

Consumer Power Advocates

Montefiore Medical Center
Continuum Health Partners
Fordham University
Memorial Sloan Kettering Cancer Center

Mount Sinai Medical Center
New York University
NYU Medical Center
Luthin Associates, Inc.

July 2, 2008

Hon. Jaclyn A. Brillling
Secretary
Public Service Commission
3 Empire Plaza
Albany, New York 12223

RE: Case 07-G-1315- Consolidated Edison rates for Steam Service.

Dear Secretary Brillling:

Reply to the Comments of the County of Westchester

On June 26, 2008, the County of Westchester (COW) filed comments in opposition to the Joint Proposal in the above captioned case. COW's opposition is limited to two issues resolved to the satisfaction of the Signatories: the allocation of East River Repowering Project (ERRP) costs, and the requirement to perform a comprehensive steam resource study. The arguments offered by COW are without merit, and are not supported by the record in this case. The Commission should disregard the opposition of COW, and approve the JP in its entirety.

Allocation of ERRP costs.

COW's argument regarding the allocation of ERRP costs rests on several assertions that are neither self-evident nor universally accepted. The first is that the "subsidy" of the steam system by electric customers has been proven. COW's assertions are based only on a simplistic comparison of fuel costs and electric market prices. In rebuttal testimony, the Company described "substantial" benefits of ERRP to electric customers beyond the value of the electricity production, including improved air quality, load pocket relief and the avoided costs of transmission and distribution projects. The JP properly addresses the issue by maintaining the current allocation and by allowing for the completion and careful examination of a study of all the elements of cost and value of ERRP. Considering the disproportional impact of this issue on the steam system, this is the only prudent course. This resolution is a key element in CPA's support for the JP.

Steam Resource Plan

After promising that it has "only one word of caution as it relates to the Steam Resource Plan...", COW goes on to describe in hundreds of words its unfounded concern that the signatories intend to "game" the Plan's required studies, which are designed to determine the most effective way to provide new steam production capacity. This concern can be

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addressed in the design of those studies, and in the examination of their evidence and conclusions. In no way does COW's concern diminish the value of such studies.

Conclusion

For the reasons stated above, CPA urges the Commission to disregard the Statement in Opposition filed by COW, and to approve the Joint Proposal in its entirety.

Respectfully submitted,

ss// Catherine M. Luthin

Catherine M. Luthin
Executive Director