required roles in regard to environmental and chemical management, safety, industrial hygiene and EH&S procedures.

Justification:

Corporate EH&S has four positions which were vacant as of June 2009 but which represent roles that are important to the operation of the Corporate EH&S. The specific roles and their work function are as follows;

Safety Project Specialist (1) - whose responsibilities include: analyzing, planning, organizing, leading and executing multiple projects along with day-to-day safety processes; reviewing work methods/work sites to provide protection for employees and to protect customers and members of the public from accidental occurrences; research Occupational Safety and Health Administration (“OSHA”) standards and other governmental regulations to ensure the Company compliance with them and to provide technical advice to operating and support organizations; developing and coordinating safety programs directed at reducing accidents during Company work; provide field presence for prompt consultation and control of safety concerns; developing educational programs and materials for all levels of Company personnel to identify potential situations that could result in accidents during Company work; and make recommendations for preventing to prevent such situations.

Senior Industrial Hygienist (1) - Develop and implement the Company’s Industrial Hygiene Programs in the operating organizations. Serve as the corporate subject matter expert on various industrial hygiene and safety issues. Identify environmental and health hazards, assess potential exposures to chemical and physical hazards and recommend corrective actions. Conduct audits, assist visits and perform field evaluations to maintain a field presence and to determine compliance. Review Federal, State and City regulations and laws and Company policies, develop programs and procedures and provide compliance assistance to operating areas.

Water and Waste Senior Scientist (1) – whose responsibilities include: serving as Subject Matter Expert for waste, water, and hazardous materials management issues as well as providing general support on environmental issues; coordinating, monitoring, and providing expert technical and regulatory oversight and guidance in these areas to achieve environmental compliance and promote environmental excellence and continual improvement; and providing compliance assistance, coordinating, overseeing, and monitoring technical and regulatory efforts, concerns, issues, questions, and activities associated with assigned aspects of the above issues.

Natural Resources Scientist (1) – whose responsibilities include: serving as Subject Matter Expert for waterfront and dock issues and permits; wetland issues and permits; working with generating stations on major dredging projects; assisting on Right-of-Way vegetation management programs and associated permits; providing support on dam compliance issues and permits; working on wildlife issues associated with operational field work; negotiating with government agencies on compliance matters, permit issues and environmental programs;

developing and administering corporate programs and training on natural resource issues;
developing green initiatives to enhance natural resource protections.

Estimated Completion Date:

On-going.

Status:

The Company intends to fill the positions as soon as practicable.

Funding (\$000):

Actual 2006	Actual 2007	Actual 2008	Budget 2009
\$8,914	\$8,907	\$9,226	\$9,611

RYE 2011	RYE 2012	RYE 2013	Forecast Total 2011-2013
\$9,731	\$9,731	\$9,731	\$29,193

Historical elements of expense (EOE's)

EOE	2006	2007	2008	2009
Labor	\$8,914	\$8,907	\$9,226	\$9,304
M&S				
*A/P				
Contingency				
Total				

Forecast

EOE	RYE 2011	RYE 2012	RYE 2013	Total
Labor	\$9,731	\$9,731	\$9,731	\$29,193
M&S				
*A/P				
Contingency				
Total				

* Note A/P requires further identification such as A/P – Contract Labor, A/P - Equipment Maintenance, A/P - Corrective Maintenance, etc.

O&M Worksheet

SUBMITTING ORGANIZATION: Corporate Environmental Health and Safety		Responsible Individual: Colin Smart	TYPE OF CHANGE	PLEASE CHECK ONE
PROGRAM NAME: Corporate EH&S Personnel			PROGRAM/ PROJECT:	
PROGRAM START DATE: On-going			VOLUME:	
			NON-RECURRING: (Normalization)	

O&M

RATE YEAR

AMOUNT (IN THOUSANDS OF DOLLARS)

MAG	PSC	ELEMENT OF EXPENSE	LENGTH OF PROGRAM
		52	On-going
TOTAL			

THOUSANDS OF DOLLARS

Historical Year Ending 06/30/09	Incremental RYE 2011	RYE 2011	Incremental RYE 2012	RYE 2012	Incremental RYE 2013	RYE 2013
HISTORICAL YEAR LEVEL OF SPENDING	PROGRAM CHANGES	FIRST RATE YEAR LEVEL OF SPENDING	PROGRAM CHANGES	SECOND RATE YEAR LEVEL OF SPENDING	PROGRAM CHANGES	THIRD RATE YEAR LEVEL OF SPENDING
\$9,304	\$427	\$9,731	\$0	\$9,731	\$0	\$9,731
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$9,304	\$427	\$9,731	\$0	\$9,731	\$0	\$9,731

UNITS OF PRODUCTION

Historical Year Ending 06/30/09	Incremental RYE 2011	RYE 2011	Incremental RYE 2012	RYE 2012	Incremental RYE 2013	RYE 2013
HISTORICAL YEAR LEVEL OF WORK	PROGRAM CHANGES	FIRST RATE YEAR LEVEL OF WORK	PROGRAM CHANGES	SECOND RATE YEAR LEVEL OF WORK	PROGRAM CHANGES	THIRD RATE YEAR LEVEL OF WORK
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

AVERAGE HUMAN RESOURCES (MANAGEMENT & WEEKLY) (SEE NOTE BELOW)

JOB TITLE		2009 LABOR RATE	Quantity	2010 PROGRAM CHANGES	Quantity	2011 PROGRAM CHANGES	Quantity	2012 PROGRAM CHANGES	Quantity	2013 PROGRAM CHANGES
Safety - Project Specialist		\$110	1	\$110		\$0		\$0		\$0
Industrial Hygiene - Sr. Industrial Hygienist		\$110	1	\$110		\$0		\$0		\$0
Natural Resources - Scientist		\$97	1	\$97		\$0		\$0		\$0
Water & Waste - Senior Scientist		\$110	1	\$110		\$0		\$0		\$0
			0	\$0		\$0		\$0		\$0
			0	\$0		\$0		\$0		\$0
			0	\$0		\$0		\$0		\$0
EQUIVALENT OVERTIME			4	\$427	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL										

Clearing dollar % allocated to O&M per Authority Letter ---->
Clearing dollars % allocated to Capital as per Authority Letter

Percent Allocation
100.00%
0.00%

\$427
\$0
\$0
\$0
\$0

NOTE:

Wkly. field employee @ Man-hour rate
Field Supervisors (Included in man hour rate)
Clerical (Included in man hour rate)
Wkly. employee (Basic Labor)
Management (Basic Labor)
Engineering support (Basic Labor rate)
Contractor oversight (Basic Labor rate)

SERVICE IMPACTED BY PROGRAM CHANGE

ELECTRIC
GAS
STEAM
COMMON - ELECTRIC, GAS & STEAM
COMMON - ELECTRIC & STEAM
COMMON - GAS & STEAM
CECONY & O&R
CECONY, O&R & NON-UTILITY

PLEASE CHECK ONE

X

Consolidated Edison Company of New York, Inc.

Forecast of SO2 Allowance Sales Proceeds

	Actual Sales				Projected Sales					
	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	RY1	RY2	RY3
Allowance Volume	975	975	975	975	975	975	975	3,900	3,900	3,900
Allowance Price	\$ 187	\$ 57.50	\$ 72	\$ 72	\$ 72	\$ 72	\$ 72	\$ 72	\$ 45	\$ 36
Revenue	\$ 182,325	\$ 56,063	\$ 70,200	\$ 70,200	\$ 70,200	\$ 70,200	\$ 70,200	\$ 280,800	\$ 175,500	\$ 140,400

Notes:

Actual sales will depend upon market conditions.

Forecast allowance price of \$72 is based on the market price for SO2 allowances as at July 10, 2009. This is the date of the most recent sale.

Vintage Year 2010 allowances being sold as of January 2012 are expected to be approximately 1/2 as valuable as in the current market due to CAIR SO2 rules coming into effect in 2010. The CAIR SO2 rules will adjust the surrender ratio for allowances to 2 for 1 in 2010. This will result in Vintage Year 2010 SO2 allowances being only half as valuable. RY2 average price of \$45 per allowance is based upon one quarter of 2011 (Q4) at \$72 per allowance and three quarters of 2012 (Q1, Q2 and Q3) at \$36 per allowance.