

SHARED SERVICES PANEL - UPDATE/REBUTTAL
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1 Q. Would the members of the Shared Services Panel state
2 your names?

3 A. Saddle L. Smith, Kenneth Jack, Terrence Walsh, Carlos
4 Torres, and Matthew Ketschke. We submitted initial
5 testimony as the Shared Services Panel. Matthew
6 Ketschke is replacing James Mueller who has since left
7 the Company.

8 Q. Has the replacement witness previously submitted
9 testimony in this proceeding?

10 A. No, at the hearing in this proceeding, Mr. Ketschke
11 will adopt Mr. Mueller's initial testimony as well as
12 this additional testimony.

13 Q. Mr. Ketschke: Please explain your educational
14 background, work experience, and current general
15 responsibilities.

16 A. I have been employed by Con Edison since 1995. I was
17 hired as a management intern and have held positions of
18 increasing responsibility within Electric Operations,
19 from operating supervisor in Manhattan Electric
20 Construction to general manager of Brooklyn and Queens
21 Electric Operations. On October 1, 2009, I was
22 assigned the position of Director of the Learning
23 Center. In that position, I am responsible for all of

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1 the technical and skills training at The Learning
2 Center. I also am responsible for the oversight and
3 preparation of the O&M and capital budgets for Human
4 Resources. I hold a Bachelor of Engineering in
5 Mechanical Engineering from Stevens Institute of
6 Technology, a Master of Science in Management from
7 Stevens Institute of Technology, and an MBA from
8 Columbia University.

9 Q. What is the purpose of this update/rebuttal testimony?

10 A. First, we provide a status update of the West 28th
11 Street Project.

12 Second, we update the O&M expenses detailed in our
13 initial testimony for the Waterside Dock Repair
14 project.

15 Third, we address the testimony and recommended
16 adjustment of the Staff Accounting Panel as it relates
17 to Vehicle Fuel.

18 Fourth, we address the testimony of Staff witness
19 Patrice O'Connor ("O'Connor") as it relates to the
20 Vantage Audit.

21 Fifth, we explain our limited acceptance of the Staff
22 Shared Services Panel's ("SSSP") adjustment to First
23 Aid Refresher training.

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1 Sixth, we note why there is no need for a capital
2 expenditure cap suggested by Staff as it relates to
3 Shared Services capital expenditures.

4 Finally, we rebut the testimony filed by CPB witness
5 Helmuth Schultz ("Schultz"). We take exception to the
6 adjustments proposed Mr. Schultz that address Shared
7 Services Programs. These include adjustments (1) for
8 Emergency Management; (2) for the following Information
9 Resources programs - Computer Hardware and Software
10 Maintenance and Mainframe maintenance; (3) for the
11 First Aid Training Refresher Program in the Human
12 Resource category; and (4) for the following Facilities
13 programs - Irving Place Local Law 10-11 Façade
14 Repairs, Irving Place MAC Floor Renovations, Regional
15 flooring upgrades, Regional Façade Repairs, and
16 Regional Painting and Wall Treatment.

UPDATES

17
18 Q. What are the updates the Panel is sponsoring?

19 A. We have two updates: (1) the latest developments on the
20 West 28th Street Project, and (2) our latest O&M
21 estimate for the Waterside Dock Repair project.

22

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West 28th Street

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2 Q. Please provide the status of the New Jersey Transit
3 Access to the Region's Core ("ARC") project.

4 A. As was noted in Case 08-E-0539, the ARC project
5 received a Record of Decision of the Federal Transit
6 Administration's approval and land use permission
7 approval from New York City in January 2009. The
8 Company has been negotiating with the Port Authority
9 regarding the terms and conditions for the Port
10 Authority's use and occupancy of the Company's West 28th
11 Street workout location (the "Site") in connection with
12 the ARC project, including, without limitation,
13 temporary relocation of the Company's 28th Street
14 operations to an alternate location, temporary easement
15 rights for the Port Authority's proposed construction
16 activities, and permanent easement and other property
17 rights for the installation and permanent location of
18 the Port Authority's shaft, tunnel, fan plant and
19 related facilities. No construction has commenced at
20 this time, however, the Port Authority has performed
21 geotechnical investigations and soil borings on the

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1 Site pursuant to an Access Agreement between the
2 parties.

3 Q. Please provide an update regarding the status of the
4 negotiations between the parties regarding the Port
5 Authority's use and occupancy of the Site.

6 A. Negotiations are on-going and we expect they will
7 continue over the next several months and into 2010.
8 The Company would relocate from the Site once the
9 Company and the Port Authority come to an agreement on
10 the terms and conditions of the Port Authority's use
11 and occupancy of the Site, as well as the terms and
12 conditions of the Company's use and occupancy of the
13 alternate location for its operations.

14 Q. Do you have any estimates of the costs associated with
15 such relocation?

16 A. At this time, we have no estimates for these costs,
17 which depend on the outcome of the negotiations. The
18 Company will provide a further update when the
19 agreements are finalized.

20 **Waterside Dock Repair**

21 Q. What does the Company propose regarding the Waterside
22 Dock Repairs?

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1 A. The Company proposes to reduce its O&M request for the
2 Waterside Dock Repair project by \$1.0 million, from the
3 \$3.8 million noted in its initial testimony to \$2.8
4 million. Construction for this project is projected to
5 begin in the first or second quarter of 2010 and extend
6 into 2011.

7 Q. Please explain this adjustment.

8 A. The Company's initial testimony (p. 154) explained that
9 since a review of the project was underway, a more
10 detailed estimate would be made available when the
11 project's detailed design package was finalized. The
12 Company's response to Staff 438 indicated that Appendix
13 E of the McLaren Engineering report provided an updated
14 estimated cost for the Waterside repair of \$2.8
15 million. At this time, the package is essentially
16 complete and the current estimated cost to fix the
17 Waterside Dock is \$2.8 million. It should be noted,
18 however, that the project is currently going through
19 its construction permitting stage and it will be
20 reviewed by various regulatory agencies whose comments
21 may affect the price of the project.

22 Q. Do you have an exhibit detailing the current estimated
23 cost of this project?

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1 A. Yes.

2 Q. Was this exhibit prepared under your direction and
3 supervision?

4 A. Yes, it was.

5 MARK FOR IDENTIFICATION AS EXHIBIT ___ (SSP-18)

6 **VEHICLE FUEL**

7 Q. Have you reviewed the testimony submitted by the Staff
8 Accounting Panel related to the projection of vehicle
9 fuel cost in the rate year?

10 A. Yes.

11 Q. Does the Company take any issue with Staff's proposal
12 to develop a projection based on the DOE report to be
13 issued December 2009?

14 A. While it seems both parties agree fundamentally on
15 using the DOE as an independent predictor of fuel
16 costs, the Company recommended using a projection based
17 on the DOE report to be issued in March 2010 since it
18 will be the closest to the beginning of the rate year.
19 Staff recommends that DOE's December 2009 report be
20 used.

21 Q. What advantage is there to using a report issued in
22 2010 over using the December 2009 report?

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1 A. DOE reports issued after (and including) the January
2 2010 report will include DOE projections for 2011. The
3 first three months of 2011 are part of the rate year.
4 The December 2009 report does not include a forecast of
5 prices for 2011.

6 Q. Did the Staff Accounting Panel provide any reason for
7 using the December 2009 report instead of a later
8 report?

9 A. No, it did not. Staff said that given the volatility
10 of the price of gasoline and diesel fuel, Staff
11 recommended using the December 2009 report when it
12 becomes available. For the reasons given above, the
13 Company recommends that the Commission use one of the
14 DOE reports issued during the first quarter of 2010.

15 VANTAGE AUDIT RECOMMENDATIONS

16 Q. What does Staff witness O'Connor conclude with respect
17 to the Company's efforts to implement the directives in
18 the Commission's January 17, 2008 Order in Case 06-M-
19 1078, related to the Emergency Management Audit?

20 A. Ms. O'Connor concludes (p. 8) that the Company has
21 complied with all of the directives in the Order.
22 Staff outlines seven requirements identified in the

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1 Order and describes the efforts undertaken by the
2 Company to address each one.

3 Q. Does Ms. O'Connor identify any items that are on
4 schedule for completion under the Master Implementation
5 Plan ("MIP") but which are currently outstanding?

6 A. Yes. She states (pp. 12-13) that, as of June 3, 2009,
7 the Company has completed 46 of the 62 recommendations
8 made in the Audit Report, with the remaining 16
9 recommendations on schedule for completion. The
10 testimony indicates that most of these outstanding
11 recommendations are scheduled for completion in 2009
12 but others would be completed in 2010-2011.

13 Q. Do you agree with this assertion?

14 A. Yes. The Company has worked collaboratively with
15 Department of Public Service Staff and provided
16 quarterly updates to the MIP. The Company has provided
17 to Staff information and/or documentation with the last
18 update dated September 3, 2009, which the Company
19 believes demonstrates that the Company has completed 12
20 of the 16 recommendations identified by Staff as open.

21 Q. What is the status of these 12 items that have been
22 submitted to Staff?

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1 A. It is the Company's understanding that Staff is
2 currently reviewing the information/documentation the
3 Company has provided in order to confirm the Company's
4 determination that the recommendation is complete.

5 Q. Are there any pending Staff requests for additional
6 information/documentation related to these 12 items
7 which the Company has not addressed?

8 A. No. As we state above, the Company believes that the
9 information/documentation it has provided will
10 demonstrate that the Company has completed 12 of the 16
11 recommendations Staff identifies as being open. If
12 additional clarification on the submitted
13 information/documentation is required, we will provide
14 the necessary information.

15 Q. What about the remaining four recommendations?

16 A. The remaining four recommendations are on track to be
17 completed under the schedule the Company as established
18 in the MIP.

19 **FIRST AID REFRESHER TRAINING**

20 Q. Staff is recommending an adjustment of \$199,000 to the
21 Career Path Training - First Aid Refresher training
22 program. Does the Company accept this adjustment?

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1 A. Yes, with one caveat discussed below.

2 Q. Please explain the rationale for Staff's adjustment.

3 A. Staff states that the Company expects to incur costs
4 over a three year period (\$341,000, \$0, and \$85,000 for
5 the rate years, respectively). Because the Company
6 will incur costs associated with this program over
7 three years, Staff recommends that the total cost of
8 this program (\$426,000) be amortized over three years.

9 The three-year amortization of this expense yields
10 \$142,000 per year, a downward adjustment of \$199,000 to
11 the proposed rate year incremental expense of \$341,000.

12 Q. Does the Company have any issues with the proposed rate
13 treatment for this program?

14 A. While the Company does not oppose the recovery of the
15 program costs over a three-year period, subject to its
16 being allowed to accrue the appropriate carrying charge
17 on the deferred balance.

18 **CAP AND DOWNWARD RECONCILIATION FOR CAPITAL EXPENDITURES**

19 Q. Did the SSSP recommend a cap and downward
20 reconciliation for shared services, or common, plant on
21 the amount allowed for ratemaking purposes?

22 A. Yes. The SSSP testifies (at pp. 8-9) that they:

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1 ... Recommend the continuation of the net cap on
2 shared services, or common, plant. The plant-in-
3 service levels proposed by the Company and
4 accepted by the Panel should be construed to be
5 the cap, or maximum limit, on the amount of shared
6 services plant used for ratemaking purposes. If,
7 at the conclusion of the rate year, an amount less
8 than the levels recommended were actually added to
9 the Company's plant accounts, the Commission
10 should require that Con Edison refund to customers
11 the incremental carrying charges associated with
12 the reduced level of spending.
13

14 Q. Do you agree with this recommendation?

15 A. No. For the reasons explained in Mr. Rasmussen's
16 initial testimony, the Company opposes this proposal.

17 Q. Does the SSSP provide a rationale for its
18 recommendation?

19 A. No. While the SSSP testimony mentions the mechanisms
20 for such a mechanism, they provide no rationale or
21 justification in support of this proposal. Nor does
22 the SSSP respond to the initial testimony of Mr.
23 Rasmussen, who details the reasons against a downward
24 only reconciliation for these costs. As a result, the
25 inherently unfair asymmetrical proposal should not be
26 adopted.

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REBUTTAL TO MR. SCHULTZ

EMERGENCY MANAGEMENT

Q. Did Mr. Schultz recommend disallowing any of the program changes the Company is seeking related to Emergency Management?

A. Yes. Mr. Schultz recommends disallowing the \$469,000 program change related to an accounts payable increase.

Q. Please briefly describe the reasons for the \$469,000 accounts payable program change.

A. This increase is to fund the Company's implementation of recommendations made in the Commission-ordered Emergency Management Audit in Case 06-M-1078 ("Emergency Management Audit"). The accounts payable increase of \$469,000 reflects estimated costs associated with specific programs initiated in response to the Emergency Management Audit, such as Weather Analysis, Benchmarking and Risk Assessment. The Company provided CPB with confidential documentation supporting its cost estimates in response to CPB-175.

Q. What justification does Mr. Schultz provide for his recommended disallowance?

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1 A. Mr. Schultz basically offers two justifications for his
2 recommended disallowance. First, he claims that the
3 Company has not provided the requested documentation to
4 support this program change. Second, he claims that
5 some of the information the Company provided does not
6 cover the relevant rate year period.
7 Specifically, Mr. Schultz states that the \$64,000 for a
8 risk consultant, the Company's supporting documentation
9 consists of a calculation and a purchase order, which
10 did not include costs, was not signed and was for the
11 period ending June 30, 2009. As to the \$168,000 for a
12 risk assessment, he states that the supporting
13 documentation only includes a cost estimate, based on
14 verbal discussions, and a purchase requisition, which
15 has an amount different than the requested amount.
16 Regarding the \$191,400 for three weather analyses, he
17 states that the Company only provided a summary of
18 costs and three unsigned purchase orders. He claims
19 that the purchase orders are not the bids or estimates
20 that he requested. As to the \$45,600 for benchmarking
21 services, the Company provided a cost estimate, with a
22 notation that the estimate was verbal.

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1 Q. Do you agree with Mr. Schultz's recommendation to
2 reject these costs?

3 A. Not at all. First, Mr. Schultz's repeated claims that
4 the Company has provided insufficient documentation to
5 support its costs are generically addressed in the
6 Facilities section of our testimony, below, and, for
7 the same reasons stated therein, Mr. Schultz's
8 arguments also should be rejected here. Second, Mr.
9 Schultz's contention that the documentation provided
10 did not cover the relevant rate year period is also
11 without merit.

12 Q. Please explain why you believe that the Company has
13 fully supported its proposal, including the additional
14 documentation provided at Mr. Schultz's request.

15 A. The documentation the Company has provided in support
16 of its testimony, which includes workpapers, analysis,
17 estimates and purchase orders, explains how the
18 \$469,000 in increases in accounts payable were
19 determined. The support the Company provided for the
20 \$64,000 of consulting services for risk assessments is
21 depicted in an estimate along with a recent purchase
22 order that reflects either what the Company has paid in
23 the recent past or would currently pay for similar

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1 services. In fact, the Company has just extended this
2 purchase order until November 30, 2009. The Company
3 provided CPB with confidential documentation supporting
4 this revision in response to CPB-188. A purchase order
5 for the rate year has not been completed yet.
6 Generally, purchase orders are printed off from our
7 purchasing system and the signature copies, if
8 available, are in the file. The fact that the Company
9 did not provide the signed purchase order does not make
10 the contract between the Company and the vendor any
11 less valid. Other than his audit-oriented criticisms,
12 Mr. Schultz makes no claims that these costs are not
13 reasonable.
14 To conclude on this program, we would note that the
15 hourly cost used in the \$64,000 estimate is based upon
16 the qualifications of the contractor retained plus a
17 mark-up rate, as specified within the purchase order.
18 The documentation provided to support the Company's
19 estimate of \$168,000 in risk assessment-related costs
20 is based upon the hourly rates typical for consultants
21 performing this type of work. The purchase requisition
22 submitted covers components of work associated with the
23 development of a risk management program addressed in

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1 Case 08-E-0539 and encompasses a three year program
2 totaling \$495,000. That is why the amount requested in
3 the purchase requisition is greater than the amount
4 requested in this proceeding.

5 The documentation used to support the \$191,400
6 associated with weather analysis includes an overall
7 estimate of costs supported by three weather analysis
8 services purchase orders written in response to
9 specific vendor proposals.

10 The \$45,600 estimate for costs related to benchmarking
11 initiatives is a cost worksheet based upon discussions
12 with a vendor who has performed these services for
13 other utilities. In addition, other costs within this
14 worksheet were based upon past costs incurred by the
15 Company for this type of service.

16 Q. Do you have any final comments about Mr. Schultz's
17 \$469,000 adjustment?

18 A. Yes. Other than arguing that the supporting
19 documentation he requested is insufficient, Mr. Schultz
20 makes no argument as to merits of any one of the
21 programs we propose to undertake in response to the
22 Company's implementation of recommendations made in the
23 Emergency Management Audit. Nor does he explain why

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1 the information the Company did provide does not
2 establish a reasonable basis for these costs, or
3 explains why the level of costs are not reasonable.

4 Q. Would the Panel like to correct the record regarding
5 Mr. Schultz's description of the Emergency Management
6 adjustment?

7 A. Yes. Mr. Schultz states (p. 53) that the "Company's
8 request includes \$700,000 for four additional
9 positions...." The \$700,000 program change that the
10 Company is seeking is for the incremental labor costs
11 associated with the addition of seven employees to the
12 Emergency Management organization after the completion
13 of the historic year for this case. Our initial
14 testimony noted that these seven employees were hired
15 between December 31, 2008 and April 2009.

16 **INFORMATION RESOURCES**

17 Q. What adjustments does Mr. Schultz make to the Company's
18 proposed Information Resource costs?

19 A. Mr. Schultz claims that the Company has failed to
20 provide justification for the requested \$3.310 million
21 in the rate year. Even though he claims that the
22 increases have not been justified, he proposes to allow

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1 half the cost, or \$1.49 million, apparently because
2 there was an increase in the number of computers.

3 Q. Does Mr. Shultz provide any other reasons for his
4 adjustment?

5 A. Yes. Mr. Schultz notes that the \$3.3 million includes
6 \$330,000 for three system analysts, \$2 million for
7 hardware and software maintenance support and \$980,000
8 for mainframe software maintenance costs. For the last
9 two items, hardware and software maintenance support,
10 and mainframe software maintenance, he claims that the
11 increases are greater than 30 percent. He states that
12 the Company has not hired the three analysts.
13 Additionally, for hardware and software maintenance
14 support, he asserts that the documentation provided to
15 support these costs that he requested (estimates, bids,
16 etc.) was not provided in the Company's response (which
17 referred to a Staff response), that the percentage the
18 Company estimated for the increases (5-10 percent) was
19 too high and that a 7.5 percent increase would result
20 in an increase of half the amount, and that the Company
21 applied the general escalation rate for information
22 services costs, which it should not have done. As to
23 the Company's discovery response relating to mainframe

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1 software maintenance, he claims that it could not be
2 reconciled with the response to a Staff question. He
3 also claims that a workpaper provided by the Company
4 notes that these are capital, not O&M, costs.

5 Q. Do you agree with Mr. Shultz's contentions?

6 A. No. Mr. Schultz fails to consider the number of
7 computers, capacity increases of the mainframes and the
8 quantity of software that the Company uses. Most IT
9 systems require hardware and software support.
10 Allowing only one-half of the costs would allow the
11 Company to purchase support on some, but not all, of
12 the different systems it uses. Any system operated
13 without the necessary maintenance is subject to
14 hardware failures and software patches, technical
15 assistance or new versions needed to maintain the
16 system for supportability purposes would not be
17 addressed in a timely fashion. This would affect the
18 reliability and availability of these systems and put
19 the Company's computing systems in jeopardy. This, in
20 turn, could affect electric system reliability.

21 Q. Turning to Mr. Schultz's next complaint, when will the
22 three system analysts be hired?

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1 A. These three additional human resources, which are
2 needed for the SCADA Net project, are planned to be
3 hired beginning by the second quarter of 2010, which is
4 the beginning of the rate year. Since they will be
5 hired at or about the start of the rate year, and Mr.
6 Shultz has offered no other reason to reject these
7 positions, Mr. Shultz's adjustment should be rejected.

8 Q. In order to address Mr. Shultz's criticism regarding
9 the magnitude of the increases for support costs, can
10 you first explain the \$2 million increase in the
11 hardware and software maintenance forecasted budget for
12 2010?

13 A. The \$2.0 million increase in hardware and software
14 maintenance for 2010 can be attributed to two main
15 factors:

- 16 • A projected increase of 2,210 computers in year 2010
17 over the year end number in 2008. This is in large
18 part due to the increased use of laptops for mobile
19 dispatch computers by field crews and continued growth
20 in servers. Each additional computer requires the
21 appropriate software licenses and results in an
22 increase in the overall cost of maintenance for that

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1 software and in turn also increases the cost of break-
2 fix or hardware maintenance.

3 • Introduction of new technologies to improve security
4 and functionality. Examples include laptop encryption
5 and Virtual Private Networking (VPN) software for
6 laptops and Microsoft SharePoint software for PC
7 collaboration. Computer technology continues to
8 introduce new opportunities to improve processes and
9 productivity. Mobile computing, available now through
10 PCs and wireless networks, also introduces security
11 concerns about stolen equipment and the use of public
12 networks. Technology solutions can mitigate or
13 eliminate these concerns but at the same time make the
14 device more expensive to equip and operate.

15 Q. What about Mr. Schultz's claim that the workpaper
16 provided by the Company for CPB 176 incorrectly
17 referenced Staff 220 which provided information on a
18 Capital project?

19 A. The response to CPB 176 incorrectly referred to a
20 Capital request. The document entitled Exhibit SSP-19,
21 "2010 CSH Maintenance Forecast", includes the
22 information requested by Mr. Schultz.

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1 Q. Is this spreadsheet entitled "2010 CSH Maintenance
2 Forecast" included in this rebuttal?

3 A. Yes.

4 Q. Was this document prepared by you or under your
5 direction?

6 A. Yes, it was.

7 MARK FOR IDENTIFICATION AS EXHIBIT ___ (SSP-19)

8 Q. Please continue

9 A. The attached spreadsheet, 2010 CSH Maintenance Forecast
10 shows the 2010 budget, which is based on current
11 inventory, known and estimated contract pricing
12 increases and several new software maintenance
13 requirements. The attachment shows a projected 2010
14 expenditure of \$7.6 million. The \$2.0 million increase
15 reflects growth in inventory, some escalation in
16 contract pricing and new technologies. It should be
17 noted that the attachment also recognizes several lower
18 cost projections and deletions of no longer necessary
19 maintenance agreements that have minimized the overall
20 net increase. This information is detailed in the
21 attached spreadsheet to address Mr. Schultz's reference
22 to a lack of supporting documentation.

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1 Q. Next, can you please explain the \$980,000 increase in
2 the mainframe software forecast?

3 A. The \$980,000 increase in the mainframe software
4 forecast from 2008 through the Rate Year is attributed
5 to the following:

6 • \$659,000 increase in IBM related software maintenance
7 and license costs when compared to 2008 costs. On
8 mainframe computers, additional MIPS capacity has a
9 direct impact on software maintenance and license
10 charges for both IBM as well as non-IBM software. The
11 cost for software maintenance and licensing is based on
12 the MIPS capacity of the mainframe environment. An
13 upgrade to the mainframe is planned in 2010.

14 o Increase in IBM monthly license charges due to
15 planned upgrade of an IBM CPU with additional MIPS
16 capacity to support new Disaster Recovery
17 initiatives and increasing demand and utilization
18 of the mainframe systems and additional software
19 called IBM Problem Determination Tools.

20 o Additional licenses and support of WebSphere MQ
21 Series on an additional CPU processor to support

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1 increased utilization of critical mainframe data
2 from distributed systems.

3 The net increase is offset by the elimination of
4 Compuware Product suite, which resulted in a savings of
5 \$154,300 per year in software maintenance. The
6 software was eliminated by the installation of the IBM
7 Problem Determination Tools.

8 • \$345,000 increase as a result of maintenance for BMC
9 product suite purchased in March 2008 (with one year
10 maintenance included) that was not an expense in the
11 prior rate year. Annual maintenance and support costs
12 were incurred in the 2009 budget and subsequent budget
13 years as part of a three year agreement.

14 • \$78,500 forecasted increase in CA, Inc. software
15 maintenance due to software agreement renewal in 2010,
16 which includes licenses and support for additional MIPS
17 capacity due to planned upgrade of an IBM CPU.

18 • \$35,200 increase in yearly IBM Passport Advantage
19 software maintenance through Infinity Systems Software,
20 due to site license upgrade for DB2 Connect as a
21 requirement of distributed applications utilization and
22 access of critical mainframe data. Exhibit SSP-19

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1 includes a document entitled Mainframe Costs, which
2 represents the projected 2010 costs. This information
3 addresses Mr. Schultz's reference to a lack of
4 supporting documentation.

5 Q. Please continue.

6 A. The foregoing explanation in conjunction with our
7 initial testimony, workpapers and discovery responses,
8 fully explains the reasons for and basis of the
9 increases in support costs for software, hardware and
10 mainframe computer support costs. Mr. Schultz's
11 general assertions that the increases are voluminous or
12 that the Company has not provided supporting
13 documentation should be rejected.

14 Q. Please comment on Mr. Shultz's claim about escalation.

15 A. His claim is incorrect. The Company did not include
16 general escalation for the requested Information
17 Resources programs as demonstrated in the exhibits
18 previously submitted.

19 **HUMAN RESOURCES**

20 Q. Is CPB recommending an adjustment for the Career Path
21 Training Program?

22 A. Yes.

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1 Q. Please explain.

2 A. The CPB is recommending that the contractor cost of
3 \$180,000 for Tri-Annual Refresher training be
4 disallowed because the Company has not provided the
5 invoice(s) from 2007 to justify the costs associated
6 with this training.

7 Q. What information did the Company provide regarding
8 these costs?

9 A. The Company provided an estimate of the number of hours
10 that will be needed for contractor support and the
11 projected cost for contractors on an hourly basis. Mr.
12 Schultz claims this is inadequate because if a
13 contractor performed the work in 2007, the Company
14 should be able to substantiate the amount.

15 Q. Please continue.

16 A. We believe that the cost estimate should be sufficient
17 and that Mr. Schultz did not provide a rationale on the
18 merits of the program to support his adjustment.
19 However, to address the claim that the Company has not
20 responded to Mr. Schultz's request, additional
21 documentation, which the Company considers absolutely
22 unnecessary to be provided, will be provided to CPB
23 shortly in response to CPB data request 188.

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1 FACILITIES

2 Q. Does Mr. Shultz make an overall comment on Facilities
3 costs before he makes specific adjustments?

4 A. Yes. Mr. Shultz claims that the Company is requesting
5 large increases, nearly 129 percent over the historic
6 year, to renovate its facilities to comply with local
7 building requirements as well as upgrade existing
8 facilities. He questions the cost for projects,
9 whether they will occur and if they are appropriately
10 supported. He also questions the need for this work in
11 today's economic climate.

12 Q. Are many of Mr. Schultz's adjustments based on his
13 theory that the Company has provided insufficient
14 documentation?

15 A. Yes. For the reasons explained earlier in our
16 testimony, and below, we believe that our requests
17 should be addressed on the merits of the information
18 that we have provided, which we believe fully support
19 the reasons for our program request and the bases for
20 our projected costs. Counsel advises that the Company
21 will address in brief any legal arguments that CPB may
22 raise regarding the adequacy of our support for these

SHARED SERVICES PANEL - UPDATE/REBUTTAL
ELECTRIC

1 programs. We would note that Counsel advised the Panel
2 that CPB counsel informed him more than one week before
3 the due date for CPB's testimony of CPB's view that
4 some of the supporting documentation that CPB requested
5 had not been provided, that CPB would be issuing a
6 follow-up request, and that the Company offered to
7 consider such follow-up requests right away. However,
8 CPB did not issue that follow-up requests until after
9 it filed its testimony. The Company is currently
10 completing its response to that request.

11 Q. Please list the programs that Mr. Schultz questions
12 and/or makes an adjustment to in the Facilities
13 category.

14 A. He makes adjustments to:

- 15 o Irving Place MAC Floor renovations
- 16 o Irving Place Local Law 10-11 Façade Repairs
- 17 o Regional Flooring Upgrades
- 18 o Regional Façade Repairs
- 19 o Regional Painting and Wall Treatment

20 Q. Starting first with Mr. Schultz's adjustment to MAC,
21 please explain the concept of MAC as it relates to the
22 Company's Corporate Headquarters building.

23 A. Maintenance Associated with Capital ("MAC") is the cost

SHARED SERVICES PANEL - UPDATE/REBUTTAL
ELECTRIC

1 to temporarily relocate people from 4 Irving Place in
2 order to accelerate the sprinklering of the building.
3 This acceleration will ensure that the Company will
4 remain compliant with Local Law 26. The cost of MAC
5 covers fit up of the rented space, rent, maintenance,
6 fiber leases and the labor cost for moving and setting
7 up people at their new work stations.

8 Q. What is the basis of Mr. Schultz's adjustment?

9 A. He claims that in Case 08-E-0539 the Company projected
10 to expend \$18.24 million for Facilities costs at 4
11 Irving Place but in 2008 (which includes 9 months of
12 the rate year in that case), the Company only expended
13 \$2.427 million at that location. He then says that the
14 cost estimate for the rate year ending March 2009 was
15 \$12.960 million but in 2008, the Company only expended
16 \$263,000. As a result, Mr. Schultz questions whether
17 the MAC costs will be incurred. He says that
18 supporting documentation is lacking and proposes
19 adjustments for floor renovations O&M work associated
20 with MAC; façade repairs; and labor.

21 Q. Does Mr. Shultz make any adjustments to these five
22 programs?

23 A. Yes. Mr. Shultz adjusts: (1) the \$7.477 million for

**SHARED SERVICES PANEL - UPDATE/REBUTTAL
ELECTRIC**

1 floor renovations by \$3.223 million to \$4.254 million;
2 (2) the \$2.488 million for façade repairs to \$744,000,
3 a reduction of one-fourth or \$1.744 million; and (3)
4 the \$202,000 in labor costs for Rate Year ending March
5 31, 2011.

6 Q. What is meant by Floor renovations?

7 A. Floor renovations are the O&M costs that are incurred
8 to relocate furniture, perform repairs and adjustments
9 to landlord owned furniture and equipment, repair
10 carpets and/or flooring and patch and paint walls as a
11 result of Local Law 26 as explained in our initial
12 testimony.

13 Q. Mr. Shultz removes \$3.223 million for this project,
14 claiming that the documentation provided was
15 insufficient. Do you agree?

16 A. No. To begin, as a result of the austerity plan
17 developed by the Company in response to the
18 Commission's 2009 Rate Order, the Company did not enter
19 into a lease to move personnel from Irving Place.
20 Accordingly, the floor renovation program was slowed
21 down since there was no swing space to move the current
22 occupants so that floors could be renovated. Despite
23 this, as described in our discovery responses, we have

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ELECTRIC

1 made some progress in accomplishing our 2009 goals for
2 the Local Law 26 renovation program. An entire
3 department has been relocated to 111 Broadway. In
4 addition, the Company is currently negotiating with
5 several landlords to move the necessary employees out
6 of the building in early 2010 to continue the progress
7 we are making.

8 Q. Is there an update on the MAC cost for floor
9 renovations?

10 A. Yes. The Company is pursuing a lease for approximately
11 38,000 square feet at a location in Brooklyn, NY.
12 The Company has plans to move 220 people out of 4
13 Irving place by April 2010. It will cost approximately
14 \$517,000 to renovate the space and retrofit the
15 furniture to meet the basic needs of the group. The
16 moving and LAN infrastructure costs will be
17 approximately \$445,000. The Lease for Brooklyn is
18 projected to be executed by the end of October and the
19 plan is that the space will be fitted up and moved in
20 by the beginning of April 2010.

21 Q. Did the Company look at any additional spaces for
22 lease?

23 A. Yes. We are still talking to brokers regarding 42,934

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1 sf in lower Manhattan (location A) and 42,460 sf at
2 another location in lower Manhattan (location B).

3 Q. What does Mr. Shultz propose regarding the flooring
4 renovation?

5 A. He used an average of forecasted 2011-2013 costs to
6 develop his recommended adjustment.

7 Q. Do you agree with this adjustment?

8 A. No. The Company's need to comply with Mr. Schultz's
9 2011-2013 average as a basis for the cost for RYE 2011
10 should be rejected because it is significantly less
11 than the projected costs based on the Company's current
12 negotiations for required space, as explained above.

13 Q. Can you summarize your position on the flooring
14 adjustment made by Mr. Schultz?

15 A. The Company requested \$7.477 Million in MAC funds for
16 RYE 2011. At this time, it is estimated that we will
17 spend best case \$2.57 Million in rents (location A in
18 Brooklyn and Gristedes swing space), \$1.725 million
19 (Brooklyn or location A or location B and Gristedes) in
20 fit up costs, \$450,000 in telephone company
21 installations and leases, and \$675,000 for IR services
22 and \$102,000 in internal and external moves for a total
23 of \$5.52 Million. If we don't come to agreement on the

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ELECTRIC

1 Brooklyn location, these costs could increase by an
2 additional \$0.9 Million between rent and fit up costs.

3 Q. Your new total shows a reduction in costs for
4 renovations and rents, please explain.

5 A. The total MAC cost for RYE 2011 could be reduced by
6 between \$1.95 Million and \$1.05 Million.

7 Q. Do you have an exhibit detailing the current estimated
8 cost of this project?

9 A. Yes.

10 Q. Was this exhibit prepared under your direction and
11 supervision?

12 A. Yes, it was.

13 MARK FOR IDENTIFICATION AS EXHIBIT __ (SSP-12 (revised))

14 Q. Turning to the next adjustment, please explain your
15 position on the CPB proposed LL11 adjustment, a
16 reduction of three-quarters of the Company's proposed
17 expenditures, for the category that Mr. Shultz calls
18 façade repairs.

19 A. Our initial testimony extensively explained the issue
20 of façade repairs and indicated that the Company's
21 engineering department (through an outside consultant
22 it hired) had completed its Local Law 11 Cycle 6
23 inspections in 2006.

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ELECTRIC

1 Q. Please summarize the initial testimony regarding the
2 LL11 repairs.

3 A. We explained that the work would be accomplished in
4 stages over a three year period (2009 - \$1 Million,
5 2010 - \$2.487 Million, and early 2011 - \$488,000).
6 More important, we explained that this work needed to
7 be completed prior to the Cycle 7 inspections, which
8 will be scheduled in mid 2011, so that the required
9 inspection report can be filed by February 2012. If
10 the repairs are not completed prior to the Cycle 7
11 inspections, then they will automatically be downgraded
12 to "UNSAFE" and thus need to be completed immediately.

13 Q. What is the current status of this project?

14 A. Our purchasing department recently concluded the
15 bidding process for the 4 Irving Place façade repairs.
16 The purchase requisition was for \$2.75 million and the
17 lowest bidder is within 10% of this value. The
18 contract is expected to be awarded this year for work
19 to start by December 2009 and continue through 2011.
20 Indirect costs (i.e., contract administration labor,
21 sales tax, etc.) will add another 30% to this cost.
22 The proposed \$744,000 adjustment by the CPB does not

SHARED SERVICES PANEL - UPDATE/REBUTTAL
ELECTRIC

1 allow the Company to adequately address the above
2 safety concerns. Mr. Shultz's only argument in support
3 of his adjustment is that the work will be completed in
4 four years and therefore he allows only one-fourth of
5 the program. Mr. Shultz is incorrect. The Company
6 will complete this work between now and the end of the
7 rate year and as such, his adjustment should be
8 rejected.

9 Q. Is there any other CPB recommendations that you would
10 like to address at this time?

11 A. Yes. Mr. Schultz claims that the costs for duct
12 cleaning, roof inspection/repairs, marble restoration
13 and ceiling restoration are not documented but makes no
14 adjustments for these costs. The Company believes the
15 costs requested are valid for these programs.

16 Q. Do you have any comments?

17 A. Mr. Schultz makes some general unspecific claims
18 regarding the implementation of these programs. We
19 note that we do not address various comments made by
20 Mr. Schultz that are not associated with any proposed
21 adjustments. Our silence should not be interpreted as
22 agreement with those comments.

23 Q. What adjustments does Mr. Schultz make to the Regions'

SHARED SERVICES PANEL - UPDATE/REBUTTAL
ELECTRIC

1 Facilities costs?

2 A. Mr. Schultz adjusts the Regions costs by (1) reducing
3 flooring upgrades by \$200,000 to \$417,000; reducing the
4 façade and brick repointing category of structural
5 inspection and repair in half, i.e., allowing \$427,000
6 of the \$854,000 request; and (3) reducing the painting
7 and wall treatment category of building infrastructure
8 renovation to \$250,000, halving the Company's request.

9 Mr. Schultz also claims that an update to the Waterside
10 Dock program is necessary based on the estimate the
11 Company received, which is addressed in the update
12 section of this testimony.

13 Q. What is the basis for the adjustments that Mr. Schultz
14 proposes regarding these flooring programs?

15 A. He claims that although Con Edison provided three pages
16 of information to support this request, an invoice was
17 not provided, that the costs may be capitalized and
18 that the estimate for carpet was over 30 percent higher
19 than the estimate at 4 Irving Place.

20 Q. Please discuss your disagreement with the reduction to
21 the flooring upgrades.

22 A. The higher estimates were due to existing floor
23 conditions in the regions. For the floor upgrades,

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ELECTRIC

1 inspections are currently under way and order releases
2 will be issued in 2010 to Carpet Fashions, who is
3 currently under contract through 2010, and are in the
4 process of scheduling the work. The carpet repairs and
5 replacement program will resume in April 2010 and
6 continue through the rate year, allowing proper
7 planning to be implemented in order to minimize daily
8 business disruptions.

9 Q. What is the basis of Mr. Schultz's fifty percent
10 reduction adjustment for the facades and brick
11 repointing?

12 A. He claims that the data we provided in support was
13 insufficient and that the Company is asking for a 145
14 percent increase over the 2008 expense without any
15 detail on these costs.

16 Q. Do you agree with Mr. Schultz's assertions?

17 A. No. Engineering packages are now complete for the
18 Façade repairs in the region and cost estimates will be
19 provided shortly in response to CPB 188. The
20 procurement process will take about 3 months and
21 repairs will start in late April to early May 2010 when
22 the temperature is conducive to proper mortar and
23 cement mix. This program will be implemented through

SHARED SERVICES PANEL - UPDATE/REBUTTAL
ELECTRIC

1 the rate year.

2 Q. What adjustments does Mr. Schultz make to the painting
3 and wall treatment program?

4 A. He reduces the costs by fifty percent on the grounds
5 that the supporting documentation provided in discovery
6 is insufficient.

7 Q. Do you agree with this adjustment?

8 A. No. We provided a painting contract that is currently
9 in effect. We submitted the requisition for
10 competitive bidding. The Purchasing Department
11 recently bid out the painting and wall treatment
12 contract. Contract will be awarded later this year for
13 work to be done in the regions in 2010. Work will
14 commence in the 2nd quarter of 2010 to allow time for
15 proper scheduling because the work will be done off
16 hours. This will allow proper coordination and
17 execution between Facilities and the end users.

18 Q. Does this conclude your rebuttal and update testimony?

19 A. Yes.

Facilities - Corporate Headquarters (Irving Place)
(\$000's)

	1st Rate Year		2nd Rate Year		2011-2013
	Historic Year	RYE	RYE *	RYE *	Incremental
	12/31/2008	3/31/2011	3/31/2012	3/31/2013	Total
Indoor Air Quality Improvement Programs					
Duct cleaning	325	503	503	503	1,184
Induction unit drip tray inspection	0	32	32	32	96
Roof inspection and repairs	0	200	237	270	707
Piping inspection and replacement program	39	56	56	56	129
ACM insulation abatement and replacement program	135	110	110	110	195
	499	901	938	971	2,311
Local Law 10-11 Façade Repairs (4 Yr Program)					
	0	2,488	488	0	2,976
Flooring Upgrades Programs					
Replace carpeting on approximately two (2) floors annually	614	620	620	620	1,246
Seal/epoxy fan room floors	0	67	67	67	201
	614	687	687	687	1,447
Building Infrastructure Restoration Programs					
Cooling Towers Restoration and Maintenance Program	827	19	19	19	(770)
Valve replacement program (AHUs and PAs)	0	283	283	283	849
Lobby refurbishment					
restore marble	0	140	140	140	420
restore ceiling	80	173	26	26	145
replace turnstiles	0	45	45	45	135
window replacement	8	20	20	20	52
refurbish lobby door	0	75	75	75	225
parking lot re-furbishment	120	28	28	28	(36)
Window cleaning	0	153	153	153	459
Install new window treatment systems along 15th St	11	0	0	0	(11)
Seal double hung windows	5	30	30	30	85
	1,051	966	819	819	1,553
MAC					
Floor renovations (Rent)	102	2,340	2,340	2,340	6,918
Floor renovations	161	3,182	302	302	3,625
	263	5,522	2,642	2,642	10,543
Labor					
	0	202	202	202	606
Facilities Totals					
	2,427	10,766	5,776	5,321	19,436
Less Historic Year 2008					
		(2,427)	(2,427)		(2,427)
Incremental 2009 Less Program Changes 2010					
				(455)	(455)
Incremental 2010 Less Program Changes 2011					
					(330)
Incremental					
	2,427	8,339	3,349	2,894	8,807

* RYE = Rate Year Ending

2010 O&M – Shared Services - Facilities

Project/Program Title	MAC (Maintenance Associated with Capital) (4 Irving PL)
Priority Number	1
Project Manager	Gowkarran Somar
Project Engineer	Juan Toribio
Budget Reference	
Project Number	
Status	Ongoing
Estimated Service Date	2019
Work Plan Category	Regulatory (Category A)
ERM Addressed	

Work Description:Units per Year:Mandatory:High-level schedule: 2 full floors (100,000 sq. ft per year)

The Company has developed a plan to install required sprinkler systems in conjunction with the conversion of floors at 4 Irving Place to open-office plan arrangements (which in and of itself would require sprinkler systems). In order to meet LL26's 2019 deadline, the Company needs to accelerate its plans for open-office space arrangement. This, in turn, creates the need for additional space for temporary relocation of employees during the renovation. Currently, when the Company renovates a floor, it temporarily relocates the affected employees to another part of 4 Irving Place. This is because it is logistically difficult or practically impossible to maintain employees in their current work area during the renovation process. In order to meet the needs of this accelerated program, some of the affected personnel would need to be temporarily relocated out of 4 Irving Place because there is insufficient swing space currently in the building (i.e., currently less than one full floor of available swing space).

Note that since Flatbush 6th/7th floors will be renovated in 2010, 28,000 sq ft (6th Fl) becomes available for temporary space. This reduces the total amount of temporary space required out side of the Company to 52,000 sq ft.

Justification:

- Alternatives: None
- Risk of No Action: Will result in non compliance of New York City Local Law 26 of 2004.
- Summary of Financial Benefits and Costs: NA
- Non-financial Benefits (if applicable): NA
- Technical Evaluation/Analysis: NA

2010 O&M – Shared Services - Facilities

- Sensitivity Analysis (if applicable): NA
- Project Relationships (if applicable): None

This approach is due to the physical arrangements of ceilings and other building infrastructure and the presence of environmentally sensitive materials (such as lead and asbestos) that need to be addressed. It would be neither safe nor practical or efficient to perform the required renovation and sprinkler installation during off-shifts, when personnel have vacated the space, and allow the affected personnel to return to work during their normal work hours (thereby requiring a set-up and take-down of the work area on a daily basis). Most importantly, the safe removal of environmentally sensitive materials while the area is occupied is logistically extremely difficult. Having personnel completely vacate the space until the renovation (and any required abatement) is finished enables the Company to completely abate the environmentally sensitive materials in a safe and efficient manner.

Estimated Completion Date: 2019

The sprinklering of Irving Place in accordance with LL26 is 2019. This is part of that long term effort.

Status:

Ongoing - In the Engineering stage for the floors currently selected for renovation.

Current Working Estimate (if applicable):

\$16,919,000

Funding (\$000):

Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008
-	-	-	-	\$263

Approved 2009	Forecast RYE 2011	Forecast RYE 2012	Forecast RYE 2013	Forecast Total 2011-2013
\$7,655	\$5,522	\$2,642	\$2,642	\$10,806

FACILITIES ENGINEERING
EXPENSE ESTIMATE

APPROX. START / / COMPL.
ENG/DES. START / / COMPL.
PROCUR. START 01/02/2010 COMPL. 06/01/2011
CONSTR. START 01/02/2010 COMPL. 06/01/2011
PROJECT IN SERVICE.....: 06/01/2011
OUTAGE IS NOT REQUIRED

PROJECT NO...50484-08
BUDGET NO....
ESTIMATE NO..09-3043-AB-01
EST. DATE...08/11/2009
PROJ ENG.....I. LITROVNIK
PROJ EST.....A. BHATTA

LOCATION.....WATERSIDE DOCKS
DESCRIPTION..DOCK REPAIR AND REHABILITATION

ITEM	COMPANY			CONTRACT			TOTAL DIRECT	9% ESCAL	OVERHEADS & AFDC	40% CONTING	TOTAL
	MHRS	LABOR\$	EQ/MAT\$	MHRS	LABOR\$	EQ/MAT\$					
CONSTRUCTION CONTRACTS											
REM AND DISP TIMBER				71950			71950	6500	3900	32900	115250
REM AND DISP FENDER PILE				5400			5400	500	300	2500	8700
REM AND DISP TIMBER PILES				3000			3000	300	200	1400	4900
REM & STORE MOORINGS				27500			27500	2500	1500	12600	44100
TIMBER CAP REPLACEMENT				876000			876000	78800	47700	401000	1403500
TIMBER PILE FOSTINGS				20000			20000	1800	1100	9200	32100
INSTALL TIMBER PILES				16000			16000	1400	900	7300	25600
INSTALL CHAIN LINK FENCE				5000			5000	500	300	2300	8100
INSTALL GUIDE RAILS				23100			23100	2100	1300	10600	37100
GENERAL CONDITIONS				89100			89100	8000	4900	40800	142800
CONTRACT O/H AND PROFIT				209600			209600	18900	11400	96000	335900
SITE & CONSTRUCTION CONDITIONS				150000			150000	13500	8200	68700	240400
COMPANY LABOR											
P M & I	150000						150000	13500	8200	68700	240400
E H & S SUPPORT	50000						50000	4500	2700	22900	80100
OTHER DIRECT COSTS											
PERMITS, INSP. & TESTING		200000		50000			50000	4500	2700	22900	80100
		1546650		1746650			1746650	157300	95300	799800	2799050
										SAY \$	2,800,000

EXPENSE TOTAL- \$ 2,800,000

\$0

REMARKS ESTIMATE BY 'MCLAREN ENGINEERING GROUP'. NO CORPORATE OVERHEADS ARE APPLIED AS IT IS AN EXPENSE ESTIMATE. AFDC = \$91,000

FACILITIES ENGINEERING / / ORGANIZATION / / 4461
APPROVED BY / / REVIEWED BY / /



JOB: Con Edison - Waterside Dock
 JOB #: MGM:108363/ ConEd:50484-08
 CLIENT: Con Edison
 CALC BY: BCM DATE: 04/07/09
 Sheet 2 of 4

Item 3, Timber Cap Replacement

This item includes all: demo of existing caps, new caps, shims, fishplates, "pile blocking," hardware,

Field Operations

Field production rate is estimated at one third of a full pile bent per day: 15 LF/day

Field Crew Each Day: 8 men ; 2 dive teams plus 3 support dockbuilders and a crane operator

Title	Quantity	Wage/hr	Fringe/hr	Total/hr	Total/day	Extended
DBGF	1	\$49.61	\$68.21	\$117.82	\$942.56	\$942.56
DBJ	2	\$43.61	\$65.04	\$108.65	\$869.20	\$1,738.40
Oper	1	\$53.54	\$59.07	\$112.61	\$900.88	\$900.88
Diver	2	\$54.63	\$70.87	\$125.50	\$1,004.00	\$2,008.00
DB Tender	2	\$39.18	\$62.69	\$101.87	\$814.96	\$1,629.92
	8					

Field Crew Labor Cost/ Day = \$7,219.76 /day

Item	Quantity	Rental/day	Extended
Dive Station	2	\$250.00	\$500.00
Crane	1	\$1,000.00	\$1,000.00
Barge	1	\$1,000.00	\$1,000.00

Field Equipment Cost/ Day = \$2,500.00 /day

Total Daily Crew Cost

Field Crew Labor Cost/ Day = \$7,219.76
 + Field Equipment Cost/ Day = \$2,500.00
Total Cost = \$9,719.76 /day

Direct Unit Cost: - Field Operations

Total Cost per Day/ Production Rate per Day =
 \$9,719.76 =
 15.00 LF

\$647.98 per LF



JOB: Con Edison - Waterside Dock
 JOB #: MGM:108363/ ConEd:50484-08
 CLIENT: Con Edison
 CALC BY: BCM DATE: 04/07/09
 Sheet 3 of 4

Material Cost

For a typical 45 ft long Timber Pile Bent

- Item
- 12x12 timber CCA treated for caps, blocks and shims
- 4x10 timber CCA treated for fishplates and cap splices
- One inch Diameter Galvanized Bolts 24 inch long w nuts and washers
- One inch Diameter Galvanized Bolts 24 inch long w nuts and washers
- Misc clip angles, expansion anchors etc.

Quantity	Unit	Unit price	Extended	Price per LF of cap (/45)
60	LF	\$21	\$1,250	\$27.78
55	LF	\$13	\$688	\$15.28
40	EA	\$25	\$1,000	\$22.22
10	EA	\$35	\$350	\$7.78
2	LS	\$50	\$100	\$2.22

\$76.28 per LF

Total Direct Cost (Labor, Equipment, and Materials) = \$723.26 per LF



JOB: Con Edison - Waterside Dock
 JOB #: MGM:108363/ ConEd:50484-08
 CLIENT: Con Edison
 CALC BY: BCM DATE: 04/07/09
 Sheet 4 of 4

Item 5, Removal and Disposal of Timber Piles

This item includes cutting of deteriorated piles at the mudline and at the bottom of the timber caps.

Field Operations

Field production rate is estimated at one a day for the 12 piles:

12 piles/day

Field Crew Each Day: 4 men ; 1 dive teams and a crane operator

Title	Quantity	Wage/hr	Fringe/hr	Total/hr	Total/day	Extended
DBGF	1	\$49.61	\$68.21	\$117.82	\$942.56	\$942.56
DBJ	0	\$43.61	\$65.04	\$108.65	\$869.20	\$0.00
Oper	1	\$53.54	\$59.07	\$112.61	\$900.88	\$900.88
Diver	1	\$54.63	\$70.87	\$125.50	\$1,004.00	\$1,004.00
DB Tender	1	\$39.18	\$62.69	\$101.87	\$814.96	\$814.96
				4	Field Crew Labor Cost/ Day =	\$3,662.40 /day

Item	Quantity	Rental/day	Extended
Dive Station	1	\$250.00	\$250.00
Crane	1	\$1,000.00	\$1,000.00
Barge	1	\$1,000.00	\$1,000.00
		Field Equipment Cost/ Day =	\$2,250.00 /day

Total Daily Crew Cost

Field Crew Labor Cost/ Day = \$3,662.40
 + Field Equipment Cost/ Day = \$2,250.00
Total Cost \$5,912.40 /day

Direct Unit Cost - Field Operations

Total Cost per Day/ Production Rate per Day = $\frac{\$5,912.40}{12.00 \text{ piles}}$ = \$492.70 per pile

25 caps	Pieces 12 ft	Cost per piece
1500	125	250
1375	114.58333	150
1000		20
250		30
50		50

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Service/Product	Vendor	P.O.	P.O. End Date	2009 BUDGET		2009 Forecast	2010 Forecast	VARIATION 2010 vs. 2009 BUDGET	VARIATION 2010 vs. 2009 ACTUAL	PO Contact	New Comments
				Total	Total						
Client/SP (E)		69106	11/30/2009	\$1,530,000	\$1,530,000	\$1,530,000	\$1,530,000	\$0		Joe DeLeon	NEW/ADDITIONAL FINANCING 4 Includes growth estimate provided by Joe DeLeon and Peter Barone for new SP.
PC Hardware Maintenance	Integrated Support Strategies - IS	333478	7/31/2009	\$1,074,800	\$1,074,800	\$1,074,800	\$1,074,800	\$0		Kevin Tushy	Based on revised break fix pricing from Kevin Tushy.
Microsoft EA	Microsoft Corporation	731016	6/31/2010	\$1,966,889	\$1,966,889	\$1,966,889	\$1,966,889	\$0		Terrence Walsh	3 year contract with annual payments of \$1,081,632 from 9/1/07 - 8/31/10
Microsoft Premier Support	Microsoft Corporation	796641/91493	6/30/2010	\$1,816,000	\$1,816,000	\$1,816,000	\$1,816,000	\$0		Terrence Walsh	Scheduling PO to 6/15, New PO from 6/1/09-5/31/2011
Microsoft Premier Support	Microsoft Corporation	941017	12/31/2009	\$1,939,000	\$1,939,000	\$1,939,000	\$1,939,000	\$0		Terrence Walsh	Not being renewed
BMC - Magic Support CD	BMC Software Distribution	639103	12/31/2008	\$62,884	\$62,884	\$62,884	\$62,884	\$0		Amanda Marotta	Includes 10% growth per license fixed
Extra X-Trans Vee1	Atachmare Corporation	644970	9/30/2009	\$118,309	\$118,309	\$118,309	\$118,309	\$0		Brian DeLeon	For 2010, settlement continues - payments of \$9,723 for 12 months
RSX Administration Security	Access IT Group	727488	9/31/2009	\$10,000	\$10,000	\$10,000	\$10,000	\$0		Dan Zeev	Includes 5% growth
Server software	Verillion	811848	11/30/2009	\$30,000	\$30,000	\$30,000	\$30,000	\$0		Michael Salbach	Added \$K for growth 2010
Server software	Verillion	811848	11/30/2009	\$43,200	\$43,200	\$43,200	\$43,200	\$0		Michael Salbach	Includes 5% growth
PL Software Support	Openfit	830110	9/31/2011	\$315,454	\$315,454	\$315,454	\$315,454	\$0		James Kufstamann	New PO from 6/1/09-5/31/2011
Printer Firewalls	Avaya Technology Group	732482	12/31/2009	\$6,333	\$6,333	\$6,333	\$6,333	\$0		Ciro Guzzetta	Printer renewal/PO forecast @ 6K month 1/20K for 2010 by Mike Salbach
Symantec Backup & licenses (D)	Symantec	727275	12/15/2009	\$16,100	\$16,100	\$16,100	\$16,100	\$0		Jason Wang	No change in PO Added \$K for 2010 per email to be
Security software	ConfiraSoft	732140	12/30/2010	\$59,090	\$59,090	\$59,090	\$59,090	\$0		John Shig	Prepaid in 2008 through 12/31/2010
Mail Manager CD	Software House Internet	831818	10/31/2009	\$118,000	\$118,000	\$118,000	\$118,000	\$0		David Hill	Modify Po, Prepaid till August, and license issue
Symantec Antivirus, Chart & Brochure	Software House Internet	727298	12/31/2009	\$119,248	\$119,248	\$119,248	\$119,248	\$0		Joseph Wang	Per Joe Wang
Storage Monitoring Tool	Healt (Zkash) (licenory)	800540	12/31/2010	\$11,800	\$11,800	\$11,800	\$11,800	\$0		Joseph Wang	Prepaid in June 2008 through 3/31/2009 and to be replaced by a capital purchase with Microsoft in 2009
2-Gig. Appliances	White Communications	837280	8/31/2009	\$0	\$0	\$0	\$0	\$0		Joseph Wang	
Printer	Missouri Cable	731016	8/31/2010	\$0	\$0	\$0	\$0	\$0		Joseph Wang	Replaces items for 2009. Delta amounts based on estimate of \$1,24K over 15 months. Includes 15% growth for 2010. PO to be replaced by a capital purchase with Capital at the end of 2008. \$100,000 PO - \$41,667 for 09 Projected, \$8,333 for 2010 through 7/10
Network Intrusion Detection	Internet Security Systems	834467	12/30/2009	\$16,470	\$16,470	\$16,470	\$16,470	\$0		John Lim/Dan Zeev	only 2 lic. Not clearing
Obsolescence Pro	Embarcadero Technologies	821188	5/17/2008	\$18,500	\$18,500	\$18,500	\$18,500	\$0		Debie Wiser	Per Joe Wang product will no longer be supported after PO expires but wants to keep software in 2010 budget for similar product.
Maintenance of Newfs Software Licenses	CA Inc.	624576	5/31/2009	\$5,500	\$5,500	\$5,500	\$5,500	\$0		Peter Barone	Per Joe Wang product will no longer be supported after PO expires but wants to keep software in 2010 budget for similar product.
NEW VENDOR			TBD	\$0	\$0	\$0	\$0	\$0			
Laptop network connection	VeriMotion Mobility	821985	5/31/2011	70,000	70,000	70,000	70,000	\$0		John Lim/Dan Zeev	Buy Use Recommendation. The Actual maintenance cost for VeriMotion for Year 2009 will be \$17,672 for 6-year maintenance cost, due on 6/26/2009, for the 09 increase not covered by the contract. The contract will be renewed for 2010. The contract will be renewed for another 6-year of 669 licenses we need to purchase this year -- or 50, if we buy with 2-year maintenance.
Colleague Keeger-Laboo security	Infosyssec Inc.	830993	6/28/2010	112,000	112,000	112,000	112,000	\$0		Dan Zeev	Migrations from CyberKeeper to VeriMotion. N/A, with target end date of May 2010
Emergency Messaging System (EM)	Message One	831553	9/30/2012	116,250	116,250	116,250	116,250	\$0		Robert Winterhagen/Terrence Walsh	PO expires on 9/30/12. Added \$K to last 3 months of 2012
CA	E-Health	727483	3/7/2010	12,000	12,000	12,000	12,000	\$0		Joe DeLeon	Per Barone's recommendation
HRDV	Support Contract	830455	7/31/2009	50,000	50,000	50,000	50,000	\$0		Peter Barone	Per Barone's recommendation
Performance S/N TV (NTMP)	Demand Technology	829597/941035	4/30/2009	16,000	16,000	16,000	16,000	\$0		Jim Quigley	Jim Quigley expects no changes for the future/buying on 2010 - Added \$K 2010
SAS	SAS Institute	628613	8/14/2009	20,000	20,000	20,000	20,000	\$0		Jim Quigley	Jim Quigley corrects the charges for the future/willing on 2010 - Added \$K 2010
Shardik HFNCR	Shardik	811872	11/15/2009	40,000	40,000	40,000	40,000	\$0		Terrence Walsh	Will attempt to reverse 2009 payment and process through clearing in TEMS
SEM	SEM	TBD	TBD	\$30,000	\$30,000	\$30,000	\$30,000	\$0		Terrence Walsh	Based on 1468,939.44 for 2010 PO
Zenoprint (A)	Canon Corp	827749	12/31/2010	136,035	136,035	136,035	136,035	\$0		Hilton Cancel	2010 number is per Con. MacFarland and is based on warranty expiration of global purchase
Software Licenses for various software	Oracle	830298	8/31/2009	487,339	487,339	487,339	487,339	\$0		Peter Barone	Per Dan Zeev
Remark Software	Remark Inc	TBD	TBD	\$0	\$0	\$0	\$0	\$0		Dan Zeev	Prepaid for 2 year - 6/1/09 through 5/31/12. Added by Tech Condition
Excel Software & Mail	Credent Technology	TBD	TBD	\$18,900	\$18,900	\$18,900	\$18,900	\$0		Dan Zeev	
New for 2010 Budget				\$30,600	\$30,600	\$30,600	\$30,600	\$0			
Grand Total				\$6,617,340	\$6,617,340	\$6,617,340	\$6,617,340	\$0			

**Mainframe Operating and Maintenance Costs
Worksheet**

Historical Trend of Mainframe Software		2008	2009	RYE 2011	RYE 2012	RYE 2013
IBM						
Vendor	Products					
	DB2 Log Analysis Tool	1,838,000	2,251,000	2,497,000	2,672,000	2,941,000
	IMS Batch Terminal Sim. (BTS)					
	DB2 Utilities Suite					
	IMS Connect					
	Debug Tool Utils					
	Enterprise COBOL - COBOL Alternate Function					
	PSF V4 for z/OS					
	WebSphere MQ for z/OS v6					
	Client Attachments					
	Print Management Facility/IMVS					
	z/OS V1 Base					
	z/OS V1 Security Server					
	z/OS V1 DFSMS dsshsm					
	Tivoli NetView for OS/390 - Procedural					
	CICS TS for z/OS V3					
	TSO COBOL Prompter					
	TSO Assembler Prompter					
	TSO Data Utilities					
	TSO Program Control Facility II					
	SDF II Screen Definition Fac II MVS					
	OS PL/I Comp and Lib V2					
	VS FORTRAN V2 Compiler/Library					
	IBM OGL/370					
	VS APL A Programming Language					
	IMS V9 Transaction Manager					
	IMS V9 Database Manager					
	IBM VS COBOL II Compiler and Library					
	DB2 UDB for OS/390					
	QMF for OS/390					
	DCF Document Composition Facility					
Allen Systems Group (ASG)		0	34,500	37,400	43,000	46,300
	TMON/CICS					
	TMON/DB2					
AT&T						
	Advantis	0	0	0	0	0
AvadaSoftware						
	InfraRed 360	0	0	0	16,300	0
BMC Software						
	Alter for DB2	0	345,000	345,000	393,000	426,000
	Loadplus for DB2					
	Recovery Manager for DB2					
	Loadplus for IMS					
	Unload Plus for IMS					

**Mainframe Operating and Maintenance Costs
Worksheet**

Vendor	Products	2008	2009	RYE 2011	RYE 2012	RYE 2013
	Secondary Utility Index					
	Prefix Resolution Plus					
	Fast Reorg Facility					
	Delta IMS Virtual Terminal					
	Local Copy Plus					
	MainView for OS/390					
	MainView for IMS					
	CMF Monitor					
	MainView Batch Optimizer					
	Resolve:SRM					
Chicago Soft	MVS/Quickref	0	0	0	0	18,000
Computer Associates (CA)	Prevail XP View	803,000	825,000	881,500	950,000	1,026,000
	Prevail XP View CICS					
	Prevail XP View ERO					
	Prevail XP Deliver					
	Multi-Image Allocation					
	Multi-Image Console					
	Multi-Image Integrity					
	CA-ONE					
	JOBTRAC					
	Insight for DB2					
	Neumics base set					
	Neumics Sys. Reliability Analyzer					
	Neumics SNA Analyzer					
	Neumics DASD Space Anal./DSC					
	Neumics IMS Anal. - Log Data					
	TPX/Extended					
	JCLCheck					
	Netspy					
	Librarian					
	Librarian TSO/ISPF					
	RAMIS MVS					
	DocView-PC					
	Optimizer					
	Interrest XA-ESA with PLI					
	RC/Update					
	SAMS: Compress IMS					
	Vision:Builder					
	Inquiry for IMS					
Compuware	File-AID for MVS	154,300	0	0	0	0
	File-AID for IMS					
	Abend-AID/XLS (MVS)					
	Abend-AID for IMS					
	Abend-AID for DB2					
	CICS Abend-Aid/FX					

**Mainframe Operating and Maintenance Costs
Worksheet**

Vendor	Products	2008	2009	RYE 2011	RYE 2012	RYE 2013
	Xpediter/TSO					
	Xpediter/TSO DB2 Stored Procs.					
	Xpediter/IMS					
	Xpediter/PLI					
	Xpediter/Xchange					
Dino Software	T-REX	32,400	21,000	24,000	26,000	28,000
DSIMS	IMS Data Dictionary	0	0	0	0	0
Fischer Innis	EMC2	0	0	0	0	0
Eastern Computer	Hiperload	22,000	0	0	0	0
Infinity Systems Software	DB2 Connect	1,800	15,000	37,000	39,000	42,500
Innovation DP	FDR/DSF/CPK/ABR	35,000	37,000	41,000	44,000	48,000
	FDR Instant Backup - Flashcopy					
	FDRPAS					
Levi, Ray, and Shoup	VPS	37,000	42,000	44,000	47,000	51,000
	VPS/TCPIP					
	VMCF					
	DRS					
	LRS Server					
Merrill	MXG	0	3,000	3,000	3,000	3,000
Pace	Data Acquisition System	0	9,500	9,800	0	10,400
SAS Institute	SAS Base	42,000	44,000	49,000	53,000	57,000
Software Eng. America	\$AVRS	15,000	27,000	30,000	32,400	35,000
	PDSFAST					
SyncSort	SyncSort for z/OS	6,900	9,000	9,300	0	10,000
T-Systems	TIP for IMS and DB2	13,000	14,000	15,000	16,000	17,000
Tone Software	Sybridge	28,000	0	0	31,300	0
XENOS	JES-Master	14,800	0	0	17,000	0
	Console-Master					
Totals		3,043,200	3,677,000	4,023,000	4,383,000	4,759,200