

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE
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August 3, 2006

Louis L. Rana, President
Consolidated Edison Company of New York, Inc.
4 Irving Place
New York, New York 10003

Re: Case 06-E-0894 – Consolidated Edison Report on Safe and Reliable Operation of the Electric Distribution System

Dear Mr. Rana:

We are in receipt of a nine-page document submitted by Consolidated Edison Company of New York, Inc. (Con Edison) on August 2, 2006 in response to the Public Service Commission's July 26, 2006 Order Instituting Proceeding And Directing Staff Investigation in the above-entitled proceeding. In sum, the document is virtually useless and unresponsive to the requirements of the Order.

Specifically, the Order required Con Edison to file a report detailing "its plans for ensuring the safe and reliable operation of its electric distribution system, and, in particular, the Long Island City network, for the remainder of this summer." Order, pp. 5, 6. Instead of providing this information, the company submitted a broad, basic, non-specific overview of the manner in which Con Edison operates its distribution system, its response to the recent outages, and its recent infrastructure investments. The report appears to be nothing more than a recitation of information cobbled together from other documents. It fails to provide us the level of detail we requested as to the company's specific plans to ensure reliability for the remainder of this summer. Most importantly, it does not provide the information required by the Order nor does it give those affected by the outages, and all of Con Edison's customers, the level of detail they deserve.

While we consider the consequences of the company's failure to comply with the Order, it is imperative that we know the company's detailed plans for this summer. Accordingly, please submit a revised report, no later than 4:30 pm tomorrow, Friday, August 4, that contains, at a minimum, the following elements:

- The details regarding the number of contractor and mutual aid crews Con Edison intends to use to support Long Island City network operations, the number of crews already in place, and the hours of operation in which they will be used;

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- The details on the company's inspection plans for secondary main sections, network protectors, limiters, etc., including the number and locations to be inspected each week and the number of employees involved in the inspections;
- The specific schedule of work to be completed to maintain system reliability with associated milestones;
- The organizational structure and number and type of company and contractor resources being dedicated to restoring and maintaining system reliability, specifically for the Long Island City network, and the overall system in general;
- The overall work and engineering plans that outline and guide the company's activities;
- The anticipated schedule for removal of emergency generators from Queens and elsewhere;
- The actions being taken to ensure the safety of the public from the generators and the safety of the generators while they remain in operation;
- The specific details regarding the equipment and material needs to be provided to support repairs; and
- The details of the actions that will be taken in the rest of Con Edison's system in response to the immediate lessons learned from the Long Island City network event.

We expect you, as the President of Con Edison and stated author of the document, to take personal responsibility for this matter and to personally oversee the company's compliance with the Order.

Thank you for your anticipated cooperation.

Sincerely,

James Gallagher
Director, Office of Electricity
and Environment

cc: William M. Flynn
Kevin Burke
Jaclyn A. Brillling