

REBECCA CRAFT - REBUTTAL
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1 Q. Please state your name.

2 A. Rebecca Craft.

3 Q. Ms. Craft, have you previously testified in this
4 proceeding?

5 A. Yes, I have.

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

7 A. My testimony responds to the Staff Accounting Panel's
8 recommendation that the recovery of costs related to
9 Energy Efficiency Portfolio Standard (EEPS) projects be
10 decided in the EEPS proceeding (Case 07-M-0548) and to
11 the criticism of David Bomke of New York Energy
12 Consumers Council (NYECC) regarding a collaborative
13 that the Company hosted regarding building data and a
14 recent demand response test.

15 STAFF'S EEPS RECOMMENDATION

16 Q. What is the basis of the Staff Accounting Panel's
17 recommendation?

18 A. The Staff Accounting Panel points to language in the
19 April 24, 2009 *Order Establishing Electric Rates* in
20 Case 08-E-0539 ("2009 Rate Order"), directing the
21 Company to pursue in the EEPS proceeding recovery of
22 the "energy efficiency related" costs the Company was
23 seeking in Case 08-E-0539, and recommends that the same
24 approach be followed in this case. The Staff

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1 Accounting Panel also acknowledges that the Company has
2 a pending request for rehearing of the 2009 Rate Order
3 that challenges this determination (among other
4 determinations) and states that the Commission's
5 decision on the rehearing request be instructive as to
6 how the issue is handled in this case.

7 Q. Does Staff accurately describe these events?

8 A. Generally, yes. The Staff Accounting Panel is correct
9 that the Company has expressed its disagreement with
10 the Commission's decision on this matter in the 2009
11 Rate Order in its May 26, 2009 request for rehearing of
12 the 2009 Rate Order. The Staff Accounting Panel is
13 also correct that the Commission determined in Case 08-
14 E-0539 that recovery of "energy efficiency related"
15 costs for which the Company sought recovery in Case 08-
16 E-0539 be pursued in the EEPS proceeding.

17 Q. Is the Company planning to file a petition in the EEPS
18 proceeding seeking recovery of the "energy efficiency
19 related" costs for which it sought recovery in Case 08-
20 E-0539?

21 A. Yes. The Company will be filing a petition shortly.
22 I would note, however, that the Petition will be
23 seeking recovery for only a portion of the "energy
24 efficiency related" costs for which the Company sought

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1 recovery in Case 08-E-0539. The Petition will explain
2 why the Company is seeking recovery of some of the
3 "energy efficiency related" costs that were at issue in
4 Case 08-E-0539 through the recovery mechanism
5 established in the EEPS proceeding for costs related to
6 Con Edison EEPS programs authorized or to be authorized
7 in Case 07-M-0548, and that the Petition is limited to
8 costs incurred by the Company's Energy Efficiency
9 Programs Department that are unrelated to EEPS
10 programs. Accordingly, the Petition will seek recovery
11 of these "non-EEPS" costs either through the Monthly
12 Adjustment Clause ("MAC") of the Company's electric
13 tariff or through base rates.

14 I note further that the Company's request in this
15 proceeding is also limited to costs related to the
16 Energy Efficiency Programs Department's activities that
17 are unrelated to EEPS programs. My initial testimony
18 explains the nature of and need for these programs.

19 Q. Do you agree with Staff's proposed adjustment to remove
20 \$0.268 of labor costs, \$0.550 million of non-labor O&M
21 expenses, and \$0.755 million from plant in service from
22 the Company's rate request in Case 09-E-0428

23 A. I agree with Staff that the Commission's decision on
24 the rehearing request, or the Petition, or both, should

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1 govern the determination of this issue. Accordingly,
2 if rehearing is granted, or if the Commission grants
3 the Company's Petition for recovery of these costs
4 through base rates (instead of through the MAC), then
5 Staff's adjustment should be rejected and the rates
6 established in this proceeding should reflect the full
7 amount of the costs addressed in my initial testimony.
8 If the Commission has not acted on either the rehearing
9 request or the Petition at the time of its decision in
10 this case, the rates established in this proceeding
11 should reflect full recovery of these costs and Staff's
12 adjustment should be rejected.

13 COLLABORTIVE ISSUES

14 Q. New York Energy Consumers Council Witness Bomke states
15 the Company was not cooperative in the collaborative to
16 develop a process for sharing aggregate building energy
17 data. Do you agree?
18 A. No, I do not. As a requirement of the Commission's
19 Order in Case 08-E-0539, the Company held a
20 collaborative meeting on July 16, 2009 to discuss
21 sharing aggregate building data. At that meeting, the
22 Company described the difficulties with obtaining such
23 data in an automated manner and problems with
24 historical data itself. The Company also described how

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1 it was exploring addressing these difficulties. Also
2 at that meeting, representatives of New York City
3 discussed their efforts to benchmark buildings and the
4 legislation pending in New York City (NYC) Council.
5 The City noted that the nature of the legislation will
6 affect how and what type of information will be needed.
7 At the end of the collaborative meeting, it was agreed
8 that the Company would work with the interested parties
9 and get back to the group in a few months. Since the
10 collaborative, the Company has developed a short term
11 process to address individual inquiries that it has
12 begun to implement for those customers who request
13 data. The Company is also looking at longer term
14 alternatives, but these will require system changes and
15 thus capital. In addition, legislation has not yet
16 been passed by the NYC Council. Finally, the Company
17 has also spoken to the City and is engaged in a
18 continuing dialogue with the City in anticipation of
19 the legislation. The Company has every intention of
20 continuing this collaborative, but to start to
21 implement an action plan that may not comport with City
22 legislation would be a waste of time, and customer
23 funds, for all involved. The Company disagrees with Mr.
24 Bomke's criticisms.

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1 Q. Mr. Bomke also claims that the Company did not consider
2 customer needs after a recent test for demand response
3 providers. Do you agree with this?

4 A. No.

5 Q. What is Mr. Bomke's complaint?

6 A. Mr. Bomke's apparent complaint is that the Company
7 discovered an issue in the test notifications and
8 provided a no-penalty retest. (The retest was offered
9 to aggregators and customers participating without
10 aggregators.) But he apparently protests that the
11 opportunity to decide whether to retest needed to be
12 made by aggregators in a short timeframe and that the
13 re-test was done immediately thereafter. He states
14 that "Con Edison's arrogance in developing its solution
15 to a problem that had arisen in its test protocol
16 failed to consider the likely impact of its solution."
17 He seems to be suggesting that the Company should have
18 given aggregators sufficient time to poll their
19 customers before the aggregators had to accept or
20 reject Con Edison's offer.

21 Q. Please respond to these criticisms.

22 A. Mr. Bomke's complaint should be dismissed.

23 Aggregation provides for a single entity, the
24 aggregator, to manage the participation of a number of

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1 customers in this program as a single load. The
2 aggregators were free to decide whether to participate
3 in the retest. A customer with a dispute with the
4 aggregator that represents the customer in this program
5 should address its concerns directly with the
6 aggregator.

7 Q. Does that conclude your rebuttal testimony?

8 A. Yes.