

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of
Consolidated Edison Company of New York, Inc.
Case 07-E-0523
September, 2007

Prepared Testimony of:

Jason Pause
Power System Operations
Specialist IV
Office of Electric, Gas, and
Water

State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

1 Q. Please state your name, employer, and business
2 address.

3 A. Jason Pause, I am employed by the New York State
4 Department of Public Service. My business
5 address is Three Empire State Plaza, Albany, New
6 York 12223.

7 Q. Mr. Pause, what is your position at the
8 Department?

9 A. I am employed as a Power System Operations
10 Specialist IV in the Office of Electric, Gas,
11 and Water

12 Q. Please describe your educational background and
13 professional experience.

14 A. I graduated from Merrimack College, North
15 Andover, Massachusetts in 1998 and have a
16 Bachelor of Science degree in Electrical
17 Engineering. I have been employed by the
18 Department since November of 2004. Prior to
19 joining the Department I worked in the
20 consulting engineering field on both commercial
21 and industrial projects within the northeast
22 area.

23 Q. Mr. Pause, have you previously testified before
24 the Commission?

1 A. Yes, I testified in Case 06-E-1433, Orange and
2 Rockland Utilities - Electric Rates.

3 Q. What is the purpose of your testimony?

4 A. To discuss my review of the Research and
5 Development (R&D) portion of Consolidated Edison
6 Company of New York, Inc. (Con Edison or the
7 Company) rate case filing.

8 Q. In your testimony, will you refer to, or
9 otherwise rely upon, any information produced
10 during the discovery phase of this proceeding?

11 A. Yes, I will refer to, and have relied upon,
12 several responses to Staff Information Requests.
13 They are attached as Exhibit____(JP-1).

14 Q. Have you reviewed all the projects and programs
15 listed under the Research & Development category
16 as identified by the Company?

17 A. Yes, I have reviewed all the exhibits and work
18 papers associated with each project to get a
19 better understanding of the purpose and
20 justification of each project. Additionally,
21 through information requests (IR), DPS-128, 227,
22 321, I have requested and analyzed the Company's
23 past budgets and actual dollar amounts spent on
24 each project and compared that information to

1 the future estimated expenditures identified
2 within the Company's filing. I have concluded
3 that each of the base programs are warranted and
4 justified.

5 Q. Are there any expenditure adjustments associated
6 with any of the existing Research Development
7 programs?

8 A. Yes, with respect to the expenditures associated
9 with the existing base R&D programs, the Company
10 has not spent the total amount of money budgeted
11 over the last several years. As provided in
12 response to Staff IR DPS-321, from 2004 through
13 2006, the Company has under-spent on the base
14 R&D programs by approximately \$2.2 million
15 cumulatively over those three years in
16 comparison to what was budgeted for the base
17 programs over the same timeframe. For those
18 reasons, I believe that the \$12.4 million for
19 the rate year should be reduced to \$11.0
20 million. The \$11 million figure is slightly
21 higher than the actual spending average from
22 2004 through 2006. Therefore it only allows for
23 a nominal increase in spending compared to
24 previous years spending performance by the

1 Company.

2 Q. Are there any expenditure adjustments associated
3 with any of the new Research Development
4 programs?

5 A. Yes, Con Edison has identified other programs
6 listed as "New Initiatives". These programs are
7 new and focus on areas such as superconductors,
8 reliability & monitoring, the 3G program, and
9 energy efficiency. In response to Staff IR DPS-
10 491, Con Edison budgeted \$9.3 million for the
11 new initiative programs for the rate year.
12 Again, all of these programs are justified and
13 warranted, however, I believe the \$9.3 million
14 should be reduced to \$8 million. The \$8 million
15 is a nominal decrease in spending compared to
16 what the Company proposed and was selected based
17 on the historical R&D base programs spending
18 which again has been slightly below the actual
19 budgeted amounts. The adjustment better
20 accounts for past budgeting and spending
21 activity, while still providing adequate funding
22 for these new programs.

23 Q. Does that conclude your testimony at this time?

24 A. Yes.