

ACCOUNTING PANEL - ELECTRIC

CONSOLIDATED EDISON COMPANY OF NEW YORK

ACCOUNTING PANEL TESTIMONY

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. PURPOSE OF TESTIMONY	4
III. HISTORIC FINANCIAL AND STATISTICAL DATA -- (AP-1)	6
IV. CALCULATION OF FEDERAL AND STATE INCOME TAXES -- (AP-2)	9
V. BOOK COST OF UTILITY PLANT -- (AP-3)	10
VI. DEPRECIATION OF ELECTRIC PLANT -- (AP-4)	11
VII. REVENUES AND OPERATING EXPENSE DATA -- (AP-5)	11
A. OTHER OPERATING REVENUES	16
B. DEPRECIATION AND AMORTIZATION	33
C. TAXES OTHER THAN INCOME TAXES	33
D. NORMALIZING ADJUSTMENTS	38
F. GENERAL ESCALATION	93
G. LABOR ESCALATION	95
VIII. AVERAGE RATE BASE - PLANT -- (AP-6)	103
IX. COMMON GENERAL EQUIPMENT - FINANCE/LAW -- (AP-7) ..	105
X. REVENUE REQUIREMENT AND ACCOUNTING ADJUSTMENTS -- (AP-9)	127
XI. AVERAGE RATE BASE - (AP-8)	146
XII. PROPOSED INCREASE IN RATES ALLOCATED BETWEEN DELIVERY SERVICE RATES AND THE MAC -- (AP-10)	161
XIII. RATE OF RETURN -- (AP-12)	162
XIV. FUND REQUIREMENTS AND SOURCES -- (AP-13)	169
XV. INTEREST COVERAGE - S.E.C. BASIS PER BOOKS - (AP-14)	172

ACCOUNTING PANEL - ELECTRIC

I. INTRODUCTION

1
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3
4
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Q. Would the members of the Accounting Panel please state your names and business address?

A. Grace Scarpitta, Helen L. Lee and Richard A. Kane. Our business address is Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company"), 4 Irving Place, New York, NY 10003.

Q. What are your current positions with Con Edison?

A. **(Scarpitta)** I am an Assistant Controller.

(Lee) I am the Department Manager of Regulatory Accounting.

(Kane) I am the Department Manager of Regulatory Filings.

Q. Please explain your educational background, work experience, and current general responsibilities.

A. **(Scarpitta)** I graduated from Baruch College in May 1987, with a Bachelors Degree in Accounting. In 1977, I began working for the Company in Customer Operations. From 1978 to 1993, I worked in Plant Accounting in increasing levels of responsibility up to and including Assistant Manager. In 1994, I worked in Accounting Research and Procedures ("ARP") and was promoted to Manager of Payroll in 1998. In 2000, I became a Section Manager in Energy Services and in 2001, I

ACCOUNTING PANEL - ELECTRIC

1 worked in Corporate Planning. I was promoted to
2 Department Manager of ARP in 2003 and was promoted to
3 Assistant Controller in 2004 responsible for General
4 Accounts, ARP and Financial Reporting. In 2006, I
5 assumed the responsibilities of Revenue and Volume
6 Forecasting, and Regulatory Accounting and Filings and
7 retained responsibility for ARP. In 2008, I retained
8 responsibility for Revenue and Volume forecasting and
9 ARP and was given the responsibility of Property
10 Records. In March 2008, I also assumed responsibility
11 for a newly created section, Commodity and Derivative
12 Accounting. In December 2008, Corporate Accounting was
13 reorganized. In this reorganization, I retained the
14 Revenue and Volume Forecasting section and assumed the
15 responsibility of the Regulatory Accounting and
16 Filings, Financial Forecasting and a newly formed
17 section, Cost Accounting. For several years, I have
18 been an active member of both the EEI and AGA
19 committees on accounting principles.

20 (Lee) I graduated from Bernard M. Baruch College in
21 June 1970 with a degree in Bachelor of Business
22 Administration. From June 1970 to August 1984, I
23 worked in the General Accounts Section of the Corporate
24 Accounting Department in various capacities up to

ACCOUNTING PANEL - ELECTRIC

1 Assistant Manager of the section. In August 1984, I
2 was transferred to the Rate Matters Section as
3 Administrator and held positions in increasing levels
4 of responsibility including Department Manager. In
5 January 1998, I was assigned to Central Operations as
6 Department Manager, Finance and Budget, reporting to
7 the Senior Vice President on administrative, budgets
8 and financial matters. In July 1999, I returned to my
9 prior position in Corporate Accounting. The regulatory
10 function section was subsequently separated into two
11 groups, Regulatory Filings and Regulatory Accounting.
12 I currently manage the Regulatory Accounting section
13 but my section also contributes toward the regulatory
14 filing function. The primary responsibility of the
15 Regulatory Accounting section is to ensure the accuracy
16 of the Company's books and records by verifying
17 consistency between internal accounting procedures and
18 regulatory policies and orders.

19 **(Kane)** In May 1976, I received a Bachelor of Science
20 degree in Accounting from Manhattan College. I worked
21 for Con Edison from August 1976 until January 1978 as a
22 staff accountant. I then joined Orange & Rockland
23 Utilities, Inc ("O&R") and became Supervisor - Facility
24 Accounting. In 1980, I became Manager - Budgets. In

ACCOUNTING PANEL - ELECTRIC

1 1989, I became Manager - General Accounting and in
2 1996, the Accounts Payable Section was added to my
3 responsibilities. As a result of O&R's merger with Con
4 Edison, the two Accounting Departments were combined.
5 After the merger, I continued to be responsible for
6 overseeing O&R's General Accounting Section and
7 Financial Reporting area until March 2003. At that
8 time, I assumed my current position as Department
9 Manager of Regulatory Filings. The primary
10 responsibility of the section is to coordinate as well
11 as participate in rate filings before regulatory
12 agencies.

13 Q. Have any of you previously submitted testimony in a
14 proceeding before the New York State Public Service
15 Commission ("PSC" or the "Commission")?

16 A. Mr. Kane and Ms. Lee have previously submitted
17 testimony or testified in numerous cases before the
18 Commission. Ms. Scarpitta has submitted testimony in
19 the Company's last gas Case 06-G-1332.

20 II. PURPOSE OF TESTIMONY

21 Q. Please summarize your testimony.

22 A. The Accounting Panel primarily explains and details:
23 • Historic financial statements and statistical data,
24 including balance sheets, income statements and

ACCOUNTING PANEL - ELECTRIC

1 Unappropriated retained earnings (Exhibit __ (AP-1)
2 to Exhibit __ (AP-4);

3 • Revenues, Operation and Maintenance expenses and
4 Other Operating Deductions from the twelve months
5 ended December 31, 2008 to the rate year, the twelve
6 months ending March 31, 2011, are presented in
7 Exhibit __ (AP-5); a summary of normalizing
8 adjustments to the historic test year, as well as,
9 various program changes is also presented in Exhibit
10 __ (AP-5);

11 • The average rate base for the twelve months ended
12 December 31, 2008 to the rate year, the twelve
13 months ending March 31, 2011, including
14 normalization adjustments is presented in Exhibit __
15 (AP-8). The book cost of utility plant, the accrued
16 depreciation reserve and the construction work in
17 progress for electric utility plant for the twelve
18 months ended December 31, 2008 to the rate year, the
19 twelve months ending March 31, 2011, are presented
20 in Exhibit __ (AP-6).

21 • Common and general equipment for the Finance and Law
22 organizations for 2009 through 2013 is presented in
23 Exhibit __ (AP-7);

ACCOUNTING PANEL - ELECTRIC

- 1 • Various accounting changes, adjustments,
2 amortizations of deferred charges and the resultant
3 revenue requirement, which provides for in sum a
4 revenue requirement of \$854.468 million, based upon
5 an overall rate of return of 8.29 percent at
6 proposed rates is presented in Exhibit ____ (AP-9);
- 7 • The effect of the proposed increase in rates
8 allocated between the MAC and Transmission and
9 Distribution delivery rates components (Exhibit ____
10 (AP-10));
- 11 • The overall rate of return of 8.29 percent and the
12 capital structure for the rate year ending March 31,
13 2011 presented in (Exhibit ____ (AP-12));
- 14 • Fund requirements and sources of funds for the rate
15 year ending March 31, 2011 (Exhibit ____ (AP-13); and
- 16 • Actual interest coverage on the SEC basis for the
17 calendar years 2005 through 2008, forecast for 2009
18 and the rate year ending March 31, 2011 (Exhibit ____
19 (AP-14)).

20 III. HISTORIC FINANCIAL AND STATISTICAL DATA -- (AP-1)

- 21 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
22 OF NEW YORK, INC. - FINANCIAL AND STATISTICAL DATA -
23 INDEX TO SCHEDULES," set forth as Exhibit ____ (AP-1),

ACCOUNTING PANEL - ELECTRIC

1 which lists therein ten schedules containing certain
2 accounting and statistical information covering the
3 operations of Con Edison for the years 2004, 2005,
4 2006, 2007 and 2008 with particular reference to the
5 Company's electric operations, prepared under your
6 direction and supervision?

7 A. Yes, it was.

8 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-1)

9 Q. What information is contained in Exhibit ____ (AP-1)?

10 A. The Exhibit consists of an index and ten separate
11 schedules containing financial data and the results of
12 operations. The balance sheets are shown as of
13 December 31 for the years 2004 through 2008, while
14 details of the income accounts are shown for the years
15 2005 through 2008. The arrangement of the schedules is
16 as follows:

- 17 • Balance Sheets are shown on Schedule 1;
- 18 • Income Statements are shown on Schedule 2;
- 19 • Unappropriated Retained Earnings are shown on
20 Schedule 3;
- 21 • Electric Utility Operating Income, before and after
22 income taxes, is presented on Schedule 4;

ACCOUNTING PANEL - ELECTRIC

- 1 • Electric Operating Revenues by Amount and Equivalent
2 Cents per Kwhr Sold is presented on Schedule 5;
- 3 • Statement of Megawatthours Supplied and Revenue
4 Billed by Classification of Service are shown on
5 Schedule 6. This schedule also reflects revenue per
6 kwhr sold;
- 7 • Other Operating Revenues - Electric are shown on
8 Schedule 7;
- 9 • Electric Operation and Maintenance Expenses
10 consisting of eight pages are shown on Schedule 8.
11 Page 1 is a summary statement, which shows the
12 operation and maintenance expenses on a functional
13 basis, both in dollar amounts and equivalent cents
14 per kwhr sold. Pages 2 through 8 show the details
15 of the various functional groups by account number,
16 in dollar amounts and in equivalent cents per kwhr
17 sold, except for pages 2 and 3, which show electric
18 production expenses in equivalent cents per kWhrs
19 generated and purchased;
- 20 • Power Production Expenses - Electric and equivalent
21 cents per kwhr generated and purchased for the year
22 2006 are shown on Schedule 9; and

ACCOUNTING PANEL - ELECTRIC

1 • Taxes Other Than Income Taxes - Electric is shown on
2 Schedule 10. All of the information in Exhibit ____
3 (AP-1) comes from the books and records of the
4 Company; where revenues or expenses are stated in
5 cents per kwhr sold or produced, these figures have
6 been computed.

7 IV. CALCULATION OF FEDERAL AND STATE INCOME TAXES -- (AP-2)

8 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
9 OF NEW YORK, INC. - CALCULATION OF FEDERAL AND STATE
10 INCOME TAXES - ELECTRIC - FOR THE TWELVE MONTHS ENDED
11 DECEMBER 31, 2008" consisting of 7 pages, set forth as
12 Exhibit ____ (AP-2), prepared under your direction and
13 supervision?

14 A. Yes, it was.

15 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-2)

16 Q. Please describe Exhibit ____ (AP-2).

17 A. Pages 1 through 5 set forth the calculation of Federal
18 income tax for electric operations, including accruals,
19 deferrals and amortizations of deferrals for the twelve
20 months ended December 31, 2008. Pages 6 and 7 show the
21 calculation of New York State income tax for electric
22 operations for the same twelve month period. These
23 amounts are also included on Exhibit ____ (AP-1),
24 Schedule 2, page 4.

ACCOUNTING PANEL - ELECTRIC

1 V. BOOK COST OF UTILITY PLANT -- (AP-3)

2 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
3 OF NEW YORK, INC. - BOOK COST OF UTILITY PLANT -
4 ELECTRIC - AS OF DECEMBER 31, 2004, 2005, 2006, 2007
5 AND 2008," set forth as Exhibit ____ (AP-3), prepared
6 under your direction and supervision?

7 A. Yes, it was.

8 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-3)

9 Q. What is shown on Exhibit ____ (AP-3)?

10 A. This exhibit shows the book cost of Utility Plant -
11 Electric - by utility plant account at December 31,
12 2004, 2005, 2006, 2007 and 2008. The amounts shown for
13 Electric Plant in Service and Construction Work in
14 Progress are taken directly from the books and records
15 of the Company.

16 Q. Do the figures shown for electric plant in service on
17 Exhibit ____ (AP-3) represent the original cost of
18 existing property, which is used and useful as of the
19 dates indicated?

20 A. To the best of our knowledge and belief, they do. The
21 plant accounts are maintained in balance with the
22 continuing property records, which show the original
23 cost of the existing property classified in accordance
24 with established continuing property record units.

1 VI. DEPRECIATION OF ELECTRIC PLANT -- (AP-4)

2 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
3 OF NEW YORK, INC. - ACCUMULATED PROVISION FOR
4 DEPRECIATION OF ELECTRIC PLANT AS OF DECEMBER 31, 2004,
5 2005, 2006, 2007 AND 2008," set forth as Exhibit ____
6 (AP-4), prepared under your direction and supervision?

7 A. Yes, it was.

8 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-4)

9 Q. Please describe this exhibit.

10 A. This exhibit shows the accumulated provision for
11 depreciation of Electric Plant in Service as of
12 December 31, 2004, 2005, 2006, 2007 and 2008. The
13 amounts shown on this exhibit are taken from the books
14 and records of the Company. Company witness
15 Hutcheson's testimony addresses the accumulated
16 provision for depreciation.

17 VII. REVENUES AND OPERATING EXPENSE DATA -- (AP-5)

18 Q. I show you a document entitled "CONSOLIDATED EDISON
19 COMPANY OF NEW YORK, INC. - REVENUES AND OPERATING
20 EXPENSE DATA," set forth as Exhibit ____ (AP-5), and I
21 ask you if it was prepared under your direction and
22 supervision.

23 A. Yes, it was. The first page contains an index of the
24 10 schedules included in the exhibit.

ACCOUNTING PANEL - ELECTRIC

1 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-5)

2 Q. Will you describe Schedule 1 of this exhibit?

3 A. Schedule 1, page 1 is a statement of Electric Operating
4 Income before income taxes by component for the
5 historic year, the twelve months ended December 31,
6 2008, and for the rate year ending March 31, 2011.
7 Column 1 shows the data as recorded on the Company's
8 books of account for the historic year. Column 2
9 reflects the changes made to normalize the historic
10 year costs and to provide for increased or decreased
11 costs and activity levels or other linkage to arrive at
12 the rate year estimate shown in column 3. The historic
13 year revenues and costs were developed from various
14 schedules from Exhibit ____ (AP-1). Total electric
15 other operating revenues are shown on page 2 of
16 Schedule 1 of Exhibit ____ (AP-5) whereas operation and
17 maintenance expenses by cost element as summarized on
18 page 1 of Schedule 1, are detailed in this exhibit on
19 Schedule 1, page 3 and were developed from various
20 other schedules in the exhibits we are presenting.
21 Page 4 details the costs classified as taxes other than
22 income taxes.

23 Q. How were sales revenues and associated fuel costs
24 developed for the rate year?

ACCOUNTING PANEL - ELECTRIC

1 A. The Forecasting Panel provided us with the sales
2 forecast. The changes in that forecast from the
3 historic year to the rate year are explained in their
4 testimony. Fuel costs were developed by Company
5 witness Kimball. We adjusted the fuel costs to an
6 accounting basis to reflect deferred accounting for
7 these costs prescribed by the Commission.

8 Q. How were Other Operating Revenues, and Other Operating
9 Income Deductions, as shown on line 2 and lines 83 - 85
10 of Schedule 1, page 1, determined?

11 A. The historic year levels were developed from Exhibit
12 ____ (AP-1). We developed the rate year forecasts for
13 Other Operating Revenues and Taxes Other than Income
14 Taxes. These items are shown on Schedule 1, pages 2
15 and 4, respectively. Company witness Hutcheson
16 developed the rate year level for Depreciation and
17 Amortization expense as shown on Schedule 1, pages 5
18 and 6.

19 Q. Please explain the derivation of the operation and
20 maintenance expenses for the rate year shown on pages 3
21 and 3A of Schedule 1.

22 A. These pages show the derivation of the projected costs
23 in the rate year from the historic year's costs. We
24 note that in this filing, on page 3 there are three new

ACCOUNTING PANEL - ELECTRIC

1 categories of expenses, Electric Operations, System and
2 Transmission Operations and Substation Operations
3 (lines 4, 7 and 8). Their associated Company labor
4 costs are shown on line 17. We now show the program
5 changes for these three organizations separately by
6 function rather than by the multitude of expenses, such
7 as paving, tree trimming, trenching, materials and
8 supplies, various accounts payable costs and other.
9 The details for these lines are shown in the exhibits
10 of the Company's Infrastructure Investment Panel.
11 Various Company witnesses, including the Accounting
12 Panel, will explain normalizing adjustments and program
13 changes. In addition, our testimony explains general
14 escalation and labor escalation as shown on Schedules 2
15 and 3 of Exhibit __ (AP-5). Schedule 4 summarizes the
16 historic and rate years' operation and maintenance
17 expenses by Major Account Group ("MAG") function and
18 the changes between the two periods. The totals
19 correspond to Schedule 1, page 3. Schedule 5 shows the
20 historic year elements of expense by MAG.

21 Q. Please continue with Schedule 6.

22 A. Schedule 6 shows a summary by function of the operating
23 and maintenance expenses for the historic year by MAG
24 and the changes in the forecast to the rate year ending

ACCOUNTING PANEL - ELECTRIC

1 March 31, 2011. It also includes a summary (pages 2 -
2 5) of the normalizations and program changes by
3 projects within categories, and notes the responsible
4 witnesses or exhibits of witnesses where the changes
5 can be found and the allocation to the electric
6 department, where appropriate. These normalizations
7 and program changes are also reflected in Schedules 7
8 and 8, respectively, by cost element. When a
9 normalizing adjustment or program change affects an
10 individual element of expense, this is shown as an
11 addition or subtraction from the historic year, at the
12 historic year price level. We would note that many of
13 these program changes simply reflect the continuation
14 of programs approved by the Commission in its Rate
15 Order in Case 08-E-0539 ("2009 Order"). They are
16 discussed by various Company witnesses in their
17 testimony.

18 Q. Please describe Schedules 9 and 10 of Exhibit ___ (AP-
19 5).

20 A. Schedule 9 shows the Company's electric operating and
21 maintenance expenses subject to escalation. Page 1 is
22 general escalation and page 2 is labor escalation.
23 Schedule 10 lists cost elements that the Company
24 expects to update during this proceeding and the

1 witnesses sponsoring these cost elements. However,
2 there may be others, and if so, the Company will
3 provide notification of these updates at the
4 appropriate time.

5 **A. OTHER OPERATING REVENUES**

6 Q. Does Exhibit ___ (AP-5) show the details of Other
7 Operating Revenues?

8 A. Yes. Schedule 1, page 2 of Exhibit ___ (AP-5) shows
9 the details of Other Operating Revenues both in the
10 historic and rate years. The historic year level of
11 \$416.234 million is forecasted to decrease by \$175.962
12 million for a rate year level of \$240.272 million.

13 Q. Please explain the first item, Miscellaneous Service
14 Revenues.

15 A. This item represents the Company's forecast of various
16 charges to customers resulting from miscellaneous
17 tariff charges for no access, meter recovery, meter
18 reconnection and collection charges for field calls and
19 other. The forecast is based on the historic three-
20 year average. The rate year is forecasted to increase
21 by \$2.7 million from the historic year. In 2008, the
22 Company established a liability of \$5 million for
23 revisions to bills for certain electric customers
24 taking service under Rider J - Business Incentive Rate

ACCOUNTING PANEL - ELECTRIC

1 of the Company's electric tariff. Customers taking
2 service under this rate receive discounts on the
3 delivery component of their electric bills for a period
4 of 15 years. In 2008, the Company determined that
5 certain customers did not receive the correct level of
6 discounts, which required revision of bills with
7 interest where required. The \$5 million liability
8 included \$3.4 million for the billing adjustments
9 charged to a Miscellaneous Service Revenues account and
10 \$1.6 million in interest which was normalized out of
11 Late Payment Charges account. In determining the rate
12 year level of miscellaneous service revenues, we used a
13 three-year historic average after eliminating this non-
14 recurring entry of \$3.4 million.

15 Q. Please explain the next item, Rent from Electric
16 Property.

17 A. Rent from electric property represents income from
18 cable TV pole attachments, easements and various
19 amounts billed by the Company for usage of its
20 transmission and distribution facilities. The forecast
21 of revenue included an analysis of the terms of some of
22 the Company's rental agreements. The decrease of some
23 \$1.2 million from the historic year reflects the
24 expiration of leases with existing miscellaneous

ACCOUNTING PANEL - ELECTRIC

1 tenants on properties the Company purchased for the
2 Gowanus Substation.

3 Q. How was the line 3, Interdepartmental Rents, revenue of
4 \$11.772 million for the rate year developed?

5 A. This revenue represents carrying charges that the
6 electric department charges the gas and steam
7 departments for electric facilities used jointly with
8 gas and steam. Carrying charges on shared facilities
9 include components for rate of return, depreciation and
10 taxes. The carrying charges are applied to the book
11 cost of the facility. The Interdepartmental Rents
12 revenue for the historic year and rate year were
13 derived from the joint usage of the head house at Hell
14 Gate Station with the gas department, facilities at
15 East River station with the steam department and a
16 portion of common utility plant.

17 Q. Please continue.

18 A. Transmission of Energy represents revenues from the
19 transmission of energy under bundled firm transmission
20 agreements primarily with NYPA, LIPA, and three
21 municipalities in Long Island, NY. The Company's
22 forecast is the same as the historic year as these
23 revenues do not normally fluctuate from year to year.
24 Transmission Service Charges ("TSC"), line 5,

ACCOUNTING PANEL - ELECTRIC

1 represents daily transmission wheeling transactions
2 scheduled through the NYISO. The Company estimated
3 rate year revenues of \$15 million based on the revenues
4 recorded on its books for the twelve-month period April
5 2008 - March 2009. This type of revenue is not
6 guaranteed and cannot be estimated with any degree of
7 certainty. More important, with respect to the
8 wholesale Transmission Service Credits, efforts are
9 currently underway to eliminate these charges at all
10 seams, which would have the effect of decreasing these
11 revenues to zero. Effective April 1, 2008, per the
12 Commission's Order in Case 07-E-0523 ("2008 Order"),
13 under the MAC, TSC revenues received from non-firm
14 transmission contracts are deferred for the future
15 benefit of customers. This was changed in the
16 Commission's 2009 Order in Case 08-E-0539, and
17 currently a level of TSC revenues \$18.6 million is
18 imputed in rates.

19 Q. Please explain line 6, R&D Ventures.

20 A. This item represents the royalties the Company received
21 from the sale of CECIL robots, which are used to
22 inspect and clean nuclear steam generators. We
23 forecast no further revenues for the rate year as CECIL

ACCOUNTING PANEL - ELECTRIC

1 robot technology is aging and no additional sales are
2 anticipated, so this item has been normalized out.

3 Q. Please continue with Purchased Capacity from Customers.

4 A. Line 7 represents the accounting entries related to the
5 purchase of installed capacity from customers under the
6 tariff leaf, Rider P - Purchase of Installed Capacity.
7 Under this tariff, the Company pays the customer for
8 each kW of installed capacity and includes the amounts
9 as part of the monthly MSC and MAC calculations for
10 recovery from all customers. At the time of purchase,
11 purchased power expense is charged and a regulatory
12 liability account is credited. When the Company
13 recovers the cost from customers, the liability account
14 is charged and an Other Operating Revenue account is
15 credited to offset the recovery from customers. We do
16 not have a forecast for this item as it is impossible
17 to estimate the level of capacity the Company will
18 purchase for the year.

19 Maintenance of Interconnection Facilities, line 8, of
20 \$2.189 million reflects the net reimbursement of
21 certain expenses the Company incurs for the
22 interconnection of the East Coast Power plant to the
23 Con Edison system.

ACCOUNTING PANEL - ELECTRIC

1 Excess Distribution Facilities, line 9, represents
2 tariff payments from customers for distribution
3 facilities provided by the Company in excess of those
4 normally provided; the rate year amount of \$2.663
5 million was based on the historic three-year average.
6 Late Payment Charges, line 10, includes revenues from
7 residential and non-residential customers; the estimate
8 was based on the historic period ratio of late payment
9 charges to sales revenues. The historic period late
10 payment charges were first increased by \$1.6 million
11 due to the non-recurring entry related to the business
12 incentive rate reserve, discussed earlier. The factor
13 of 0.00375 was then applied to the rate year sales
14 forecast to arrive at late payment charges of \$28.774
15 million.

16 Q. What services are provided on lines 11 and 12?

17 A. Revenues from Meter Reading Services, line 11, are
18 revenues the Company receives for reading water meters
19 for the City of New York and Westchester. The forecast
20 for the rate year is \$1.473 million and as discussed in
21 the direct testimony of the Customer Operations Panel
22 these revenues are being phased out.

23 Revenues from The Learning Center, line 12, result from
24 providing training and conference services to outside

ACCOUNTING PANEL - ELECTRIC

1 parties. The forecast was based on the historic three-
2 year average.

3 Q. Please continue with line 13.

4 A. Line 13, PCS Antenna Installation, represents a timing
5 difference between work done by the Company's System
6 and Transmission Operations Department on behalf of
7 NEXTEL Communications and reimbursement for the work.

8 Q. Please continue with your discussion, starting at line
9 14.

10 A. Line 14, Environmental - Brownfield Credit, represents
11 a non-recurring reduction to the Company's
12 environmental regulatory asset for the over-accrual of
13 state income taxes due to the Brownfield credit. Line
14 15, represents income earned by the Company from the
15 Fuel Management Program. The Company seeks to optimize
16 the value of its storage capacity through the storage
17 of fuel for third parties, fuel oil exchanges and
18 sublet barges. The revenues are derived by off-system
19 transactions and are estimated at \$80,000 for the rate
20 year. This information was provided to us by Company
21 witness Kimball.

22 Q. Please explain line 16, Facilities Fees - KeySpan and
23 NRG.

ACCOUNTING PANEL - ELECTRIC

1 A. This line item represents revenues KeySpan pays the
2 Company as an annual facilities charge for the use of
3 equipment at the Ravenswood generating station. NRG
4 facilities charge payments to the Company is for NRG's
5 use of equipment at the Astoria generating station.

6 Q. What is the line item entitled Proceeds from Sales of
7 TCCs?

8 A. We have included on line 17, \$120 million of projected
9 auction proceeds from the sale of Transmission
10 Congestion Contracts ("TCC"), consistent with the
11 treatment of TCC revenues in the 2009 Order.
12 Differences between actual revenues and the \$120
13 million will be reconciled through an existing tariff
14 mechanism in the MAC.

15 Q. Please continue starting at line 18, POR Discount.

16 A. POR Discount represents the discount on receivables
17 purchased by the Company from ESCOs. The Company
18 intends to continue with the purchase of receivables
19 program and projects the POR discount at the historic
20 level. Line 19, KeySpan - Credit for the rate year
21 amount is based on a three-year average. Line 20,
22 Sithe Agreement, represents subordinated payments we
23 receive from Sithe Global Power. This item is

ACCOUNTING PANEL - ELECTRIC

1 collected and reflected in the Company's rate year MAC
2 revenues and is offset here at \$2.263 million.

3 Q. Please continue with line 21.

4 A. Line 21, ESCO/Marketers - Bill Charges, relates to the
5 Company's consolidated billing to customers for our
6 electric delivery services and the ESCOs' supply of
7 energy. The forecast for the rate year is \$5.597
8 million, based on the current POR bills with single or
9 dual services. For line 22, Transmission Netting
10 Credit, the rate year amount is based on a three-year
11 average.

12 Q. Please explain Line 23, entitled ERRP Maintenance
13 Accounting.

14 A. Line 23, ERRP Maintenance Accounting, relates to the
15 allowance of \$7.5 million for maintenance costs that
16 were approved by the Commission in Case 04-E-0572. The
17 Company's East River Units 1 and 2 began commercial
18 operation in April 2005. As part of Case 04-E-0572,
19 the Company requested, and was allowed rate relief for
20 major maintenance costs expected to be incurred for
21 each of the units. These costs have been reflected in
22 rates on a levelized basis since that case. In recent
23 cases, the Commission adopted the use of reserve
24 accounting for this cost.

ACCOUNTING PANEL - ELECTRIC

1 The Company normalizes the variation between the
2 levelized amount and actual expenditures. To
3 accomplish this, the Company's books reflect the
4 allowance ratably in an expense account with a
5 concomitant credit to a liability account. As actual
6 costs are incurred, they are charged to the liability
7 account. The revenues of \$3.9 million reflect the
8 variation between the expenses incurred for the
9 maintenance of ERRP as compared to the rate allowance.
10 This item has been normalized for the rate year. The
11 actual expenditures related to this reserve are
12 discussed by the Electric Production Panel.

13 Q. Does the Accounting Panel have a proposal regarding the
14 treatment of these projected expenditures in the rate
15 year?

16 A. Yes. The Company proposes to continue the accounting
17 treatment of the previously collected East River
18 Maintenance costs as allowed in recent cases.

19 Q. How has the Company been accounting for maintenance
20 expenses for the East River Units 1 and 2?

21 A. During the 2005 rate plan, the Company deferred
22 revenues collected from customers of \$7.5 million per
23 year with a journal entry debiting Other Operating
24 Revenues and crediting a regulatory liability account.

ACCOUNTING PANEL - ELECTRIC

1 The liability account accumulated the deferred
2 revenues. Actual maintenance costs incurred were
3 charged against the regulatory liability account.
4 Under Case 07-E-0523, base rates continue to include
5 \$7.5 million for maintenance and we were allowed to use
6 any remaining funds from the 2005 rate plan for such
7 maintenance expenditures. This accounting was also
8 approved in the 2009 Order.

9 Q. Does the Company expect to have unexpended funds
10 remaining in the liability account at the end of the
11 current rate year?

12 A. Yes. As explained by the Electric Production Panel,
13 due to the timing of major overhauls, the Company
14 anticipates that it will have \$4.650 million accrued
15 for major maintenance that will not be expended. As of
16 March 31, 2009, this balance is \$4.443 million. The
17 Accounting Panel again proposes to continue the current
18 account treatment. Actual overhauls costs would be
19 charged against the regulatory liability account as
20 incurred. Our Exhibit ___ (AP - 11) shows the
21 estimated spending for these units over the next
22 several years.

23 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
24 OF NEW YORK, INC. - EAST RIVER MAINTENANCE EXPENSES -

ACCOUNTING PANEL - ELECTRIC

1 DEFERRAL - APRIL 1, 2009 - MARCH 31, 2015" set forth as
2 Exhibit ____ (AP-11) prepared under your direction and
3 supervision?

4 A. Yes. It was.

5 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-11)

6 Q. Please continue with your discussion of Other Operating
7 Revenues.

8 A. Line 24, SO2 Allowances, represents the rate year
9 forecast of proceeds from the sale of SO2 Allowances to
10 be credited to customers. In addition, as discussed
11 later in our testimony, we propose to credit customers
12 the balance of SO2 allowance proceeds deferred for
13 electric operations on the Company's books of \$1.6
14 million as of March 31, 2009. Company witness Price
15 discusses these credits in his testimony. Line 25, GHP
16 Interest Accrual, represents the reclassification of
17 interest related to the Company's hedging program from
18 Other Operating Revenues to interest income. Line 26,
19 Competitive Metering Costs - MHP customers, includes
20 recovery of competitive metering costs associated with
21 Mandatory Hourly Pricing customers.

22 Q. What is the next grouping, entitled Regulatory
23 Accounting?

ACCOUNTING PANEL - ELECTRIC

1 A. These items reflect the accounting impacts of various
2 Commission decisions and they generally are not
3 applicable to the rate year.

4 Line 27, T&D Expense Deferrals, reflects the carrying
5 charges recorded on the books for its transmission and
6 distribution capital expenditures that were greater
7 than the capital target provided in the settlement
8 agreement approved by the Commission in Case 04-E-0572.

9 This item is not applicable to the rate year.

10 Line 28, NYS Tax Law Changes, represents the
11 reconciliation for the collections from customers for
12 the New York State Income tax law change of 2000 per
13 Case 00-M-1556. While the state income tax is
14 currently in base rates and no longer reconciled, the
15 MTA portion is not and the accounting related to this
16 portion continues. However, for the rate year, the
17 assumption is that there is no difference between the
18 collection and the expense.

19 Line 29, Rate Increase Accrual, represents the
20 accounting related to the rate relief the Company
21 received for Rate Year 3 of the 2005 Rate Plan in Case
22 04-E-0572 of \$220.4 million, of which \$58.6 million was
23 attributable to the second rate year of that plan. The

ACCOUNTING PANEL - ELECTRIC

1 Company's accounting was to accrue the revenues in the
2 second rate year

3 Q. Please continue.

4 A. Line 30, Retention of Property Tax Incentive, relates
5 to the Company's 14 percent retention of various
6 property tax refunds.

7 Line 31, Demand Response Program, reflects the
8 Company's incentive earned under Case 04-E-0572. The
9 Company earned through March 2007 an incentive of \$10.5
10 million based upon a reduction of 468.722 MW and an
11 incentive allowance of \$22,500/MW. This incentive was
12 recorded in 2007. As of the 12 months ended March
13 2008, the Company earned an estimated additional
14 incentive of \$4.6 million based upon a reduction of
15 206.278 MW and an incentive allowance of \$22,500/MW.
16 Offsetting this incentive was \$5.4 million of net
17 demand response program costs recovered through the
18 MAC, for a net of \$(0.8 million). Line 32, Retail
19 Choice Program, represents deferred incentive credits
20 related to the Retail Choice Program Phases 8 and 9.
21 Line 33, Rate Case Deferrals, represents the accounting
22 for the one-time \$100 million charge to settle prior
23 period pension accounting issues per Case 04-E-0572.

ACCOUNTING PANEL - ELECTRIC

1 Line 34, Amortization of the Sale of Chelsea Property,
2 represents the amortization of the proceeds from the
3 sale of the Company's Chelsea property. Lines 35 and
4 36 represent the amortizations of various deferrals
5 resulting from Case 04-E-0572.

6 Q. Please continue with line 37.

7 A. Amortization of W24th Street Rental Income represents
8 rent income that was provided for by the Company's sale
9 of its 405-427 W. 24th St. Chelsea property per Case
10 06-M-0504. The Company's rent income of \$2.412 million
11 from that property was included in base rates and as a
12 result of the sale the Company was permitted to deduct
13 from the sales proceeds the foregone rent income. The
14 Company amortized the rent to income over the term of
15 the 2005 Rate Plan per Case 04-E-0572. The entries
16 will not be necessary in the rate year.

17 Line 38 represents the reconciliation of interference
18 expenses to the amount allowed in rates. In March
19 2008, the Company booked a final reconciliation amount
20 of \$3.9 million for the rate year ended March 31, 2008.
21 The Company had underspent the target set in the 2005
22 Rate Plan for the third rate year. Also in 2008, \$15.2
23 million representing an estimated underspending for the
24 rate year ended March 2009 was also booked. Later in

ACCOUNTING PANEL - ELECTRIC

1 our testimony, we discuss the Company's proposal to
2 refund to customers the underspending for the rate year
3 ended March 31, 2009 of \$22.255 million over three
4 years.

5 Q. Please continue with line 39.

6 A. Electric RDM Reconciliation, represents the accounting
7 related to the Company Revenue Decoupling Mechanism.
8 Line 40, System Benefits Charge - Deferral, reflects
9 the reconciliation of SBC revenue collections with the
10 level of expense. Line 41, DC Service Incentive,
11 represents the offsetting of the costs of the DC
12 Service Incentive program. This program is no longer
13 available and does not affect the rate year accounting.
14 Line 42 reflects the recovery of the non-fuel operating
15 costs of the 74th/59th Street Stations from electric
16 customers. As the operating costs of the stations are
17 carried on steam books, the Company offsets the
18 increased operating costs to steam via a credit entry
19 to steam Other Operating Revenues with a concomitant
20 debit to electric Other Operating Revenues.

21 Q. Please continue with Line 43, Low Income Program.

22 A. The Company recorded discounts under the Low Income
23 Program provided to customers in excess of amounts

ACCOUNTING PANEL - ELECTRIC

1 provided in base rates per Case 04-E-0572 as a
2 Regulatory Asset.
3 TCC Auction Proceeds, line 44, represents the offset to
4 sales revenues for the reduction to wholesale
5 customers' bills for their portion of TCC auction
6 proceeds refunded on a monthly basis.
7 Line 45, Electric Service Reliability Penalty, relates
8 to the Company's incurrence of a penalty under the
9 electric service reliability performance mechanism for
10 network Customer Average Interruption Duration Index
11 ("CAIDI") pursuant to Case 07-E-0523. This is not
12 forecasted to recur during the rate year and was
13 therefore normalized out for the rate year. We later
14 discuss the return of the penalty to customers.
15 Line 46, Migration Incentive, represents \$2.1 million
16 recorded in March 2008 for incentives earned for the
17 rate year ended March 31, 2008. Also included in this
18 line is \$3.1 million of amortization of the previous
19 incentives earned, for a net debit to Other Operating
20 Revenues of \$1.0 million. This was normalized out for
21 the rate year. Line 47 represents the amortization of
22 deferrals resulting from Case 07-E-0523. Our last
23 item, line 48 reflects miscellaneous activity and for
24 the rate year we did not project any such activity.

1 **B. DEPRECIATION AND AMORTIZATION**

2 Q. Please explain Depreciation and Amortization shown on
3 Exhibit ___ (AP-5), Schedule 1, page 1.

4 A. Depreciation and amortization expense using existing
5 rates in effect is projected for the rate year to be
6 \$621,103,000. This was provided to us by Company
7 witness Hutcheson and is discussed in his testimony.
8 Details are further shown in Exhibit ___ (AP-5),
9 Schedule 1, pages 4 and 5.

10 **C. TAXES OTHER THAN INCOME TAXES**

11 Q. Please explain the line items on your Schedule 1, page
12 6, Taxes Other than Income Taxes.

13 A. The first item is Property Taxes consisting of New York
14 City real estate and special franchise taxes and
15 upstate and Westchester County property taxes for the
16 historic year applicable to electric operations of
17 \$705,588,000 and \$89,203,000, respectively. The rate
18 year forecast totaling \$1,106,771,000 was provided to
19 us by Company witness Hutcheson and is described in his
20 testimony. Line 3 represents the reconciliation of
21 actual property taxes to the levels established in base
22 rates in Case 04-E-0572. The line item is not
23 applicable to the rate year.

ACCOUNTING PANEL - ELECTRIC

1 Q. How did you calculate Revenue Taxes for the rate year
2 on line 4?

3 A. Revenue taxes derived from MAC and MSC revenues
4 embedded in the Forecasting Panel's electric sales
5 revenues are \$213,634,000. To this, we added revenue
6 taxes applicable to Other Operating Revenues, such as
7 late payment charge revenues and other, in the amount
8 of \$1,705,000 for a total of \$215,339,000.

9 Q. Please describe the increase in Payroll Taxes, line 5.

10 A. The increase in payroll taxes is due principally to the
11 increase in base wages subject to FICA. Payroll taxes
12 of \$3.731 million relating to additional human
13 resources requested in this filing is also included.
14 The Company will revise payroll taxes for known
15 changes, if any, in the FICA rate and base in the
16 update stage of this proceeding. Any change in payroll
17 taxes resulting from tax legislation in any
18 jurisdiction as well as any revisions for additional
19 human resources will also be reflected later in the
20 update stage of this proceeding.

21 Q. Please explain the MTA Mobility Tax, line 6.

22 A. As a result of New York State's and the nation's
23 economy, the budget passed by the state government in
24 2009 contemplates a new Metropolitan Commuter

ACCOUNTING PANEL - ELECTRIC

1 Transportation tax to be in effect before the rate year
2 beginning April 2010. According to Article 23 of the
3 Ravitch MTA bailout plan, .34 percent of payroll
4 expense for every employer doing business within the
5 metropolitan commuter transportation district will be
6 taxed. The estimated MTA Mobility tax for the rate
7 year ending March 31, 2011, is \$1,878,000 using this
8 methodology. While there has been a large push to
9 implement this new tax by the State Legislature, at the
10 time of this filing the Mobility Tax has not yet been
11 enacted into Law. If the final legislation is
12 different from what has been reflected in this filing,
13 we will include the change as part of the Company's
14 formal update.

15 Q. Please explain the decrease in Sales and Compensating
16 Use Tax, line 7.

17 A. The Company accrues the New York State and local use
18 tax by summarizing charges from the accounts payable
19 invoice system and materials and supplies requisitioned
20 from inventory from the Materials Management System to
21 determine the tax basis. Based on the coding assigned
22 to the items, the tax is calculated and charged on
23 these transactions to work orders and accounts on an
24 automated basis. A liability account and work order

ACCOUNTING PANEL - ELECTRIC

1 accumulates the total taxes charged to other Company
2 accounts. Using summarized data, the Tax Department
3 prepares a worksheet that calculates the total tax. To
4 properly record the capitalized and expensed portion,
5 we compare this calculation with the total sales tax
6 accrued in the liability account and work order. The
7 difference between the calculated tax liability and the
8 total of the balance in the accrued liability account
9 and work order is expensed or credited to the electric,
10 gas and steam services. Credits may arise due to the
11 non-taxability of items that were originally taxed,
12 prior period tax audit adjustments, and corrections.
13 The Company does not project any difference between the
14 tax liability and the contra accounts for the rate
15 year.

16 Q. Please continue with line 8, Subsidiary Capital Tax.

17 A. Subsidiary capital tax is the tax that New York City
18 imposes on Consolidated Edison, Inc.'s ("CEI")
19 ownership of Consolidated Edison Company of New York,
20 Inc. (the "Company"), because the Company is not
21 included in CEI's New York City corporate franchise tax
22 return. The forecast of the subsidiary capital tax was
23 based on the average historic growth in capital from

ACCOUNTING PANEL - ELECTRIC

1 2005 through 2008, and the allocation to electric
2 operations is \$5,177,000.

3 Q. Please explain the Receipts Tax on line 9.

4 A. This tax is imposed by NYC on gross receipts derived
5 from electricity sold in certain parts of the Boroughs
6 of Richmond and Brooklyn as authorized by former
7 Villages now comprising Richmond and as a requirement
8 of the franchises of predecessor companies in Brooklyn.
9 Payments of this tax to a municipality under franchise
10 agreements are deductible from the Special Franchise
11 property tax, as provided in Section 626 of the Real
12 Property Tax Law. Company witness Hutcheson's forecast
13 of property taxes reflects this deduction.

14 Q. Please describe All Other Taxes, line 10.

15 A. All other taxes represent minor taxes such as
16 commercial rent and occupancy tax, motor vehicle taxes,
17 state gasoline tax, state highway use tax, Federal
18 diesel and gasoline taxes, the New York State tax on
19 insurance premiums and hazardous waste. The rate year
20 was forecasted using a three year average of the
21 historical results for the years 2006 through 2008.

D. NORMALIZING ADJUSTMENTS

1
2 Q. Please discuss each normalization adjustment, as
3 reflected in Exhibit ___ (AP-5), Schedule 7, for which
4 you are responsible.

5 A. Our first normalizing adjustment, line 10, Storm
6 Reserve, represents the Company's request to continue
7 with a storm reserve of \$5.6 million. Case 08-E-0539
8 established a base level reserve of \$5.6 million for
9 Category 2 and 3 storms. For 2008, actual expenditures
10 of \$3.6 million were charged to the reserve. Prior to
11 the establishment of the reserve, actual storm costs in
12 2007 were \$8.7 million. The average cost for these two
13 historic years is over \$6 million but as a mitigation
14 measure, the Company proposes to maintain the request
15 at the current level set in base rates by the
16 Commission's 2008 Order and the recently concluded 2009
17 Order.

18 Q. How does the Company account for this reserve?

19 A. The Company would defer the revenues collected from
20 customers with a journal entry debiting Other Operating
21 Revenues and crediting a new Regulatory Liability
22 account. The liability account will accumulate the
23 deferred revenues until such storms do occur at which
24 point the Company will then charge the regulatory

ACCOUNTING PANEL - ELECTRIC

1 liability account for the incremental cost of the
2 storms. There will be periods when the Company will
3 defer the revenues without any storms occurring and
4 other times when the cost of the storms may exceed the
5 accumulated revenues deferred. If at the end of the
6 rate plan, there is a balance left due customers, the
7 Company will propose to roll over the amount into the
8 next rate case filing and continue this storm reserve
9 accounting. If there is a balance due from customers,
10 i.e., costs over the rate plan exceeded revenues
11 collected thus creating a regulatory asset, the Company
12 will seek recovery of the deferred cost in the next
13 electric base rate filing. In addition, the Company
14 would seek to continue the storm reserve accounting in
15 the next rate filing but possibly at a higher or lower
16 level based on our actual experience over the next few
17 years.

18 Q. Please continue.

19 A. Line 12, Steam Incident, normalizes out the electric-
20 related expenses incurred during the historic year as a
21 result of the steam incident in July 2007. The cost
22 reflects primarily the write-off of \$4.750 million for
23 facilities and depreciation associated with the 41st
24 Street steam incident as these costs are to be excluded

ACCOUNTING PANEL - ELECTRIC

1 from rate base. Our third item, Disposal of Obsolete
2 Materials and Supplies ("M&S"), line 13, shows a
3 normalizing adjustment of \$3,600,000. This
4 normalization is primarily a result of the Company's
5 efforts placed on capital work in early 2008 for summer
6 2008 preparedness.

7 Q. Please continue with Line 14, Capital to Expense
8 Transfers.

9 A. In 2008, certain costs that were initially charged to
10 retirement orders (removal costs) were subsequently
11 expensed as a result of an internal audit of labor
12 charges to various street lighting accounts. As a
13 result, incorrect labor charges to retirement orders in
14 2006 through 2007 were transferred to O&M in 2008. We
15 are here normalizing the charges out of the historic
16 year. Line 22, Reserve for Contingencies, reflects the
17 normalization of a reserve initially set up in December
18 2007 for the Long Island City outage that occurred in
19 2006. In March 2008 the reserve was increased \$23.0
20 million for a total reserve of \$63 million. Also in
21 2008, the reserve was adjusted for credits given back
22 to customers of some \$6.729 million. The net activity
23 for 2008 of \$16.271 million is our normalization.

ACCOUNTING PANEL - ELECTRIC

1 Q. Line 23 is entitled Deferred Income Plan. Please
2 explain this adjustment.

3 A. We are normalizing out of historic expenses, the
4 administrative fee related to the administrative costs
5 and losses on participants' accounts under the Deferred
6 Income Plan, line 7, as shown on Company witness Reyes'
7 Exhibit ___ (HJR-1). In 2008, the plan had a loss in
8 earnings of some \$11.7 million due to the global
9 financial turmoil. Assets of these plans are held in
10 trust funds and are being invested. The rate year
11 costs to administer these programs are projected to be
12 offset by the investment gains generated by the trust
13 funds.

14 Q. Please continue with line 24.

15 A. Line 24, Regulatory Commission Expense, represents the
16 normalization of expenses related to the preparation
17 and performance of the PSC management audit as well as
18 the Long Island City blackout. Line, 25, Finance
19 Transformation Program, reflects the normalization of
20 \$2.048 million for the use of a consultant in the
21 Finance Transformation Program. The program focused on
22 process improvements and talent management programs
23 designed to reduce financial reporting risk. Line 26,
24 Eliminate Out-of-Period Entry, of \$1.0 million relates

ACCOUNTING PANEL - ELECTRIC

1 to a journal entry booked in December 2008 to correct
2 an imbalance that originated in 2000 in a liability
3 account regarding the gas import tax on purchased
4 power. The adjustment on line 27 eliminates the
5 allocation to electric of the cost of the executive
6 incentive plan because the Company is not seeking to
7 recover the cost of this plan through rates in this
8 proceeding. Company witness Tai addresses the
9 Company's compensation program for management
10 employees.

11 Q. Please continue.

12 A. Line 28 reflects the normalization from the historic
13 year of MGP/Superfund costs from our O&M expenses as we
14 have a proposal that we will discuss later in our
15 testimony in our section regarding the revenue
16 requirement. There, after reviewing Company witness
17 Price's forecast of site investigation and remediation
18 costs, and taking into consideration the rate year
19 allowance from the 2009 Order and the deferred balance
20 as of March 2009, we propose to recover from customers
21 over a ten year period \$18.259 million. Line 29,
22 Employee Pensions, represents the reconciliation
23 adjustment on the Company's books in 2008 pursuant to

1 the 2005 Rate Plan and Case 07-E-0523. This is not
2 applicable to the rate year.

3 A. Please continue with your last adjustment.

4 Q. Line 30, Other Compensation for Officers, includes
5 Long-term Incentive Plan ("LTIP") compensation expense
6 for the Company's officers. In order to mitigate this
7 rate increase request, we are not seeking recovery of
8 long-term incentive compensation for officers in this
9 proceeding, without prejudice to seeking the recovery
10 of such costs in future rate proceedings.

11 E. PROGRAM CHANGES

12 Q. The revenue requirement established in the Company's
13 recently concluded electric rate case reflected various
14 program changes that are also reflected in this rate
15 request. Why is that?

16 A. In this filing the historic year is 2008 and the rate
17 year is the twelve months ending March 31, 2011. A
18 number of what are considered program changes in this
19 filing simply reflect continuation of programs approved
20 by the 2009 Order and initiated after the historic
21 year. Accordingly, as compared to the historic year,
22 the costs are incremental and thus, are considered
23 program changes in this filing.

24 Q. What is the first program change you will discuss?

ACCOUNTING PANEL - ELECTRIC

1 A. Line 3, Rents - ERRP, represents a decrease of \$4.212
2 million in the electric department's share of annual
3 carrying charges on the investment in the East River
4 Repowering Project primarily due to both a declining
5 rate base and a change in carrying costs. The
6 \$1,048,000 increase shown for Interdepartmental Rents
7 on line 16 is due primarily to an increase in the
8 carrying cost rate due to increases in property taxes
9 and increased investments in the Hudson Avenue,
10 Ravenswood and Astoria tunnels.

11 Q. Please continue with Uncollectibles under MAG 47, line
12 36.

13 A. The rate year level of uncollectibles based on the
14 projection of write-offs as a percent of revenues
15 equates to \$0.68/\$100. The higher uncollectible rate
16 compared to the rate for the 12 months ended December
17 2008 of \$0.67/\$100 reflects the recent trend of
18 increasing uncollectibles primarily resulting from
19 current economic conditions. A 12 month rolling
20 average ended March 2009 of uncollectible write-offs of
21 \$0.68/\$100 was used to produce total uncollectibles for
22 the rate year ending March 31, 2011 of \$60 million. As
23 compared to the historic year uncollectibles amount of
24 \$65.2 million, which is a function of actual write-offs

ACCOUNTING PANEL - ELECTRIC

1 and the increase in Accounts Receivable reserve, a
2 negative program change of \$5.2 million in
3 uncollectibles was determined. The Accounts Receivable
4 reserve was significantly higher in 2008 (\$7.7 million)
5 as compared to 2007 (\$2.5 million) primarily due to an
6 increase in actual write-offs. This contributed to the
7 higher uncollectibles figure in the historical year.
8 We intend to update for the uncollectible rate during
9 the proceeding.

10 Line 37, Collection Agency and Payment Agency Fees, for
11 the historic year includes \$1.366 million for
12 collection agency fees and \$1.207 million for payment
13 agency fees. The program change of \$791,000 represents
14 the electric portion of an estimated increase for
15 collection agency fees. Based on the total accounts
16 for collection sent to agencies, these fees are paid to
17 the agency upon collection of the balance. The rate
18 level requested is based on recent history as well as
19 the fee structure of payments made to collection
20 agencies. For the second part, fees associated with
21 third party collection agencies used to assist in the
22 recovery of uncollectible bills, is estimated to be at
23 the historic year level. The sum of the two for the
24 rate year is forecast at \$3.364 million.

ACCOUNTING PANEL - ELECTRIC

1 Q. Please continue with postage, on line 41.

2 A. Line 41, Postage, captures the scheduled increase for
3 postage costs in May 2009, which is above the increase
4 experienced in May 2008. The impact from the May 2008
5 increase was annualized and the applicable increase was
6 applied to the customer bills and various regulatory
7 required correspondence such as: credit and collection
8 letters, deposit receipts, no access letters, customer
9 refunds and any general correspondence Customer
10 Operations may send to the customer such as news
11 letters and annual rights notifications.

12 Q. Please continue with your program changes under MAG 49-
13 Administrative and General beginning with line 47.

14 A. On line 47, we have a program change for Injuries and
15 Damages. In accordance with prior practice in rate
16 case filings, the rate year level of injuries and
17 damages is equivalent to the annual average of all net
18 claim disbursements for a recent three-year period.
19 The three-year average, which has long been accepted in
20 Con Edison's rate filings, for the period 2006 through
21 2008, produces \$49.803 million, of which the allocation
22 to electric is \$39.196 million. With escalation, the
23 rate year amount for injuries and damages is \$40.423
24 million.

ACCOUNTING PANEL - ELECTRIC

1 Q. Please continue.

2 A. Line 50, Fringe Benefits - New Employees, represents
3 the increase in employee welfare expenses and pensions
4 related to the increase in human resources as sponsored
5 by various Company witnesses, including the Accounting
6 Panel. In total the Company plans to hire some 110 new
7 employees. For these new employees, the projected cost
8 of the health benefits is \$1.092 million and pension
9 benefits are \$0.540 million for a total of \$1.632
10 million.

11 Q. What is line 51, Financial Services?

12 A. The rate year amount of \$9.631 million represents the
13 electric portion of an increase in miscellaneous
14 financing costs, fees and services for the Company's
15 expected increase in financing needs to support its
16 increased capital and operating costs as testified to
17 by various witnesses in this proceeding, as well as
18 various fees paid to the rating agencies.

19 Q. Please discuss Pensions & OPEBs on line 52.

20 A. Line 52 reflects the actuarially determined level of
21 expenses for employee pensions and other post
22 employment benefits ("OPEBs"), which was based on a
23 study performed by the Company's actuary, Buck
24 Consultants, dated March 27, 2009. The study was based

ACCOUNTING PANEL - ELECTRIC

1 on the Company's actual 2008 experience. Assumptions
2 used in the forecast of pensions were a discount rate
3 of 5.75 percent and an expected return on plan assets
4 of 8.5 percent. Assumptions for OPEBs were the same,
5 plus a health care cost trend rate of 7.0 percent for
6 2009 with the rate decreasing gradually to 4.5 percent
7 for 2012.

8 Q. Please sum up the estimate of the rate year employee
9 pensions/OPEBs expense that is allocated to electric.

10 A. The net amount of the actuarially determined level of
11 expense for employee pensions/OPEBs and other payments,
12 net of capitalization, allocable to electric for the
13 historic year is \$114.250 million. The rate year
14 estimated cost allocated to electric is \$306.242
15 million. The cause of the \$192 million increase in
16 Pension/OPEB expense from the historic year to the rate
17 year is due to the meltdown of the financial markets
18 during 2008. Assets held by the Pension trust at the
19 end of 2008 were less than \$6 Billion. By comparison,
20 at the beginning of calendar year 2008 the pension
21 assets were valued at more than \$8 billion and lost 25%
22 of their value by the end of the year Gains and
23 losses from the pension assets from any one year are
24 recognized into expense over time to smooth out extreme

ACCOUNTING PANEL - ELECTRIC

1 fluctuations. As a result, the 2008 losses will be
2 amortized into expense over fifteen years.

3 Q. What is the next program change the Panel will discuss
4 as reflected on Schedule 8?

5 A. Electricity and gas used, line 53, represents the
6 forecast of electricity and gas used at various Company
7 locations, other than for the production of electric or
8 steam boiler fuel. The rate year forecast for this
9 cost is based on the historic usage of electricity and
10 gas and the use of the latest cost rates per usage.
11 The latest rates, which are based on an annual time
12 study effective January 2009, charged to electric for
13 electric usage is 14.409 cents/kwh and for gas usage is
14 \$7.44/dth.

15 Q. What is your next program change?

16 A. Our next program change on line 55 relates to
17 Regulatory Commission expenses. This amount consists
18 of three parts, with two relating to the Public Service
19 Law 18-a assessment. Of the changes resulting from the
20 PSL 18-a assessment, we made two adjustments. The
21 first adjustment was to reflect the annual PSC
22 assessment. The rate year was forecasted based on the
23 latest PSC Assessment letter dated January 30, 2009,
24 excluding refunds, for the 2009-10 state fiscal year

ACCOUNTING PANEL - ELECTRIC

1 ending March 31, 2010. The PSC's calculation of the
2 assessment is based on intrastate revenue from 2007.
3 The forecast for the rate year is an increase of
4 \$204,000 from the historic year.

5 Q. Please continue with your second adjustment relating to
6 Section 18-a.

7 A. The second part is based on the Public Service Law 18-a
8 assessment change enacted by the State in April 2009.
9 The 18-a assessment expands the scope of the assessment
10 and makes it applicable to revenues derived in 2008
11 multiplied by two percent minus the estimated amount of
12 Department of Public Service costs and expenses for the
13 state fiscal year 2009-10. The revenues subject to the
14 assessments now include electricity purchased by Energy
15 Services Companies (ESCOS). This amount was forecast
16 by multiplying our 2008 assessable electric revenues,
17 estimated ESCO energy revenues, and estimated EDDS
18 commodity revenues by the 2% assessment rate. This
19 creates a program change increase of \$189,885,000.
20 This amount is also included in the Company's forecast
21 of revenues because this assessment will be recovered
22 from customers through a separate mechanism. The
23 Commission approved the reconciliation of these costs
24 through a separate mechanism in the 2009 Rate Order.

ACCOUNTING PANEL - ELECTRIC

1 The sum of both 18-a assessments produces a program
2 change increase of \$190,089,000. The Order in Case 08-
3 E-0539 provided for a temporary surcharge of \$198
4 million that included this expense as well as an
5 allowance for working capital costs and revenue taxes.
6 The effect on rate base for working capital is
7 discussed later in our testimony. The third part of
8 our program change for regulatory commission expense is
9 the use of a three-year average of historic costs for
10 all other costs in the rate year. This is after we
11 normalized for certain items which we have discussed
12 previously.

13 Q. Please continue with line 48.

14 A. The increase of \$5,355,100 as shown on line 48,
15 Insurance, represents primarily increases in premiums
16 for property and liability insurance and a Workers
17 Compensation Board assessment charge. The information
18 regarding actual premiums was provided to us by the
19 Company's insurance department. Where the premium
20 expires, we used general escalation at 2.2 percent per
21 annum to project insurance costs for the rate year.
22 The Workers Compensation Board Assessment charge was
23 escalated using the 2.2 percent per annum factor. Also
24 contributing to the increase is the implementation of a

1 provision in the Joint Proposal adopted by the
2 Commission in Case 08-S-0153 regarding excess liability
3 insurance. Under that provision, the Company can not
4 seek recovery from ratepayers for insurance premiums
5 for excess liability insurance premiums in excess of
6 \$11,259,798 annually (the premium in effect prior to
7 the steam incident) for policies covering the period
8 beginning April 28, 2008 and ending April 27, 2010.

9 Thus, in the rate year we have reflected eleven-
10 twelfths of the premium in excess of the \$11,259,798,
11 attributable to the period May 2010 through March 2011.

12 Q. Please continue.

13 A. The forecast of insurance premium cost reflects in the
14 rate year a level of \$3.3 million of insurance refunds
15 from NEIL. The refunds are lower based on NEIL's
16 prediction of losses, decreasing investment returns and
17 surplus. As is the current practice, the Company
18 proposes to reflect this refund of \$3.3 million in base
19 rates, subject to reconciliation. In 2008, the total
20 refund was \$5,367,404, of which the excess over \$4
21 million, or \$1,367,404, was returned to customers
22 through the MAC. In 2009, the Company received a NEIL
23 refund of \$3,468,739.

24 Q. Please continue.

ACCOUNTING PANEL - ELECTRIC

1 A. Line 56 represents Consultants, which are regularly
2 hired by the Company to assist on subject matters of
3 which the Company does not possess expertise.
4 Additionally, services provided by
5 PricewaterhouseCoopers ("PwC"), such as auditing,
6 research, and accounting advice are also included. The
7 forecast was based on a three-year average of historic
8 costs, excluding PwC. The PwC audit portion was based
9 upon a 3.5 percent year-over-year increase from the
10 2008 actual cost and the 2009 audit fees, which have
11 been agreed upon by the Board of Directors. This rate
12 of increase was projected forward for the rate year.
13 The amount in line 32 represents Disposal of Obsolete
14 M&S. The rate year was forecasted based on a three-
15 year historical average after removing the effect of
16 the normalization adjustment we previously discussed.
17 The rate year forecast is an increase of \$77,269 over
18 the historical amount, plus general escalation of
19 \$209,000.
20 The amounts on lines 54 and 61, Renewable Portfolio
21 Standard and System Benefits Charge, represent
22 increases in expenses that are collected through a
23 separate surcharge through the MAC and are offsets to
24 the revenues.

ACCOUNTING PANEL - ELECTRIC

1 Line 57, represents Demand Side Management or "DSM"
2 costs that are collected through a separate surcharge
3 through the MAC and offsets revenue. Here we reflect
4 the DSM collection reflected in the sales revenues.

5 Q. Please explain the item entitled Austerity Adjustment
6 on line 58.

7 A. In the recently concluded Case 08-E-0539, the
8 Commission decreased the Company's revenue requirement
9 for the rate year ending March 31, 2010 by \$60 million
10 as an austerity measure in view of today's economic
11 conditions. The Company was also directed to file a
12 plan as to how it will accomplish the savings within 30
13 days of the 2009 Order and for the Company to describe
14 in its next rate filing, or within not more than 30
15 days thereafter, the austerity efforts it plans to
16 continue beyond the rate year in that proceeding. The
17 austerity plan is under development and will be filed
18 separately as permitted by the 2009 Order. This rate
19 request reflects an increase of \$30 million on the
20 assumption that approximately one-half of the austerity
21 measures to be undertaken this year will relate to
22 projects that will need to be performed in the rate
23 year ending March 31, 2011. The Company plans to
24 update this amount consistent with the austerity

ACCOUNTING PANEL - ELECTRIC

1 filing. Company witness Rasmussen also addresses
2 austerity measures in his testimony.

3 Q. Please continue with Duplicate Miscellaneous Charges.

4 A. The Company also increased duplicate miscellaneous
5 charges by \$709,000 in line 59. This was largely a
6 result of the annual time study that increases the 2008
7 rate of 13.717 cents/kwh to the rate of 14.409
8 cents/kwh effective January 2009. Duplicate
9 miscellaneous charges is made up of credits for charges
10 made to operating expenses or other accounts for the
11 use of utility service from its own supply.

12 Q. What is the next program change that you will discuss?

13 A. Our next program change on line 68 represents an
14 allocation to electric of \$2.338 million for the
15 various incremental human resources requested for
16 various sections of the Company's Finance, Energy
17 Policy & Regulatory Affairs and Auditing Departments:
18 1) Five employee positions in Strategic Planning; 2)
19 two in Treasury; 3) eight in Corporate Accounting; 4)
20 two for State Regulatory Affairs; 5) four for Rate
21 Engineering; and 6) nine for Auditing.

22 Q. What is the program change for the Strategic Planning
23 group?

ACCOUNTING PANEL - ELECTRIC

1 A. Strategic Planning requests five incremental positions
2 of which one was hired in January 2009. The remaining
3 open positions include two Directors and two Managers,
4 which the department aims to fill by the second quarter
5 of 2009. The electric allocation for the incremental
6 labor for the five positions is \$497,000.

7 Q. Please explain what is the function of the group?

8 A. Strategic Planning's role is to help senior company
9 leadership and business units set corporate direction
10 and help achieve desired results. To do this Strategic
11 Planning will:

- 12 1) Develop integrated corporate plans and strategy with
13 senior leadership and the board of directors;
- 14 2) Identify and manage key corporate initiatives such
15 as the solar pilot program, interstate transmission
16 opportunities, and gas pipeline and storage
17 projects;
- 18 3) Support business units in gathering outward-looking
19 data and delivering key economic analyses that
20 result in integrated corporate decisions and plans.
21 Examples include a long term infrastructure plan, a
22 sustainability strategy, and a strategy to support
23 PHEV technologies.

ACCOUNTING PANEL - ELECTRIC

- 1 4) Conduct analyses of key industry peers to develop
2 insights and identify best practices to achieve
3 state goals, customer needs, and operational
4 performance. External insights and studies are also
5 incorporated to review different regulatory
6 approaches in areas such as smart grid, energy
7 efficiency, and infrastructure build-out.
- 8 5) Identify, structure, and build strategic alliances
9 with vendors, utilities, and industry participants
10 to deliver cost effective solutions to regulator and
11 customer needs;
- 12 6) Respond to requests and seek strategic economic
13 development opportunities for New York City and New
14 York State. Examples include conversations with
15 solar manufacturers for these programs and gas
16 providers to unlock opportunities from the Marcellus
17 shale basin;
- 18 7) Monitor, measure, and integrate industry risk
19 assessments for infrastructure planning purposes.
20 An example is the impacts of potential carbon
21 legislation; and
- 22 8) Refine the corporate annual goals process.
- 23 Q. What are some of the issues Strategic Planning is
24 working on?

1 A. Strategic Planning is currently focusing on emerging
2 issues from the customer perspective, such as concern
3 for reliability of supply, need for economic energy,
4 desire for empowerment and access to solutions,
5 assistance with navigation of the industry pressures
6 and a call for responsiveness to environmental drivers.

7 Q. Why are these additional positions required?

8 A. The Strategic Planning 2007 staffing level was
9 unusually low due to staff attrition and difficulty in
10 hiring external employees to build organizational
11 strength. In addition, since 2007 industry uncertainty
12 has dramatically increased. Some key trends include:

- 13 o Commodity price volatility;
- 14 o Environmental focus;
- 15 o New technology development and players;
- 16 o Infrastructure investments to modernize the grid;
- 17 o New incentives for preferred energy solutions; and
- 18 o Challenged capital markets

19 In 2008, a vice president, department manager, and
20 three analysts were added to the team. We also have
21 two director positions and two analyst positions that
22 have not yet been filled. In order to achieve city,
23 state, customer, and Company goals and identify and

1 manage strategic initiatives we require this additional
2 staffing level.

3 Q. Please continue with the incremental positions for the
4 Treasury Department.

5 A. Treasury seeks two new human resources, a Senior
6 Financial Analyst in the Corporate Finance area and a
7 Senior Analyst position in the Pension area. A Senior
8 Financial Analyst is needed to perform Treasury
9 operational functions such as cash management and
10 forecasting, interest rate monitoring, and financial
11 derivative analysis. Due to the difficult credit
12 environment of the past two years, the group is
13 required to provide additional financial modeling and
14 more sophisticated scenario analysis for senior
15 management, to Board of Directors and outside rating
16 agencies. This position will be undertaking these
17 tasks as the Company seeks to increase our corporate
18 finance expertise with in-depth experience in financial
19 modeling skills and the credit markets not currently
20 existing. A request for a Senior Analyst position in
21 the Pension area was made to fill a position that was
22 vacated due to an internal transfer. Both of the
23 positions have been filled as of March 2009. The
24 allocation to electric operations is \$95,000.

ACCOUNTING PANEL - ELECTRIC

1 Q. Please discuss the human resources requested for
2 Corporate Accounting.

3 A. The electric allocation for incremental labor for the
4 Corporate Accounting group is \$461,000 and includes
5 eight positions. This includes five accountants, one
6 each for Accounting Research & Procedures, Regulatory
7 Filings, Enterprise Risk Management, Corporate Accounts
8 Receivable & Billings, and Accounts Reconciliation
9 Management. Four of the five accountants have been
10 hired as of March 2009, and an offer has been extended
11 to and accepted by the fifth applicant with a start
12 date of May 2009. The request for the three remaining
13 positions is for two Analysts in the System Support and
14 Financial Forecasting area and one Senior Analyst in
15 the Revenue and Volume Forecasting group. Two of out
16 of the three analyst positions have been filled with
17 the Senior Analyst beginning employment May 18th. All
18 of these positions are required to perform critical
19 work within Corporate Accounting.

20 Q. Why is the work critical to Corporate Accounting?

21 A. The level of effort required to maintain the Company's
22 financial records, prepare financial forecasts and rate
23 cases, process financial transactions accurately and
24 efficiently has increased in some respects. Four of

ACCOUNTING PANEL - ELECTRIC

1 the eight positions directly support the Company's
2 ability to maintain its financial records and have
3 responsibility for evaluating new accounting standards
4 and defining accounting policy, performing important
5 financial control functions, or directly supporting
6 individuals and processes that do. These positions are
7 needed due to increased work load, ever changing and
8 increasingly complicated regulatory requirements and
9 accounting pronouncements. In addition, a new account
10 reconciliation function has been created to mitigate
11 financial risk.

12 The position in the Accounting Research and Procedures
13 group is needed to support the Company's interpretation
14 of ever increasing and complex new accounting
15 standards, document in procedural format the impact on
16 the Company of transactions and to prepare the more
17 complex accounting entries, i.e., such as for pension
18 and retiree plan benefits.

19 The new position in Regulatory Filings/Accounting will
20 help with increased workload. The employee will assist
21 in the area of rate case filings and the resultant
22 accounting and compliance filings for CECONY's three
23 services as well as O&R's electric and gas operations
24 and O&R's subsidiaries.

ACCOUNTING PANEL - ELECTRIC

1 The new position in Enterprise Risk Management was
2 filled in March 2009. The function of the group is to
3 identify, assess and develop plans to mitigate the
4 Company's highest risks. The group also assists with
5 the management of the Company's Sarbanes Oxley
6 compliance efforts. The duties of the employee entail
7 assisting in build out and management of the Enterprise
8 Risk Management initiative. This includes the
9 responsibilities of proactively managing the
10 organizations consolidated risk position and updating
11 enterprise wide risk management models and methods
12 according to best practices in order to transparently
13 report risk to allow more informed and strategic risk
14 decisions to be made.

15 Another new position is in the Accounts Reconciliation
16 Management group created in 2008 to support the
17 reduction of financial reporting risk by increasing the
18 frequency and comprehensiveness of account
19 reconciliations. That employee will assist in the
20 monthly reconciliation of most of the Company's balance
21 sheet accounts.

22 The additional position in the Revenue and Volume
23 Forecasting group is needed to support increasingly
24 detailed and complicated regulatory changes. For

1 example, the institution of the revenue decoupling
2 mechanism and the unbundling of competitive charges
3 requires additional forecasts and tracking of the
4 actual data. The group also plans to focus more on
5 long term planning and scenario analysis. Such long
6 term planning would incorporate the potential impacts
7 of emerging technologies such as plug-in-hybrid
8 electric vehicles. The group will also evaluate the
9 use of additional scenarios and sensitivity analyses in
10 the long term forecasting process.

11 Q. Please continue with the discussion on human resources
12 for the Energy Markets Policy Group ("EMPG"). How many
13 positions exist in the group?

14 A. The section will have 9 employees in total, including
15 the director, three project managers, three senior
16 specialists, and two analysts. The group is part of
17 the Energy Policy & Regulatory Affairs department.
18 EMPG, which has existed since 2001, advocates for
19 wholesale market power rules that make sense for Con
20 Edison and its customers. As an example, the group has
21 worked on modifications to capacity and energy markets,
22 including changes to the capacity markets to mitigate
23 market power, and introduction of interconnection
24 rules, a proposal to comply with FERC deliverability

ACCOUNTING PANEL - ELECTRIC

1 rules, long term transmission congestion contracts,
2 NYISO credit rules, and development of an appropriate
3 NYISO planning process that meets FERC's requirements
4 and protects customers from the development of
5 unnecessary projects. These positions and this group,
6 provides substantial value for Con Edison's customers
7 because they help to have the NYISO markets produce
8 competitive results.

9 Q. How many positions were filled as of December 2008?

10 A. As of December 2008, 7 of the 9 positions were filled.

11 Q. Can you describe the vacant positions in EMPG?

12 A. Yes. There are two vacant positions. One position is
13 a band 2 senior specialist position, and the other is a
14 band 1 associate analyst position. Of these positions,
15 the senior specialist is for an employee to focus on
16 wholesale market issues in demand response and energy
17 efficiency issues in NYISO and also to follow and learn
18 about similar issues in PJM and other regions. This
19 person will assess various market proposals to support
20 the development of Company positions on key issues,
21 such as measurement and verification of demand
22 response, development of appropriate programs to
23 encourage participation by our customers, and providing
24 assistance in evaluating market rules. The associate

ACCOUNTING PANEL - ELECTRIC

1 analyst position is an entry level position which will
2 bring in an employee to assist with analysis on various
3 issues, NYISO or PJM market rules, and in preparing
4 internal communications on energy policy issues that
5 will aid Con Edison's managers to develop policy
6 positions and as a result to advocate for market rules
7 that provide benefits for our customers.

8 Q. Have any of these positions been filled since December
9 2008?

10 A. Yes, the band 2 position was filled in February 2009.

11 Q. Can you describe the revenue requirement impact?

12 A. For these additional two positions, \$167,000, of which
13 \$122,000 is allocable to CECONY's electric operations,
14 is requested. This includes direct salaries as well as
15 related expenses.

16 Q Next, please discuss the human resources requested for
17 the Rate Engineering department.

18 A. The Rate Engineering Department is requesting four new
19 human resource positions, two Analysts and two Senior
20 Analysts. Two of these positions are replacements and
21 two are new. One Senior Analyst and one Analyst were
22 filled as of March 2009. An offer for an Analyst
23 position was extended in April 2009.

24 Q. Please describe their responsibilities.

ACCOUNTING PANEL - ELECTRIC

1 A. The functions of these analysts include activities such
2 as assisting in the design of rates, computing rate
3 adjustments, and administering Company tariffs. During
4 2008 other departmental employees temporarily took on
5 the additional duties and worked extra hours to ensure
6 that the department continued to meet its regulatory
7 obligations as well as the needs of its customers. The
8 other two remaining positions are requested to support
9 the various activities associated with the increased
10 departmental demands for new supply pricing, cost of
11 service analysis and load study in support of rate
12 development, design of rates, computing rate
13 adjustments, and administering Company tariffs.
14 The complexity and quantity of the underlying analysis
15 has grown with deregulation and unbundling of supply
16 and delivery services. Ongoing line loss analysis now
17 includes reactive power customer data, MSC price
18 estimates require the development of class load shapes
19 and load study designs need periodic overhaul to
20 accommodate changing mandatory hour pricing ("MHP")
21 schema. Other examples from Case 08-E-0539 include
22 enhancements to existing rate case software programs,
23 re-examination of cost allocation methodologies for
24 secondary delivery costs and further analysis of

ACCOUNTING PANEL - ELECTRIC

1 sampling designs in support of lowering thresholds of
2 MHP. Rate Engineering is relying on automation to
3 accommodate the increased volume of data resulting from
4 various MHP/AMI and DR/EE efforts when possible.
5 Increased demand for specialized usage analyses and new
6 and complex supply pricing designs has put additional
7 demands on existing staff. The addition of two
8 positions will enable the department to develop these
9 new resources by assigning them to ongoing rate filing
10 activities and utilize experienced staff to address
11 increasingly complex and specialized analyses in
12 support of rate and other rate-related filings.

13 Q. Please discuss the incremental human resources for the
14 Auditing Group.

15 A. The program change for Auditing represents an
16 allocation to electric of \$814,000 to address the
17 hiring of additional personnel and integration of
18 technologies for the Auditing Department. This amount
19 was obtained by applying an adjustment to the total
20 program change of \$1.147 million for affiliate work of
21 7.1 percent for O&R and 3 percent for non-utility
22 affiliates.

23 Q. Please continue.

ACCOUNTING PANEL - ELECTRIC

1 A. As a result of a recent review of its operation,
2 Auditing has developed a reorganization plan to more
3 effectively address core audit functions and the risks
4 and compliance issues facing the Company, including the
5 recent arrests of Construction personnel and upcoming
6 compliance commitments to NERC and FERC, including the
7 NERC Critical Infrastructure Panel ("CIP") and the FERC
8 Electric Reliability Standards. The reorganization
9 entails:

10 1) The addition of nine incremental employee positions
11 in Auditing. These positions are expected to be
12 filled during the third and fourth quarters of 2009;
13 and

14 2) Integration of technologies including a new data
15 analytics tool, ACL Audit Exchange, to automate and
16 support the forensic analysis of data and an
17 upgraded version of the current audit management
18 system, TeamMate, that will be used to standardize
19 audit report templates and track audit activities
20 and follow-ups.

21 Q. What is the current structure and function of the
22 Auditing Department?

23 A. Auditing is responsible for conducting a comprehensive
24 program of internal audits in order to provide an

ACCOUNTING PANEL - ELECTRIC

1 independent assessment of the adequacy and
2 effectiveness of the system of internal control that
3 governs the operations of CEI and its subsidiaries. In
4 addition, Auditing provides guidance and training for
5 business ethics and various compliance initiatives
6 including FERC compliance standards. Auditing is
7 comprised of five major sections:

8 1) Customer Operations, Finance and Procurement
9 Audits;

10 2) Environmental, Health and Safety (EH&S),
11 Operations and Information Technology Audits;

12 3) Business Ethics and Corporate Policy;

13 4) Ethics and Compliance Training; and

14 5) Orange and Rockland Office.

15 Q. What is the proposed new organization structure?

16 A. A new organization will be established in Auditing and
17 will be responsible for investigations, ethics,
18 compliance program development and training,
19 Environment Health & Safety audits and Corporate
20 policy. This organization will be led by a director.
21 In addition, three analysts will be hired to support
22 the integration of new technologies and compliance
23 program development and management. This organization
24 will develop and manage all FERC/NERC and Ethics

1 compliance programs and will maintain new audit
2 technologies that will allow auditors to analyze data
3 and identify anomalies and potential fraudulent
4 activities. In addition, they will conduct
5 investigations into misconduct and other violations,
6 audit environmental health and safety programs and
7 maintain Corporate Policy documents.

8 Q. Please continue.

9 A. A new audit group focusing on construction projects,
10 contractor activity and Energy Services will also be
11 established. This group will be led by a manager and
12 staffed by four auditors. This organization will audit
13 large-scale construction projects, contractor service
14 agreements and Energy Services projects.

15 All resources are also expected to be hired during the
16 third quarter of 2009.

17 Q. What benefits are expected from the proposed new
18 organization structure?

19 A. The organization changes and integration of technology
20 will allow Auditing to more effectively:

21 1) Address core audit functions and expand its charter
22 to include new audits focused on Contractor,
23 Construction and Energy Services - this change will
24 help Auditing expand its focus to identify potential

ACCOUNTING PANEL - ELECTRIC

1 misconduct in these areas and protect ratepayers.

2 The additional staffing will allow Auditing to
3 address these areas while maintaining a focus on
4 core audit functions in Finance, Operations and
5 Environmental Health and Safety;

6 2) Align Audit Plan with enterprise risk management
7 issues;

8 3) Address and manage investigations;

9 4) Audit Corporate Safety Programs as they develop and
10 mature; and

11 5) Manage and address NERC / FERC and Ethics Compliance
12 Programs.

13 Q. What is your next program change?

14 A. Our next program change (line 69) represents an
15 allocation to electric of \$1.195 million for the
16 incremental human resources requested for the Company's
17 Law Department. This represents a request for 15 new
18 staff members. Nine of these positions were approved
19 in Case 07-E-0523 and five in Case 08-E-0539. In the
20 latter proceeding nine of the positions were reflected
21 in the revenue requirement at 45 percent, as a result
22 of the historic hiring adjustment used by the
23 Commission.

24 Q. Please discuss your requested human resources.

ACCOUNTING PANEL - ELECTRIC

1 A. We will discuss the needs of the Law Department in
2 terms of:

- 3 • Labor and Employment;
- 4 • Record Retention;
- 5 • Office of the Secretary;
- 6 • General Litigation;
- 7 • Commercial Transactions, Corporate and Finance
- 8 • Commercial Litigation;
- 9 • Regulatory Services;
- 10 • Operations; and
- 11 • Legal Secretary.

12 Q. Please begin with Labor & Employment.

13 A. The Labor group is requesting four positions. Three
14 are required to develop and implement a records
15 retention group (one Sr. Staff Attorney, one Senior
16 Specialist and one Paralegal) as well as one Sr. Staff
17 Attorney for labor and employment cases. The Labor
18 group provides advice and counsel in the negotiation,
19 execution and interpretation of union contracts,
20 benefits plans and related documents as well as
21 handling all workers compensation claims and
22 representing the Company in administrative hearings.
23 It also represents the Company before state and federal

ACCOUNTING PANEL - ELECTRIC

1 courts and agencies upon complaints arising under
2 federal, state and city employment discrimination,
3 labor relations, ERISA and other employment-related
4 laws. The group has recently undertaken a new function
5 related to meeting new compliance requirements for
6 legal holds and records retention.

7 We are in the process of hiring a Senior Staff Attorney
8 to replace a Senior Attorney who left the Law
9 Department to take a job in Human Resources at Con
10 Edison. We have extended an offer to a highly
11 qualified applicant, and she has accepted. We have a
12 continuing high workload, more than enough to account
13 for the full complement of five attorneys (we are not
14 increasing that number but merely restoring the number
15 of attorneys to the number we had before the attorney
16 transferred out of the department). The person filling
17 the position will handle a full caseload consisting of
18 employment lawsuits, National Labor Relations Board
19 charges, collective bargaining support, advice and
20 counsel, litigation of equal employment complaints made
21 to state, federal and local agencies, research, policy
22 updates, and preventive law presentations, and other
23 matters, including assisting with extremely time-
24 consuming ongoing governmental audits and

1 investigations. Critical deadlines and matters that
2 cannot be and/or should not be deferred are currently
3 being handled via uncompensated overtime of other
4 attorneys in the group.

5 The urgency of filling the position has intensified
6 because the recent enactment of a number of statutes
7 (e.g., the Americans With Disabilities Amendments Act,
8 the Lilly Ledbetter Fair Pay Act, Genetic Information
9 Non-Discrimination Act), and changes in regulations
10 (e.g., FMLA regulations, OFCCP directives) have
11 increased the bases for equal employment litigation,
12 and going forward, we anticipate legislation in the
13 employment area (e.g., the Employee Free Choice Act,
14 possible Civil Rights Act amendments) that will further
15 increase these bases. As a result, we can reasonably
16 anticipate an increased workload and more complicated
17 allegations in the cases we handle.

18 Q. Please discuss the Record Retention group.

19 A. The three requested employees (Sr. Staff Attorney, Sr.
20 Specialist and Paralegal) will form a records
21 management team to develop and manage a records
22 management program to enable the Company to comply with
23 all records retention obligations and legal hold
24 obligations. The records management team and the

ACCOUNTING PANEL - ELECTRIC

1 records management program represent a new Company
2 initiative. This initiative will manage the Company's
3 records retention obligations and manage compliance
4 with the Company's legal hold obligations in a
5 consistent and defensible manner. Our current program
6 requires strengthening to address the increasing risks
7 presented by the recently enacted Federal E-Discovery
8 Rules and the evolving case law in the area. There is
9 now a heightened attention among our legal adversaries
10 to exploit any deficiencies in the legal hold process.
11 In recent years, companies have been fined millions of
12 dollars and received numerous types of evidentiary
13 sanctions (such as default judgments, witness
14 preclusion, adverse inference instructions to the jury)
15 because of failures in records retention and meeting
16 legal hold obligations. The litigation landscape is
17 now scarred with cases involving companies that have
18 suffered substantial evidentiary and financial
19 sanctions because of records retention failures and
20 failures in complying with legal hold and discovery
21 requirements.

22 The Law Department hired the Sr. Staff Attorney for the
23 records management team in March 2009. This attorney
24 has extensive records retention experience, including

1 developing electronic and hard copy document retention
2 policies and procedures and was primarily responsible
3 for managing a large bank's electronic discovery
4 practices and procedures for legal holds. This
5 attorney is now responsible for implementing a
6 consistent and defensible records management program
7 for the Company. This attorney has already embarked
8 upon the Company's initiative to update and monitor
9 records retention policies and procedures, which
10 requires substantial revisions to the Company's
11 existing retention schedules and document retention
12 procedures. She also has the critical responsibility
13 for managing and monitoring legal holds and e-discovery
14 productions in support of litigation, which includes
15 the implementation and monitoring of a new legal hold
16 software system scheduled for this month. The
17 successful implementation of a new records management
18 program requires extensive training, compliance
19 monitoring, and continued maintenance in order for the
20 Company to meet its legal obligations with respect to
21 legal holds and document retention.

22 Q. Please continue.

23 A. The Senior Specialist will provide critical assistance
24 to the Sr. Staff Attorney in establishing, updating,

ACCOUNTING PANEL - ELECTRIC

1 and monitoring records retention policies as well as in
2 managing, executing, and monitoring legal holds and e-
3 discovery productions in support of training.
4 Additional key responsibilities include the
5 identification of relevant custodians and electronic
6 databases that may have information subject to legal
7 holds and the use of vendor applications to preserve
8 and collect the electronic information subject to legal
9 holds. The Sr. Specialist will also be responsible to
10 support ongoing training efforts communicating records
11 management policies and procedures as well as planning
12 Company records strategy through periodic audits and
13 oversight of records transfers. Currently, the Sr.
14 Staff Attorney is reviewing candidates to fill this
15 important position.
16 The Paralegal position will be used to provide direct
17 and ongoing assistance to Company attorneys on specific
18 cases where there are complex or difficult issues with
19 respect to the identification, preservation, review,
20 and collection of electronic information subject to
21 legal holds. The preservation and collection of
22 potentially relevant electronic information presents
23 some of the most formidable e-discovery challenges
24 confronting attorneys. This position will also provide

1 attorney support for the processing and managing of
2 legal holds through the Company's new legal hold
3 software system, which was recently purchased and
4 installed.

5 Q. Please discuss the human resource requirement for the
6 Office of the Secretary.

7 A. The Law Department is in the process of hiring an
8 Executive Secretary to be shared jointly by the
9 Executive Vice President and the Corporate Secretary's
10 Office. The Executive Vice President has overall
11 responsibility for the Law Department, Regulatory
12 Services, Energy Efficiency Programs and Energy Policy
13 and Regulatory Affairs. The Corporate Secretary is
14 responsible for handling all matters relating to the
15 Board of Trustees, including preparing agendas as well
16 as the proxy statement and various SEC filings. Since
17 neither office currently has a secretary, the
18 department has decided to share the position to reduce
19 costs.

20 The Executive Vice President and the Corporate
21 Secretary require this position to provide secretarial
22 and administrative support to both officers. This
23 would include answering calls from outside
24 stakeholders, Board members and stockholders,

ACCOUNTING PANEL - ELECTRIC

1 maintaining the calendar for the Executive Vice
2 President and the Corporate Secretary, and performing
3 general secretarial and administrative tasks such as
4 preparing, drafting and typing letters, memoranda,
5 forms and reports; scheduling meetings and
6 appointments; maintaining calendars and files; and
7 performing other administrative responsibilities.
8 The Corporate Secretary's office is responsible for all
9 matters involving the Board of Trustees of the Company,
10 including planning and conducting Board meetings,
11 preparing minutes of Board meetings, complying with
12 state and federal corporate and securities laws
13 (including New York Stock Exchange and Securities and
14 Exchange Commission), drafting and distributing the
15 Company's proxy statement, planning the Company's
16 annual stockholders' meeting, and supplying information
17 to the Company's independent auditors. The Corporate
18 Secretary's office is also responsible for all
19 communications with Board members and stockholders.
20 Most recently, the Corporate Secretary's office was
21 responsible for supplying documentation and witnesses
22 relating to Board matters in response to requests
23 concerning the management audit conducted of the
24 Company. All of the matters handled by the Corporate

ACCOUNTING PANEL - ELECTRIC

1 Secretary's office require the utmost discretion due to
2 the confidential nature of the information. Currently
3 these secretarial/administrative tasks have been
4 performed by members of the Corporate Secretary's
5 office. To manage all responsibilities of the
6 Corporate Secretary's office, the staff members were
7 required to perform other tasks related to preparation
8 of Board materials and necessary legal documents for
9 the Stock Exchange and the SEC on uncompensated
10 overtime.

11 Hiring a secretary to support Executive Vice President
12 and the Office of the Secretary would allow
13 secretarial/administrative tasks to be performed at a
14 lower cost to the Company, and free up time of the
15 lawyers and specialists to handle more complex legal
16 matters.

17 The department has posted the position and expects to
18 fill the position by June 1st.

19 Q. Please continue with your fourth group, General
20 Litigation.

21 A. The General Litigation group is responsible for
22 defending the Company in all claims and lawsuits
23 related to personal injury and property damage, as well
24 as pursuing claims or filing lawsuits where the Company

1 suffers property damage caused by another entity.
2 General Litigation's program change is for three
3 employees, two of whom have already been hired. As of
4 December 31, 2008, approximately 2,600 lawsuits and 875
5 claims have been filed against the Company and are
6 pending resolution. The Company receives approximately
7 1,000 new lawsuits and 1,600 new claims each year.
8 There are substantial challenges posed in managing the
9 pending caseload and addressing new matters. This
10 includes processing and resolving claims in a fair and
11 equitable manner and preparation to properly defend
12 litigation against the Company. For example, extensive
13 pre-trial discovery, coupled with the developing issues
14 in electronic discovery continue to require timely and
15 efficient response.
16 Two investigators were added in January 2009. Each
17 investigator is assigned approximately 150-200 cases.
18 Their responsibilities include reviewing legal
19 documents, securing and researching internal and
20 external records, conducting site inspections, securing
21 photographs, preparing sketches, evaluating accident
22 scenes, and indentifying and interviewing Company and
23 outside witnesses. In addition, investigators prepare
24 and serve subpoenas, prepare and schedule witnesses,

ACCOUNTING PANEL - ELECTRIC

1 and assist our attorneys at trial. This important
2 position requires a full complement of employees so
3 that the Company can be properly represented in these
4 legal proceedings. By quickly filling vacant
5 positions, we avoid interim measures to help us address
6 immediate requirements and require that we postpone
7 less urgent tasks in the short-term. Funding is not
8 being requested at this time since contract employees
9 were used during the time the positions were vacant.
10 A Litigation Support Manager is needed to assist with
11 the implementation and on-going support of a new
12 Litigation Management System. The Litigation
13 Management System will provide the department with the
14 ability to image and store pleadings, medical records,
15 site inspection documents and other related litigation
16 documents for retrieval and efficient response to
17 discovery requests. The Litigation Support Manager's
18 responsibilities will include developing processes to
19 combine a wide-range of disparate manual tasks
20 currently used to gather and store documents and
21 necessary information. Storage, retrieval and
22 management of claim and litigation documents are
23 critical to a quick and successful resolution of these
24 matters. The Litigation Management System will enable

ACCOUNTING PANEL - ELECTRIC

1 a more thorough and complete document search than is
2 currently possible using manual methods. This system
3 is another tool the Company will use to ensure proper
4 representation in its personal injury and property
5 damage lawsuits. This position is expected to be
6 filled by no later than the beginning of the rate year.

7 Q. Please continue.

8 A. The Commercial Transactions, Corporate and Finance
9 Group requests three positions: two Associate Counsels
10 and one Staff Attorney position. Aside from its work
11 related to SEC filings and compliance and debt and
12 equity financings, this group negotiates, drafts,
13 reviews, interprets and renders legal advice on a large
14 variety and volume of contractual documents and
15 issues, and reviews and advises on procurement and
16 commercial laws and regulations affecting the Company.
17 We are requesting an Associate Counsel to replace the
18 Associate General Counsel - Commercial Transactions who
19 was promoted in September 2008. The Associate Counsel
20 will handle hands-on work in the commercial
21 transactions area in order to continue to meet the
22 legal needs of the Company. This work includes, among
23 other things, negotiating, drafting, and advising
24 Company management on a variety of contractual matters

ACCOUNTING PANEL - ELECTRIC

1 and issues, including material and complex commercial
2 transactions. Some examples of the work include work
3 on purchase and sale agreements, energy efficiency
4 agreements, and service and equipment contracts. The
5 work also includes some tasks of the nature specified
6 in the position immediately below. We have posted for
7 this position and expect to make an offer of employment
8 to a candidate in the near future.

9 A second Associate Counsel is required to replace an
10 Assistant General Counsel who resigned from the Company
11 in October of 2008 to pursue another opportunity. This
12 resignation left a void in the transactional area,
13 including in the areas of structuring, negotiating and
14 drafting transactions, overall analysis and advisory
15 skills pertaining to corporate and other entity
16 structures (e.g., limited liability company,
17 partnership, limited partnership), acquisitions,
18 divestitures and other corporate work. Moreover, in
19 areas relating to our core business as well as in the
20 renewable energy area, there is an increased need for
21 this expertise that cannot be adequately accommodated
22 without filling this vacant position. We have filled
23 this position.

ACCOUNTING PANEL - ELECTRIC

1 A Staff Attorney/Senior Staff Attorney in this group is
2 needed to replace an attorney who transferred to a non-
3 legal position in a different department in the Company
4 in September 2008. The work handled by this position
5 involves both commercial transactional work and real
6 estate matters, including negotiating, drafting,
7 reviewing and advising on licenses, leases,
8 condemnation matters, the sale of property, work on
9 utility facilities, arrangements between the Company
10 and private customers, and credit support instruments.
11 This attorney also was responsible for researching and
12 advising on legal issues in the commercial and real
13 estate areas. We have posted to fill the position with
14 a person with a Staff Attorney title and will continue
15 reviewing resumes.

16 The responsibilities associated with these positions
17 are currently being handled by existing employees who
18 balance these responsibilities by prioritizing tasks
19 with the highest priority against those that are less
20 critical and managing both on uncompensated overtime.

21 Q. What are the needs of the Commercial Litigation group?

22 A. The Commercial Litigation group is requesting one
23 Senior Staff Attorney. This group represents the
24 Company before state and federal courts and arbitration

1 forums in disputes that arise out of commercial
2 relationships. This work generally includes disputes
3 relating to the purchase of good and services,
4 construction projects, or real property ownership.
5 Many of the group's cases are complex, involve
6 extensive discovery (including electronic discovery),
7 and expedited trial schedules. Electronic discovery
8 has dramatically increased the complexity of the
9 discovery process and volume of documents that must
10 reviewed to prepare a case for summary judgment or
11 trial. In one pending case, for example, there are
12 approximately one million pages of discovery and there
13 will likely be over thirty depositions. The addition
14 of a Senior Staff Attorney will improve the group's
15 ability to thoroughly prepare its cases and will also
16 allow the more senior attorneys in the group to better
17 utilize their time towards developing litigation
18 strategy, preparing for depositions, and drafting
19 motions. The group's attorneys are already working
20 extended hours to keep up with their work loads.
21 The group has relied upon a combination of temporary
22 lawyers, outside counsel and uncompensated overtime by
23 our in-house staff. Although temporary lawyers are
24 suited for certain tasks, it takes time to train

1 temporary lawyers and they may leave before the project
2 has been completed. Certain sensitive activities like
3 creating privileged logs (often involving thousands of
4 documents) are best done by lawyers familiar with the
5 Company. Outside counsel support is better than
6 temporary lawyers but tends to be expensive. And, in
7 either situation, substantial direction and assistance
8 from in-house counsel is usually required.
9 Accordingly, while temporary lawyers and outside
10 counsel are good mitigation measures that will continue
11 to be used in appropriate circumstances, they are not a
12 substitute for a reliable, well-trained, in-house
13 lawyer who is versed in Con Edison's business and
14 familiar with its people and procedures.
15 Finally, hiring a Senior Staff Attorney is consistent
16 with the Company's succession planning. The group's
17 experience has been that an attorney's knowledge of the
18 Company and familiarity with the key operating managers
19 improves the Company's chances of litigation success.
20 A Senior Staff Attorney would be in a position to
21 develop that skill set (which takes a few years) while
22 working with more senior colleagues that have
23 successfully developed these skills.

24 Q. What are the responsibilities of Regulatory Services?

ACCOUNTING PANEL - ELECTRIC

1 A. This group is responsible for the various filings and
2 proceedings before the FERC, the PSC, and the DEC/DEP,
3 among others. This group is requesting three positions
4 - two Associate Counsel positions and one paralegal
5 position. These three positions are all driven by
6 increases in the number and complexity of the filings
7 and proceedings before the FERC and the PSC.
8 The Companies have also experienced an increase in the
9 workload related to the interconnection of generation
10 and transmission projects: currently we are processing
11 25 and 9 requests for interconnections to the
12 transmission and distribution systems, respectively
13 (the distribution interconnections are by large
14 projects in addition to the SIR projects). This
15 compares to 9 transmission interconnections and zero
16 large-generator distribution interconnections in 2006.
17 The Companies are expanding their FERC compliance
18 program, through substantial support by Regulatory
19 Affairs. Regulatory Affairs is also devoting increased
20 resources to the Companies' efforts to comply with NERC
21 reliability standards, which became mandatory in 2008
22 and which are subjecting the Companies to an increasing
23 number of compliance audits. Regulatory Affairs is
24 also increasingly devoting time to transmission siting

ACCOUNTING PANEL - ELECTRIC

1 matters that are arising under the Energy Policy Act of
2 2005 and to pending federal legislation relating to
3 energy conservation and transmission siting.
4 The Company also requires additional attorneys to meet
5 the increasing demands of regulatory practice before
6 the New York Commission. The increased regulatory
7 workload is driven by a trend away from multi-year rate
8 plans for the Company's electric service, and the need
9 to file and prosecute annual rate requests; in
10 addition, the nature and complexity of these annual
11 rate filings has been steadily increasing, with
12 requests for ever-increasing detail in support of the
13 Company's projected costs and expenses. In addition,
14 there is increased need for regulatory support for new
15 and ongoing proceedings relating to energy efficiency,
16 demand response, renewables, mandatory hourly pricing,
17 solar energy, and advanced metering infrastructure, as
18 well as the integration of project funding through
19 federal government stimulus payments; consideration of
20 new service classifications (e.g., shore power); new
21 approaches to submetering; and the proper integration
22 of FERC policies with New York regulatory programs
23 (e.g., retail access and capacity release). There are
24 also increasing demands from the New Jersey Board of

ACCOUNTING PANEL - ELECTRIC

1 Public Utilities in similar respects, which places
2 demands on the regulatory attorney staff. Note - a
3 portion of Regulatory Services costs and expenses are
4 allocated to O&R to reflect the services provided that
5 are specific to O&R's regulatory requirements.

6 The paralegal position is primarily required to
7 administer FERC-jurisdictional contracts and tariffs.

8 The Companies have numerous tariffs and hundreds of
9 contracts on file with the FERC, which are subject to
10 on-going posting and reporting requirements and a new
11 electronic filing requirement to be implemented this
12 year. A recently completed compliance review indicated
13 the need for the reformatting and administration of
14 those tariffs and contracts and for the development of
15 software and implementation of procedures for the
16 electronic filings. We anticipate the new paralegal to
17 devote substantially all of his/her time to this
18 effort.

19 We have posted the two attorney positions and the
20 paralegal position. Our plan is to have all three
21 positions filled as soon as possible but no later than
22 the beginning of the rate year.

23 Q. Please discuss Operations.

ACCOUNTING PANEL - ELECTRIC

1 A. The Operations group is requesting one Senior
2 Specialist position. This group is responsible for the
3 overall administrative activities of the department,
4 including the coordination and recruitment of staff.
5 The group also plans, prepares and administers
6 personnel functions, wage and salary administration,
7 capital, O&M and human resources budgets and
8 performance evaluations; develops and coordinates new
9 computer systems and applications; monitors and reports
10 on the cost effectiveness of in-house legal services;
11 and is responsible for the Law Library, administrative
12 support staff, and information technology support.
13 A Senior Specialist is required to provide assistance
14 to the Department Manager with budget, administrative
15 and HR support to the Law Department, Office of the
16 Secretary, Regulatory Services, Energy Efficiency
17 Programs and Energy Policy and Regulatory Affairs.
18 The Law Department's Department Manager is currently
19 responsible for a number of items, including among
20 others, human resources and technology initiatives,
21 secretarial and administrative support, and budgeting
22 for the Law Department, Office of the Secretary and
23 Regulatory Services. Effective 2/1/09, Energy
24 Efficiency Programs and Energy Policy and Regulatory

ACCOUNTING PANEL - ELECTRIC

1 Affairs were transferred into the Executive Vice
2 President's organization and now fall under the
3 responsibility of the Department Manager. The budget
4 function also has increased dramatically, going from
5 \$28 million to \$38 million. This new position is
6 required to effectively manage the newly restructured
7 organizations and to allow the Department Manager to
8 focus on other responsibilities, including the
9 management and administration of the departments'
10 overall daily operations, its human resources and
11 technology efforts. Currently, the work is being
12 handled through uncompensated overtime of the
13 department manager. We are posting for this position
14 in the near future and expect to have the position
15 filled by July 1, 2009.

16 Q. Please discuss your last request, the need for a Legal
17 Secretary.

18 A. The Law Department is requesting a Legal Secretary to
19 provide support to the Law Department and Regulatory
20 Services legal staff. The position is required to
21 provide secretarial and administrative support to
22 several attorneys who currently do not have assigned
23 support. Each of our secretaries provides secretarial
24 and administrative support to four or more attorneys.

1 Under our current secretarial staffing levels, four of
2 our attorneys do not have secretarial assistance. We
3 currently handle their work by re-distributing critical
4 work and postponing less urgent tasks until time
5 permits. Hiring a secretary would free our legal staff
6 from performing administrative duties and allow them to
7 focus on more cost-effective tasks.

8 Q. Please continue with line 70.

9 A. The next and last program change, A&S Transfer Credit,
10 relates to capitalization of the administrative
11 function in the Company as it relates to capital
12 spending described throughout this filing. This filing
13 reflects the Company's plans to spend some \$213.8
14 million less in the rate year than is reflected in the
15 historic year and, as a result, less of the
16 administrative function, primarily salary related, will
17 be capitalized. This is estimated at a debit of
18 approximately \$3.490 million.

19 **F. GENERAL ESCALATION**

20 Q. Please describe how you escalated certain costs and the
21 general escalation rate you used.

22 A. The general escalation rate is applied to costs
23 anticipated to increase as the result of inflation.
24 The labor content was extracted from each element of

ACCOUNTING PANEL - ELECTRIC

1 expense and the residual amounts were then escalated
2 using a general escalation rate that reflects the
3 overall anticipated rate of inflation (except for
4 certain costs, like water for electricity generation ,
5 as addressed by the Electric Production Panel.

6 Q. Please describe the general escalation rate you used.

7 A. The general escalation factor is based on the projected
8 increase in the Gross Domestic Product ("GDP") price
9 deflator.

10 The actual GDP deflator used was published as of
11 February 23, 2009 by the U.S. Department of Commerce
12 and the forecasts were from the Blue Chip Economic
13 Indicators, dated February 10, 2009. The quarter
14 ending March 31, 2011 was derived from the Blue Chip
15 quarterly rate forecast which was projected at 1.39
16 percent annually from the fourth quarter of 2008 to the
17 first quarter of 2011. Utilizing these forecasts, we
18 calculated the increase from the average of the
19 historic year through the average of the rate year to
20 be 3.13 percent. As with past practice in the
21 Company's rate cases, we will update the inflation
22 factors to reflect the latest available inflation
23 forecasts later in this proceeding.

G. LABOR ESCALATION

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Q. Please explain the derivation of the 7.40 percent labor factor used to escalate the historic year labor expense level to the rate year.

A. As shown on Exhibit ___ (AP-5), Schedule 2, page 1, column 1, total Company salaries and wages for the twelve months ended December 31, 2008 amounted to \$1,268,105,000. Straight-time union labor includes temporary summer employees. For the rate year, total Company salaries and wages, as shown in column 3, amount to \$1,361,954,000. The increase of \$93,849,000 in total Company labor dollars from the historic year level to the rate year level represents a 7.40 percent increase. Thus, we assumed the same factor to escalate the historic Company labor amount for electric operations to arrive at the rate year amount.

Q. Please describe the development of the total Company rate year labor forecast.

A. As shown on Exhibit ___ (AP-5), Schedule 3, starting with the total number of employees on roll with pay for the week ended December 31, 2008 of 14,326, we assumed a 1 percent annual productivity reduction from January 2009 to March 2011 to arrive at the average number of employees during the rate year of 14,077, a reduction

1 of over 249 employees from the historic year. The
2 productivity savings assumption has lowered the labor
3 escalation factor by 2 percent (9.39 percent to 7.40
4 percent per Schedule 2). The Company's labor and
5 labor-related forecasts for the rate year were
6 developed based on the 7.40 percent factor.

7 Q. In the 2009 Order, the Commission reflected the average
8 staffing level for the test year as opposed to the
9 year-end staffing level proposed by the Company. Why
10 is the Company using the actual number of employees as
11 of December 2008 in this case as opposed to the average
12 for the Test Year?

13 A. There are several reasons why the actual number of
14 employees at December 2008 is more appropriate for Con
15 Edison than an average for the Test Year. First we
16 would note that the number of employees has
17 consistently increased over the last several years as
18 the Company has hired employees for new programs
19 approved by the Commission in prior proceedings; second
20 the year-end staffing levels are more current
21 representation of the actual number of employees to be
22 in place during the rate year than the average level
23 for the historic year 2008, and third we would note
24 that witnesses in this case are presenting their

ACCOUNTING PANEL - ELECTRIC

1 requests for staffing levels in the rate year, based on
2 positions in place at December 31, 2008. Had an
3 average number of employees for the Test Year been
4 used, the staffing levels requested in the program
5 changes would have been higher.

6 Q. In the Company's recently concluded Case 08-E-0539, the
7 Commission imputed a two percent productivity factor.
8 Why did you not use two percent as your labor
9 productivity factor?

10 A. The Commission explained that it was increasing the
11 productivity adjustment to reflect higher levels of
12 increased investment; because rates should be
13 "fashioned in a way that better reflects the existing
14 harsh economic environment and requires the Company, as
15 a good corporate citizen, to act in ways that better
16 contribute to improving the environment and demonstrate
17 a commitment to operating as efficiently as possible in
18 providing electric delivery service" (2009 Rate Order,
19 pp. 37-38) and that a two percent productivity
20 imputation will help achieve that goal.
21 This rate request is lower than it would otherwise be
22 as a result of planned comprehensive Company efforts to
23 act efficiently. Productivity that should be
24 reasonably anticipated from the Company's capital

1 program and other activities are quantified and
2 reflected in the rate request, in addition to the
3 traditional one percent imputation.

4 Q. Please explain.

5 A. In recent cases, Staff and other interveners have
6 essentially alleged that the magnitude of the Company's
7 capital program should result in higher productivity
8 than in past years and therefore the one percent
9 imputation associated with the lower level of capital
10 expenditures should be increased to reflect the
11 increased spending. Although the Company provided
12 detailed testimony explaining why that is not the case,
13 the Company was faulted for not quantifying
14 productivity that should be reasonably expected from
15 its capital expenditures and planned programs. The
16 Company performed such an analysis in this case and
17 various Company witnesses have identified efforts and
18 programs that are expected to result in productivity in
19 the rate year and indicated the extent to which the
20 rate request is lower than it otherwise would have been
21 as a result of those efforts.

22 Q. Please continue.

23 A. Specifically, various Company witnesses identify
24 approximately \$14.3 million of productivity reflected

ACCOUNTING PANEL - ELECTRIC

1 in the rate filing. These witnesses include the
2 Infrastructure Investment Panel, who identify
3 productivity savings of approximately \$3.5 million; the
4 Shared Services Panel, approximately \$0.7 million; the
5 Customer Operations Panel, approximately \$1.4 million;
6 and Hector Reyes, the Company witness for employee
7 benefits, approximately \$8.7 million. In addition,
8 other Company witnesses identify efforts to achieve
9 efficiencies that are anticipated to result in MAC/MSC
10 charges lower than they would otherwise be, through
11 fuel efficiency measures (addressed by the Company's
12 Electric Production Panel) and efforts before the NYISO
13 and FERC (addressed by Company witness Ivan Kimball,
14 who provides examples of aggressive Company efforts
15 that have resulted in materially reduced costs to our
16 customers), as well as the Company's Municipal
17 Infrastructure Support Panel, who explains the efforts
18 they undertake to reduce, to the extent practicable,
19 costs the Company must incur to accommodate municipal
20 projects.

21 Accordingly, the rate request reflects the productivity
22 that should be reasonably expected from the Company's
23 proposed capital spending and programs and demonstrates
24 the Company's commitment to efficient operations.

1 Moreover, in order to mitigate the rate request in this
2 filing, the Company proposes to continue the use of a
3 one percent productivity adjustment in addition to the
4 productivity we have identified.

5 Q. Why do you characterize the one percent imputation as a
6 mitigation measure?

7 A. There is nothing in the Commission's rules that require
8 the Company to reflect a productivity imputation in its
9 rate filings. Nor does it otherwise seem reasonable
10 that the Company's expense forecast, which reflects
11 expected costs in the rate year, should effectively be
12 subject to automatic reduction of one percent before
13 the costs are even examined in this case. It seems
14 appropriate, therefore, that the Company's decision to
15 reflect one percent productivity be recognized as
16 mitigation. We would add that the Company's decision
17 to reflect this mitigation measure in this case is
18 without prejudice to its right to not continue this
19 practice in future rate filings.

20 Q. Do you have any comments as to the Commission's
21 statement that the amount of the productivity
22 adjustment should reflect the current harsh economic
23 environment?

ACCOUNTING PANEL - ELECTRIC

1 A. Yes. The Commission separately determined that the
2 Company should undertake austerity measures in light of
3 the current harsh conditions, and reduced the rate
4 increase ordered in the last case by \$60 million for
5 that purpose. Doubling the long-standing productivity
6 adjustment for the same purpose effectively constitutes
7 an additional \$10 million of austerity. The amount of
8 austerity reasonably achievable by the Company during
9 current harsh economic conditions should be considered
10 separately from the traditional productivity imputation
11 in setting rates. In fact, the Commission itself
12 acknowledged that the \$60 million reduction may not be
13 reasonably achievable and provided the Company an
14 opportunity to recoup that amount of the reduction.
15 There is no basis to increase that target.

16 Q. Please continue.

17 A. Schedule 2, page 4, shows the computation of the
18 average wages and salaries in the rate year for Weekly
19 and Management employees. For Weekly employees, we
20 assumed a general wage increase of 3.5 percent in June
21 2009 and June 2010 and the effect of the semi-annual
22 progression increases of 0.7 percent in October 2010
23 and 0.6 percent in February 2011 were also applied to
24 50 percent of total weekly employees. The 50 percent

ACCOUNTING PANEL - ELECTRIC

1 figure is based on a three year (2006-2008) average of
2 actual number of weekly employee that received
3 progression increases. These rates are all pursuant to
4 the labor agreements with the unions representing the
5 weekly employees. For Management employees, we assumed
6 a 3.5 percent merit increase in April 2009 and April
7 2010.

8 Q. Please continue.

9 A. Having developed the rate year average staffing levels
10 and average rates of pay, we then used these amounts to
11 develop the total Company rate year straight-time wages
12 and salaries as shown on Schedule 2, page 2.

13 Q. Please explain Schedule 2, page 3.

14 A. Page 3 shows the calculation of salaries and wages
15 other than straight-time payrolls. In the historic
16 year, actual weekly premium time and overtime payrolls
17 were \$27,593,000 and \$134,004,000, respectively. We
18 then increased these historic year payrolls by the
19 estimated contractual wage awards. Management
20 compensatory time is determined by starting with the
21 historic year level of \$35,537,000 and then applying
22 the average rate of increase, as previously determined,
23 to arrive at the rate year amount.

1 VIII. AVERAGE RATE BASE - PLANT -- (AP-6)

2 Q. Has the Accounting Panel prepared projections of plant
3 balances for the twelve months ending March 31, 2010
4 and March 31, 2011 appraising the impact of the current
5 construction and retirement programs on the electric
6 department's average rate base?

7 A. Yes, we have.

8 Q. Was the two page tabulation, the first entitled
9 "ESTIMATED NET PLANT - ELECTRIC - TWELVE MONTH AVERAGE
10 ENDING MARCH 31, 2011," and the second "ESTIMATED NET
11 PLANT - ELECTRIC - DECEMBER 31, 2008 - MARCH 31, 2010,"
12 prepared under your supervision and direction?

13 A. Yes, it was.

14 MARK FOR IDENTIFICATION AS EXHIBIT ___ (AP-6)

15 Q. What does this exhibit show?

16 A. There are three schedules. The first relates to the
17 average net plant in rate base. The second schedule
18 relates to the average construction work in progress
19 balance in rate base. The third reflects the
20 capitalization of increased pension/OPEBs costs.

21 Q. Please continue and describe the three schedules.

22 A. Page 1 of Schedule 1 of the exhibit shows the projected
23 average net plant for the twelve months ending March

1 31, 2011. Page 2 of the schedule shows the estimated
2 monthly balances from December 31, 2008 through March
3 31, 2010 that served as a basis for our rate year
4 projections. The first column shows the book cost of
5 plant; the second column shows the accumulated
6 provision for depreciation; and the third column shows
7 the resulting net plant. Schedule 2 shows the average
8 estimated balance for construction work in progress
9 both interest bearing and non-interest bearing. The
10 schedule shows the data for the same time periods as
11 Schedule 1. Schedule 3 shows the impact of capitalized
12 pension/OPEBs on net plant (Schedule 1). These costs
13 were discussed earlier in our testimony. We are
14 showing the capitalization as a global adjustment on
15 Schedule 3. The sum of Schedules 1 and 3 tie to the
16 average rate base Exhibit ____ (AP-8), lines 1 through
17 3.

18 Q. Please describe the development of the projections
19 contained in these exhibits.

20 A. Using estimated capital expenditures provided to us by
21 the various witnesses in this proceeding and the
22 Company's books and records for construction work in
23 progress balances through December 31, 2008, we
24 developed estimated transfers to plant in service, and

1 construction work in progress balances. We then added
2 the estimated transfer to plant in service to the
3 actual plant in service account balances at December
4 31, 2008 and deducted the book cost of plant for
5 retirement. In addition, we calculated the accumulated
6 provision for depreciation in order to develop net
7 plant balances. Included in this calculation is the
8 forecasted depreciation accruals based on current
9 depreciation rates, and net removal costs provided by
10 Company witness Hutcheson. The details of the average
11 net plant balances are included in the first four lines
12 of the average rate base which is included in Exhibit
13 __ (AP-8), columns 1 through 3, for the rate year. The
14 forecast used for the projections were based on the
15 Company's forecasted capital expenditures addressed by
16 various other Company witnesses. We will update for
17 any significant changes later in this proceeding.

18 IX. COMMON GENERAL EQUIPMENT - FINANCE/LAW -- (AP-7)

19 Q. What is your next area of testimony?

20 A. We will discuss how common general equipment or plant
21 is allocated. The Shared Services Panel addresses
22 general equipment on an overall basis in their
23 testimony.

24 Q. Please continue.

ACCOUNTING PANEL - ELECTRIC

1 A. Overall, the Company's common plant expenditures are
2 allocated to the operations that benefit from the
3 projects. A common plant project, if it benefits, for
4 example, Orange and Rockland Utilities, Inc. ("O&R"),
5 the portion of the project applicable to O&R will be
6 charged to an O&R capital account through the affiliate
7 billing process. A reasonable basis for the
8 allocation is used. For ex., if the cost driver is the
9 number of employees or the number of units, costs will
10 be allocated accordingly. If there is not another
11 basis to allocate costs, the shared services percentage
12 will be used. This rate is currently 7.1 percent.

13 Q. How does the Company allocate costs among electric, gas
14 and steam operations?

15 A. Generally, the portion of common plant allocated to Con
16 Edison is allocable 83 percent to electric operations
17 with 17 percent allocable to gas operations. Steam
18 operations is charged an interdepartmental rent charge
19 for common plant used in steam operations, which is
20 credited to the electric and gas departments.

21 Q. Does the Accounting Panel support any common plant
22 projects?

23 A. Yes. In our testimony we will discuss common plant as
24 it applies to the Finance and Law Departments.

ACCOUNTING PANEL - ELECTRIC

1 Q. Please continue.

2 A. The Finance and Law Department's capital spending
3 includes the routine annual spending on items such as
4 office equipment, communications equipment, and other
5 miscellaneous equipment (referred to as XMs), which are
6 necessary for daily operations of these departments.
7 The Shared Services Panel discusses the projected
8 spending for these items in the rate year. We will
9 discuss non-routine capital expenditures for the
10 Finance and Law Department that are projected for 2009
11 through 2013. These expenditures are shown in an
12 exhibit.

13 Q. Is that the exhibit entitled, "CONSOLIDATED EDISON
14 COMPANY OF NEW YORK, INC. COMMON CAPITAL PROJECTS -
15 FINANCE/LAW" and was it prepared under your direction
16 and supervision?

17 A. Yes.

18 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-7)

19 Q. Will you please describe the exhibit?

20 A. This exhibit includes expenditures for Corporate
21 Accounting, Tax Department, Law, Rate Engineering and
22 Enterprise Risk Management. These projects are
23 included in the Company's Five-Year Capital Forecast.
24 The projects listed are applicable to CECONY operations

1 only. Four projects listed: Dynamic Load Shaping, Load
2 Diversity, Mandatory Hourly Pricing, Customer Usage
3 System and Allocation and Demand Analysis will be
4 discussed by the Company's Electric Rate Panel.

5 We will begin with the Enterprise Resource Planning
6 ("ERP") System. This project will not be in service in
7 the rate year but it will be in service during the
8 period of the three-year rate plan, that Company
9 witness Rasmussen presents in his testimony.

10 Q. Why does the Company have the need for the ERP
11 expenditure?

12 A. The current financial and supply chain system
13 environment is a patchwork of custom built modules
14 implemented at various times over the past three
15 decades. The individual skills required to maintain,
16 support and utilize this legacy technology are
17 difficult to attract and retain. In addition, the
18 current systems require a substantial amount of manual
19 effort on the part of information technology, finance,
20 accounting, and supply chain resources to complete
21 basic finance and supply chain activities. These
22 factors tend to decrease the efficiency of finance and
23 supply chain operations and increase financial

ACCOUNTING PANEL - ELECTRIC

1 reporting risk relative to environments with more
2 automated, modern ERP solutions.

3 Q. Have other companies implemented such finance and
4 supply chain systems?

5 A. Yes. We are aware of only one other large (revenues
6 over \$3 billion) public electric and gas utility in the
7 United States that has not implemented or is not
8 currently in the process of implementing an ERP
9 solution. Many smaller, municipal energy utilities have
10 also implemented ERP solutions to support finance and
11 supply chain processes.

12 Q. What benefits did these utilities seek in implementing
13 these Financial and Supply Chain ERP solutions?

14 A. Utilities began implementing ERP solutions in an effort
15t to achieve benefits such as:

- 16 • Improved cost control and decision-making due to
17 faster access to timely and relevant information;
- 18 • Improved customer service to internal customers of
19 finance and supply chain processes
- 20 • Reduced manual effort;
- 21 • Enhanced internal and external reporting
22 capabilities;

ACCOUNTING PANEL - ELECTRIC

- 1 • Increased consistency in procedures and
 - 2 standardization across the company (e.g.
 - 3 standardized data, accounts, reporting, item
 - 4 categories etc.);
 - 5 • Improved resource management;
 - 6 • Improved ability to measure and track
 - 7 project/programs costs more accurately;
 - 8 • Improved tracking of inventory;
 - 9 • Reduced risk in the financial close and reporting
 - 10 process;
 - 11 • Reduced data entry; and
 - 12 • Enhanced ability to do ad hoc reporting.
- 13 Q. Please describe the nature of the Company's existing
- 14 systems.
- 15 A. Currently, Consolidated Edison, Inc. (CEI) operates
- 16 independent Finance and Supply Chain systems for
- 17 Consolidated Edison Company of New York, Inc. (CECONY)
- 18 (mainframe custom built legacy), Orange & Rockland
- 19 Utilities (O&R) (Walker Financial System), the
- 20 Competitive Energy Businesses (Oracle-PeopleSoft), and
- 21 CEI parent company (Walker Financial System) and for
- 22 the CEI consolidation process (Infor-ComShare), which
- 23 increases administrative costs, increases the

ACCOUNTING PANEL - ELECTRIC

1 opportunity for error and reduces staff time for review
2 and analysis.

3 CECONY's current Finance and Supply Chain platform are
4 homegrown legacy systems, installed in 1970, and
5 limited in their functionality. The monthly closing of
6 the books requires a great deal of manual oversight and
7 intervention. The current monthly closing process
8 involves processing approximately 600 manual journal
9 entries in addition to the multiple financial data
10 interfaces from feeder systems (i.e., Accounts Payable,
11 Customer Service, Payroll, etc). The General Ledger
12 has limited reporting analysis features, which has led
13 to the development of additional add on software tools
14 in order to provide users a detailed view of their
15 respective accounting and cost activity. In addition,
16 because these systems utilize different databases than
17 the ones used by the General Ledger's Financial
18 Management System, reconciliation needs to be performed
19 between the two systems each night in order to ensure
20 accuracy in financial reporting. This current General
21 Ledger platform, accompanying closing process and
22 reporting environment are cumbersome, inefficient and
23 do not provide users with the ability to clearly track
24 and monitor costs.

ACCOUNTING PANEL - ELECTRIC

1 Q. Please continue.

2 A. CECONY's Supply Chain platform includes systems for
3 Procurement, Inventory Management, and Accounts Payable
4 functions. The current platform requires the user to
5 navigate several systems for procurement activities
6 depending on the type of request, requiring knowledge
7 of the requisitioning process in each system. Because
8 the data is housed in multiple systems, visibility is
9 limited to overall procurement spend - creating
10 inefficiencies when leveraging expenditures with
11 suppliers. Once materials/services have been receipted,
12 many purchase orders are not structured or detailed
13 enough to facilitate electronic processing and
14 automatic payment in the Accounts Payable system. This
15 leads to process delays and inefficiencies in paying
16 suppliers.

17 Q. Does O&R have an integrated financial system?

18 A. Yes. O&R's Finance and Supply Chain platform is a
19 customized mainframe-based enterprise software package
20 (Walker Financial System), which was purchased and
21 installed at O&R in the mid-1980s.

22 Q. Can the O&R system be expanded to include CECONY?

23 A. No. Although O&R's product suite is highly integrated,
24 the current vendor has announced there will be no more

1 upgrades to the product, and it is difficult to find
2 support for the system in terms of both maintenance and
3 enhancements required to meet business needs.

4 Q. Is the new General Ledger and Supply Chain ERP a
5 component of a roadmap for replacing such systems?

6 A. Yes, the Human Resources/Payroll system (which went
7 live January 2009), Property Record Power Plant system,
8 which includes a tax system, the Sabrix Use Tax
9 Calculation (both of which will go live in 2010) and
10 the new General Ledger and Supply Chain systems are
11 part of a clear Company roadmap for future process and
12 system improvements.

13 Q. What steps has the Company taken in implementing an
14 ERP?

15 A. The Company is conducting a Phase Zero Planning and
16 Analysis project to assess the overall implementation
17 effort and to mitigate risks before implementation.
18 The outcomes of this phase are to include a project
19 implementation plan, staffing requirements, to-be
20 business processes, a refined cost estimate and
21 resource estimate. During this effort, we also intend
22 to validate Oracle e-Business (Oracle's ERP) suite
23 selection for the Finance and Supply Chain ERP
24 platform. This project encompasses an in-depth

1 analysis of the business processes surrounding Finance
2 (including Accounts Payable, Miscellaneous Accounts
3 Receivable & Billing, General Accounting - closing
4 process and account reconciliations, Management
5 reporting, Budgeting, and Financial Reporting) and
6 Supply Chain (including Purchasing, Materials
7 Management, and Warehouse Management) compared to
8 Oracle's solution. This is consistent with our
9 approach with the HR/Payroll and Power Plant projects
10 where a Phase Zero effort was conducted before system
11 implementation. This phase began October 1, 2008 and
12 will be completed in May 2009.

13 Q. What is expected deliverable at the conclusion of the
14 Phase Zero stage?

15 A. The expected deliverable at the conclusion of Phase
16 Zero will be a fit/gap analysis, future business
17 processes, project timeline, conversion efforts, and
18 required interfaces, reporting requirements, and a
19 refined cost estimate and staffing requirements to
20 implement a new Finance and Supply Chain ERP.

21 Q. When do you expect the project implementation phase to
22 begin?

23 A. At the completion of the Phase Zero project in May,
24 2009, the Company will be required to staff the

ACCOUNTING PANEL - ELECTRIC

1 implementation team and select an integration vendor
2 through a competitive bid process. As a result, we
3 expect the implementation phase to begin in September
4 2009.

5 Q. Do you have a current estimate of an in service date?

6 A. Yes. We currently anticipate an in-service date of
7 January 2012, and a project completion date of March
8 2012. The work to complete the project in the first
9 quarter of 2012 includes post go-live system
10 monitoring, process and controls monitoring and
11 validation, enhancements to production system
12 configurations, and retirement of legacy systems.

13 Q. What is the cost you have you reflected in this filing?

14 A. A preliminary estimate of the project cost is \$100.5
15 million of which \$93.4 million pertains to CECONY and
16 \$7.1 million to O&R. The amount allocated to CECONY
17 electric is \$77.5 million. The \$100.5 million estimate
18 was developed by MICON Consulting based on their
19 industry experience of similar type companies and their
20 experience of integrating new Finance and Supply Chain
21 systems. This number may be revised in the update
22 stage of the case pending the results of the Phase Zero
23 effort. The cash flow for the project is shown in our
24 Exhibit ____ (AP-7).

ACCOUNTING PANEL - ELECTRIC

1 Q. How did you account for the Phase Zero effort?

2 A. The Phase Zero effort, which will amount to \$5.1
3 million, is being capitalized and is included in the
4 aforementioned \$100.5 million overall project costs.

5 Q. Was the \$100.5 million project costs included in the
6 Company's Five-Year forecast presented to the Board in
7 January 2009?

8 A. Yes, it was.

9 Q. Are there any other projects included in the Five Year
10 Capital budget that the Accounting Panel will discuss?

11 A. Yes. There are several capital projects to be
12 implemented in 2009 through 2011:

- 13 • Property Record Power Plant System - \$4.918 million
- 14 - estimated completion in the 2nd quarter of 2010;
- 15 • Sabrix Use Tax Calculation - \$1.198 million -
- 16 estimated completion in 3rd quarter 2010;
- 17 • Dashboard/Oracle Reporting Solution - \$250,000 -
- 18 estimated completion in 4th quarter 2010;
- 19 • PeopleSoft Job Scheduling Solution - \$250,000 -
- 20 estimated completion 2010;
- 21 • Case Management System - \$500,000 - estimated
- 22 completion in October 2009;

ACCOUNTING PANEL - ELECTRIC

- 1 • Litigation Management System - \$125,000 - estimated
2 completion in October 2009;
- 3 • Records Retention Management System - \$500,000 -
4 estimated completion in December 2009;
- 5 • JD Edwards-(A/P) - \$450,000 - estimated completion
6 in December 2009;
- 7 • Enterprise Risk Management System - \$400,000 -
8 estimated completion in 4th quarter 2009; and
- 9 • Other - \$300,000.

10 Q. Please describe the need for these new programs

11 A. The Property Record Power Plant System replaces the
12 multiple Property Records, Property Tax and Tax
13 Depreciation Systems, and Excel spreadsheets related to
14 the tax provision currently used by CECONY and O&R with
15 a single Property Records and Tax System. Work started
16 on this project beginning with Phase Zero, which was
17 completed in December 2007. Asset accounting policies
18 and practices impact cash flow through the regulatory
19 process as well as through tax impacts so it is of
20 strategic importance to Con Edison to be able to
21 account for the value of our assets in a timely and
22 efficient manner. This system will reduce and keep to
23 a minimum any plant closing backlog. The minimization

1 of backlog is an imperative not only for timely
2 accounting, but also for appropriate regulatory and tax
3 recognition. The new system automates the closing
4 function and provides easy on-line review and
5 resolution facilities. It also would allow Con Edison
6 to combine all its assets (CECONY and O&R) into a
7 single system and standardize the processes between the
8 companies.

9 Q. Please continue.

10 A. Power Plant includes a tax provision module (corporate
11 tax accrual system) as well which is expected to
12 perform the following:

- 13 • Develop the monthly income tax provision by downloading
14 the support data for Schedule M items for CECONY and
15 O&R which, upon extension at appropriate income tax
16 rates, will develop reports supporting deferred taxes,
17 generate the CECONY and O&R federal and state current
18 and deferred tax journal entries (including FAS 109
19 journal entries) and a general Tax Balance Sheet; and
- 20 • Interface of the accrual for income tax with the tax
21 return preparation system.

22 Q. What efficiencies can be achieved in calculating income
23 taxes?

ACCOUNTING PANEL - ELECTRIC

1 A. CECONY and O&R's current process requires the monthly
2 retrieval of data from various sources and several
3 hundred accounts via the CARE, FMS, or Walker systems
4 (financial data systems) and the manual entry of this
5 data into an Excel spreadsheet. The current process
6 takes a considerable amount of time for data input and
7 due to its manual nature has the potential for input
8 and data processing errors. A new system will improve
9 control, accuracy and reduce the time spent by
10 automatically downloading the applicable data. This
11 will free tax analysts' time for quality assurance and
12 other value-added work. For example, it is difficult
13 to confirm that the Schedule M (generally timing
14 differences between book income and taxable income)
15 items are correctly recorded to their respective
16 deferred tax accounts. A new system will provide a
17 clearer link between Schedule M amounts and the
18 appropriate deferred tax accounts. This will
19 facilitate the review process and thereby improve
20 controls. Moreover, the current Excel spreadsheet does
21 not generate the FAS 109 journal entry or the tax
22 balance sheet. A new system will add efficiencies and
23 accuracy by automating the FAS 109 journal entry and
24 generate the tax balance sheet. Moreover, the current

ACCOUNTING PANEL - ELECTRIC

1 Excel spreadsheet cannot interface with the tax return
2 system. A new accrual system will eventually interface
3 with the tax return system, eliminating redundant data
4 entry, increasing efficiencies, and avoiding human
5 error allowing more time for value-added analysis on
6 the tax return.

7 The current Excel spreadsheet cannot consolidate all
8 the regulated subsidiaries into a single report. A new
9 system will have the capability to consolidate all of
10 CEI's subsidiaries and create a single report. This
11 will provide the Tax Department and senior management
12 with a better analysis of CEI's consolidated taxes.

13 Q. Please continue with the next line item, Sabrix Use Tax
14 Calculation.

15 A. Sabrix Use Tax Calculation will enhance CECONY and
16 O&R's supply chain process. CECONY currently relies on
17 the assignment of a Payment Category Code ("PCC") to
18 determine if a purchase is taxable. While it should be
19 assigned by someone who is familiar with the nature of
20 the purchase and its intended use, usually the
21 requestor or the purchasing agent, this assignment
22 responsibility often falls to an accounts payable clerk
23 to make the determination. Due to the large volume an
24 automated solution is needed. We have been quoted a

1 price of \$825,000 to install Sabrix. With use tax
2 expenditures of \$60 million per year, a 5 percent
3 reduction would produce monthly savings of \$250,000 and
4 a payback period of approximately four months for
5 vendor costs. Currently only two employees are
6 assigned full time to the sales and use tax function,
7 and the Section Manager of the Transaction Tax Section
8 devotes approximately one third of his time to sales
9 and use tax. The group is active in performing reviews
10 of transactions to identify potential sax savings, and
11 a mechanized system would provide the tools to increase
12 this activity.

13 Q. Please continue with the Dashboard/Oracle Reporting
14 Solution.

15 A. Dashboard/Oracle Reporting Solution will provide a
16 Human Resources/Payroll reporting environment via a
17 Dashboard/Oracle Reporting solution on the web. It will
18 provide direct access to operational data in real-time,
19 enable decision makers to cost-effectively gain
20 immediate insight and actively guide business
21 performance. Providing operational information from
22 the Human Resources/Payroll system quickly is essential
23 to the efficient and accurate operation of our HR and
24 Payroll processes.

ACCOUNTING PANEL - ELECTRIC

1 Q. Please continue with the Peoplesoft/Job Scheduling
2 Solution expenditure.

3 A. PeopleSoft Job Scheduling Solution is a job scheduler
4 software that provides for an integrated solution that
5 ultimately prevents manual errors, processing delays
6 and work quality degradation. This job-scheduling tool
7 automates the HR/Payroll-related system job tasks that
8 are business processes by themselves or are parts of a
9 business process and will be robust enough to deliver a
10 solution to the complex scheduling requirements for the
11 various Company payrolls. CECONY administers several
12 different types of payrolls, such as weekly payrolls
13 (for our union workforce), semi-monthly (for our
14 management payrolls) and retirement payrolls (weekly
15 and management). While there are many benefits from
16 the new HR Payroll system, many jobs that used to be
17 run automatically now must be run and monitored
18 manually by Payroll. This software will allow those
19 jobs to be automated once again.

20 Q. Please continue with the next three projects for the
21 Law Department.

22 A. The Case Management System requires frequent
23 modifications to accommodate claims processing for
24 major incidents or litigations involving multiple

ACCOUNTING PANEL - ELECTRIC

1 parties (e.g., WTC litigation). The existing
2 application is 16-bit and uses development language and
3 a communications gateway that are no longer supported
4 by the vendor. In addition, because the system was
5 developed more than ten years ago, it lacks basic
6 flexibility such as ad hoc reporting or allowing
7 insertion of files or hyperlinks into other systems.
8 We are requesting funding in the amount of \$500,000 to
9 replace the system which is comprised of the following
10 components: Time Allocation, Docket Management, Case
11 Tracking, Notes and File Room. Each of these systems
12 is critical to the administration and operation of the
13 Law Department and enables the department to promptly
14 respond to claims, court appearances, document
15 discovery demands and litigation pleadings. Although
16 the system currently used is functional, it lacks basic
17 available technology to easily report on the data and
18 to integrate with other systems. This affects the
19 ability to most efficiently manage claim and lawsuit
20 response.

21 Q. Please continue with the Litigation Management System.

22 A. Our General Litigation section requires a system to
23 store and manage scanned and coded litigation documents
24 associated with claims and lawsuits. The system will

1 be linked to the replacement Case Management System the
2 Law Department plans to implement in the near future.
3 Storage, retrieval and management of claim and
4 litigation documents are critical for a quick and
5 successful resolution of these matters. We currently
6 do not have an electronic system to manage the various
7 documents associated with claims and litigations
8 (pleadings, medical records, operating area records,
9 etc.) and often must resort to working with physical
10 files. The implementation of this system will provide
11 efficiency savings and process improvements in
12 connection with managing claims and lawsuits.

13 Q. Please conclude with Records Retention Management.

14 A. Records Retention Management involves the design and
15 implementation of an enterprise wide records retention
16 management system. The application and associated
17 hardware will allow the management of our records
18 retention policy, notification of litigation holds,
19 data collection in response to litigation holds and
20 electronic discovery production. Our earlier request
21 to hire three human resources in 2009 (Paralegal, IT
22 Records Manager and Records Specialist) is required to
23 provide on-going support for the system.

24 Implementation of the system is in response to new

1 federal regulations promulgated in December 2006 that
2 establish stringent record retention regulations in
3 connection with litigation. The records management
4 team and the records management program represent a new
5 Company initiative to comply with these regulations.
6 This initiative will manage the Company's records
7 retention obligations in a consistent and defensible
8 manner. Our current program requires strengthening to
9 address the increasing risks presented by the Federal
10 e-Discovery rules and the evolving case law in the
11 area. There is now a heightened attention among our
12 legal adversaries to exploit any deficiencies in the
13 legal hold process.

14 Q. Please continue with JD Edwards System.

15 A. This project involves upgrading the JD Edwards Accounts
16 Receivable System for the latest release to support the
17 Miscellaneous Accounts Receivable Section of Corporate
18 Accounting. The JD Edwards system creates invoices and
19 manages the miscellaneous accounts receivable function
20 of the Company. This product has multi-company
21 capability so it supports both CECONY and O&R. This
22 system is integrated with Treasury Department and with
23 the Company's accounting system. The vendor does not
24 support releases beyond a certain time. The current

1 version in production will have reached the end of
2 vendor support in 2009. In order to continue the
3 proper support, we must upgrade the system at regular
4 intervals. Additionally, upgrades allow us to use
5 newer features that increase productivity and enhance
6 system use. System upgrades require qualified
7 consultants that have experience upgrading the JD
8 Edwards System.

9 Q. Please continue with the Enterprise Risk Management
10 System.

11 A. The Enterprise Risk Management ("ERM") system will
12 enable the Company to adopt an integrated ERM strategy
13 by implementing an enterprise-wide framework for
14 managing risks across business units, locations, and
15 processes. ERM system's scalable infrastructure will
16 provide a risk monitoring platform for multiple
17 business units including Enterprise Risk Management,
18 Environmental Health and Safety, Regulatory Compliance,
19 Emergency Management, as well as NERC and FERC
20 Compliance. The system will serve as a central
21 repository and data housing solution for all
22 information related to risks, risk owners, events, key
23 performance indicators (KPIs), key risk indicators
24 (KRIs), business processes, and controls. ERM system

1 is expected to track linkages, correlations, impacts of
2 Company identified risks as well as the prevention and
3 mitigation strategies in place to accurately assess
4 risk. ERM system will allow Company's management to
5 customize reporting of critical risk and compliance
6 data and create centralized views of the data models
7 across sub-organizations in a hierarchical structure.
8 The system will ease the process of secure and timely
9 update of risk ratings (Likelihood, Impact, and
10 Controllability). In addition, ERM system will improve
11 the Company's ability to quantify risks by providing
12 tools for assessing the effectiveness of O&M and
13 capital expenditures related to each of the Company's
14 defined risks.

15 Q. Please continue with Other.

16 A. Other includes various capital expenditures for
17 miscellaneous software updates and maintenance for
18 finance, legal and accounting software currently being
19 utilized.

20 **X. REVENUE REQUIREMENT AND ACCOUNTING ADJUSTMENTS -- (AP-9)**

21 Q. Please describe the basis for the revenue requirement
22 in this filing.

23 A. The revenue requirement is based upon our forecast of
24 electric operations for the twelve months ending March

ACCOUNTING PANEL - ELECTRIC

1 31, 2011, and an overall rate of return requirement of
2 8.29 percent. The increase in the Company's revenue
3 requirement is \$854,468,000, inclusive of gross
4 receipts taxes. Company witness Rasmussen discusses a
5 proposal for a three-year rate plan for the period
6 ending March 31, 2013.

7 Q. I show you a document, the first page of which is
8 entitled, "OPERATING INCOME, RATE BASE AND RATE OF
9 RETURN FOR ELECTRIC OPERATIONS SHOWING THE EFFECT OF
10 THE PROPOSED INCREASE IN RATES - TWELVE MONTHS ENDING
11 MARCH 31, 2011" and ask if it was prepared under your
12 direction and supervision?

13 A. Yes, it was.

14 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-9)

15 Q. Will you please describe Exhibit ____ (AP-9)?

16 A. Exhibit ____ (AP-9) consists of four schedules.
17 Schedule 1 summarizes the development of operating
18 income, average rate base and rate of return for the
19 rate year as adjusted for the rate increase. Column 1
20 shows operating income and rate of return unadjusted,
21 or as it would be reflected in the books of account,
22 for the rate year. The operating income before income
23 taxes is as shown on Exhibit ____ (AP-5), Schedule 1,
24 page 1, column 3. The New York State and Federal

ACCOUNTING PANEL - ELECTRIC

1 income tax computations in this column are detailed on
2 Schedule 2, pages 1 and 2, respectively, and the
3 average rate base in this column is based on Exhibit
4 ____ (AP-8). Column 2 summarizes certain adjustments to
5 operating income that are detailed on Schedule 3. The
6 adjustments to average rate base in this column are
7 also reflected on Exhibit ____ (AP-8). Column 3 is the
8 summation of columns 1 and 2. Column 4 shows the
9 effect of the \$854,468,000 rate increase. Column 5,
10 which is a summation of columns 3 and 4, shows
11 operating income, average rate base and rate of return
12 for the rate year after factoring in the rate increase.
13 Schedule 4 summarizes the Regulatory Liabilities due
14 customers and the Regulatory Assets to be recovered
15 from customers that are reflected on Schedule 3 and
16 included in the calculation of the revenue requirement.

17 Q. What rate of return does Schedule 1 show?

18 A. The unadjusted rate of return in column 1 is 5.19
19 percent. After factoring in the adjustments to
20 operating income, rate base and the proposed rate
21 increase, the rate of return on average rate base is
22 8.29 percent.

23 Q. What was the electric department's rate of return for
24 the actual twelve-month period ended December 31, 2008?

1 A. As shown on Exhibit ____ (AP-1), Schedule 2, page 4,
2 electric operating income for the twelve-month period
3 ended December 31, 2008 was \$974,893,000. The electric
4 department's average rate base for the actual twelve-
5 month period ended December 31, 2008, as shown on
6 Exhibit ____ (AP-8) was \$13,202,379,000. Accordingly,
7 the actual rate of return for the twelve-month period
8 ended December 31, 2008 was 7.38 percent. For the
9 reasons explained throughout this filing, absent rate
10 relief, the Company is projecting a much lower return
11 for the rate year.

12 Q. Will you please explain Schedule 2, page 1?

13 A. Schedule 2, page 1 details the New York State income
14 tax computation for each of the 5 columns shown on
15 Schedule 1. Column 1 of Schedule 2, page 1 is the
16 calculation of New York State income tax expense for
17 electric operations. Starting with book operating
18 income before income taxes as shown on line 1, we then
19 set forth on lines 2-43 the various required tax
20 adjustments to book operating income to determine
21 taxable income as shown on line 44. We then compute on
22 line 45 the amount of New York State income tax payable
23 using the statutory rate applicable to such taxable
24 income. From the New York State income tax payable so

ACCOUNTING PANEL - ELECTRIC

1 calculated, we reflect on line 46 normalizations for
2 certain items reflected as adjustments to taxable
3 income and other tax credits to arrive at New York
4 State income tax expense as shown on line 47. The
5 items detailed on column 2 of this schedule, which
6 reflect rate case adjustments, are more fully detailed
7 on Schedule 3 of this exhibit and are discussed later.
8 Column 3 is the sum of columns 1 and 2. Column 4 is
9 the additional New York State income tax to be paid as
10 a result of the additional revenue requirement and
11 column 5 is the sum of columns 3 and 4.

12 Q. Please explain Schedule 2, page 2.

13 A. Schedule 2, page 2 details the Federal income tax
14 computation for each of the 5 columns shown on Schedule
15 1. Column 1 of Schedule 2, page 2 is the calculation
16 of Federal income tax expense for electric operations.
17 Starting with book operating income before income taxes
18 as shown on line 1, we deducted on line 2 the amount of
19 New York State income tax previously determined on
20 Schedule 2, page 1 to arrive at book operating income
21 before Federal income tax on line 3. We then set forth
22 on lines 4-54 the various required tax adjustments to
23 book operating income to determine taxable income as
24 shown on line 55. We then compute the amount of

ACCOUNTING PANEL - ELECTRIC

1 Federal income tax payable on line 56 using the
2 statutory rate applicable to such taxable income. From
3 the Federal income tax payable so calculated, we
4 reflect on lines 57-62 normalizations for certain items
5 reflected as adjustments to taxable income as well as
6 amortizations for items normalized in the rate year or
7 in prior periods to arrive at Federal income tax
8 expense as shown on line 63. The items detailed on
9 column 2 of this schedule, which reflect rate case
10 adjustments, are more fully detailed on Schedule 3 of
11 this exhibit and will be discussed later. Column 3 is
12 the sum of columns 1 and 2. Column 4 is the additional
13 Federal income tax to be paid as a result of the
14 additional revenue requirement and column 5 is the sum
15 of columns 3 and 4.

16 Q. Please explain the adjustments to operating income as
17 shown on Schedule 3.

18 A. Schedule 3 details the adjustments to operating income
19 as shown on Schedule 1, column 2 by functional income
20 statement category.

21 Q. Please describe the adjustment you made to sales
22 revenues.

23 A. The Commission approved the Company's petition to
24 accrue unbilled revenues for accounting and regulatory

1 purposes in Case 08-M-1150. The initial recognition of
2 unbilled revenues results in a one-time earnings
3 enhancement, which the Commission directed the Company
4 to defer as a regulatory liability for future customer
5 benefit. This adjustment reflects the refund of
6 unbilled revenues of \$100.578 million offset by the
7 recovery of deferred World Trade Center ("WTC")
8 incident related O&M costs, including interest less
9 estimated reimbursement from federal Housing and Urban
10 Development department.

11 Q. Please describe the adjustments you made to other
12 operating revenues.

13 A. Our adjustments 1(a) through 1(m) reflect items for
14 which there are deferred balances on the books of
15 account that the Company is proposing to recover from
16 customers over a three-year period. Our adjustments
17 2(a) through 2(l) reflect items for which there are
18 deferred balances on the books of account that the
19 Company is proposing to refund to customers over a
20 three-year period.

21 Q. Please discuss adjustments 1(a) through 1(m), which you
22 are proposing to collect from customers.

23 A. Our first adjustment 1(a) relates the recovery of
24 previously deferred WTC-related capital expenditures of

ACCOUNTING PANEL - ELECTRIC

1 \$75,651,000 over a 30-year period or \$2,522,000 per
2 year that the Company believes are not recoverable from
3 governmentally sponsored programs.

4 Q. Your next adjustment relates to Retail Choice. Did the
5 Company conduct a retail access program in the period
6 May 1, 2004 through April 30, 2005?

7 A. Yes, Phase 7 of the Company's retail access program was
8 conducted during that period.

9 Q. Was the Phase 7 program approved by the Commission?

10 A. Yes, in an order issued April 4, 2004, in Case 96-E-
11 0897, the Commission approved Con Edison's Phase 7
12 proposal with modifications. First, the Commission
13 directed the Company to continue the bill credits that
14 had been applicable to retail access customers in Phase
15 6, which was to end on April 30, 2004. Second, the
16 Commission acknowledged that the Company might recover
17 its unavoided costs associated with providing those
18 bill credits to retail access customers, provided it
19 met the standard stated by the Commission.

20 Q. What costs were represented by the bill credits?

21 A. The bill credits were comprised of costs for purchased
22 power working capital, uncollectibles and energy
23 procurement that the Company was assumed to avoid when
24 customers took retail access service.

ACCOUNTING PANEL - ELECTRIC

1 Q. Was there assurance that Con Edison would avoid these
2 costs?

3 A. No. That is why the Company was permitted to request
4 recovery of any costs that it did not avoid.

5 Q. What standard did the Commission adopt to determine
6 whether the Company is entitled to recovery of its
7 unavoided costs?

8 A. Con Edison was directed to demonstrate that the Company
9 could not avoid or reasonably mitigate the costs
10 represented by the bill credits.

11 Q. Was the Company able to avoid or reasonably mitigate
12 costs for customer service functions?

13 A. No. The Company's responsibility for primary customer
14 service functions is not affected by the migration of
15 customers to competitive energy suppliers. The Company
16 must continue to read customer meters, provide services
17 at the Company's Call Center and Walk-In Centers and
18 administer customer accounts. The costs the Company
19 experienced during the Phase 7 period to provide these
20 functions remained the same with the exception of Call
21 Center services, which increased. In a study of
22 customers calls received from customers both prior to
23 and following their migration to competitive energy
24 suppliers, the Company found that customers called the

ACCOUNTING PANEL - ELECTRIC

1 Company almost twice as many times after migrating to
2 an energy supplier. For the 2,947 customers that
3 migrated during September 2004, 1,460 calls were
4 received during the six-month period after their
5 migration as compared to 743 calls received in the six-
6 month period prior to their migration.

7 With respect to meter readings, no decrease in cost is
8 experienced since the Company must continue to read
9 these customers' meters on the same schedule as
10 customers that do not migrate. Additionally, all other
11 back office functions are not impacted by customer
12 migration. Accounts have the same billing parameters
13 set up for accepting meter readings and all other
14 associated billing functions for customers that migrate
15 as for customers that take supply service from the
16 Company.

17 Q. Please continue.

18 A. Adjustment 1(b) reflects the recovery over a three-year
19 period of Retail Choice Phase 7 unavoided costs. The
20 Company deferred these costs because the Company's
21 expenses did not decrease as a result of customers
22 switching to ESCOs.

23 Q. Please continue.

24 A. In Case 04-E-0572, the Company was permitted to net

1 regulatory assets and regulatory liabilities at the end
2 of each rate year. At the end of the third rate year
3 in that proceeding, the rate year ended March 31, 2008,
4 \$16,775,000 of regulatory assets remained and were
5 deferred to a separate account. In Case 08-E-0539, the
6 Commission allowed the Company to collect one third, or
7 \$5,592,000. Our adjustment 1 (c) represents the
8 recovery of the remaining \$11,183,00 over the proposed
9 three-year rate plan in this proceeding, or \$3,728,000.
10 Our fourth adjustment represents the recovery over a
11 three-year period of interest being accrued at the
12 unadjusted customer deposit rate on the net-of-tax
13 balance of items discussed in adjustment 1(c). In Case
14 08-E-0539, the Commission allowed the Company to
15 collect \$186,000. Our adjustment 1 (d) represents the
16 recovery of \$399,000 (\$585,000 of interest less
17 amortization of \$186,000) over the proposed three-year
18 rate plan in this proceeding, or \$133,000.

19 Q. Please continue.

20 A. Adjustment 1(e) reflects the recovery over a nine-year
21 period of previously deferred T&D carrying charges.
22 The Company proposed the nine-year period as a
23 mitigating effort in Case 08-E-0539. The accrual of
24 this carrying charge was authorized in Case 04-E-0572.

ACCOUNTING PANEL - ELECTRIC

1 In the third rate year of that proceeding, the Company
2 accrued \$193,833,000 of such carrying charges. Of this
3 amount \$9.5 million was recovered over the period April
4 1, 2008 through March 31, 2009, leaving a balance of
5 \$184,334,000 for future recovery. We deducted \$6
6 million for carrying charges on capital expenditures
7 related to the Long Island City outage pursuant to the
8 Joint Proposal in Cases 06-E-0894 and 06-M-1108
9 resolving issues raised in the prudence investigation
10 relating to the July 2006 outage. We further reduced
11 the amount by \$2,172,000 for the over-capitalization of
12 the A&S transfer credit, \$360,000 for the Steam
13 Incident, and \$318,000 for the over-capitalization of
14 transformer remote monitoring replacements and
15 installations, all issues resolved in Case 08-E-0539.
16 The final balance of T&D carrying charges approved by
17 the Commission in Case 08-E-0539 was \$175,484,000.
18 Continued recovery of this amount over a nine-year
19 period equates to our adjustment of \$19,498,000.

20 Q. Please continue with your adjustment 1(f).

21 A. This adjustment proposes to recover over a three-year
22 period currently deferred pension and OPEB costs of
23 \$49,723,000 at March 31, 2009 less \$6,705,000 of
24 estimated reductions to the deferral estimated for the

ACCOUNTING PANEL - ELECTRIC

1 current rate year April 2009 through March 2010. Thus
2 the deferred amount is estimated to be \$43,018,000,
3 one-third of which is our adjustment of \$14,339,000.
4 Deferral of pension and OPEB costs is provided for by
5 the Commission's Pension Policy Statement.

6 Adjustment 1(g) reflects the recovery of the estimated
7 level of deferred SIR costs at March 31, 2010. At
8 December 31, 2008, the actual balance of such costs
9 applicable to electric operations totaled \$91,800,000
10 and is expected to increase to a total of \$182,594,000
11 by March 2011 including recoveries in rates. In the
12 interest of mitigating the Company's rate increase, we
13 are assuming a ten-year recovery of this amount, or
14 \$18,259,000 per year. The use of the ten-year period
15 was established in Case 07-E-0523.

16 Q. Please continue with your next adjustment 1(h).

17 A. Adjustment 1(h) reflects the recovery over a three-year
18 period of the estimated incremental property taxes for
19 the period July 1, 2008 through March 31, 2009 as
20 compared to the rate allowance in Case 07-E-0523. The
21 increase of \$75.783 million is primarily due to
22 increased assessments on the Company's special
23 franchise property in New York City. One-third of this
24 amount is our adjustment of \$25,261,000. The Company

1 filed an updated petition with the Commission for
2 deferral treatment on December 31, 2008 that included
3 information that became known subsequent to the
4 original petition that was filed on August 1, 2008.
5 The deferral petition is the subject of a separate Case
6 08-M-0901 which has not yet been decided by the
7 Commission. Since DPS Staff was not be able to offer a
8 recommendation in that separate case until after the
9 Company's actual earnings were known for the prior rate
10 year, the Commission did not act on the Company's
11 request to have the deferred amount recovered over
12 three years in Case 08-E-0539. The earnings
13 information is now known and this anticipates that the
14 Commission will grant the Company's petition in Case
15 08-M-0901 before a discussion in this case.

16 Q. Please continue.

17 A. Adjustment 1(i) reflects the recovery over a three-
18 year period of Business Incentive Rate discounts. Most
19 of the BIR discounts are related to the program
20 implemented in 2001 with a small amount from the 1997
21 program. The BIR was included as part of the Electric
22 Settlement Agreement 96-E-0897. In Case 08-E-0539, the
23 Company was authorized to recover one-third of its
24 targeted DSM costs through March 31, 2008 of \$1,761,000

1 or \$567,000. Our adjustment 1(j) represents the
2 recovery of the remaining \$1,174,000 over the proposed
3 three-year rate plan in this proceeding, or \$391,000.
4 Adjustment 1(k) reflects the recovery over a three-year
5 period of interest deferrals. Adjustment 1(l) reflects
6 the recovery over a three-year period of interest on
7 SIR costs.

8 Q. Please continue with your final item to be recovered.

9 A. Adjustment 1(m) reflects the recovery over a three-year
10 period of the Emergency Demand Response and Demand
11 Reduction programs. On May 1, 2001, per Electric Case
12 00-E-2054, the Emergency Demand Response Program
13 ("EDRP") was established to pay customers for
14 voluntarily curtailing their load during a New York
15 Independent System Operator ("NYISO") emergency.
16 Customers are paid by the Company 90% of the amount
17 paid by NYISO to the Company for curtailments under
18 this program. The Company retains 10% as compensation
19 for program costs (excluding Company labor) and lost
20 delivery service revenues. The balance in this account
21 represents program cost only. Pursuant to the electric
22 rate plan per Case 04-E-0572, available credits were
23 used to offset a portion of this deferred balance.
24 Adjustment 1(m) reflects the Company's request to

ACCOUNTING PANEL - ELECTRIC

1 recover the remaining \$139,000 over three years. On
2 June 1, 2001, per order issued in Case 00-E-2054, a day
3 ahead demand reduction program was established, which
4 allows customers to bid load reductions to NYISO
5 (through the Company) in response to price level
6 specified by the Company. If the customer's bid is
7 accepted by NYISO, the customer must curtail load and
8 cannot use on-site generation as a replacement.
9 Customers who fail to reduce their load in accordance
10 with their bid will be penalized. Customers are paid
11 by the Company 90% of the amount paid by NYISO to the
12 Company for curtailments under this program. The
13 Company retains 10% as compensation for program costs
14 (excluding Company labor) and lost delivery service
15 revenues. The balance in this account represents
16 program cost only. Pursuant to the electric rate plan
17 per Case 04-E-0572, available credits were used to
18 offset a portion of this deferred balance.
19 Adjustment 1(m) also reflects the Company's request to
20 recover the remaining \$85,000 over three years.

21 Q. Please discuss the items included in other operating
22 revenues that the Company is now proposing to refund to
23 customers.

24 A. Our first adjustment 2(a) reflects a refund over three

1 years of the Power for Jobs tax credit. Adjustment 2
 2 (b) relates to electric rate Case 90-E-1142, whereby
 3 the Company agreed to sell its existing NO2 emission
 4 reduction credits and forward the proceeds to an
 5 organization in New York City that funds air quality
 6 improvement projects. Adjustment 2(b) reflects a
 7 refund over three years of the remaining unused
 8 emission reduction credits. Per the 2009 Order the
 9 Company is refunding \$87,231,000 of various deferred
 10 credits from Case 07-E-0523 in the current rate year.
 11 Adjustment 2(c) reflects a refund over three years of
 12 the remaining credits of \$87.280 million, or \$29.093
 13 million. Adjustment 2(d) reflects a refund over three
 14 years of TSC revenues and associated revenues. The
 15 principal amount on the books at March 31, 2009, is
 16 \$21,743,000. Per Commission Order in Case 08-E-0539,
 17 the Company is refunding \$7,248,000 in the current rate
 18 year. Our adjustment 2(d) represents the refund of the
 19 remaining deferred TSC revenues of \$14,495,000 plus
 20 related interest of \$424,000 over the proposed three-
 21 year rate plan in this proceeding, or \$4,973,000.

22 Q. Please continue.

23 A. Adjustment 2(e) reflects the refund over a three-year
 24 period of electric interference under-spending of

1 \$22,255,000, or \$7.418 million per year. The target
2 for the 12 months ended March 31, 2009 was \$91,985,000
3 and the Company had actual non-labor electric
4 interference expenses of \$69,730,000 over that time
5 period. Adjustment 2(f) reflects the refund over a
6 three-year period of a \$5 million network Customer
7 Average Interruption Duration Index (CAIDI) performance
8 mechanism revenue adjustment for calendar year 2008.

9 Q. Please continue with Adjustment 2(g).

10 A. As a result of an agreement, referenced in Case 01-M-
11 1958 between CECONY, the PSC, the NYS Office of Public
12 Security, the City of New York, and the Attorney
13 General, resolving the Washington Heights outage and
14 WTC security initiatives CECONY contributed \$1.9
15 million for electric distribution security, reliability
16 and communication initiatives. The majority of the
17 money spent went toward the purchase of the new mobile
18 emergency command center. Adjustment 2(g) reflects the
19 refund over a three-year period of the remaining
20 \$753,000. Adjustment 2(h) reflects the refund over a
21 three-year period of \$1.635 million of SO2 Allowances,
22 including interest, as discussed in the testimony of
23 Company witness Price. Adjustment 2(i) reflects the
24 refund over a three-year period of \$1.831 million

1 representing the reconciliation of actual auction rate
2 interest expense allocated to electric to the amount in
3 rates per Case 07-E-0523.

4 Q. Please continue with Adjustment 2(j).

5 A. Adjustment 2(j) reflects the refund over a three-year
6 period of \$707,000 relating to the condemnation of
7 three properties. \$667,000 of the total refund is the
8 proceeds to date for the condemnation of a portion of
9 the Sprain Brook substation property for a roadway as a
10 result of the Ridge Hill Village development. The
11 Company continues to seek additional money in
12 litigation. Another \$30,000 is for a portion of the
13 frontage on a substation property, New Dorp Substation,
14 condemned for street widening. The remaining \$10,000
15 came from the City of New York, which condemned certain
16 of the Company's easements in Posen Street, Staten
17 Island, for the purpose of constructing sewers.
18 Adjustment 2(k) reflects the refund to customers of
19 various property tax refunds. Per Commission Order in
20 Case 08-E-0539, the Company is refunding \$5,029,000 in
21 the current rate year. The Company has an additional
22 \$4.870 million of property tax refunds to be refunded
23 to ratepayers over three years, as discussed in the
24 testimony of Company witness Hutcheson.

ACCOUNTING PANEL - ELECTRIC

1 Q. Please continue with your final adjustment 2(1).

2 A. Our last adjustment 2(1) refunds to customers over
3 three years interest on the gain on sale of First
4 Avenue Properties amounting to \$2.719 million.

5 Q. Will you please describe Schedule 4?

6 A. Schedule 4 summarizes by rate year and in total, those
7 items reflected on Schedule 3, and in the calculation
8 of the revenue requirement, that are reflective of
9 customer credits and debits. In summary, over the
10 period of the proposed three-year rate plan, recovery
11 of some \$100.9 million of debits in excess of credits
12 as shown on Exhibit ____ (AP-9), Schedule 4, is
13 required.

14 XI. AVERAGE RATE BASE - (AP-8)

15 Q. Would the Accounting Panel please discuss the average
16 rate base?

17 A. Yes. The average rate base is shown on Exhibit ____
18 (AP-8) and consists of three pages.

19 Q. Please describe the exhibit.

20 A. The first two pages show the average rate base for the
21 actual twelve months ended December 31, 2008 in column
22 1; the adjustment to the historic year to reflect
23 conditions in the rate year absent a rate filing in
24 column 2; the average rate base for the rate year

ACCOUNTING PANEL - ELECTRIC

1 absent a rate filing in column 3; the adjustments to
2 the average rate base in the rate year as a result of
3 this filing in column 4; and the fully adjusted average
4 rate base for the rate year upon which the proposed
5 rate increase is based in column 5. Page 3 details the
6 items in working capital as shown on page 1, line 13.

7 Q. Please describe the various items that are listed in
8 the first three columns of pages 1 and 2.

9 A. Lines 1 through 3 show the average book cost,
10 accumulated provision for depreciation and net plant
11 balance and line 4 shows the average balance for NIB-
12 CWIP. Historic year levels on lines 1 through 4 were
13 developed from the books and records of the Company.
14 The rate year levels were previously discussed.

15 Q. Please explain line 5.

16 A. Line 5 represents unbilled revenue. As previously
17 discussed, it represents unbilled revenue offset by the
18 recovery of deferred WTC-related O&M costs including
19 interest less an estimated reimbursement from HUD, and
20 the remaining balance from the 2008 case.

21 Q. Please continue with lines 6 and 7.

22 A. The two lines reflect the electric portion of preferred
23 stock expense and the unamortized balance of debt
24 discount, premium and expense, respectively, as

1 additions to rate base. This rate base treatment was
2 directed by the Commission's Order on Rehearing in
3 Electric Case 27353. Line 8 represents the average
4 balance of deferred fuel, net of federal income tax.
5 This amount represents 30 days of recoverable fuel
6 costs. Deferred fuel is comprised of deferred MSC/MAC
7 costs. Line 9 primarily represents interest related to
8 a Federal Income tax audit adjustment for tax years
9 1995-1997. Line 10 represents the average unamortized
10 balance of the carrying costs associated with the
11 Hudson Farragut Interconnection, which continues to be
12 amortized over the 30-year lease period.

13 Q. Please continue with your explanation of line 11.

14 A. Line 11 shows the balance of customer advances for
15 construction. These are funds provided by customers
16 for the construction of utility services on their
17 premises. Line 12 represents the average balance of
18 the Metropolitan Transportation Authority ("MTA")
19 surcharge paid but not yet collected from customers,
20 net of income taxes.

21 Q. Please continue with Line 13.

22 A. Line 13 shows the level of the working capital included
23 in rate base. We will explain the details of working
24 capital later in our testimony. Line 14 reflects the

1 required adjustment to bring rate base equal to
2 capitalization. The Company's adjustment is currently
3 a positive adjustment. This is potentially due to
4 several factors, such as the Company's high accounts
5 receivables due to ever fluctuating energy costs and
6 the economic conditions experienced, the use of the
7 FERC one-eighth formula as a proxy for working capital
8 in lieu of performing a "lead lag study", and the
9 Company's net prepaid pension/OPEBs balance. The
10 Commission in its 2009 Order upheld the Company's use
11 of the FERC formula.

12 Q. You previously indicated that line 14 of the Rate Base
13 Exhibit reflects a requirement to make rate base equal
14 to capitalization. Would this represent the Earnings
15 Base Capitalization or "EB/Cap" Adjustment the
16 Commission has adopted in numerous prior rate
17 proceedings?

18 A. Yes. This adjustment has been required by the
19 Commission to synchronize the total capitalization of a
20 utility with rate base and produce what is often
21 referred to as the "Earnings Base."

22 Q. Did the Company adjust its EB/Cap calculation in this
23 case to include an adjustment for prepaid pension
24 expenses?

ACCOUNTING PANEL - ELECTRIC

1 A. Yes, without prejudicing our position in future rate
2 proceedings, the Company made an adjustment for prepaid
3 pensions of approximately \$142 million as shown on
4 Exhibit __ (AP-8), page 1 of 3. This adjustment was
5 reflected solely for the purpose of mitigating the rate
6 increase the Company is requesting in this case.

7 Q. Please explain lines 15 and 16.

8 A. Line 15 reflects the amortization of Early Retirement
9 Termination Benefit offered to Company employees in
10 1993, which concluded its amortization in February
11 2008. Line 16 represents the Early Retirement
12 Termination Benefit offered to employees in 1999, which
13 continues to be amortized until September 2015.

14 Q. Please continue with your explanation of rate base.

15 A. Line 17 represents the average balance for the Direct
16 Current ("DC") Service Incentive Program, net of
17 Federal income tax. The item shown on Line 18
18 represents multiple items associated with the System
19 Benefit Charge and Retail Portfolio Standard programs,
20 net of Federal income tax. Line 19 represents the
21 balance of amounts billed in advance of construction,
22 net of income tax.

23 Lines 20 through 26 are programs such as Direct Load
24 Control, Cogen Technologies-O&M reimbursement,

ACCOUNTING PANEL - ELECTRIC

1 Sales/Appropriation of property, CATV Pole Attachment
2 revenues, Real Time Pricing, Day Ahead Reduction, and
3 Voluntary Load Reduction, net of federal income tax.

4 It is anticipated that no balance will remain for these
5 programs during the rate year.

6 Q. Please continue and explain the items found on lines 27
7 through 35.

8 A. Line 27 shows the balance of customer refunds
9 associated with the Divested plants net of Federal
10 income tax. Line 28 reflects items that are being
11 amortized pursuant to the 2004 Rate Plan and the 2008
12 Order. Line 29 is the amortization of forgone rental
13 income related to West 24th Street. As a result of the
14 sale of the Company's West 24th Street property, the
15 Company lost rent income of \$2.412 million from the
16 tenant that was included in electric base rates. This
17 foregone rent income was permitted to be deducted from
18 the proceeds of the sale of West 24th Street and the
19 Company had amortized it to income over the 2004 rate
20 plan, which ended on March 31, 2008. Line 30 reflects
21 provision for refund for net post-merger benefits
22 resulting from the O&R merger; lines 31 to 34 reflect
23 balances related to the sale of air rights, the storm
24 reserve established as a result of the 07-E-0523 and

1 08-E-0539 rate cases, the sale of 280 South Street, and
2 the NYC Gas utility excise tax, respectively.

3 Q. Please explain the next grouping on lines 35 through
4 58, Rate Case Reconciliations - Net of Income Taxes.

5 A. In general, these items represent the estimated average
6 rate base impacts of the various reconciliation
7 provisions of the 2004 Rate Plan, and the 2008 and 2009
8 Rate Orders and any remaining balances from prior rate
9 plans that were not reflected in the 2009 Order. We
10 discussed the derivations and disposition of these
11 items in the previous section of this testimony
12 discussing the rate treatment for these items.

13 Q. Please continue.

14 A. Lines 59 through 76 reflect the accumulated deferred
15 Federal and State income taxes for various items. Line
16 60 represents the taxes resulting from the
17 normalization of Federal tax depreciation. The average
18 balance of accumulated deferred taxes for the rate year
19 was developed by starting with the February 28, 2009
20 actual balance and was increased each month, through
21 the rate year, to the extent of tax depreciation
22 normalized for book purposes offset in part by the
23 flow-back of tax depreciation previously deferred.

24 Q. Please continue with line 61.

ACCOUNTING PANEL - ELECTRIC

1 A. Line 60 relates to capitalized overheads (Section 263A
2 of the IRS Code). Lines 61 and 62 reflect the amount
3 of accumulated deferred Federal income taxes on Vested
4 Vacation and Prepaid Insurance Expenses.

5 Q. Regarding line 63, please explain why taxes paid on
6 unbilled revenues are included in rate base.

7 A. The Commission, in its Statement of Policy on
8 Accounting and Ratemaking Procedures to Implement
9 Requirements of the Tax Reform Act of 1986 ("TRA-86"),
10 issued July 8, 1989, in Case 29465, directed utilities
11 to normalize the effect of unbilled revenues in taxable
12 income. This line also reflects the effects of the
13 unbilled revenue change we previously mentioned.

14 Q. Please continue.

15 A. Line 64 reflects the accumulated deferred Federal
16 income taxes associated with Contributions in Aid of
17 Construction, which are reflected in taxable income and
18 for which the Commission also mandated tax
19 normalization since TRA-86. Line 65 reports the
20 deferred Federal income taxes on Capitalized Interest.
21 The Commission, also in Case 29456, concluded that
22 utilities should normalize the income tax expense for
23 additional interest required to be capitalized for tax
24 purposes under TRA-86. Line 66 reflects the

ACCOUNTING PANEL - ELECTRIC

1 accumulated deferred taxes associated with the Advanced
2 Refunding of Mortgage Bonds with the amortization
3 schedule ended in January 2008.

4 Q. Please continue.

5 A. Line 67 is the accumulated deferred Federal income tax
6 related to Westinghouse discounts. Line 68 reflects
7 accumulated deferred Federal income tax associated with
8 the Repair and Maintenance Allowance per the 2002-2006
9 IRS Audit. As more information becomes available, we
10 will update this balance accordingly. Line 69 is the
11 accumulated deferred Federal income tax related to the
12 accelerated deduction of plant service costs computed
13 under the Simplified Service Cost Method for the years
14 2002 through 2005. It is expected that approximately
15 40 percent of the deduction may be disallowed by the
16 IRS. Line 70 is the deferred Federal income tax for
17 the MTA taxes per the IRS audit adjustment on other
18 operating revenue related to the deferred MTA tax for
19 tax years 2002 to 2005.

20 Q. Please describes lines 71 through 75.

21 A. Line 71 is the accumulated Federal income tax related
22 to the capitalization of computer software costs. This
23 is based on new plant accounts established in 2006 to
24 record certain software development costs common to

ACCOUNTING PANEL - ELECTRIC

1 electric, gas and steam. Line 72 shows the deferred
2 Federal income tax related to customer deposits. Line
3 73 is the deferred Federal income tax effect resulting
4 from the payment of Call Premiums when redeeming long-
5 term debt issues prior to their maturity dates. The
6 Call Premiums paid are a current deduction for Federal
7 income tax purposes, but amortized over the remaining
8 lives of the redeemed issues, in accordance with prior
9 Commission policy. Line 74, Excess Deferred SIT
10 (2000/2001), represents the excess accumulated deferred
11 State income tax balance from years 2000 and 2001,
12 which were established at the statutory rate of 10.3
13 percent and 9.53 percent, respectively, as compared to
14 the current rate of 9.03 percent. It is projected that
15 there will be a zero balance for this item in the rate
16 year.

17 Q. Please continue with the last item, Deferred S.I.T.

18 A. Line 75 reflects the deferred balance of New York State
19 income taxes on various items.

20 Q. Please turn to page 3 of Exhibit ____ (AP-8) and explain
21 the items of Working Capital.

22 A. Working Capital is comprised of three categories:
23 Materials and Supplies, including liquid fuel
24 inventory, Prepayments, and Cash Working Capital.

ACCOUNTING PANEL - ELECTRIC

1 Q. How did you determine the average balance of liquid
2 fuel inventory and other materials and supplies for the
3 rate year as reflected in column 5 of page 2?

4 A. The rate year forecast of the average balance of liquid
5 fuel inventory (Residual and Distillate) remained at
6 the historic level.

7 Q. Please continue with the materials and supplies
8 inventory.

9 A. To develop the rate year amount of materials and
10 supplies, excluding fuel, we took the average balance
11 for the historic year of \$90,898,000 and increased it
12 for the Company's intention to purchase spare
13 transmission poles. The Company plans to purchase four
14 spare transmission poles per year at a cost of \$250,000
15 each. These transmission poles were approved by the
16 Commission in the 2008 Order but they are included here
17 as the level of rate base in the historic year did not
18 include them. We then escalated the inventory for
19 general escalation, which we discussed previously, to
20 arrive at the total increase of \$3,845,000 as shown in
21 column 2.

22 Q. Please continue with an explanation and description of
23 the components in Prepayments.

ACCOUNTING PANEL - ELECTRIC

1 A. Electric prepayments, lines 4-10, consist of the
2 electric department's allocation of insurance premiums,
3 rents, property taxes, the PSC assessment, the new 18-a
4 assessment to be collected through a surcharge,
5 interference, and EPRI fees.

6 Q. How did you develop the level of prepaid insurance and
7 property taxes?

8 A. Prepaid insurance for the rate year was forecasted by
9 assuming that 53 percent of insurance premiums are
10 prepaid. We applied this factor to our estimate for
11 electric insurance premiums in the rate year of
12 \$26,514,000 to arrive at the rate year level for
13 insurance prepayments of \$14,102,000. This treatment
14 is consistent with the Commission's determination in
15 the Company's prior rate cases. Prepayments for New
16 York City and Westchester property taxes were
17 forecasted based on the Company's actual level of
18 electric property taxes for fiscal year 2009/2010 and
19 the estimated levels for fiscal year 2010/2011.
20 Payments for property taxes are currently made to New
21 York City in July and January of each year. Payments
22 to Westchester are made at various points in time
23 during the calendar year. Based on the forecast level
24 of expense, prepayments for New York City and

ACCOUNTING PANEL - ELECTRIC

1 Westchester property taxes in the rate year are
2 estimated to be \$233,451,000.

3 Q. Please explain the basis for prepaid rents.

4 A. This prepayment principally represents Transformer
5 Vault rents paid to the City of New York. Payments are
6 made in the fourth quarter of each year and are
7 amortized to expense over the following twelve-month
8 period. The rate year payments were developed by
9 starting with the November 2008 payment of \$32,893,000,
10 then escalating at annual increase of 2.8 percent as
11 per the rent agreement to arrive at \$33,814,000 for
12 November 2009. This \$33,814,000 amount is then
13 escalated at 2.8 percent to arrive at the 2010 level of
14 \$34,761,000. Additional amounts for other rents,
15 including NYC Transit Authority, were also added to
16 arrive at a prepaid average balance for twelve-months
17 ending March 31, 2011 of \$15,214,000.

18 Q. Please continue with the prepayment for the PSC
19 Assessment.

20 A. We developed the amount for the PSC assessment, line 7,
21 by taking the latest known electric assessment of
22 \$23,514,000 for the fiscal year ending March 31, 2010.
23 The net amount of \$22,356,000 is then escalated to the
24 rate year and reflected payments on a semi-annual basis

1 in March and September. As indicated above, if a
2 revised assessment is received during the course of
3 this proceeding, we will update the PSC Assessment, as
4 appropriate.

5 Q. Please explain the prepayment for Regulatory Assessment
6 - 18A Legislation.

7 A. The prepayment amount for regulatory assessment
8 relating to the 18A Legislation represents the
9 temporary State Energy and Utility Service Conservation
10 Assessment imposed on public utility companies from
11 April 1, 2009 to March 31, 2014 as a result of Public
12 Service Law 18-a as amended by Chapter 59 of the Laws
13 of 2009. The assessment for the rate year was
14 forecasted at \$56,692,000.

15 Q. Please explain the prepayment for Interference.

16 A. The prepayment amount for interference was developed by
17 utilizing the average balance at December 31, 2008 of
18 \$6,895,000 and escalating at 3.13 percent inflation
19 factor to arrive at a rate year level of \$7,111,000.
20 The development of the 3.13 percent factor was
21 discussed by us previously.

22 Q. Please explain the prepayment amount for EPRI Funding.

ACCOUNTING PANEL - ELECTRIC

1 A. The prepayment amount for EPRI was developed by
2 utilizing the latest assessment, effective January
3 2009, of \$3,266,000, assuming quarterly payments of
4 \$816,000 offset by monthly amortization amounts of
5 \$272,000. The quarterly payment of \$716,000 is then
6 escalated by the general escalation factor of 2.2
7 percent annually to derive the quarterly payment of
8 \$834,000 and \$852,000 for 2010 and 2011, respectively.
9 The twelve-month average balance for the rate year
10 ending March 31, 2011 is projected to be \$280,000.

11 Q. Please continue

12 A. To develop prepayments applicable to "other"
13 miscellaneous items on line 11, we took the average
14 prepayment balance for the historic year of \$9,831,000
15 and escalated this amount by the general escalation
16 factor of 3.13 percent to arrive at the rate year level
17 of \$10,139,000.

18 Q. Please explain the next item of working capital.

19 A. The next item of working capital, line 19, is the
20 allowance for cash working capital. The historic year
21 calculation was described earlier in our testimony.
22 For the rate year, we started with operation and
23 maintenance expenses of \$4,944,449,000. Based on the
24 methodology we previously described, the total cash

1 working capital allowance is \$284,518,000 as shown in
2 column 3, line 22.

3 Q. Please explain the last item of working capital.

4 A. The last item, line 24, represents the working capital
5 allowance related to fuel and purchased power. It is
6 calculated based on a time lag between fuel billed and
7 payment collected from the customers.

8 XII. PROPOSED INCREASE IN RATES ALLOCATED BETWEEN DELIVERY

9 SERVICE RATES AND THE MAC -- (AP-10)

10 Q. Did the Accounting Panel determine how much of the
11 total increase in the revenue requirement of
12 \$854,468,000 was allocable to delivery service and how
13 much was allocable to the MAC?

14 A. Yes, and we have prepared an exhibit that reflects this
15 allocation.

16 Q. I show you a document entitled "SUMMARY OF RATE
17 INCREASE FOR ELECTRIC OPERATIONS SHOWING THE EFFECT OF
18 THE PROPOSED INCREASE IN RATES - TWELVE MONTHS ENDING
19 MARCH 31, 2011" and ask if it was prepared under your
20 direction and supervision?

21 A. Yes, it was.

22 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-10)

23 Q. Will the Accounting Panel please describe this exhibit?

24 A. This exhibit includes four schedules. Schedule 1

ACCOUNTING PANEL - ELECTRIC

1 summarizes the proposed \$854,468,000 increase between
2 delivery service rates and the MAC. Schedules 2 and 3
3 relate to the production function and Schedule 4 shows
4 the average rate base allocated between the delivery
5 and the MAC components. As shown on Exhibit ____ (AP-
6 10), Schedule 1, the required increase in Delivery
7 Service revenues is \$838,235,000, while the required
8 increase in MAC revenues is \$16,233,000.

9 XIII. RATE OF RETURN -- (AP-12)

10 Q. Has the Accounting Panel prepared a rate of return
11 required exhibit?

12 A. Yes. We will present the rate of return required in
13 the rate year and, in addition, the Fund Requirements
14 and Sources and Interest Coverage in the rate year.

15 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
16 OF NEW YORK, INC. - RATE OF RETURN REQUIRED FOR THE
17 RATE YEAR - TWELVE MONTHS ENDING MARCH 31, 2011," set
18 forth as Exhibit ____ (AP-12), prepared under your
19 direction and supervision?

20 A. Yes, it was.

21 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-12)

22 Q. Please describe Exhibit ____ (AP-12), Schedule 1.

23 A. This exhibit shows the projected average capital
24 structure for the rate year, the twelve months ending

1 March 31, 2011, the average cost rate for each
2 component of the capital structure, and the related
3 cost of capital. The Company's overall weighted cost
4 of capital for the rate year is projected to be 8.29
5 percent.

6 Q. How did you derive the amount of average long-term debt
7 for the rate year?

8 A. To derive the average long-term debt for the rate year
9 ending March 31, 2011, we determined the amount of
10 long-term debt outstanding at the end of each month
11 from March 2010 through March 2011. We then utilized
12 these amounts to calculate the average of long-term
13 debt outstanding.

14 Q. How was the amount of long-term debt outstanding each
15 month determined?

16 A. We estimated changes in the outstanding amount of debt
17 from month to month during the linkage period from
18 December 31, 2008 to the beginning of the rate year
19 based on the funding requirements forecasted. This
20 resulted in the Company's forecasted issuances and
21 scheduled maturities as follows:

- 22 • The issuance of \$275 million, 5.55 percent Series
23 2009A debentures on April 1, 2009;

ACCOUNTING PANEL - ELECTRIC

- 1 • The issuance of \$475 million, 6.65 percent Series
2 2009B debentures on April 1, 2009;
- 3 • The forecasted issuance of \$650 million, 7.70
4 percent Series 2009C debentures on December 1, 2009;
- 5 ▪ The forecasted issuance of \$400 million, 7.45
6 percent Series 2010A debentures on August 1, 2010;
- 7 ▪ The forecasted issuance of \$450 million, 8.20
8 percent Series 2010B debentures on August 1, 2010;
- 9 ▪ The forecasted issuance of \$330 million, 7.45
10 percent Series 2010C debentures on December 1, 2010;
- 11 ▪ The maturity of the \$275 million, 4.70 percent
12 Series 2004C debentures on June 15, 2009;
- 13 ▪ The maturity of the \$325 million, 8.125 percent
14 Series 2000A debentures on May 1, 2010; and
- 15 ▪ The maturity of the \$300 million, 4.70 percent
16 Series 2000B debentures on September 1, 2010.

17 The amount of average long-term debt for the rate year
18 ending March 31, 2011, after the above adjustments are
19 made, is \$10,037 million, the details of which are
20 shown in Schedule 2 of Exhibit ____ (AP-12).

21 Q. Please explain the cost rate assumed with respect to
22 the additional debt.

ACCOUNTING PANEL - ELECTRIC

1 A. The additional debt is issued based on a combination of
2 10-year and 30-year debentures. The 10-year debentures
3 are assumed to be issued at 6.9 percent for 2009 and
4 7.7 percent for 2010. The 30-year debentures are
5 assumed to be issued at 7.45 percent for 2009 and 8.20
6 percent for 2010, which reflect the current forecasted
7 market conditions for taxable debt issued for A-rated
8 utilities. All of the interest rates were provided to
9 us by Company witness Hoglund.

10 Q. Please explain Exhibit ____ (AP-12), Schedule 3, the
11 average cost of preferred stock for the rate year.

12 A. To determine the average amount of preferred stock for
13 the rate year ending March 31, 2011, we first
14 determined the amount of preferred stock outstanding at
15 the end of each month from March 2010 through March
16 2011. We then utilized this amount to calculate an
17 average amount outstanding of \$213 million.

18 Q. Please explain how you derive the average customer
19 deposits, set forth on Exhibit ____ (AP-12), Schedule 1,
20 for the rate year ending March 31, 2011.

21 A. With respect to customer deposits, we started with the
22 projected balance outstanding at March 31, 2010 of \$258
23 million. The balance is expected to grow by
24 approximately 0.2% a month bringing the March 2011

1 balance to \$264 million. After determining the monthly
2 customer deposit balances during the rate year, an
3 average of \$261 million was calculated.

4 Q. Please explain the change in Common Equity during the
5 linkage period from December 31, 2008 to the beginning
6 of the rate year.

7 A. During the linking period from December 31, 2008 to the
8 beginning of the rate year, common equity increased
9 \$481 million due to a net equity infusion of \$97
10 million as an investment by the parent company and net
11 income for common equity of \$1.235 million less common
12 dividends to the parent company during the linkage
13 period of \$851 million. (We issued stock to maintain
14 the 48% equity ratio)

15 Q. What is the average cost rate of CECONY's long-term
16 debt?

17 A. CECONY's long-term debt is comprised of tax-exempt debt
18 issued through NYSERDA and debenture bonds. The
19 average annual cost rate of this debt is calculated by
20 dividing the average annual interest requirements for
21 all long-term debt issues, including the average annual
22 amortization of the net amount of any premiums or
23 discounts realized when the securities were sold and
24 the cost and expense of issuance, by the amount of

ACCOUNTING PANEL - ELECTRIC

1 long-term debt outstanding. As shown on Schedule 2 of
2 Exhibit ____ (AP-12), the average cost of long-term debt
3 for the rate year is 5.90 percent, which is determined
4 by dividing the sum of the average annual interest
5 requirements and the amortization of debt discount and
6 expense, of \$587 million by the average aggregate
7 amount of long-term debt outstanding of \$10,037
8 million.

9 Q. How did the Accounting Panel determine the average cost
10 rate of CECONY's preferred stock?

11 A. On average, CECONY will have an estimated total of
12 approximately \$213 million in preferred stock
13 outstanding during the rate year. The average annual
14 cost of the preferred stock is calculated by dividing
15 the average annual dividend requirement of \$11.3
16 million, including the expense associated with the
17 amortization of expenses associated with the refunded
18 series, by the average amount of preferred stock
19 outstanding of \$213 million. As set forth on Schedule
20 3 of Exhibit ____ (AP-12), the average cost of preferred
21 stock for the rate year ending March 31, 2011 thus
22 computed is 5.34 percent.

23 Q. What cost rate was assigned to customer deposits?

ACCOUNTING PANEL - ELECTRIC

1 A. We reflected the current 4.85 percent cost rate, as
2 mandated by the Commission. The Commission reviews
3 this rate annually. We will update this rate for any
4 change the Commission may decide with respect to
5 customer deposits, at the appropriate time.

6 Q. What cost rate has the Company reflected as the rate of
7 return for common equity?

8 A. We have utilized a return on common equity of 10.9
9 percent to calculate an overall rate of return of 8.29
10 percent, which we used in determining the revenue
11 requirement for the rate year. The return on common
12 equity is based on Company witness Morin's testimony.

13 Q. Will the Accounting Panel update the rate of return at
14 the appropriate time in this proceeding?

15 A. Yes, we will.

16 Q. Is it your decision or do you participate in any
17 decision making as to what CECONY's dividend funding
18 requirements to CEI will be?

19 A. No. The Board of Directors makes the dividend decision
20 for CEI. We are not members of the Board of Directors
21 nor are we participants in its meetings or meetings of
22 the Finance Committee of the Board.

1 Q. Does that mean that your assumption of an estimated per
2 annum dividend increase is not based upon any
3 projections that the Board of Trustees may have made?

4 A. That is correct.

5 XIV. FUND REQUIREMENTS AND SOURCES -- (AP-13)

6 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
7 OF NEW YORK, INC. - FUND REQUIREMENTS AND SOURCES -
8 TWELVE MONTHS ENDING MARCH 31, 2011," set forth as
9 Exhibit ___ (AP-13), prepared under your direction and
10 supervision?

11 A. Yes, it was.

12 MARK FOR IDENTIFICATION AS EXHIBIT ___ (AP-13)

13 Q. What does Exhibit ___ (AP-13) reflect?

14 A. This exhibit reflects the Company's forecast of capital
15 fund requirements and sources of capital funds, as well
16 as certain financial statistics, for the 12 months
17 ending March 31, 2011. Exhibit ___ (AP-13) shows that
18 capital funds required during the rate year will exceed
19 internal sources by \$700 million.

20 Q. Please describe the two items contained in this exhibit
21 under the heading "CAPITAL FUNDS REQUIRED".

22 A. The first item, requiring the largest amount of capital
23 funds, is Construction Expenditures of \$2,252 million.

ACCOUNTING PANEL - ELECTRIC

1 This amount is consistent with the Company's five-year
2 forecast of construction expenditures.

3 Q. Please continue.

4 A. The second item, Rate Case Amortization/Accruals, in
5 the amount of \$(323) million, represents the net
6 anticipated recovery of deferred items from this rate
7 proceeding. The third item, Working Capital, in the
8 amount of \$34 million is the Company's estimate of its
9 incremental working capital requirements.

10 Q. Please describe the items contained in the exhibit
11 under the heading "INTERNAL SOURCES OF FUNDS."

12 A. The first item is retained earnings of \$354 million.
13 This estimate includes certain earnings and common
14 dividend assumptions. For the rate year, net income
15 for common stock is projected at \$1,066 million, offset
16 by projected common stock dividends of \$701 million and
17 projected preferred stock dividend of \$11 million. The
18 second item is depreciation. The third item, deferred
19 tax accruals, are funds provided principally by the use
20 of tax depreciation subject to normalization. The
21 fourth item, other expense, includes AFUDC Debt and
22 Equity from other operating activities and other
23 Operating Cash flow.

ACCOUNTING PANEL - ELECTRIC

1 Q. Is it your decision or do you participate in any
2 decision making as to what CECONY's common stock
3 dividend to CEI will be?

4 A. No. The Board of Trustees makes the dividend decision
5 for CECONY. We are not members of the Board of Trustees
6 nor are we participants in its meetings or meetings of
7 the Finance Committee of the Board.

8 Q. Does that mean that your assumption of an estimated per
9 annum dividend increase is not based upon any
10 projections that the Board of Trustees may have made?

11 A. That is correct.

12 Q. Please describe the final section of Exhibit ___ (AP-
13 13).

14 A. The final section shows that at March 31, 2011, the
15 Company will have temporary cash investments estimated
16 in the amount of \$10 million. Our projection shows
17 capital funds required less internal sources of funds
18 is some \$700 million out of balance. External sources
19 of funds from an equity issuance, use of commercial
20 paper projected to be issued in March 2011 and bond
21 proceeds will provide \$700 million. As a result there
22 will be a balance of \$10 million in temporary cash
23 investments at March 31, 2011.

1 Q. Please describe the components in the equity line in
2 the final section of Exhibit ___ (AP-13).

3 A. This estimate includes a net projected equity issuance
4 of \$194 million in 2011.

5 **XV. INTEREST COVERAGE - S.E.C. BASIS PER BOOKS - (AP-14)**

6 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
7 OF NEW YORK, INC. - INTEREST COVERAGE - S.E.C. BASIS -
8 PER BOOKS," set forth as Exhibit ___ (AP-14), prepared
9 under your direction and supervision?

10 A. Yes, it was.

11 MARK FOR INDENTIFICATION AS EXHIBIT ___ (AP-14)

12 Q. Does your calculation of interest coverage only include
13 the interest paid on long-term debt?

14 A. No. As shown in Exhibit ___ (AP-14), the interest
15 coverage calculation also includes "other" interest.

16 Q. Please explain what is included in "other" interest.

17 A. "Other" interest is comprised of interest on the
18 following items: customer deposits, commercial paper,
19 customer overpayments and other miscellaneous items.

20 Q. Does the Company currently have lines of credit
21 available to it?

22 A. Yes. The Company, along with CEI and O&R, has
23 agreements with various banks for revolving credit
24 lines of \$2,250 million. However, assuming that CEI and

ACCOUNTING PANEL - ELECTRIC

1 O&R have not used their assigned portions of this
2 credit, \$1,000 million and \$200 million, respectively,
3 the Company can utilize the entire \$2,250 million.

4 Q. Does this conclude your testimony?

5 A. Yes, it does.

6

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ELECTRIC RATE CASE EXHIBITS

<u>Tab No.</u>	<u>Exhibit No.</u>		<u>Number of Pages</u>
1	AP-1	Financial and Statistical Data	22
2	AP-2	Calculation of Federal Income Taxes	8
3	AP-3	Book Cost of Plant	4
4	AP-4	Accumulated Depreciation	1
5	AP-5	Revenues and Operating Expense Data	40
6	AP-6	Estimated Net Plant	6
7	AP-7	Estimated Common Capital Projects	1
8	AP-8	Rate Base	3
9	AP-9	Revenue Requirement	5
10	AP-10	Allocation of Rate Increases between MAC and T&D	5
11	AP-11	East River Maintenance	2
12	AP-12	Capital Structure and Cost of Capital	3
13	AP-13	Fund Requirements and Sources	1
14	AP-14	Interest Coverage	1

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
FINANCIAL AND STATISTICAL DATA
INDEX TO SCHEDULES

Schedule No.		Number of Pages
1	Balance Sheet As of December 31, 2004, 2005, 2006, 2007 and 2008	2
2	Income Statement Years 2005 to 2008 Inclusive	4
3	Statement of Unappropriated Retained Earnings Years 2004, 2005, 2006, 2007 and 2008	1
4	Utility Operating Income - Electric (Before and After Income Taxes) Years 2005 to 2008 Inclusive	1
5	Operating Revenues - Electric Years 2005 to 2008 Inclusive	1
6	Statement Showing by Classification of Service Mwhrs of Electricity Supplied and Revenue Billed Years 2005 to 2008 Inclusive	1
7	Other Operating Revenues - Electric Years 2005 to 2008 Inclusive	1
8	Operation and Maintenance Expenses - Electric Years 2005 to 2008 Inclusive	8
9	Power Production Expenses - Electric Year 2008	2
10	Taxes Other Than Income Taxes - Electric Years 2005 to 2008 Inclusive	1

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2004, 2005, 2006, 2007 AND 2008
(Thousands of Dollars)

EXHIBIT (AP - 1)
SCHEDULE 1
PAGE 1 OF 2

ACCOUNT NO.	ASSETS AND OTHER DEBITS	December 31,				
		2004	2005	2006	2007	2008
UTILITY PLANT						
101	Electric Plant In Service	\$ 12,095,387	\$ 12,728,747	\$ 13,817,368	\$ 14,955,170	\$ 16,380,618
101	Gas Plant In Service	2,529,939	2,678,427	2,843,732	2,992,462	3,265,800
101	Steam Plant In Service	823,078	1,610,888	1,678,569	1,740,329	1,836,113
118.1	Common Utility Plant In Service	1,379,053	1,414,252	1,507,215	1,595,605	1,643,387
105	Electric Plant Held For Future Use	3,914	3,914	42,976	51,284	58,666
107, 118.1	Construction Work In Progress	1,327,930	739,621	832,621	975,096	1,051,393
	Sub-Total	<u>18,159,301</u>	<u>19,175,849</u>	<u>20,722,481</u>	<u>22,309,946</u>	<u>24,235,976</u>
108	Accumulated Provision For Depreciation of Plant In Service	(4,144,430)	(4,084,150)	(4,207,833)	(4,307,396)	(4,514,904)
110	Accumulated Provision For Depreciation of Electric Plant Held For Future Use	30	-	-	(2,356)	(5,524)
111.1	Accumulated Prov. For Amortization and Depletion of Producing Natural Gas Land And Land Rights	-	-	-	-	-
119.1	Accumulated Provision For Depreciation and Amortization of Common Utility Plant	(427,693)	(441,647)	(464,110)	(479,129)	(501,174)
	Net	<u>13,587,208</u>	<u>14,650,052</u>	<u>16,050,538</u>	<u>17,521,065</u>	<u>19,214,374</u>
120, 120.5	Nuclear Fuel Assemblies - Net	-	-	-	-	-
117	Gas Stored Underground - Non-Current	1,239	1,239	1,239	1,239	1,239
	Total	<u>13,588,447</u>	<u>14,651,291</u>	<u>16,051,777</u>	<u>17,522,304</u>	<u>19,215,613</u>
OTHER PROPERTY AND INVESTMENTS						
121	Nonutility Property	31,686	31,738	30,778	29,268	29,337
122	Accumulated Provision for Depreciation - Non Utility Plant	(12,559)	(14,118)	(15,685)	(17,258)	(18,838)
123.1	Investment In Subsidiary Companies	904	1,089	1,196	2,223	2,443
124	Other Investments	2,186	2,145	1,792	2,424	2,424
128	Other Special Funds	66,745	68,966	87,911	253,386	234,604
	Total	<u>88,962</u>	<u>89,820</u>	<u>105,992</u>	<u>270,043</u>	<u>249,970</u>
CURRENT AND ACCRUED ASSETS						
131	Cash	(62,705)	(36,095)	(56,610)	(80,053)	(78,958)
132	Interest Special Deposits	(69)	(344)	(216)	-	-
134	Other Special Deposits	2,022	2,022	3,028	3,022	3,074
135	Working Funds	9,994	11,477	12,456	11,993	10,012
136	Temporary Cash Investments	2,552	16,575	25,958	101,257	21,111
142	Customer Accounts Receivable	694,745	915,585	756,786	875,647	867,595
143	Other Accounts Receivable	115,814	222,789	346,345	260,350	226,459
144	Accumulated Provision For Uncollectible Accounts - Credit	(32,139)	(39,877)	(43,164)	(46,626)	(56,128)
146	Accounts Receivable from Associated Companies	115,123	213,776	137,729	96,160	228,534
150	Materials And Supplies	118,183	132,504	173,442	182,582	181,914
164.1	Gas Stored Underground - Current	115,077	168,865	183,023	158,947	250,003
164.2	Liquefied Natural Gas In Storage	10,410	14,173	9,737	10,942	11,359
165	Prepayments	1,514,898	1,890,236	83,804	80,753	538,427
171	Interest And Dividends Receivable	1	(33)	(145)	(225)	(259)
172	Rents Receivable	1,085	810	1,119	1,852	1,465
174	Miscellaneous Current and Accrued Assets	-	1,859	10,166	-	28,712
175, 176	Derivative Instruments - Net	15,667	234,874	-	10,325	71,039
	Total	<u>2,620,658</u>	<u>3,749,196</u>	<u>1,643,458</u>	<u>1,666,926</u>	<u>2,304,359</u>
DEFERRED DEBITS						
181	Unamortized Debt Discount And Expense	164,171	162,289	150,410	140,741	65,061
182.2	Unrecovered Plant and Regulatory Study Costs	-	-	-	-	-
182.3	Other Regulatory Assets	2,123,756	2,004,233	4,285,302	4,462,226	8,078,570
183	Preliminary Survey and Investigation Charges	-	-	-	-	-
184	Clearing Accounts	-	-	-	-	-
186	Miscellaneous Deferred Debits	48,572	24,670	48,576	36,943	41,519
188	Investment In Research and Development	-	-	-	-	-
189	Unamortized Loss on Reacquired Debt	-	-	15,017	13,682	89,004
190	Accumulated Deferred Income Taxes	342,643	539,841	382,234	265,799	276,866
191	Unrecovered Purchased Gas Costs	-	-	-	-	-
	Total	<u>2,679,142</u>	<u>2,731,033</u>	<u>4,881,539</u>	<u>4,919,391</u>	<u>8,551,020</u>
	Grand Total	<u>\$ 18,977,209</u>	<u>\$ 21,221,340</u>	<u>\$ 22,682,766</u>	<u>\$ 24,378,664</u>	<u>\$ 30,320,962</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2004, 2005, 2006, 2007 AND 2008
(Thousands of Dollars)

EXHIBIT (AP - 1)
SCHEDULE 1
PAGE 2 OF 2

ACCOUNT NO.	LIABILITIES AND OTHER CREDITS	2004	2005	2006	2007	2008
PROPRIETARY CAPITAL						
	Capital Stock					
201	Common Stock Issued	\$ 588,720	\$ 588,720	\$ 588,720	\$ 588,720	\$ 588,720
204	Preferred Stock Issued	212,563	212,563	212,563	212,563	212,563
	Other Paid-In Capital					
207	Premium on Capital Stock	879,678	879,678	879,678	879,678	879,678
210	Gain on Resale/Cancel. of Reacquired Capital Stock	13,943	13,943	13,943	13,943	13,943
211	Misc. Paid-In Capital, Accumulated OCI	908,409	909,238	1,359,247	2,018,583	2,770,375
214	Capital Stock Expense	(54,532)	(54,437)	(58,118)	(60,033)	(60,033)
216	Unappropriated Retained Earnings	4,747,433	5,072,424	5,318,333	5,613,643	5,778,156
216.1	Unappropriated Undistributed Subsidiary Earnings	649	834	941	1,968	2,188
217	Reacquired Capital Stock	(962,092)	(962,092)	(962,092)	(962,092)	(962,092)
219	Accumulated Other Comprehensive Income	(5,860)	(11,102)	(8,704)	(8,657)	(19,496)
	Total	6,328,911	6,649,769	7,344,511	8,298,316	9,204,002
LONG-TERM DEBT						
221	Bonds	-	-	-	-	-
224	Other Long-Term Debt	5,703,188	6,072,783	7,273,224	7,471,867	8,990,900
225	Unamortized Premium on Debt	-	-	-	-	-
226	Unamortized Discount on Debt	(17,820)	(17,585)	(18,514)	(19,678)	(22,368)
	Total	5,685,368	6,055,198	7,254,710	7,452,189	8,968,532
OTHER NONCURRENT LIABILITIES						
227	Obligations Under Capital Leases - Noncurrent	32,857	29,757	26,237	21,655	16,621
228.2	Accumulated Prov. for Injuries and Damages Reserve	170,440	160,350	148,395	154,200	162,828
228.3	Accumulated Prov. for Pensions and Benefits Reserve	108,977	121,802	441,903	634,768	4,107,625
228.4	Accumulated Miscellaneous Operating Provisions	3,253	-	-	-	831
229	Accumulated Provision for Rate Refunds	49,769	-	-	-	-
	Total	365,296	311,909	616,535	810,623	4,287,905
CURRENT AND ACCRUED LIABILITIES						
231	Notes Payable	99,981	520,000	-	555,000	253,000
232	Accounts Payable	422,173	633,129	483,260	483,476	494,310
234	Accounts Payable to Associated Companies	64,685	245,380	100,674	28,200	62,695
235	Customer Deposits	217,921	214,905	213,668	234,107	250,222
236	Taxes Accrued	33,822	53,024	31,621	47,469	64,728
237	Interest Accrued	79,370	86,836	120,555	133,725	130,844
238	Dividends Declared	2,831	2,831	2,831	2,831	2,831
239	Matured Long-Term Debt	-	-	-	-	-
240	Matured Interest	2	2	2	-	-
241	Tax Collections Payable	5,382	15,492	13,579	17,696	17,536
242	Miscellaneous Current And Accrued Liabilities	655,199	900,333	927,128	956,659	977,023
243	Obligations Under Capital Leases - Current	2,897	3,100	3,520	4,582	5,034
245	Derivative Instruments	1,155	12,102	192,951	80,168	116,771
	Total	1,585,418	2,687,134	2,089,789	2,543,913	2,374,994
DEFERRED CREDITS						
252	Customer Advances For Construction	3,802	3,670	3,866	3,750	4,311
253	Other Deferred Credits	24,646	31,350	22,480	76,052	38,067
254	Other Regulatory Liabilities	1,294,943	1,606,834	1,199,101	718,166	466,753
255	Accumulated Deferred Investment Tax Credits	93,763	86,867	80,862	74,956	69,165
	Total	1,417,154	1,728,721	1,306,309	872,924	578,296
ACCUMULATED DEFERRED INCOME TAXES						
281	Accelerated Amortization	-	-	-	-	-
282	Liberalized Depreciation	2,731,659	2,894,607	3,008,239	3,198,974	3,686,800
283	Other	863,403	894,002	1,062,673	1,201,725	1,220,433
	Total	3,595,062	3,788,609	4,070,912	4,400,699	4,907,233
	Grand Total	\$ 18,977,209	\$ 21,221,340	\$ 22,682,766	\$ 24,378,664	\$ 30,320,962

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 INCOME STATEMENT
TWELVE MONTHS ENDED DECEMBER 31, 2005
 (Thousands of Dollars)

EXHIBIT ___ (AP-1)
 SCHEDULE 2
 PAGE 1 OF 4

Account No.	<u>Utility Operating Income</u>	<u>Electric</u>	<u>Gas</u>	<u>Steam</u>	<u>Total</u>
400	Operating Revenues	\$ 7,002,484	\$ 1,632,623	\$ 704,520	\$ 9,339,627
401	Operating Expenses				
	Operation Expenses	4,413,001	1,106,865	447,879	5,967,745
402	Maintenance Expense	287,417	56,172	36,447	380,036
		4,700,418	1,163,037	484,326	6,347,781
403	Depreciation Expense	393,683	76,358	38,480	508,521
407	Amortization of Property Losses	-	-	-	-
408.1	Taxes Other Than Income Taxes	900,316	148,285	65,374	1,113,974
	Income Taxes				
409.1	Income Taxes	281,178	83,323	85,558	450,059
410.1, .2	Provision for Deferred Income Taxes	846,887	179,075	208,930	1,234,892
411.1, .2	Provision for Deferred Income Taxes - Credit	(897,943)	(186,211)	(265,332)	(1,349,487)
411.4, .5	Investment Tax Credit Adjustment - Net	(5,856)	(764)	(276)	(6,896)
411.6	Gains from Disposition of Utility Plant	-	-	-	-
411.7	Losses from Disposition of Utility Plant	113	-	-	113
	Total Operating Expenses	6,218,796	1,463,103	617,060	8,298,957
	Total Utility Operating Income	\$ 783,688	\$ 169,520	\$ 87,460	\$ 1,040,670
	<u>Other Income</u>				
415,416	Income from Merchandising , Jobbing & Contract Work				-
417	Revenues from Nonutility Operations				4,981
417.1	Expenses from Nonutility Operations				(1,575)
418	Non-Operating Rental Income				486
418.1	Equity in Earnings of Subsidiary Companies				185
419	Interest and Dividend Income				21,850
419.1	Allowance for Equity Funds Used During Construction				9,079
421	Miscellaneous Non-Operating Income				5,686
	Total Other Income				40,692
	Total Income				1,081,362
	<u>Other Income Deductions</u>				
425	Miscellaneous Amortizations				322
426	Miscellaneous Income Deductions				8,990
	Total Other Income Deductions				9,312
	<u>Taxes - Other Income & Deductions</u>				
408.2	Taxes Other Than Income Taxes				2,087
409.2,410.2) 411.2)	Income Taxes				1,000
	Total Taxes - Other Income & Deductions				3,087
	Income Before Interest Charges				1,068,963
	<u>Interest Charges</u>				
427	Interest on Long Term Debt				333,202
428	Amortization of Debt Discount & Expense				16,207
429	Amortization of Premium on Debt - Credit				-
431	Other Interest Expense				21,237
432	Allowance for Borrowed Funds Used During Construction				(6,921)
	Total Interest Charges				363,725
	Net Income				\$ 705,238

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
INCOME STATEMENT
TWELVE MONTHS ENDED DECEMBER 31, 2006
(Thousands of Dollars)

EXHIBIT ___ (AP-1)
SCHEDULE 2
PAGE 2 OF 4

Account No.	<u>Utility Operating Income</u>	<u>Electric</u>	<u>Gas</u>	<u>Steam</u>	<u>Total</u>
400	Operating Revenues	\$ 7,113,685	\$ 1,616,945	\$ 697,410	\$ 9,428,040
	Operating Expenses				
401	Operation Expenses	4,313,298	1,057,586	420,438	5,791,322
402	Maintenance Expense	353,685	57,455	32,594	443,734
		4,666,983	1,115,041	453,032	6,235,056
403	Depreciation Expense	414,272	80,461	50,423	545,156
407	Amortization of Property Losses	-	-	-	-
408.1	Taxes Other Than Income Taxes	959,923	154,654	68,710	1,183,287
	Income Taxes				
409.1	Income Taxes	10,057	26,083	18,584	54,724
410.1, .2	Provision for Deferred Income Taxes	1,007,115	200,941	131,474	1,339,530
411.1, .2	Provision for Deferred Income Taxes - Credit	(776,881)	(145,468)	(111,210)	(1,033,559)
411.4, .5	Investment Tax Credit Adjustment - Net	(4,980)	(765)	(260)	(6,005)
411.6	Gains from Disposition of Utility Plant	-	-	-	-
411.7	Losses from Disposition of Utility Plant	-	-	-	-
	Total Operating Expenses	6,276,489	1,430,947	610,753	8,318,189
	Total Utility Operating Income	\$ 837,196	\$ 185,998	\$ 86,657	\$ 1,109,851
	<u>Other Income</u>				
415,416	Income from Merchandising, Jobbing & Contract Work				-
417	Revenues from Nonutility Operations				5,111
417.1	Expenses from Nonutility Operations				(1,576)
418	Non-Operating Rental Income				382
418.1	Equity in Earnings of Subsidiary Companies				179
419	Interest and Dividend Income				21,045
419.1	Allowance for Equity Funds Used During Construction				5,355
421	Miscellaneous Non-Operating Income				9,273
	Total Other Income				39,769
	Total Income				1,149,620
	<u>Other Income Deductions</u>				
425	Miscellaneous Amortizations				322
426	Miscellaneous Income Deductions				9,976
	Total Other Income Deductions				10,298
	<u>Taxes - Other Income & Deductions</u>				
408.2	Taxes Other Than Income Taxes				1,705
409.2, 410.2) 411.2)	Income Taxes				(5,548)
	Total Taxes - Other Income & Deductions				(3,843)
	Income Before Interest Charges				1,143,165
	<u>Interest Charges</u>				
427	Interest on Long Term Debt				370,001
428	Amortization of Debt Discount & Expense				16,399
429	Amortization of Premium on Debt - Credit				-
431	Other Interest Expense				64,400
432	Allowance for Borrowed Funds Used During Construction				(5,246)
	Total Interest Charges				445,554
	Net Income				\$ 697,611

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 INCOME STATEMENT
TWELVE MONTHS ENDED DECEMBER 31, 2007
 (Thousands of Dollars)

EXHIBIT __ (AP-1)
 SCHEDULE 2
 PAGE 3 OF 4

Account No.	<u>Utility Operating Income</u>	<u>Electric</u>	<u>Gas</u>	<u>Steam</u>	<u>Total</u>
400	Operating Revenues	\$ 7,503,891	\$ 1,763,978	763,311	\$ 10,031,180
	Operating Expenses				
401	Operation Expenses	4,478,906	1,146,119	474,225	6,099,250
402	Maintenance Expense	320,911	53,842	32,056	406,809
		4,799,817	1,199,961	506,281	6,506,059
403	Depreciation Expense	448,063	85,137	60,169	593,369
407	Amortization of Property Losses	-	-	-	-
408.1	Taxes Other Than Income Taxes	1,018,305	166,576	77,902	1,262,783
	Income Taxes				
409.1	Income Taxes	(14,215)	59,131	21,355	66,271
410.1, .2	Provision for Deferred Income Taxes	1,014,464	220,678	72,023	1,307,165
411.1, .2	Provision for Deferred Income Taxes - Credit	(724,782)	(185,008)	(66,069)	(975,859)
411.4, .5	Investment Tax Credit Adjustment - Net	(4,878)	(764)	(264)	(5,906)
411.6	Gains from Disposition of Utility Plant	-	-	-	-
411.7	Losses from Disposition of Utility Plant	-	-	-	-
	Total Operating Expenses	6,536,774	1,545,711	671,396	8,753,881
	Total Utility Operating Income	\$ 967,117	\$ 218,267	\$ 91,915	\$ 1,277,299
	<u>Other Income</u>				
415,416	Income from Merchandising , Jobbing & Contract Work				-
417	Revenues from Nonutility Operations				8,148
417.1	Expenses from Nonutility Operations				(6,449)
418	Non-Operating Rental Income				219
418.1	Equity in Earnings of Subsidiary Companies				1,099
419	Interest and Dividend Income				32,584
419.1	Allowance for Equity Funds Used During Construction				7,430
421	Miscellaneous Non-Operating Income				4,903
	Total Other Income				47,934
	Total Income				1,325,233
	<u>Other Income Deductions</u>				
425	Miscellaneous Amortizations				120
426	Miscellaneous Income Deductions				9,911
	Total Other Income Deductions				10,031
	<u>Taxes - Other Income & Deductions</u>				
408.2	Taxes Other Than Income Taxes				1,632
409.2, 410.2) 411.2)	Income Taxes				192
	Total Taxes - Other Income & Deductions				1,824
	Income Before Interest Charges				1,313,378
	<u>Interest Charges</u>				
427	Interest on Long Term Debt				410,882
428	Amortization of Debt Discount & Expense				17,479
429	Amortization of Premium on Debt - Credit				-
431	Other Interest Expense				38,997
432	Allowance for Borrowed Funds Used During Construction				(8,840)
	Total Interest Charges				458,518
	Net Income				\$ 854,859

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
INCOME STATEMENT
TWELVE MONTHS ENDED DECEMBER 31, 2008
(Thousands of Dollars)

EXHIBIT ___ (AP-1)
SCHEDULE 2
PAGE 4 OF 4

Account No.	Utility Operating Income	Electric	Gas	Steam	Total
400	Operating Revenues	\$ 7,948,135	\$ 1,843,509	781,461	\$ 10,573,105
	Operating Expenses				
401	Operation Expenses	4,754,382	1,194,423	506,333	6,455,138
402	Maintenance Expense	365,806	65,095	44,088	474,989
		5,120,188	1,259,518	550,421	6,930,127
403	Depreciation Expense	520,908	90,501	60,614	672,023
407	Amortization of Property Losses	-	-	-	-
408.1	Taxes Other Than Income Taxes	1,036,992	187,109	80,351	1,304,452
	Income Taxes				
409.1	Income Taxes	(109,972)	93,347	(26,712)	(43,338)
410.1, .2	Provision for Deferred Income Taxes	1,320,838	264,149	113,572	1,698,559
411.1, .2	Provision for Deferred Income Taxes - Credit	(910,940)	(265,962)	(76,706)	(1,253,608)
411.4, .5	Investment Tax Credit Adjustment - Net	(4,772)	(759)	(260)	(5,791)
411.6	Gains from Disposition of Utility Plant	-	-	-	-
411.7	Losses from Disposition of Utility Plant	-	-	-	-
	Total Operating Expenses	6,973,242	1,627,903	701,280	9,302,424
	Total Utility Operating Income	\$ 974,893	\$ 215,606	\$ 80,181	\$ 1,270,680
	<u>Other Income</u>				
415,416	Income from Merchandising , Jobbing & Contract Work				-
417	Revenues from Nonutility Operations				7,955
417.1	Expenses from Nonutility Operations				(5,293)
418	Non-Operating Rental Income				357
418.1	Equity in Earnings of Subsidiary Companies				508
419	Interest and Dividend Income				28,958
419.1	Allowance for Equity Funds Used During Construction				7,205
421	Miscellaneous Non-Operating Income				(12,084)
	Total Other Income				27,606
	Total Income				1,298,286
	<u>Other Income Deductions</u>				
425	Miscellaneous Amortizations				19
426	Miscellaneous Income Deductions				9,749
	Total Other Income Deductions				9,768
	<u>Taxes - Other Income & Deductions</u>				
408.2	Taxes Other Than Income Taxes				2,056
409.2, 410.2) 411.2)	Income Taxes				730
	Total Taxes - Other Income & Deductions				2,786
	Income Before Interest Charges				1,285,732
	<u>Interest Charges</u>				
427	Interest on Long Term Debt				457,952
428	Amortization of Debt Discount & Expense				15,336
429	Amortization of Premium on Debt - Credit				-
431	Other Interest Expense				25,244
432	Allowance for Borrowed Funds Used During Construction				(7,006)
	Total Interest Charges				491,526
	Net Income				\$ 794,206

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STATEMENT OF UNAPPROPRIATED RETAINED EARNINGS
YEARS 2004, 2005, 2006, 2007 AND 2008
(Thousands of Dollars)

Account No.	2004	2005	2006	2007	2008
216, 216.1 Unappropriated Retained Earnings Beginning of Period	\$ 4,625,864	\$ 4,748,082	\$ 5,073,258	\$ 5,319,274	\$ 5,615,611
433 Balance Transferred from Income	529,348	705,238	697,611	854,860	794,206
439 Adjustments to Retained Earnings	-	-	-	-	-
	5,155,212	5,453,320	5,770,869	6,174,134	6,409,817
437 Dividends Declared - Preferred Stock	11,323	11,323	11,323	11,323	11,323
438 Dividends Declared - Common Stock	395,807	368,739	440,272	547,200	618,150
Total	407,130	380,062	451,595	558,523	629,473
216, 216.1 Unappropriated Retained Earnings End of Period	<u>\$ 4,748,082</u>	<u>\$ 5,073,258</u>	<u>\$ 5,319,274</u>	<u>\$ 5,615,611</u>	<u>\$ 5,780,344</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
UTILITY OPERATING INCOME - ELECTRIC
IN AMOUNT AND EQUIVALENT CENTS PER KWHR.
SOLD (BEFORE AND AFTER INCOME TAXES)
TWELVE MONTHS ENDED DECEMBER 31,
2005, 2006, 2007 AND 2008
(Thousands of Dollars)

	2005		2006		2007		2008	
	Amount	Equivalent Cents Per Kwahr Sold	Amount	Equivalent Cents Per Kwahr Sold	Amount	Equivalent Cents Per Kwahr Sold	Amount	Equivalent Cents Per Kwahr Sold
Operating Revenues	\$7,002,484	15.16	\$7,113,685	15.42	\$7,503,891	15.74	\$7,948,135	16.76
Operation and Maintenance								
Production Expenses	3,653,818	7.91	3,443,489	7.46	3,432,637	7.20	3,661,994	7.72
Transmission Expenses	140,885	0.31	161,550	0.35	162,058	0.34	176,772	0.37
Distribution Expenses	396,291	0.86	465,066	1.01	434,117	0.91	466,766	0.98
Customer Accounts Expenses	183,029	0.40	196,561	0.43	194,201	0.41	215,721	0.45
Customer Service Expenses	16,624	0.04	21,023	0.05	32,971	0.07	31,635	0.07
Administrative and General Expenses	309,771	0.67	379,294	0.82	543,833	1.14	567,300	1.20
Total Operation and Maintenance	4,700,418	10.19	4,666,983	10.12	4,799,817	10.07	5,120,188	10.79
Depreciation	393,683	0.85	414,272	0.90	448,063	0.94	520,908	1.10
Amortization of Property Losses	-	-	-	-	-	-	-	-
Taxes Other Than Income Taxes	900,316	1.95	959,923	2.08	1,018,305	2.14	1,036,992	2.19
Total Operating Expenses Before Income Taxes	5,994,417	12.99	6,041,178	13.10	6,266,185	13.15	6,678,088	14.08
Operating Income Before Income Taxes	1,008,067	2.17	1,072,507	2.32	1,237,706	2.59	1,270,047	2.68
Income Taxes	281,178	0.61	10,057	0.02	(14,215)	(0.03)	(109,973)	(0.23)
Provision for Deferred Income Taxes	846,887	1.83	1,007,115	2.18	1,014,464	2.13	1,320,838	2.79
Provision for Deferred Income Taxes - Credit	(997,943)	(1.94)	(776,881)	(1.68)	(724,782)	(1.52)	(910,940)	(1.92)
Investment Tax Credit Adjustments - Net	(5,856)	(0.01)	(4,980)	(0.01)	(4,878)	(0.01)	(4,772)	(0.01)
Losses from Disposition of Utility Plant	113	0.00	-	-	-	-	-	-
	224,379	0.49	235,311	0.51	270,589	0.57	295,153	0.63
Operating Income After Income Taxes	\$783,688	1.68	\$837,196	1.81	\$967,117	2.02	\$974,894	2.05
Sales of Electricity - Mwhrs.	46,191,696		46,133,126		47,671,300		47,423,234	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
OPERATING REVENUES - ELECTRIC
IN AMOUNT AND EQUIVALENT CENTS PER KWHR SOLD
TWELVE MONTHS ENDED
DECEMBER 31, 2005, 2006, 2007 AND 2008
(Thousands of Dollars)

Account No.	2005		2006		2007		2008	
	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold
Sales of Electricity								
440	\$2,923,677	6.32	\$2,720,491	5.90	\$2,825,783	5.93	\$3,078,385	6.49
442	3,483,089	7.56	3,385,474	7.34	3,621,752	7.60	3,947,262	8.32
444	2,200	0.00	2,136	0.00	2,897	0.01	2,576	0.01
445	46,880	0.10	35,086	0.08	36,398	0.08	39,835	0.08
446	5,592	0.01	5,663	0.01	5,585	0.01	7,221	0.02
447	46,410	0.10	50,579	0.11	52,630	0.11	57,978	0.12
	6,517,848	14.09	6,199,429	13.44	6,545,045	13.74	7,133,257	15.04
Total Sales of Electricity								
Other Operating Revenues								
456	280,353	0.61	276,339	0.60	309,203	0.65	378,463	0.80
456	16,902	0.04	17,087	0.04	17,482	0.04	20,180	0.04
451	12,818	0.03	12,600	0.03	14,104	0.03	11,408	0.02
454	15,453	0.03	16,455	0.04	17,899	0.04	17,120	0.04
455	9,648	0.02	10,398	0.02	11,044	0.02	11,755	0.02
456	149,462	0.32	581,377	1.26	589,114	1.24	375,952	0.79
	484,636	1.05	914,256	1.98	958,846	2.01	814,878	1.72
Total Other Operating Revenues								
Total Operating Revenues								
	\$7,002,484	15.16	\$7,113,685	15.42	\$7,503,891	15.74	\$7,948,135	16.76
Sales of Electricity - Mwhrs.								
	46,191,696		46,133,126		47,671,300		47,423,234	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 MEGAWATTHOURS SUPPLIED AND REVENUE BILLED
 BY CLASSIFICATION OF SERVICE
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005, 2006, 2007, AND 2008
 (Thousands of Dollars)

Account S.C. No.	2005				2006				2007				2008			
	Mwhr Sold	Revenue	Revenue Per KwHr		Mwhr Sold	Revenue	Revenue Per KwHr		Mwhr Sold	Revenue	Revenue Per KwHr		Mwhr Sold	Revenue	Revenue Per KwHr	
440																
	Residential Sales	14,059,738	\$ 2,689,048	\$ 20.55	13,462,042	\$ 2,690,887	\$ 19.99	\$ 2,795,122	13,916,627	\$ 20.08	\$ 3,045,150	21.95	13,875,077	\$ 3,045,150	21.95	
	Residential and Religious	209,874	34,629	16.50	172,616	29,604	17.15	30,660	191,728	15.99	33,235	17.96	185,021	33,235	17.96	
	Residential and Religious - Space & Water Heating															
	Total Residential Sales	14,269,612	2,923,677	20.49	13,634,658	2,720,491	19.95	2,825,782	14,108,355	20.03	3,078,385	21.89	14,060,098	3,078,385	21.89	
	Commercial and Industrial Sales															
	General - Small	2,188,416	472,024	21.57	2,123,612	444,258	20.92	479,609	2,206,618	21.74	507,499	23.25	2,182,947	507,499	23.25	
	Breakdown, Reserve & Auxiliary	2,641	923	34.95	8,332	1,657	19.89	2,023	10,252	19.73	1,952	21.89	8,916	1,952	21.89	
	Redistribution - Submetering, Resale	6,595,393	476,371	7.22	6,640,545	501,023	7.54	558,951	6,976,011	8.01	569,059	8.50	7,044,325	569,059	8.50	
	Electric Traction System - Time of Day - Rate II		(623)													
	Multiple Dwelling - Redistribution	2,025,487	216,773	10.70	1,949,733	210,188	10.78	223,705	2,004,996	11.16	246,487	12.33	1,998,456	246,487	12.33	
	General - Large	19,651,138	2,287,439	11.64	19,629,366	2,185,395	11.13	2,310,221	20,150,683	11.46	2,525,824	12.64	19,983,094	2,525,824	12.64	
	Supplementary Service - Rate I	100,696	10,984	10.81	99,716	11,036	11.07	11,836	103,150	11.47	10,534	11.86	88,650	10,534	11.86	
	Multiple Dwelling - Space Heating	475,089	27,194	5.72	435,140	27,875	6.41	28,767	456,263	6.30	29,967	6.59	454,456	29,967	6.59	
	Bulk Power-HT-Housing Developments	153,162	2,442	1.59	147,378	3,902	2.65	6,483	147,186	4.40	24,290	16.58	146,532	24,290	16.58	
	Direct Retail/ESCO Sales		(481)					(11)								
	Rider D-Operation of Fire Alarms or Signal Systems		139	0.00		147	0.00	4			154	0.00		164	0.00	
	Rider D-Operation of Fire Alarms or Signal Systems		4	0.00		4	0.00							20	0.00	
	Total Commercial & Industrial Sales	31,192,022	3,493,089	11.20	31,033,822	3,385,474	10.91	3,621,753	32,055,159	11.30	3,947,263	12.36	31,927,693	3,947,263	12.36	
442	Public Street and Highway Lighting															
	General Small Rate 1	11,106	2,200	19.81	10,728	2,136	19.91	2,896	12,142	23.85	74	15.61	474	74	15.61	
	Total Public and Private Street Lighting	11,106	2,200	19.81	10,728	2,136	19.91	2,896	12,142	23.85	74	15.61	474	74	15.61	
444	Other Sales to Public Authorities															
	Residential and Religious	53	10	18.67	11	5	45.45	14	120	11.67	13	17.33	75	13	17.33	
	General	2,539	257	10.12	2,589	443	17.11	42	2,729	1.54	618	19.31	3,200	618	19.31	
	Breakdown, Reserve & Auxiliary	35,324	5,133	14.53	33,553	3,895	11.61	4,117	32,722	12.58	4,976	13.44	37,018	4,976	13.44	
	Nonsubmetering	(17)	(2)	(11.76)	(2)	(1)	50.00	2	4	50.00	0	0.00	(11)	0	0.00	
	NYC Transit Authority Transition Rate	6,456	564	8.74	5,194	280	5.39	323	5,297	6.10	245	6.02	4,068	245	6.02	
	Multiple Dwelling - Redistribution	538,250	40,916	7.60	512,064	30,461	5.95	31,896	510,020	6.25	33,979	6.55	518,757	33,979	6.55	
	General - Large		(1)													
	DC Premium		3	0.00		3	0.00	4			4	0.00		4	0.00	
	Rider D - Operation of Fire Alarms or Signal Systems		3	0.00		3	0.00									
	Total Other Sales to Public Authorities	582,605	46,880	8.05	553,409	35,086	6.34	36,398	550,692	6.61	39,835	7.07	563,107	39,835	7.07	
445	Sales to Railroads & Railways															
	Residential and Religious	179	39	21.79	178	39	21.91	65	307	21.17	49	22.27	220	49	22.27	
	General	2,001	350	17.49	1,868	317	16.97	309	1,699	18.19	572	19.77	2,694	572	19.77	
	Breakdown, Reserve & Auxiliary	132,019	4,859	3.68	121,137	5,087	4.20	4,800	115,345	4.15	6,060	5.08	119,345	6,060	5.08	
	NYC Transit Authority Transition Rate	2,152	344	15.99	1,182	220	18.61	412	2,326	17.71	540	18.13	2,979	540	18.13	
	General - Large		5,592													
	Total Sales to Railroads & Railways	136,351	5,592	4.10	124,365	5,663	4.55	5,586	119,983	4.66	7,221	5.76	125,438	7,221	5.76	
447	Sales for Resale															
	General	46,191,696	6,517,848	14.09	46,133,126	6,199,429	13.44	6,545,045	47,671,300	13.73	7,133,258	15.04	47,423,234	7,133,258	15.04	
	Total Sales - ELECTRIC	46,191,696	6,517,848	14.09	46,133,126	6,199,429	13.44	6,545,045	47,671,300	13.73	7,133,258	15.04	47,423,234	7,133,258	15.04	
451	Other Electric Revenues															
	Miscellaneous Service Revenues		12,818			12,600		14,104			11,408			11,408		
	Rent from Electric Property		15,453			16,455		17,899			17,120			17,120		
	Interdepartmental Rents		9,648			10,398		11,044			11,755			11,755		
	Other Electric Revenue		446,717			874,803		915,799			774,595			774,595		
	Total Other Electric Revenues		484,636			914,256		958,846			814,878			814,878		
400	TOTAL OPERATING REVENUES - ELECTRIC	46,191,696	\$ 7,002,484	\$ 15.16	46,133,126	\$ 7,113,685	\$ 15.42	\$ 7,503,891	47,671,300	\$ 15.74	\$ 7,948,136	\$ 16.76	47,423,234	\$ 7,948,136	\$ 16.76	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
OTHER OPERATING REVENUES - ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2005, 2006, 2007 AND 2008
(Thousands of Dollars)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Miscellaneous Service Revenues	\$12,817	\$12,600	\$14,104	\$11,408
Rent from Electric Property	15,453	16,455	17,899	17,120
Interdepartmental Rents	9,648	10,398	11,044	11,755
NYPA & Other Delivery Revenues	280,353	276,339	309,203	378,463
Municipal Agency Revenues	16,902	17,087	17,482	20,180
Miscellaneous Other Electric Revenues				
Transmission of Energy	12,371	11,406	11,456	11,476
Transmission Service Charges	9,514	6,198	16,496	305
Credit Card Performance Incentive Income	300	-	-	-
Cash Point Loss	(10,483)	10,483	-	-
Sithe Contract Restructuring	1,139	3,989	2,269	2,275
Reimbursement of Maint. Cost of Intercon. of Co. Facilities - Net	2,146	2,263	2,185	2,483
Excess Distribution Facilities	2,367	2,387	2,924	2,678
Late Payment Charges - Net	23,204	22,104	21,631	26,645
M & C Services - Net	305	138	16	12
Staten Island Meter Reading Services	467	481	542	552
The Learning Center Services	694	746	868	869
Water Meter Reading Services - Net	2,686	2,678	2,860	2,888
Cablevision Lightpath, Inc. - Hudson Ave. Tunnel	(1,100)	(1,094)	2,300	-
Fuel Management Program	245	99	196	118
TCC Auction Proceeds - Wholesale	1,225	84	-	-
Transmission Netting Customer Credit	(523)	(371)	(357)	(314)
KeySpan Settlement Facilities Fee - Net	(720)	(515)	(481)	(516)
Cubs Credit	769	2,021	3,679	4,630
Electric Wholesale Refund	(1,733)	-	-	-
CBS Outdoor Settlement	-	600	(600)	-
Electric Revenue - CE Solutions	350	462	613	817
Regulatory Accounting:				
Electric Service Reliability Penalty	(8,000)	(18,000)	(9,000)	(5,000)
Retail Choice Program	5,430	627	536	(1,205)
Business Incentive Rates	952	-	-	-
NYS Tax Law Changes	3,183	11,434	14,011	13,566
Amortization of Deferred Costs	72,300	101,242	107,693	27,326
Amortization of Divested Plants	2,378	3,171	3,171	793
POR Discount	2,722	4,597	6,883	12,539
Electric Interference Deferral	-	-	(12,384)	(19,117)
Rate Case - T&D Expense Deferral	38,392	115,419	186,746	49,974
Rate Case - TCC Proceeds - Net	85,915	215,371	141,306	190,411
Rate Increase Accrual	-	44,261	(29,991)	(14,269)
Sale of Chelsea	-	4,003	32,616	10,081
Electric Migration Incentive - Net	-	3,188	(1,661)	(1,013)
Earnings Above Sharing Threshold	(53,000)	16,588	-	-
Electric Rate Case 04-E-0572 Amortizations	-	25,177	58,890	16,233
Amortization of I.P.2 Deferred Costs	(10,636)	-	-	-
System Benefits Charge - Deferral	(3,589)	(2,600)	7,568	3,866
DC Service Incentive	26,057	13,934	3,655	(235)
Divested Capacity - Pre-ISO	(3,204)	-	-	-
Overcollection of Revenues Re: 74/59th St.	(24,383)	(19,253)	(4,400)	(4,925)
NRG Settlement - Facilities Fee	655	655	655	655
Revenue Rate Program	2,893	-	-	-
Demand Response Program - Net	40	(5,336)	7,602	(762)
Retention of Property Tax Incentive	-	122	2,296	377
Low Income Program Disc. Accrual	-	-	4,485	1,957
Rate Refund Provision	(3,767)	-	-	-
Investment Tax Credits Deferral	(23,464)	-	-	-
FIT Refund	(3,650)	-	-	-
Manufacturing Deduction	(2,128)	-	-	-
Amortization Deferred Costs - 07-E-0523	-	-	-	46,836
Electric RDM Reconciliation 07-E-0523	-	-	-	(7,323)
	1,144	2,618	1,840	269
Miscellaneous	149,463	581,377	589,114	375,952
Total Miscellaneous Other Electric Revenues				
	<u>\$484,636</u>	<u>\$914,256</u>	<u>\$958,846</u>	<u>\$814,878</u>
Total Electric Other Operating Revenues				

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF OPERATION AND MAINTENANCE EXPENSES - ELECTRIC
IN AMOUNT AND EQUIVALENT CENTS PER KWHR. SOLD
2005, 2006, 2007, and 2008
(Thousands of Dollars)

	2005		2006		2007		2008	
	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold
Operation and Maintenance Expenses								
Power Production Expenses	\$3,653,818	7.91	\$3,443,489	7.46	\$3,432,637	7.20	\$3,661,994	7.72
Transmission Expenses	140,885	0.31	161,551	0.35	162,058	0.34	176,772	0.37
Distribution Expenses	396,291	0.86	465,066	1.01	434,118	0.91	466,767	0.98
Customer Accounts Expenses	183,029	0.40	196,561	0.43	194,201	0.41	215,721	0.45
Customer Service Expenses	16,624	0.04	21,023	0.05	32,971	0.07	31,634	0.07
Administrative & General Expenses	309,771	0.67	379,294	0.82	543,833	1.14	567,300	1.20
Total	<u>\$4,700,418</u>	<u>10.19</u>	<u>\$4,666,983</u>	<u>10.12</u>	<u>\$4,799,817</u>	<u>10.07</u>	<u>\$5,120,188</u>	<u>10.79</u>
Sales of Electricity - Mwhrs.	<u>46,191,696</u>		<u>46,133,126</u>		<u>47,671,300</u>		<u>47,423,234</u>	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 POWER PRODUCTION EXPENSES - ELECTRIC
 TWELVE MONTHS ENDED DECEMBER 31,
 2005, 2006, 2007, and 2008
 (Thousands of Dollars)

Account No.	2005			2006			2007			2008		
	Steam Power Generation	Nuclear Power Generation	Other Power Generation	Steam Power Generation	Nuclear Power Generation	Other Power Generation	Steam Power Generation	Nuclear Power Generation	Other Power Generation	Steam Power Generation	Nuclear Power Generation	Other Power Generation
Operation												
500,517,546 Supervision and Engineering	\$11,031	-	-	\$11,188	-	-	\$13,322	-	-	\$13,595	-	-
501,518,154 Fuel	253,841	3,283	5,023	308,971	3,403	1,498	320,086	2,625	759	374,774	-	1,005
- 519 - Coolants and Water	-	-	-	-	-	-	-	-	-	-	-	-
502,520,548 Steam and Generation Expenses	6,449	-	-	3,725	-	-	4,719	-	-	6,243	-	-
504,522 - Steam Transferred - Credit	(2,377)	-	-	(275)	-	-	(119)	-	-	(253)	-	-
505,523 - Electric Expenses	1,477	-	-	1,302	-	-	545	-	-	71	-	-
506,524,540 Misc. Steam, Nuclear, & Other Power Generation Expenses	4,697	-	-	4,853	-	-	4,476	-	-	5,873	-	-
Sub-Total	275,118	3,283	5,023	329,864	3,403	1,498	343,029	2,625	789	400,303	-	1,005
507,525,550 Rents	55,171	-	2	74,357	-	2	76,521	-	2	73,635	-	2
Total	330,289	3,283	5,025	404,221	3,403	1,500	419,550	2,625	801	473,938	-	1,007
Maintenance												
510,528,551 Supervision and Engineering	7,789	-	-	7,901	-	-	6,246	-	-	6,345	-	-
511,529,552 Structures	2,368	-	5	2,189	-	13	2,417	-	15	2,432	-	4
512,530 - Boiler Plant & Reactor Plant Equip. Generating and Electric Plant	3,157	-	-	3,870	-	-	3,566	-	-	4,554	-	-
513,531,553 Miscellaneous Steam, Nuclear, & other Power Generation Expenses	7,068	-	6,231	4,344	-	8,336	6,860	-	5,709	4,446	-	14,200
Sub-Total	1,757	-	49	1,807	-	10	2,289	-	-	2,515	-	43
Total Electric Generation	332,418	3,283	11,310	424,332	3,403	9,859	440,928	2,625	6,625	495,425	0	15,254
Other Power Supply Expense												
555 Purchased Power	-	-	-	-	-	-	-	-	-	-	-	-
556 System Control & Load Dispatching	-	-	-	-	-	-	-	-	-	-	-	-
557 Other Expenses	-	-	2,008	-	-	1,802	-	-	-	-	-	-
Total Other Power Supply Expenses	-	-	2,008	-	-	1,802	-	-	-	-	-	-
Total Power Production Expenses	\$352,418	\$3,283	\$11,310	\$424,332	\$3,403	\$9,859	\$440,928	\$2,625	\$6,625	\$495,425	\$0	\$15,254
Mwhrs Generated and Purchased												
Steam Power Generation	2,257,262	-	-	2,781,565	-	-	2,865,894	-	-	2,865,807	-	-
Other Power Generation	4,388	-	-	4,037	-	-	2,477	-	-	2,904	-	-
Sub-Total	2,261,650	-	-	2,785,602	-	-	2,868,371	-	-	2,868,711	-	-
Purchased	29,055,402	-	-	25,292,216	-	-	24,719,391	-	-	23,864,812	-	-
Total	31,317,052	-	-	28,067,818	-	-	27,607,762	-	-	26,722,523	-	-

\$3,004,063
 \$2,980,916
 1,643
 \$2,982,269
 \$3,443,489
 \$3,432,637

\$3,004,063
 1,643
 \$3,005,895
 \$3,443,489
 \$3,653,816

2,865,894
 2,477
 2,868,371
 24,719,391
 27,607,762

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 POWER PRODUCTION EXPENSES - ELECTRIC
 CENTS PER KWHR, GENERATED AND PURCHASED
 TWELVE MONTHS ENDED DECEMBER 31,
 2005, 2006, 2007, and 2008

Account No.	2005			2006			2007			2008		
	Steam Power Generation	Other Power Generation	Total	Steam Power Generation	Other Power Generation	Total	Steam Power Generation	Other Power Generation	Total	Steam Power Generation	Other Power Generation	Total
Operation												
500,517,546	\$0.49	-	\$0.49	\$0.40	-	\$0.40	\$0.46	-	\$0.46	\$0.48	-	\$0.48
501,518,1547	11.25	114.47	115.72	11.11	37.11	48.22	11.09	32.26	43.35	13.13	34.81	47.94
- 519, -	-	-	-	-	-	-	-	-	-	-	-	-
502,520,548	0.29	-	0.29	0.13	-	0.13	0.16	-	0.16	0.22	-	0.22
504,522, -	(0.11)	-	(0.11)	(0.01)	-	(0.01)	0.00	-	0.00	(0.01)	-	(0.01)
505,523, -	0.07	-	0.07	0.05	-	0.05	0.02	-	0.02	0.00	-	0.00
506,524,549	0.21	-	0.21	0.18	-	0.18	0.16	-	0.16	0.21	-	0.21
Sub-Total	12.20	114.47	126.67	11.86	37.11	49.07	11.89	32.26	44.15	14.03	34.81	48.84
507,525,550	2.44	0.05	2.49	2.67	0.05	2.72	2.65	0.08	2.73	2.58	0.07	2.65
Total	14.64	114.52	129.16	14.53	37.16	48.69	14.54	32.34	46.88	16.61	34.88	51.49
Maintenance												
510,528,551	0.35	-	0.35	0.28	-	0.28	0.22	-	0.22	0.22	-	0.22
511,529,552	0.10	0.11	0.21	0.08	0.32	0.40	0.08	0.61	0.69	0.13	0.14	0.27
512,530, -	0.14	-	0.14	0.14	-	0.14	0.12	-	0.12	0.16	-	0.16
513,531,553	0.31	142.00	142.31	0.16	206.49	206.65	0.24	230.48	230.72	0.16	488.98	489.14
514,532,554	0.08	1.12	1.20	0.06	0.25	0.31	0.08	0.00	0.08	0.09	1.48	1.57
Sub-Total	0.98	143.23	144.21	0.72	207.06	207.78	0.74	231.09	231.83	0.76	490.60	491.36
Total Electric Generation	\$15.62	\$257.75	\$273.37	\$15.25	\$244.22	\$259.47	\$15.28	\$263.43	\$278.71	\$17.37	\$625.23	\$642.60
Other Power Supply Expense												
555	\$11.31	-	\$11.31	-	-	-	-	-	-	-	-	-
556	-	-	-	-	-	-	-	-	-	-	-	-
557	11.31	-	11.31	-	-	-	-	-	-	-	-	-
Total Other Power Supply Expenses	\$11.67	-	\$11.67	-	-	-	-	-	-	-	-	-
Total Power Production Expenses	\$284.99	-	\$284.99	\$15.25	\$244.22	\$259.47	\$15.28	\$263.43	\$278.71	\$17.37	\$625.23	\$642.60
Cents Per Kwhr Sold	\$7.91	-	\$7.91	\$7.46	-	\$7.46	\$7.46	-	\$7.46	\$7.72	-	\$7.72

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
TRANSMISSION EXPENSES - ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31,
2005, 2006, 2007, and 2008
(Thousands of Dollars)

Account No.	Operation	2005		2006		2007		2008	
		Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold
560	Supervision and Engineering	\$11,034	0.02	\$9,745	0.02	\$10,102	0.02	\$10,339	0.02
561	Load Dispatching	19,450	0.04	4,770	0.01	-	-	0	-
561.2	Load Dispatch/Operation System	-	0.00	6,930	0.02	9,220	0.02	9,456	0.02
561.4	Scheduling System/Control Dispatch Serv	1	-	7,427	0.02	6,568	0.01	6,749	0.01
561.5	Long-Term Reliab/Planning Standard Dev	-	-	1,296	0.00	2,203	0.01	2,160	0.00
561.6	Service Studies	-	-	281	0.00	419	0.00	468	0.00
561.7	Generation Interconnection Studies	-	-	106	0.00	81	0.00	54	0.00
561.8	Long-Term Reliab/Planning Standard Dev	-	-	12	0.00	1,561	0.01	2,191	0.01
562	Station Expenses	22,400	0.05	24,217	0.04	24,310	0.06	24,481	0.06
563	Overhead Line Expenses	629	0.00	523	0.00	731	0.00	740	0.00
564	Underground Line Expenses	1,608	0.00	1,602	0.00	1,736	0.00	1,968	0.00
566	Miscellaneous Transmission Expenses	6,681	0.01	6,559	0.01	6,320	0.01	6,395	0.01
	Sub-Total	61,803	0.12	63,469	0.12	63,250	0.14	65,003	0.13
567	Rents	21,416	0.05	21,992	0.05	22,481	0.05	22,733	0.05
	Total	83,219	0.17	85,462	0.17	85,730	0.19	87,736	0.18
	<u>Maintenance</u>								
568	Supervision and Engineering	4,625	0.01	5,804	0.01	6,976	0.01	7,141	0.02
569	Structures	8,154	0.02	7,873	0.02	7,077	0.01	10,468	0.02
569.1	Computer Hardware	-	-	955	0.00	1,007	0.00	889	0.00
569.2	Computer Software	-	-	1,374	0.00	1,147	0.00	2,010	0.00
569.3	Communication Equipment	-	-	3,269	0.01	5,147	0.01	5,649	0.01
570	Station Equipment	23,412	0.06	22,219	0.05	21,338	0.05	24,002	0.06
571	Overhead Lines	3,906	0.01	3,221	0.01	4,553	0.01	4,214	0.01
572	Underground Lines	17,569	0.04	21,952	0.05	15,620	0.03	19,829	0.04
573	Mis. Transmission Plant	-	-	2,314	0.01	2,940	0.01	3,487	0.01
575.7	Market Admin Monitoring Compl Service	-	-	7,107	0.02	10,523	0.02	11,547	0.02
	Total	57,666	0.14	76,089	0.18	76,328	0.15	89,036	0.19
	Total Transmission Expenses	\$140,885	0.31	\$161,551	0.35	\$162,058	0.34	\$176,772	0.37
	Sales of Electricity - Mwhrs.	46,191,696		46,133,126		47,671,300		47,423,234	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 DISTRIBUTION EXPENSES - ELECTRIC
 TWELVE MONTHS ENDED DECEMBER 31,
 2005, 2006, 2007, and 2008
 (Thousands of Dollars)

Account No.	2005		2006		2007		2008	
	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold
Operation								
580	\$30,765	0.07	\$30,548	0.07	\$32,695	0.07	\$34,503	0.07
581								
582	23,650	0.05	26,235	0.06	28,955	0.06	27,150	0.06
583	7,346	0.02	25,869	0.06	15,638	0.03	12,637	0.03
584	29,478	0.06	33,520	0.07	45,366	0.10	63,957	0.13
585	998	0.00	4,036	0.01	1,836	0.01	1,836	0.00
586	7,052	0.02	6,503	0.01	6,584	0.01	6,094	0.01
587	15,604	0.03	15,004	0.03	16,898	0.04	15,437	0.03
588	48,783	0.10	42,353	0.09	30,804	0.06	30,634	0.06
	163,876	0.35	184,068	0.40	183,864	0.38	192,248	0.39
	31,278	0.07	31,872	0.07	32,772	0.07	33,483	0.07
589	194,954	0.42	215,940	0.47	216,636	0.45	225,730	0.46
Maintenance								
590	13,997	0.03	14,808	0.03	15,076	0.03	15,079	0.03
591	4,283	0.01	5,050	0.01	5,174	0.01	6,816	0.01
592	12,174	0.03	11,731	0.03	10,637	0.02	11,313	0.02
593	30,116	0.07	44,523	0.10	45,301	0.10	45,169	0.10
594	115,345	0.24	144,705	0.31	112,609	0.24	130,449	0.29
595	14,120	0.03	15,252	0.03	15,941	0.03	13,372	0.03
596	2,519	0.01	2,420	0.01	4,184	0.01	6,421	0.01
597	880	0.00	752	0.00	551	0.00	446	0.00
598	7,903	0.02	9,885	0.02	8,008	0.02	11,971	0.03
	201,337	0.44	249,126	0.54	217,481	0.46	241,036	0.52
	\$396,291	0.96	\$465,066	1.01	\$434,118	0.91	\$466,767	0.98
Sales of Electricity - Mwhrs.								
	46,191,696		46,133,126		47,671,300		47,423,234	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 ADMINISTRATIVE AND GENERAL EXPENSES - ELECTRIC
 TWELVE MONTHS ENDED DECEMBER 31,
 2005, 2006, 2007, and 2008
 (Thousands of Dollars)

Account No.	2005		2006		2007		2008	
	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold	Amount	Equivalent Cents Per Kwhr Sold
Operation								
920 Administrative & General Salaries	\$82,332	0.18	\$99,414	0.22	\$95,234	0.20	\$100,225	0.21
921 Office Supplies and Expenses	25,440	0.06	25,817	0.06	24,677	0.05	32,426	0.07
923 Outside Services Employed	2,151	0.00	4,174	0.01	6,081	0.01	6,006	0.01
924 Property Insurance	3,552	0.01	3,009	0.01	1,954	0.00	2,406	0.01
925 Injuries and Damages	64,699	0.14	84,652	0.18	82,491	0.17	90,638	0.19
926.1 Employees Pensions	(16,986)	(0.04)	(26,967)	(0.06)	(5,951)	(0.01)	61,064	0.13
926.2 Employees Welfare Expenses	104,969	0.23	117,017	0.25	123,957	0.26	110,358	0.23
926.3 Pension & Welfare Administration	-	-	-	-	-	-	-	-
927 Franchise Requirements	-	-	-	-	-	-	-	-
928 Regulatory Commission Expenses	22,680	0.05	24,320	0.05	30,937	0.06	34,117	0.07
929 Duplicate Charges - Credit	(20,089)	(0.04)	(19,074)	(0.04)	(20,742)	(0.04)	(22,276)	(0.05)
930.1 Institutional and Goodwill Advertising	778	0.00	770	0.00	854	0.00	852	0.00
930.2 Miscellaneous General Expenses	98,625	0.20	125,316	0.26	262,362	0.56	218,269	0.47
931.2 Expenses of Data Processing Equipment	2,970	0.01	3,119	0.01	3,027	0.01	3,324	0.01
Sub-Total	371,121	0.80	441,567	0.95	604,880	1.27	637,409	1.35
922 Administrative Expenses Transferred - Credit	(61,350)	(0.13)	(62,273)	(0.13)	(61,048)	(0.13)	(70,110)	(0.15)
Total	\$309,771	0.67	\$379,294	0.82	\$543,833	1.14	\$567,300	1.20
Sales of Electricity - Mwhrs.	46,191,696		46,133,126		47,671,300		47,423,234	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
TAXES OTHER THAN INCOME TAXES - ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31
2005, 2006, 2007 AND 2008
(Thousands of Dollars)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Local Taxes</u>				
Real Estate - NYC	\$553,831	\$584,458	\$629,175	\$705,588
- Upstate and Westchester	84,552	87,810	92,441	89,203
Property Tax Reconciliation Deferral	12,836	44,523	45,260	(29,346)
Receipts Taxes - Special Franchise	14,519	13,700	14,405	15,682
Public Utilities Excise	155,561	139,983	147,705	163,164
Commercial Rent	19	20	21	20
Sales and Use	(3,541)	144	(131)	665
Miscellaneous				
Motor Vehicle	383	406	421	454
Subsidiary Capital Tax	4,375	3,900	5,343	5,058
Other	-	-	-	-
Total - Local Taxes	<u>822,535</u>	<u>874,944</u>	<u>934,640</u>	<u>950,488</u>
<u>State Taxes</u>				
Franchise - Capital	-	-	809	-
Gross Earnings	-	-	-	-
Dividends	-	-	-	-
Public Utilities Gross Income	36,518	38,922	36,400	38,298
Unemployment Insurance	1,053	992	734	750
Gasoline	179	3	-	-
Vehicle Registration and Highway Use	459	525	518	560
Sales and Use	(3,473)	(8)	(174)	373
Insurance Premium Tax	292	223	112	93
Environmental - Hazardous Waste	155	161	159	110
Other	99	-	-	-
Total - State Taxes	<u>35,282</u>	<u>40,818</u>	<u>38,558</u>	<u>40,184</u>
<u>Federal Taxes</u>				
Unemployment	738	471	439	447
Insurance Contributions	41,082	43,433	44,212	46,411
Excise - Diesel	382	-	-	-
Other	297	257	456	(538)
Total - Federal Taxes	<u>42,499</u>	<u>44,161</u>	<u>45,107</u>	<u>46,320</u>
Grand Total	<u>\$900,316</u>	<u>\$959,923</u>	<u>\$1,018,305</u>	<u>\$1,036,992</u>

EXHIBIT __ (AP- 2)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CALCULATION OF FEDERAL INCOME TAXES - ELECTRIC

CONSOLIDATED EDISON OF COMPANY OF NEW YORK, INC.
CALCULATION OF FEDERAL INCOME TAXES - ELECTRIC
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

	<u>Amount</u>
OPERATING REVENUES PER BOOKS	\$ 7,948,135,438
OPERATING EXPENSES PER BOOKS	6,746,966,936
INTEREST CHARGES	377,614,743
BOOK INCOME BEFORE FIT	<u>823,553,759</u>

SECTION I - FLOW THROUGH ITEMS

ADDITIONS

Book Depreciation	518,360,649
Hudson Farragut Amortization - per books	477,030
Capitalized interest (Section 263A)	6,354,063
Injuries & Damages Reserve	8,939,533
Meal & Entertainment Limitations	119,315
Excess of Book Provision Over Direct W/O - Bad Debts	7,387,889
Officers Compensation in Excess of \$1M (Restricted Stock)	1,026,000
TOTAL	<u>542,664,479</u>

DEDUCTIONS

Statutory Depreciation Deduction - Flow Through	317,153,000
Removal Costs - Flow Through	173,651,850
Amortization of Capitalized Interest - Flow Through	2,921,287
Westchester Property Tax Adjustment	1,416,000
Deduction for Dividends Paid on \$5 Cumulative Pref. Stk.	3,328,000
Medicare Part D Subsidy - Post Employment Benefits	15,816,868
TOTAL	<u>514,287,005</u>

PRETAX INCOME 851,931,233

SECTION II - NORMALIZED ITEMS

ADDITIONS

Gain on Sale - 685 1st Avenue	(52,905,419)
Gain on Sale - 708 1st Avenue	(21,032,416)
Gain on Sale - Kips Bay Station	(13,225,583)
Gain on Sale - Waterside	16,920,717
Sale of Chelsea Property (In excess of 2004 Settlement) (See Folio-52353)	(10,080,900)
State Income Tax Refund on Loss Indian Point	(3,768,000)
Contributions in Aid of Construction	1,409,201
Deferred Revenue-Astoria Energy Easement	5,896
MTA Business Tax Surcharge	(2,927,676)
Deferred Income Plan	(11,860,706)
Retiree Health VEBA - Funding v. Expense	15,816,868
Retiree Group Life - Funding v. Expense	3,317,241
Advance Refunding Long Term Debt - Net	7,638,191
Elimination of DC Service	(8,764,917)
EPA/SO2 Allowance Proceeds	(10,472,505)
O&R Post Merger Savings-West Aggregation	(3,200)
System Benefit Charges	(7,687,052)
Vacation Pay Accrual	(954,000)
Capitalized Interest per Tax - Normalized	5,084,032
TCC Auction Proceeds	17,426,653
TCC Rents - NYPA	3,986,572
Restricted Stock Plan Performance Based	(826,921)
Deferred State Income Tax Not deducted on Federal Return	51,473,000
Customer Refund Associated with Divested Plants (IP) (M0966)	(537,000)
Electric Reliability Penalty	(4,000,000)
Provision for Rate Disallowance - Roseton	(255,666)
Odd W.T.C Incident Sys. Restor.	12,459,483
Medicare Rx Legislative Savings	4,500,000
Electric Rate Case Deferral (Pens/Opeb) (Acc#C0950)	(16,233,333)
Amortization Deferred Costs - Electric and Gas only	(33,094,443)
Rate Case Interference Deferral (254.00)	7,830,974
SBU/GHP Realized & Deferred Gain	(2,956,818)
Excess Deferred SIT	(14,218,309)
Stock Plans	5,218,376
Oil Overcharge Refund	(1,404,351)

CONSOLIDATED EDISON OF COMPANY OF NEW YORK, INC.
CALCULATION OF FEDERAL INCOME TAXES - ELECTRIC
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

	<u>Amount</u>
Foregone Rental Income W 24th St.	(201,000)
Arthur Kill	(11,420,800)
ADR Adj. Due Customer	(50,523,000)
L.I.C. Settlement	(31,666,522)
Elec. Rate Case Deferral 07-e-0523	16,582,136
Verizon Joint Use Settlement	14,500,000
TSC Non-firm Rev. Deferral (Case 07-E-0523)	18,060,217
Storm Reserve Case 07-E-0523	831,351
NYC Property Tax Discount	1,183,794
Electric Revenue Decoupling Mechanism	6,397,249
Sale of Air Rights	(27,500)
LIC Plant Disallowance	32,945,404
Steam Incident Plant Disallowance	4,750,375
TOTAL	<u>(62,729,014)</u>

DEDUCTIONS

Tax Depreciation - Norm. - MACRS	1,006,120,000
Tax Depreciation - Norm. - ADR	32,000
ADR Repair Allowance	28,491,000
Provision for Deferred Compensation	1,737,639
Market Supply Charge / NYC	(61,298,400)
Market Supply Charge / Westchester	(13,856,909)
Monthly Adjustment Clause	68,523,680
Deferred Fuel Not Subject to Reconciliation	(6,566,827)
Property Tax Savings (Electric)	34,644,213
Loss on MACRS Retirement	64,433,000
Additional Pension Deduction (Add back)	(67,648,532)
Executive Incentive Plan	791,257
Power Contract Termination Costs (IPP Buyouts)	1,050,000
Site Investigation and Redemption	1,822,681
Superfund Liability	75,670,177
Cogen Technologies, O&M Reimbursement	(4)
Amortization of Capitalized Interest - Normalized	2,037,189
Electric Energy Reduction Programs	655,040
Phase 5 & 6 & 7 & 8- Unavoidable Costs	(2,021,457)
Change of Accounting Section 263A	93,353,000
Interest IRS Audits	16,512,546
Pension Deferral (182.30)	(44,762,170)
Accrued Rate Increase/Rate Relief	(14,269,100)
Electric Rate Case T&D Expenditure Deferral 04-E-0572	(141,029,110)
Electric Rate Case TCC Auction Proceeds 04-E-0572	39,314,466
DSM Program 04-E-0572	(46,427,530)
Deferred POR Prgm Costs	14,195
Int on Audit Adj NYS Inc	192,223
Elect Migration Incentive 04-e0572	(1,013,575)
Depreciation of Capitalized Maintenance - Tax Audit 98-02	339,000
Computer Software Capitalized on Book	38,579,000
Computer Software Book Amortization	(2,547,511)
Deferred MTA - All Years	10,044,717
Hud. Ave. Annex DEC Shutdown	(368,489)
Unrec. Net R/A Bal 3/08-04-e-0572	16,775,406
Accum Dit-othr-MS C 2	16,561,551
NYC Gas Utility Excise Tax	3,493,705
TOTAL	<u>1,119,378,069</u>

TAXABLE INCOME

\$ (330,175,850)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CALCULATION OF FEDERAL INCOME TAXES - ELECTRIC
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

	<u>Amount</u>
<u>CURRENT FEDERAL INCOME EXPENSE</u>	
Current Federal Income Tax @ 35%	\$ (115,562,000)
Rounding	
TOTAL CURRENT FIT ACCOUNT 409	<u>(115,562,000)</u>
<u>DEFERRED FEDERAL INCOME TAX</u>	
Accrued Rate Increase/Rate Relief	(4,994,000)
Accum Dit-othr-MS C 2	5,797,000
Additional Pension Deduction (Add back)	(23,677,000)
ADR Adj. Due Customer	17,683,000
ADR Repair Allowance	9,972,000
Amortization Deferred Costs Electric and Gas only	11,583,000
Amortization of Capitalized Interest - Normalized	713,000
Arthur Kill	3,997,000
Change of Accounting Section 263A	32,674,000
Computer Software Book Amortization	(892,000)
Computer Software Capitalized on Book	13,503,000
Deferred Fuel Not Subject to Reconciliation	(2,298,000)
Deferred MTA - All Years	3,516,000
Deferred POR Prgm Costs	5,000
Depreciation of Capitalized Maintenance - Tax Audit 98-02	119,000
DSM Program 04-E-0572	(16,250,000)
Elec. Rate Case Deferral-07-e-0523	(5,804,000)
Elect Migration Incentive 04-e0572	(355,000)
Electric Energy Reduction Programs	229,000
Electric Rate Case T&D Expenditure Deferral 04-E-0572	(49,360,000)
Electric Rate Case TCC Auction Proceeds 04-E-0572	13,760,000
Electric Revenue Decoupling Mechanism	(2,239,000)
Excess Deferred SIT	4,976,000
Executive Incentive Plan	277,000
Foregone Rental Income W 24th St.	70,000
Gain on Sale of Property	7,000
Hud. Ave. Annex DEC Shutdown	(129,000)
Int on Audit Adj NYS Inc	67,000
Interest IRS Audits	5,779,000
L.I.C. Settlement	11,083,000
LIC Plant Disallowance	(11,531,000)
Loss on MACRS Retirement	22,552,000
Market Supply Charge / NYC	(21,454,000)
Market Supply Charge / Westchester	(4,850,000)
Monthly Adjustment Clause	23,983,000
NYC Gas Utility Excise Tax	1,223,000
NYC Property Tax Discount	(414,000)
Odc-prop Sale/easemt Nypa @ Ast.	(301,000)
Odc-prop Sale/easemt Nypa @ Ast.-Rate Case Adj.	301,000
Oil Overcharge Refund	492,000
Pension Deferral (182.30)	(15,667,000)
Phase 5 & 6 & 7 & 8- Unavoidable Costs	(708,000)
Power Contract Termination Costs (IPP Buyouts)	368,000
Property Tax Savings (Electric)	12,125,000
Rate Case Interference Deferral (254.00)	(2,741,000)
Sale of Air Rights	10,000
SBU/GHP Realized & Deferred Gain	1,035,000
Site Investigation and Redemption	638,000
Steam Incident Plant Disallowance	(1,663,000)
Stock Plans	(1,826,000)
Storm Reserve Case 07-E-0523	(291,000)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CALCULATION OF FEDERAL INCOME TAXES - ELECTRIC
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

Superfund Liability	26,485,000
Tax Depreciation - Norm. - ADR	11,000
Tax Depreciation - Norm. - MACRS	352,142,000
TSC Non-Firm Rev. Deferral (Case 07-E-0523)	(6,321,000)
Unrec. Net R/A Bal 3/08-04-e-0572	5,871,000
Verizon Joint Use Settlement	(5,075,000)
Advance Refunding Long Term Debt - Net	(2,673,000)
Capitalized Interest per Tax - Normalized	(1,779,000)
Contributions in Aid of Construction	(493,000)
Customer Refund Associated with Divested Plants (IP) (M0966)	188,000
Deferred Income Plan	4,151,000
Deferred Revenue-Astoria Energy Easement	(2,000)
Deferred State Income Tax Not deducted on Federal Return	(18,015,000)
Electric Rate Case Deferral (Pens/Opeb) (Acc#C0950)	5,682,000
Electric Reliability Penalty	1,400,000
Elimination of DC Service	3,068,000
EPA/SO2 Allowance Proceeds	3,665,000
Gain on Sale - 685 1st Avenue	18,517,000
Gain on Sale - 708 1st Avenue	7,361,000
Gain on Sale - Kips Bay Station	4,629,000
Gain on Sale - Waterside	(5,922,000)
Medicare Rx Legislative Savings	(1,575,000)
MTA Business Tax Surcharge	1,025,000
O&R Post Merger Savings-West Aggregation	1,000
Odd W.T.C Incident Sys. Restor.	(4,361,000)
Provision for Deferred Compensation	608,000
Provision for Rate Disallowance - Roseton	89,000
Restricted Stock Plan Performance Based	289,000
Retiree Group Life - Funding v. Expense	(1,161,000)
Retiree Health VEBA - Funding v. Expense	(5,536,000)
Sale of Chelsea Property (In excess of 2004 Settlement)	3,528,000
State Income Tax Refund on Loss Indian Point	1,319,000
System Benefit Charges	2,690,000
TCC Auction Proceeds	(6,099,000)
TCC Rents - NYPA	(1,395,000)
Vacation Pay Accrual	334,000
	413,739,000
<u>AMORTIZATION OF DEFERRED FIT</u>	
Def. FIT - ACRS	(9,473,000)
Def. FIT - MACRS	(12,719,000)
Def. FIT - ADR	(16,388,000)
Capitalized Overheads Section 263A (SSCM)	(9,034,000)
Repair Allowance	(9,353,000)
Loss on MACRS Retirements	(3,596,000)
Debt Expense - Advance Refunding Mortgage Bonds	19,000
	(60,544,000)
<u>ADJUSTMENTS</u>	
Tax Reserve for Revenue from Disputed Bills (Folio 5-2590)	1,672,789
Accrual to Return - 410 (Folio 5-2435)	15,307,000
Accrual to Return - 411 (Folio 5-2435)	(23,566,000)
	(6,586,211)
NET DEF. FIT ACCOUNT 410 & 411	344,936,000
	(4,772,000)
<u>AMORTIZATION OF ITC</u>	
TOTAL FEDERAL INCOME TAX EXPENSE	\$ 226,274,789

CONSOLIDATED EDISON OF COMPANY OF NEW YORK, INC.
CALCULATION OF STATE INCOME TAX - ELECTRIC
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

	<u>Amount</u>
BOOK INCOME BEFORE FIT	\$ 823,553,758.93
STATE INCOME TAX	68,696,971.00
BOOK INCOME BEFORE SIT	<u>892,250,729.93</u>
 PERM. DIFFERENCES	
Meal & Entertainment Limitations	119,314.76
Medicare Part D Subsidy - Post Employment Benefits	(15,816,867.86)
LI City Settlement - Disallowed NYS Deduction per Joint Proposal dated 4/24/08	8,666,522.14
Officers Compensation in Excess of \$1M	1,026,000.00
TOTAL	<u>(6,005,030.96)</u>
 PRETAX INCOME	 886,245,698.97
 ADDITIONS	
Book Depreciation	518,360,649.13
Capitalized interest (Section 263A)	6,354,062.96
Injuries & Damages Reserve	8,939,533.00
Excess of Book Provision Over Direct W/O - Bad Debts	7,387,888.69
Gain on Sale - 685 1st Avenue	(52,905,418.74)
Gain on Sale - 708 1st Avenue	(21,032,415.66)
Gain on Sale - Kips Bay Station	(13,225,582.69)
Gain on Sale - Waterside Property	16,920,716.61
Sale of Chelsea Property (In excess of 2004 Settlement)	(10,080,900.00)
Gain on Sale of W 53rd Street	27,708,313.00
Sale of W 53rd St. Manh. (Electric) - Rate Case Adjustment	(27,708,313.00)
Contributions in Aid of Construction	1,409,201.00
Deferred Revenue-Astoria Energy Easement	5,896.22
MTA Business Tax Surcharge	(2,927,675.89)
Deferred Income Plan	(11,860,705.92)
Retiree Health VEBA - Funding v. Expense	15,816,868.00
Retiree Group Life - Funding v. Expense	3,317,241.40
Elimination of DC Service	(8,764,917.26)
EPA/SO2 Allowance Proceeds	(10,472,504.60)
O&R Post Merger Savings	(3,200.00)
System Benefit Charges	(7,687,052.08)
Vacation Pay Accrual	(954,000.00)
Capitalized Interest per Tax - Normalized	5,084,031.52
TCC Auction Proceeds	17,426,653.22
TCC Rents - NYPA	3,986,572.08
Restricted Stock Plan	(826,921.18)
Washington Heights and WTC Security Incentives	(0.42)
Customer Refund Associated with Divested Plants (IP)	(537,000.00)
Electric Reliability Penalty	(4,000,000.00)
Provision for Rate Disallowance - Roseton	(255,666.00)
Odd W.T.C Incident Sys. Restor.	12,459,482.75
Medicare Rx Legislative Savings	4,500,000.00
Electric Rate Case Deferral (Pens/Opab)	(16,233,333.00)
Amortization Deferred Costs Electric and Gas only	(33,094,443.04)
Rate Case Interference Deferral (254.00)	7,830,974.00
SBU/GHP Realized & Deferred Gain	(2,956,817.50)
Excess Deferred SIT	(14,218,309.00)
Stock Plans	5,218,376.03
Oil Overcharge Refund	(1,404,351.00)
Foregone Rental Income W 24th St.	(201,000.00)
Arthur Kill	(11,420,800.00)
ADR Adj. Due Customer	(50,523,000.00)
L.I.C. Settlement	(31,666,522.14)
Elec. Rate Case Deferral-07-e-0523	16,582,135.97
Verizon Joint Use Settlement	14,500,000.00
TSC Non-Firm Rev. Deferral (Case 07-E-0523)	18,060,216.78
Storm Reserve Case 07-E-0523	831,350.67
NYC Property Tax Discount	1,183,793.58
Electric Revenue Decoupling Mechanism	6,397,249.30
Sale of Air Rights	(27,500.00)
Gain on Sale of Property	(18,707.66)
LIC Plant Disallowance	32,945,403.56
Steam Incident Plant Disallowance	4,750,375.32
TOTAL	<u>422,969,928.01</u>

CONSOLIDATED EDISON OF COMPANY OF NEW YORK, INC.
CALCULATION OF STATE INCOME TAX - ELECTRIC
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

<u>DEDUCTIONS</u>	<u>Amount</u>
NYS Depreciation	685,235,000
Removal Costs - Flow Through	173,651,850
Amortization of Capitalized Interest - Flow Through	2,921,287
Westchester Property Tax Adjustment (X - ROSETON)	1,416,000
ADR Repair Allowance	28,491,000.00
Provision for Deferred Compensation	1,737,639.27
Market Supply Charge / NYC	(61,298,400.49)
Market Supply Charge / Westchester	(13,856,909.40)
Monthly Adjustment Clause	68,523,680.00
Deferred Fuel Not Subject to Reconciliation	(6,566,827.35)
Property Tax Savings	34,644,212.93
Loss on MACRS Retirement (Est. based on 2004 Actual)	105,122,000.00
Additional Pension Deduction	(67,648,532.16)
Executive Incentive Plan	791,257.46
Power Contract Termination Costs (IPP Buyouts)	1,050,000.00
Site Investigation and Redemption	1,822,680.70
Superfund Liability	75,670,176.57
Cogen Technologies, O&M Reimbursement	(3.64)
Amortization of Capitalized Interest - Normalized	2,037,189.25
Electric Energy Reduction Programs	655,040.47
Phase 5 & 6 & 7 & 8- Unavoidable Costs	(2,021,457.33)
Change of Accounting Section 263A	93,353,000.00
Interest IRS Audits	16,512,546.39
Pension Deferral (182.30)	(44,762,170.45)
Accrued Rate Increase/Rate Relief	(14,269,100.00)
Electric Rate Case T&D Expenditure Deferral 04-E-0572	(141,029,109.67)
Electric Rate Case TCC Auction Proceeds 04-E-0572	39,314,465.74
DSM Program 04-E-0572	(46,427,530.31)
Deferred POR Prgm Costs	14,194.51
Int on Audit Adj NYS Inc	192,223.00
Elect Migration Incentive 04-e0572	(1,013,574.94)
Depreciation of Capitalized Maintenance - Tax Audit 98-02	339,000.00
Computer Software Capitalized on Book	38,579,000.00
Computer Software Book Amortization	(2,547,510.75)
Deferred MTA - All Years	10,044,717.00
Hud. Ave. Annex DEC Shutdown	(368,489.16)
Unrec. Net R/A Bal 3/08-04-e-0572	16,775,405.55
Accum Dit-othr-MS2	16,561,551.00
PSC Management Audit	0.08
NYC Gas Utility Excise Tax	3,493,704.79
TOTAL	<u>1,017,139,206.10</u>
TAXABLE INCOME OR (LOSS)	<u>292,076,420.88</u>
<u>CURRENT STATE INCOME TAX</u>	
Current State Income Tax	25,206,000.00
Settlement of NYS Audit 2003 - 2005	12,302.00
Accrual to Return	<u>(21,301,701.00)</u>
	<u>3,916,601.00</u>
Net State Deductions Normalized	<u>(594,169,278.09)</u>
<u>DEFERRED STATE INCOME TAX</u>	
Deferred State Income Tax	51,277,000.00
Amortization Indian Point	(3,768,000.00)
Accrual to Return	17,454,370.00
Rounding Adjustment	(1,000.00)
	<u>64,962,370.00</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
DEFERRED FEDERAL INCOME TAX SUMMARY - ELECTRIC
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

	ACCOUNT		
	410	411	Net
DEFERRED FEDERAL INCOME TAX			
Deferred Compensation	804,000	(196,000)	608,000
Tax Depreciation - Norm. - MACRS	352,142,000	-	352,142,000
Tax Depreciation - Norm. - ADR	12,000	(1,000)	11,000
ADR Repair Allowance	10,377,000	(405,000)	9,972,000
Restricted Stock Plan Performance Based	297,000	(8,000)	289,000
Deferred Revenue-Astoria Energy Easement	-	(2,000)	(2,000)
Gain on Sale - Waterside	1,715,000	(7,637,000)	(5,922,000)
Gain on Sale - 685 1st Avenue	20,375,000	(1,858,000)	18,517,000
Gain on Sale - Kips Bay Station	11,339,000	(6,710,000)	4,629,000
Sale of Chelsea Property (In excess of 2004 Settlement)	3,528,000	-	3,528,000
Gain on Sale - 708 1st Avenue	8,323,000	(962,000)	7,361,000
Contributions in Aid of Construction	28,000	(521,000)	(493,000)
MTA Business Tax Surcharge	2,453,000	(1,428,000)	1,025,000
Deferred Income Plan	5,423,000	(1,272,000)	4,151,000
Property Tax Savings (Electric)	16,356,000	(4,231,000)	12,125,000
Retiree Health VEBA - Funding v. Expense	3,657,000	(9,193,000)	(5,536,000)
Retiree Group Life - Funding v. Expense	282,000	(1,443,000)	(1,161,000)
Advance Refunding Long Term Debt - Net	767,000	(2,673,000)	(1,906,000)
Loss on MACRS Retirement	21,785,000	-	21,785,000
Medicare Rx Legislative Savings	350,000	(1,925,000)	(1,575,000)
Electric Rate Case Deferral (Pens/Opeb)	5,682,000	-	5,682,000
Amortization Deferred Costs Electric and Gas only	11,583,000	-	11,583,000
EPA SO2 Allowance Proceeds -Steam	30,000	-	30,000
Rate Case Interference Deferral (254.00)	2,578,000	(5,319,000)	(2,741,000)
SBU/GHP Realized & Deferred Gain	4,652,000	(3,617,000)	1,035,000
Excess Deferred SIT	1,403,000	-	1,403,000
Stock Plans	4,262,000	(2,515,000)	1,747,000
Oil Overcharge Refund	492,000	-	492,000
Foregone Rental Income W 24th St.	70,000	-	70,000
Arthur Kill	4,031,000	(34,000)	3,997,000
ADR Adj. Due Customer	17,683,000	-	17,683,000
L.I.C. Settlement	19,133,000	(8,050,000)	11,083,000
Elec. Rate Case Deferral-07-e-0523	17,834,000	(23,638,000)	(5,804,000)
Verizon Joint Use Settlement	-	(5,075,000)	(5,075,000)
TSC Non-Firm Rev. Deferral (Case 07-E-0523)	-	(6,321,000)	(6,321,000)
Storm Reserve Case 07-E-0523	98,000	(389,000)	(291,000)
NYC Property Tax Discount	849,000	(1,263,000)	(414,000)
Electric Revenue Decoupling Mechanism	3,156,000	(5,395,000)	(2,239,000)
Sale of Air Rights	10,000	-	10,000
Gain on Sale of Property	7,000	-	7,000
LIC Plant Disallowance	-	(11,531,000)	(11,531,000)
Steam Incident Plant Disallowance	-	(1,663,000)	(1,663,000)
Prepaid NYS Unemployment Insurance	21,000	-	21,000
Depreciation of Capitalized Maintenance - Tax Audit 98-02	912,000	-	912,000
Computer Software Capitalized on Book	12,689,000	-	12,689,000
Computer Software Book Amortization	-	(892,000)	(892,000)
Recovery For Unfunded Crcc (gas)	1,504,000	-	1,504,000
Deferred MTA - All Years	3,136,000	(1,124,000)	2,012,000
Hud. Ave. Annex DEC Shutdown	-	(129,000)	(129,000)
Unrec. Net R/A Bal 3/08-04-e-0572	5,871,000	-	5,871,000
Odc-prop Sale/easemt Nypa @ Ast.-Rate Case Adj.	301,000	-	301,000
Odc-prop Sale/easemt Nypa @ Ast.	-	(301,000)	(301,000)
Electric RDM Reconciliation 07-E-05	2,590,000	(2,590,000)	-
Auction Rate Debt Deferral	28,000	(28,000)	-
Accum Dit-othr-MS2	26,369,000	(20,572,000)	5,797,000
PSC Management Audit	101,000	(101,000)	-
NYC Gas Utility Excise Tax	1,273,000	(50,000)	1,223,000
Odd W.T.C Incident Sys. Restor.(FEMA Reimbursement)	-	(657,000)	(657,000)
Odd W.T.C Incident Sys. Restor.	110,000	(3,814,000)	(3,704,000)
Provision for Rate Disallowance - Roseton	89,000	-	89,000
Additional Pension Deduction (Add back)	18,483,000	(42,160,000)	(23,677,000)
Executive Incentive Plan	1,996,000	(1,719,000)	277,000
Power Contract Termination Costs (IPP Buyouts)	368,000	-	368,000
Elimination of DC Service	3,206,000	(881,000)	2,325,000
EPA/SO2 Allowance Proceeds	6,444,000	(2,068,000)	4,378,000
Site Investigation and Redemption	728,000	(90,000)	638,000
New York City Prepaid Property Tax	205,738,000	(205,738,000)	-
O&R Post Merger Savings-West Aggregation	1,000	-	1,000
Cogen Technologies, O&M Reimbursement	493,000	(493,000)	-
Vacation Pay Accrual	897,000	(563,000)	334,000
System Benefit Charges	6,058,000	(3,368,000)	2,690,000
Capitalized Interest Amortization	1,102,000	(2,168,000)	(1,066,000)
Market Supply Charge / NYC	92,101,000	(113,555,000)	(21,454,000)
Market Supply Charge / Westchester	15,074,000	(19,924,000)	(4,850,000)
Deferred Fuel Not Subject to Reconciliation	37,095,000	(39,393,000)	(2,298,000)
TCC Auction Proceeds	1,294,000	(7,393,000)	(6,099,000)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
DEFERRED FEDERAL INCOME TAX SUMMARY - ELECTRIC
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

	ACCOUNT		
	410	411	Net
Monthly Adjustment Clause	52,504,000	(28,521,000)	23,983,000
Customer Refund Associated with Divested Plants (IP)	188,000	-	188,000
Interest IRS Audits	13,036,000	(7,257,000)	5,779,000
Pension Deferral	14,788,000	(30,455,000)	(15,667,000)
Accrued Rate Increase/Rate Relief	-	(4,994,000)	(4,994,000)
Electric Rate Case T&D Expenditure Deferral 04-E-0572	15,684,000	(65,044,000)	(49,360,000)
Electric Rate Case TCC Auction Proceeds 04-E-0572	15,423,000	(1,663,000)	13,760,000
System Reliab.Assessment Study	-	(10,318,000)	(10,318,000)
DSM Program 04-E-0572	5,669,000	(11,601,000)	(5,932,000)
Deferred POR Prgm Costs	5,000	-	5,000
Int on Audit Adj NYS Inc	67,000	(60,000)	7,000
Elect Migration Incentive 04-e0572	542,000	(837,000)	(295,000)
Superfund Liability	26,485,000	-	26,485,000
TCC Rents - NYPA	11,222,000	(12,617,000)	(1,395,000)
State Income Tax Refund on Loss Indian Point	1,319,000	-	1,319,000
Deferred State Income Tax Not deducted on Federal Return	10,737,000	(28,752,000)	(18,015,000)
Electric Energy Reduction Programs	1,740,000	(1,511,000)	229,000
Phase 5 & 6 & 7 & 8- Unavoidable Costs	529,000	(1,237,000)	(708,000)
Electric Reliability Penalty	3,150,000	(1,750,000)	1,400,000
Change of Accounting Section 263A	32,674,000	-	32,674,000
Total	1,205,400,410	(791,660,589)	413,739,000
AMORTIZATION OF DEFERRED FIT			
Def. FIT - ACRS	-	(9,473,000)	(9,473,000)
Def. FIT - MACRS	510,000	(13,229,000)	(12,719,000)
Def. FIT - ADR	-	(16,388,000)	(16,388,000)
Repair Allowance	-	(9,353,000)	(9,353,000)
Loss on MACRS Retirements	-	(3,596,000)	(3,596,000)
Capitalized Overheads Section 263A (SSCM)	-	(9,034,000)	(9,034,000)
Debt Expense - Advance Refunding Mortgage Bonds (1/08 FINAL)	19,000	-	19,000
	529,000	(61,073,000)	(60,544,000)
ADJUSTMENTS			
Estimated Over/Under Accrual	(7,099,000)		(7,099,000)
Reversal of estimated Over/Under Accrual	7,099,000		7,099,000
Accrual to Return - 409	15,307,000		15,307,000
Accrual to Return - 410		(23,566,000)	(23,566,000)
	15,307,000	(23,566,000)	(8,259,000)
AMORTIZATION OF ITC		(4,772,000)	
Total	1,221,236,410	(881,071,589)	

EXHIBIT __ (AP-3)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
BOOK COST OF UTILITY PLANT - ELECTRIC

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
BOOK COST OF UTILITY PLANT - ELECTRIC
AS OF DECEMBER 31, 2004, 2005, 2006, 2007, AND 2008
(Thousands of Dollars)

Account No.	December 31,				
	2004	2005	2006	2007	2008
101	<u>Electric Plant in Service</u>				
	<u>Production Plant</u>				
	<u>Steam Production</u>				
310	\$7,631	\$4,193	\$4,192	\$4,193	\$4,193
311	110,740	81,907	94,465	104,930	115,520
312	235,736	118,858	137,585	154,508	176,012
313	73,058	33,624	36,333	37,793	48,796
315	32,541	21,905	24,410	25,531	31,708
316	8,254	3,663	3,663	3,663	3,663
	<u>Total</u>	<u>264,150</u>	<u>300,648</u>	<u>330,617</u>	<u>379,892</u>
	<u>Nuclear Production</u>				
320	-	-	-	-	-
321	-	-	-	-	-
322	-	-	-	-	-
323	-	-	-	-	-
324	-	-	-	-	-
325	-	-	-	-	-
	<u>Total</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>Other Production</u>				
340	308	308	308	308	308
341	5,973	5,973	6,001	6,001	7,233
342	1,594	1,656	1,868	1,868	1,868
344	13,782	16,258	17,692	18,662	18,744
345	3,977	5,535	6,129	6,698	6,699
	<u>Total</u>	<u>29,730</u>	<u>31,998</u>	<u>33,537</u>	<u>34,853</u>
	<u>Total Production Plant</u>	<u>293,880</u>	<u>332,646</u>	<u>364,154</u>	<u>414,745</u>
	<u>Total Electric Plant in Service - Carried Forward</u>	<u>\$293,880</u>	<u>\$332,646</u>	<u>\$364,154</u>	<u>\$414,745</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
BOOK COST OF UTILITY PLANT - ELECTRIC
AS OF DECEMBER 31, 2004, 2005, 2006, 2007, AND 2008
(Thousands of Dollars)

Account No.		2004	2005	2006	2007	2008
101	Total Electric Plant in Service - Brought Forward	\$493,594	\$293,880	\$332,646	\$364,154	\$414,745
<u>Transmission Plant</u>						
350	Land and Land Rights	36,367	36,874	36,875	36,891	36,891
352	Structures and Improvements	70,399	73,963	140,377	181,739	195,551
353	Station Equipment	968,110	1,052,505	1,140,022	1,236,503	1,304,642
354	Towers and Fixtures	140,405	140,462	142,095	142,095	150,366
355	Poles and Fixtures	-	-	-	-	-
356	Overhead Conductors and Devices	81,919	82,030	82,030	82,030	83,763
357	Underground Conduit	351,030	371,462	373,578	394,529	447,386
358	Underground Conductors and Devices	271,556	297,071	340,585	372,176	429,430
	Total	1,919,786	2,054,367	2,255,562	2,445,962	2,648,029
<u>Distribution Plant</u>						
303	Capitalized Software	-	-	-	3,877	10,778
360	Land and Land Rights	76,382	106,176	153,493	201,456	202,541
361	Structures and Improvements	213,700	229,837	239,992	250,630	376,595
362	Station Equipment	1,179,785	1,259,150	1,357,886	1,500,200	1,728,965
364	Poles, Towers and Fixtures	266,334	277,941	291,586	306,484	329,979
365	Overhead Conductors and Devices	444,377	463,028	495,481	522,433	558,256
366	Underground Conduit	1,836,425	1,991,499	2,162,557	2,325,366	2,513,902
367	Underground Conductors and Devices	2,756,942	2,951,880	3,199,081	3,468,083	3,748,396
368	Line Transformers	1,610,736	1,692,161	1,824,675	1,954,488	2,135,460
369	Services	812,300	891,799	958,058	1,031,995	1,102,178
370	Meters and Meter Installation	350,040	367,561	389,971	409,399	428,373
371	Installation on Customers' Premises	3,658	4,448	4,448	5,353	5,356
372	Street Lighting and Signal Systems	131,323	145,020	151,932	165,291	177,065
	Total	9,682,007	10,380,500	11,229,160	12,145,053	13,317,844
	Total Electric Plant in Service	<u>\$12,095,387</u>	<u>\$12,728,747</u>	<u>\$13,817,368</u>	<u>\$14,955,170</u>	<u>\$16,380,618</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
BOOK COST OF UTILITY PLANT - ELECTRIC
AS OF DECEMBER 31, 2004, 2005, 2006, 2007, AND 2008
(Thousands of Dollars)

Account No.	December 31,				
	2004	2005	2006	2007	2008
105	<u>Electric Plant Held for Future Use</u>				
	<u>Production Plant</u>				
	<u>Steam Production</u>				
310	-	-	-	-	-
311	-	-	-	-	-
	Total	-	-	-	-
	<u>Transmission Plant</u>				
350	3,808	3,808	40,828	40,869	40,872
357	-	-	-	-	-
	Total	3,808	40,828	40,869	40,872
	<u>Distribution Plant</u>				
360	106	106	2,148	10,415	17,794
361	-	-	-	-	-
	Total	106	2,148	10,415	17,794
	Total Electric Plant Held for Future Use	<u>\$3,914</u>	<u>\$42,976</u>	<u>\$51,284</u>	<u>\$58,666</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
BOOK COST OF UTILITY PLANT - ELECTRIC
AS OF DECEMBER 31, 2004, 2005, 2006, 2007, AND 2008
(Thousands of Dollars)

Account No.	December 31,					
	2004	2005	2006	2007	2008	
118.1	<u>Common Utility Plant in Service*</u>					
	<u>General Plant</u>					
303			\$9,656	\$12,093	\$14,077	
389	22,405	22,405	22,408	22,450	22,410	
390	397,142	404,962	440,636	490,912	510,913	
391	309,758	307,561	331,348	307,115	295,991	
392	134,766	149,378	163,870	182,846	200,213	
393	9,449	9,106	8,556	8,455	8,244	
394	53,306	53,845	56,934	58,269	61,305	
395	56,911	60,497	64,925	71,674	73,875	
396	9,718	7,868	6,097	5,117	3,380	
397	126,989	132,518	120,223	137,828	143,905	
398	24,172	25,689	26,334	27,595	29,700	
	<u>Total</u>	<u>1,144,616</u>	<u>1,173,829</u>	<u>1,324,354</u>	<u>1,364,011</u>	
	<u>Construction Work in Progress</u>					
107	491,251	503,724	553,663	671,438	651,204	
118.1	58,083	100,437	117,194	102,610	159,322	
	<u>Total</u>	<u>549,334</u>	<u>670,857</u>	<u>774,048</u>	<u>810,526</u>	
	<u>Grand Total - Plant in Service</u>	<u>\$1,693,950</u>	<u>\$13,873,377</u>	<u>\$14,650,591</u>	<u>\$15,915,770</u>	<u>\$17,129,707</u>

* 83% of Common Utility Plant is applicable
to Electric Operations

83%

EXHIBIT __ (AP- 4)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ACCUMULATED DEPRECIATION

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC PLANT
 AS OF DECEMBER 31, 2004, 2005, 2006, 2007 AND 2008
 (Thousands of Dollars)

P.S.C. Account No.		December 31,				
		<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
108	<u>Electric Plant in Service</u>					
	Steam Production Plant	\$80,579	(\$56,391)	(\$62,717)	(\$66,224)	(\$64,047)
	Other Production Plant - Internal Combustion	16,282	16,881	17,156	17,922	19,340
	Transmission Plant	773,691	779,448	809,218	841,475	877,938
	Distribution Plant	2,394,370	2,403,929	2,416,785	2,405,521	2,502,691
	Total	<u>3,264,922</u>	<u>3,143,867</u>	<u>3,180,442</u>	<u>3,198,694</u>	<u>3,335,922</u>
119.1	<u>Common Utility Plant in Service*</u>					
	General Plant	<u>354,985</u>	<u>366,567</u>	<u>385,212</u>	<u>399,316</u>	<u>419,247</u>
	Grand Total	<u>\$3,619,907</u>	<u>\$3,510,434</u>	<u>\$3,565,654</u>	<u>\$3,598,010</u>	<u>\$3,755,169</u>
	Common Utility Plant Total:	\$427,693	\$441,647	\$464,111	\$481,104	\$505,117
	Total Applicable at 83%:	\$354,985	\$366,567	\$385,212	\$399,316	\$419,247

* Common Utility Plant applicable to Electric Operations is 83%

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
REVENUES AND OPERATING EXPENSE DATA
INDEX TO SCHEDULES

<u>Schedule No.</u>		<u>Number of Pages</u>
1	Statement of Electric Operating Income by Component - for the Years Ended December 2008 and March 2011, Other Operating Revenues, Operation and Maintenance Expenses, Depreciation and Amortization and Taxes Other than Income Taxes - Twelve Months Ended December 31, 2008 Adjusted to the Twelve Months Ending March 31, 2011	7
2	Computation of Labor Factor to Bring the Twelve Months Ended December 31, 2008 to the Rate Year	4
3	Staffing Levels from December 2008 to March 2011	1
4	Summary of Electric Cost Elements - Twelve Months Ended December 31, 2008; Twelve Months Ending March 31, 2011; and Twelve Months Ending March 31, 2011 vs. Twelve Months Ended December 31, 2008	3
5	Electric Cost Elements by Major Account Group - Twelve Months Ended December 31, 2008	9
6	Summary of Electric Charges - Twelve Months Ended December 31, 2008 and Twelve Months Ending March 31, 2011	5
7	Summary of Electric Normalizing Adjustments by Elements of Expense in the Rate Year	4
8	Summary of Electric Program Changes by Element of Expense in the Rate Year	4
9	Summary of Electric Cost Elements Subject to General Escalation and Labor Escalation	2
10	Witness and Planned Update	1

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 STATEMENT OF ELECTRIC OPERATING INCOME BY COMPONENT
 FOR THE YEARS ENDED DECEMBER 2008 AND MARCH 2011
 (Thousands of Dollars)

LINE NO.		12 MONTHS ENDED DECEMBER 31, 2008 (Col. 1)	ADJUSTMENT TO NORMALIZE TEST YEAR & REFLECT CONDITIONS IN THE RATE YEAR (Col. 2)	12 MONTHS ENDING MARCH 31, 2011 (Col. 3)	LINE NO.
	<u>Operating Revenues</u>				
1	Sales Revenues	\$ 7,531,900	\$ 141,188	\$ 7,673,088	1
2	Other Operating Revenues (Page 2)	416,234	(175,962)	240,272	2
3	Total Operating Revenues	<u>7,948,134</u>	<u>(34,774)</u>	<u>7,913,360</u>	3
	<u>Operating & Maintenance Expenses</u>				
4	Fuel & Purchased Power	3,545,831	(753,275)	2,792,556	4
5	Austerity Adjustment	0	(30,000)	(30,000)	5
6	Administrative Expenses Transferred - cr.	(29,080)	2,067	(27,013)	6
7	Electric Operation	118,345	8,878	125,223	7
8	Asbestos Removal and Abatement	37	1	38	8
9	Bank Collection Fees	132	4	136	9
10	System and Transmission Operations	32,259	6,901	39,160	10
11	Substation Operation	28,025	1,330	29,355	11
12	Boiler Cleaning	1,036	32	1,068	12
13	Building Service/Facilities	2,559	12,917	15,476	13
14	Central Engineering-Administrative	23	1	24	14
15	Central Engineering-Distribution	0	(0)	-	15
16	Collection Agency/Payment Agent Fees	2,573	790	3,363	16
17	Communications - Telephone	5,836	828	6,664	17
18	Other Compensation	7,087	(4,656)	2,431	18
19	Company Labor	267,367	26,474	293,841	19
20	Company Labor - Elect. Op., STO, SSO	233,609	24,817	258,426	20
21	Consultants	13,033	(1,560)	11,473	21
22	Contract Labor	1,867	154	2,021	22
23	Corrective Maintenance	4,711	148	4,859	23
24	AMR Savings	(722)	(1,112)	(1,834)	24
25	Disposal of Obsolete M&S	10,216	(3,313)	6,903	25
26	DSM	70,835	(14,385)	56,450	26
27	Duplicate Misc. Charges	(22,276)	(709)	(22,985)	27
28	EDP Equipment Rentals & Mtce.	4,197	103	4,300	28
29	Electricity & Gas Used	3,848	151	3,999	29
30	Employee Pensions / OPEBS	114,250	192,531	306,781	30
31	Employee Welfare Expense - Net	79,524	21,507	101,031	31
32	Environmental Expenses	4,930	151	5,081	32
33	ERRP - Major Maintenance	11,371	-	11,371	33
34	Executive Incentive Plan	3,539	(3,539)	-	34
35	Facilities Maintenance	1,605	51	1,656	35
36	Financial Services	5,910	3,721	9,631	36
37	Gas Turbines	2,835	89	2,924	37
38	Information Resources	32,095	3,282	35,377	38
39	Informational Advertising	8,735	6,565	15,300	39
40	Injuries & Damages Reserve	48,499	(8,076)	40,423	40
41	Instit. Dues & Subscriptions	1,806	56	1,862	41
42	Insurance Premiums	21,159	5,355	26,514	42
43	Interference	67,011	29,221	95,232	43
44	Reserve for Contingencies	16,271	(16,271)	-	44
45	Corporate and Fiscal Expenses	4,537	142	4,679	45
46	LIC Outage	-	-	-	46
47	Manhour Expense	971	29	1,000	47
48	Marshall's Fees	1,047	33	1,080	48
49	Materials & Supplies	2,823	890	3,713	49
50	RCA- MGP / Superfund	11,322	(11,322)	-	50
51	Outreach and Education	5,501	172	5,673	51
52	Other (Fossil)	1,896	59	1,955	52
53	Outside Legal Services	936	29	965	53
54	Paving	12	(1)	11	54
55	Plant Component Upgrade	227	7	234	55
56	Power Your Way	186	(186)	-	56
57	Postage	14,176	1,355	15,531	57
58	Preventive Maintenance	1,868	58	1,926	58
59	RCA - Pension	(53,186)	53,186	-	59
60	RCA-Amort. of Hudson-Farragut	477	(0)	477	60
61	Renewable Portfolio Standard	28,626	18,812	47,438	61
62	Real Estate Expense	3,685	116	3,801	62
63	Regulatory Commission Expense	33,759	189,964	223,723	63
64	Rents	54,195	2,090	56,285	64
65	Rents (ERRP)	72,206	(4,212)	67,994	65
66	Rents (Interdepartmental)	4,836	1,048	5,884	66
67	Research & Development	17,939	3,459	21,398	67
68	System Benefit Charge	87,477	61,221	148,698	68
69	Scheduled Overhauls	237	2,111	2,348	69
70	Security	1,813	265	1,878	70
71	Shared Services	(8,346)	(477)	(8,823)	71
72	Steam Incident	4,876	(4,876)	-	72
73	Storm Reserve - Electric Op	4,200	1,400	5,600	73
74	Green Power	-	-	-	74
75	Tree Trimming	-	-	-	75
76	Trenching	140	4	144	76
77	Uncollectible	65,210	(5,193)	60,017	77
78	Water	317	336	653	78
79	Water Chemicals	644	20	664	79
80	Other	36,895	3,490	40,385	80
81	Operating & Maintenance Expenses (Page 3)	<u>5,120,188</u>	<u>(175,741)</u>	<u>4,944,448</u>	81
82	Total Operating Revenues less Total Operation and Maintenance Expenses (Line 3 Minus Line 4)	<u>2,827,946</u>	<u>140,967</u>	<u>2,968,912</u>	82
	<u>Other Operating Income Deductions</u>				
83	Depreciation and Amortization	520,908	100,195	621,103	83
84	Taxes Other Than Income Taxes (Page 4)	1,036,991	363,586	1,400,577	84
85	Losses from Disposition of Utility Plant	-	-	-	85
86	Total Other Operating Income Deductions	<u>1,557,899</u>	<u>463,781</u>	<u>2,021,680</u>	86
87	Operating Income Before Income Taxes (Line 5 Minus Line 9)	<u>\$ 1,270,047</u>	<u>\$ (322,814)</u>	<u>\$ 947,232</u>	87

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ELECTRIC OTHER OPERATING REVENUES
12 MONTHS ENDED DECEMBER 31, 2008
ADJUSTED TO THE 12 MONTHS ENDING MARCH 31, 2011
(Thousands of Dollars)

Line No.	Item	12 Months Ended 12/31/08 *	Changes to Reflect Conditions in Rate Year	12 Months Ending 3/31/11	Line No.
1	Miscellaneous Service Revenues	\$ 11,408	\$ 2,683	\$ 14,091	1
2	Rent from Electric Property	17,120	(1,202)	15,918	2
3	Interdepartmental Rents	11,755	17	11,772	3
	<u>Other Electric Revenues:</u>				
4	Transmission of Energy	11,476	-	11,476	4
5	Transmission Service Charges	305	14,695	15,000	5
6	R & D Ventures	59	(59)	-	6
7	Purchased Capacity From Customers	466	(466)	-	7
8	Maint. of Interconnection Facilities	2,513	(324)	2,189	8
9	Excess Distribution Facilities	2,678	(15)	2,663	9
10	Late Payment Charges	26,645	2,129	28,774	10
11	Meter Reading Services	3,440	(1,967)	1,473	11
12	The Learning Center Services	869	(42)	827	12
13	PCS Antenna Installation S&TO	(350)	350	-	13
14	Environmental - Brownfield Credit	(3,874)	3,874	-	14
15	Fuel Management Program	118	(38)	80	15
16	Facilities Fees - KeySpan and NRG	730	-	730	16
17	Proceeds from Sales of TCCs	142,822	(22,822)	120,000	17
18	POR Discount (Revenues from ESCO)	13,439	-	13,439	18
19	KeySpan Inside Del Credit	(591)	15	(576)	19
20	Sithe Agreement	2,275	(12)	2,263	20
21	ESCOS/Marketers - Bills Charges (CUBS)	5,471	126	5,597	21
22	Transmission Netting Credit Adjustment	(314)	(33)	(347)	22
23	ERRP Maintenance Accounting	3,870	(3,870)	-	23
24	SO2 Allowance	-	1,370	1,370	24
25	GHP Interest Accrual	(187)	-	(187)	25
26	Competitive Metering Costs - MHP customers	-	220	220	26
	<u>Regulatory Accounting</u>				
27	T&D Expense Deferrals	49,974	(49,974)	-	27
28	NYS Tax Law Changes	13,566	(13,566)	-	28
29	Rate Increase Accrual	(14,269)	14,269	-	29
30	Retention of Property Tax Incentive	377	(377)	-	30
31	Demand Response Program	(762)	762	-	31
32	Retail Choice Program (Phase 8 and Phase 9)	(2,021)	2,021	-	32
33	Rate Case Deferrals	16,233	(16,233)	-	33
34	Amortization of the Sale of Chelsea Property	10,081	(10,081)	-	34
35	Amortization of I.P. Loss and WTC	27,326	(27,326)	-	35
36	Amortization of Divested Plants	793	(793)	-	36
37	Amortization of W24th Street Rental Income	201	(201)	-	37
38	Interference	(19,117)	19,117	-	38
39	Electric RDM Reconciliation 07-E-0523	(7,323)	7,323	-	39
40	System Benefits Charge - Deferral	3,665	(3,665)	-	40
41	DC Service Incentive	(235)	235	-	41
42	Intercompany Rents Re: 74/59th St. (Paid to Steam)	(4,925)	(1,575)	(6,500)	42
43	Low Income Program	1,957	(1,957)	-	43
44	TCC Auction Proceeds	47,589	(47,589)	-	44
45	Electric Service Reliability Penalty	(5,000)	5,000	-	45
46	Migration Incentive	(1,014)	1,014	-	46
47	Amortization Deferred Costs - 07-E-0523	46,836	(46,836)	-	47
48	Miscellaneous	159	(159)	-	48
49	Total Other Electric Revenues	<u>375,951</u>	<u>(177,460)</u>	<u>198,491</u>	49
50	Total Electric Other Operating Revenues	<u>\$ 416,234</u>	<u>\$ (175,962)</u>	<u>\$ 240,272</u>	50

* Excludes NYPA and other delivery revenues of \$378,463,000, and economic development revenues of \$20,180,000.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ELECTRIC OPERATION AND MAINTENANCE EXPENSES
FOR THE YEARS ENDED DECEMBER 2008 AND MARCH 2011
(Thousands of Dollars)

LINE NO.		12 MONTHS ENDED DECEMBER 31, 2008	NORMALIZING ADJMTS	PROGRAM CHANGES	7.40% LABOR ESCAL	(a) 3.13% GENERAL ESCAL	ADJ.	12 MONTHS ENDING MARCH 31, 2011	LINE NO.
1	Fuel & Purchased Power	\$ 3,545,831	\$ -	\$ (753,275)	\$ -	\$ -	\$ (753,275)	\$ 2,792,556	1
2	Austerity Adjustment	0	-	(30,000)	-	-	(30,000)	(30,000)	2
3	Administrative Expenses Transferred - cr.	(29,080)	-	3,490	(1,078)	(345)	2,067	(27,013)	3
4	Electric Operation	116,345	-	5,075	-	3,802	8,877	125,222	4
5	Asbestos Removal and Abatement	37	-	-	-	1	1	38	5
6	Bank Collection Fees	132	-	-	-	4	4	136	6
7	System and Transmission Operations	32,259	-	5,712	-	1,189	6,901	39,160	7
8	Substation Operation	28,025	-	438	-	891	1,329	29,354	8
9	Boiler Cleaning	1,036	-	-	-	32	32	1,068	9
10	Building Service/Facilities	2,559	-	12,448	-	470	12,918	15,477	10
11	Central Engineering-Administrative	23	-	-	-	1	1	24	11
12	Central Engineering-Distribution	0	-	-	-	-	-	0	12
13	Collection Agency/Payment Agent Fees	2,573	-	791	-	-	791	3,364	13
14	Communications - Telephone	5,836	-	626	-	-	626	6,462	14
15	Other Compensation	7,087	(4,730)	-	-	74	(4,656)	2,431	15
16	Company Labor	267,367	163	6,066	20,246	-	26,475	293,842	16
17	Company Labor - Elect. Op., STO, SSO	233,609	-	7,009	17,806	-	24,815	258,424	17
18	Consultants	13,033	(2,048)	140	-	348	(1,560)	11,473	18
19	Contract Labor	1,867	-	92	-	61	153	2,020	19
20	Corrective Maintenance	4,711	-	-	-	148	148	4,859	20
21	AMR Savings	(722)	(986)	-	(126)	-	(1,112)	(1,834)	21
22	Disposal of Obsolete M&S	10,216	(3,600)	77	-	210	(3,313)	6,903	22
23	DSM	70,835	-	(14,385)	-	-	(14,385)	56,450	23
24	Duplicate Misc. Charges	(22,276)	-	(709)	-	-	(709)	(22,985)	24
25	EDP Equipment Rentals & Mtce.	4,197	-	(27)	-	131	104	4,301	25
26	Electricity & Gas Used	3,848	-	151	-	-	151	3,999	26
27	Employee Pensions / OPEBS	114,250	-	192,531	-	-	192,531	306,781	27
28	Employee Welfare Expense - Net	79,524	9,186	12,321	-	-	21,507	101,031	28
29	Environmental Expenses	4,930	33	(34)	-	154	153	5,083	29
30	ERRP - Major Maintenance	11,371	-	-	-	-	-	11,371	30
31	Executive Incentive Plan	3,539	(3,539)	-	-	-	(3,539)	0	31
32	Facilities Maintenance	1,605	-	-	-	50	50	1,655	32
33	Financial Services	5,910	-	3,721	-	-	3,721	9,631	33
34	Gas Turbines	2,835	-	-	-	89	89	2,924	34
35	Information Resources	32,095	80	2,128	-	1,074	3,282	35,376	35
36	Informational Advertising	8,735	-	6,100	-	465	6,565	15,300	36
37	Injuries & Damages Reserve	48,499	-	(9,303)	-	1,227	(8,076)	40,423	37
38	Instit. Dues & Subscriptions	1,806	-	-	-	57	57	1,863	38
39	Insurance Premiums	21,159	-	5,355	-	-	5,355	26,514	39
40	Interference	67,011	-	25,329	-	2,892	28,221	95,232	40
41	Reserve for Contingencies	16,271	(16,271)	-	-	-	(16,271)	-	41
42	Corporate and Fiscal Expenses	4,537	-	-	-	142	142	4,679	42
43	LIC Outage	-	-	-	-	-	-	-	43
44	Manhour Expense	971	-	-	-	30	30	1,001	44
45	Marshall's Fees	1,047	-	-	-	33	33	1,080	45
46	Materials & Supplies	2,823	-	777	-	113	890	3,713	46
47	RCA - MGP / Superfund	11,322	(11,322)	-	-	-	(11,322)	0	47
48	Outreach and Education	5,501	-	-	-	172	172	5,673	48
49	Other (Fossil)	1,896	-	-	-	59	59	1,955	49
50	Outside Legal Services	936	-	-	-	29	29	965	50
51	Paving	12	-	-	-	-	-	12	51
52	Plant Component Upgrade	227	-	-	-	7	7	234	52
53	Power Your Way	186	(186)	-	-	-	(186)	-	53
54	Postage	14,176	-	1,356	-	-	1,356	15,532	54
55	Preventive Maintenance	1,868	-	-	-	58	58	1,926	55
56	RCA - Pension	(53,186)	53,186	-	-	-	53,186	(0)	56
57	RCA-Amort. of Hudson-Farragut	477	-	-	-	-	-	477	57
58	Renewable Portfolio Standard	28,626	-	18,812	-	-	18,812	47,438	58
59	Real Estate Expense	3,685	-	-	-	115	115	3,800	59
60	Regulatory Commission Expense	33,759	(839)	190,089	-	714	189,964	223,723	60
61	Rents	54,195	-	381	-	1,709	2,090	56,285	61
62	Rents (ERRP)	72,206	-	(4,212)	-	-	(4,212)	67,994	62
63	Rents (Interdepartmental)	4,836	-	1,048	-	-	1,048	5,884	63
64	Research & Development	17,939	-	2,809	-	650	3,459	21,398	64
65	System Benefit Charge	87,477	-	61,221	-	-	61,221	148,698	65
66	Scheduled Overhauls	237	(230)	2,270	-	-	2,111	2,348	66
67	Security	1,613	-	208	-	57	265	1,878	67
68	Shared Services	(8,346)	-	-	(375)	(103)	(478)	(8,824)	68
69	Steam Incident	4,876	(4,876)	-	-	-	(4,876)	0	69
70	Storm Reserve - Electric Op	4,200	1,400	-	-	-	1,400	5,600	70
71	Green Power	-	-	-	-	-	-	-	71
72	Tree Trimming	-	-	-	-	-	-	-	72
73	Trenching	140	-	-	-	4	4	144	73
74	Uncollectible	65,210	-	(5,193)	-	-	(5,193)	60,017	74
75	Water	317	-	336	-	-	336	653	75
76	Water Chemicals	644	-	-	-	20	20	664	76
77	Other	36,895	1,222	1,042	-	1,226	3,490	40,384	77
78	Total Operation & Maintenance Expenses	\$ 5,120,188	\$ 16,643	\$ (247,189)	\$ 36,473	\$ 18,333	\$ (175,740)	\$ 4,944,449	78

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ELECTRIC DEPRECIATION AND AMORTIZATION EXPENSE
APRIL 2010 - MARCH 2011
(Thousands of Dollars)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
Electric Plant Balance	\$ 416,076	\$ 416,103	\$ 418,015	\$ 419,026	\$ 420,676	\$ 425,231	\$ 435,857	\$ 442,767	\$ 452,482	\$ 452,509	\$ 452,809	\$ 452,899	
Electric Steam Production	34,544	34,544	34,544	34,544	34,544	34,544	34,544	34,544	34,544	34,544	34,544	34,544	34,544
Other Production	17,933,210	17,436,490	17,527,080	17,602,515	17,681,266	17,746,815	17,839,772	17,933,209	18,029,278	18,104,654	18,166,901	18,234,552	18,234,552
Electric T&D	17,773,830	17,887,137	17,979,639	18,056,085	18,136,487	18,206,691	18,310,173	18,410,610	18,516,305	18,591,760	18,664,054	18,741,836	18,741,836
Total Electric Plant	0.3416%	0.3416%	0.3416%	0.3416%	0.3416%	0.3416%	0.3416%	0.3416%	0.3416%	0.3416%	0.3416%	0.3416%	0.3416%
0.4000%	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%
0.2320%	0.2320%	0.2320%	0.2320%	0.2320%	0.2320%	0.2320%	0.2320%	0.2320%	0.2320%	0.2320%	0.2320%	0.2320%	0.2320%
Composite Depreciation Rates	1.698	1.698	1.698	1.705	1.708	1.714	1.730	1.766	1.789	1.823	1.823	1.823	20.671
Electric Steam Production	140	140	140	140	140	140	140	140	140	140	140	140	140
Other Production	40,208	40,814	41,077	41,287	41,645	41,997	42,359	42,721	43,083	43,445	43,807	44,169	500,880
Electric T&D	42,046	42,852	42,915	43,132	43,310	43,499	43,687	43,876	44,065	44,254	44,443	44,632	523,034
Total Electric Plant Depreciation	634,983	634,549	634,553	634,434	634,274	634,198	634,179	634,179	634,179	634,179	634,179	634,179	634,179
Common Plant Balance	252,392	252,617	252,867	253,012	253,161	253,355	253,501	253,695	253,889	254,083	254,277	254,471	254,471
Buildings & Yards	37,436	37,390	37,344	37,294	37,257	37,316	37,362	37,362	37,362	37,362	37,362	37,362	37,362
Vehicles	269,690	268,977	269,344	268,374	267,471	267,522	267,507	267,117	266,486	265,855	265,224	264,593	264,593
Office Furniture	175,222	174,524	173,826	173,121	172,434	171,869	171,287	170,649	170,061	169,464	168,867	168,270	168,270
Computer	5,895	5,889	5,844	5,818	5,795	5,799	5,799	5,787	5,764	5,741	5,718	5,695	5,695
Communications - Subject to Depreciation	66,478	66,393	66,310	66,148	66,026	66,326	66,472	66,504	66,504	66,504	66,504	66,504	66,504
- Embedded	10,245	10,545	10,848	11,131	11,461	12,085	12,671	13,103	13,441	13,787	14,133	14,481	14,481
Stores Equipment	49,196	48,794	48,392	47,990	47,588	47,195	46,800	46,402	46,004	45,606	45,208	44,811	44,811
Lab Equipment	21,361	21,407	21,453	21,499	21,545	21,667	21,816	21,964	22,112	22,260	22,408	22,556	22,556
Power Equipment	73,409	75,753	82,392	83,899	85,141	86,731	88,313	90,432	92,688	95,167	97,758	100,471	100,471
Shop Equipment	1,596,297	1,566,884	1,603,162	1,602,894	1,602,878	1,602,159	1,609,527	1,611,567	1,624,840	1,630,065	1,634,305	1,638,545	1,638,545
Misc. Equipment	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%
Software Amortization	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%
Total Common Plant	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%
0.99000%	0.99000%	0.99000%	0.99000%	0.99000%	0.99000%	0.99000%	0.99000%	0.99000%	0.99000%	0.99000%	0.99000%	0.99000%	0.99000%
0.55800%	0.55800%	0.55800%	0.55800%	0.55800%	0.55800%	0.55800%	0.55800%	0.55800%	0.55800%	0.55800%	0.55800%	0.55800%	0.55800%
0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%
0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%
0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%
0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%
0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%
1.05320%	1.05320%	1.05320%	1.05320%	1.05320%	1.05320%	1.05320%	1.05320%	1.05320%	1.05320%	1.05320%	1.05320%	1.05320%	1.05320%
Common Depreciation Expense	1,683	1,693	1,692	1,692	1,692	1,692	1,692	1,691	1,691	1,691	1,691	1,691	20,659
Buildings & Yards	2,366	2,368	2,371	2,371	2,371	2,376	2,394	2,410	2,426	2,442	2,458	2,474	28,844
Vehicles	174	173	173	173	173	173	173	173	173	173	173	173	1,711
Office Furniture - Normal Depreciation	2,662	2,670	2,663	2,667	2,667	2,667	2,648	2,648	2,648	2,648	2,656	2,662	31,893
- Amortization Ltd Plant	978	974	970	966	962	958	955	948	947	947	939	931	11,480
Computer	23	23	23	23	23	23	23	23	23	23	23	23	23
Communications	278	277	276	276	276	276	276	276	277	277	277	277	277
Stores Equipment - Normal Depreciation	185	185	185	185	185	185	185	185	185	185	185	185	185
- Amortization Ltd Plant	62	64	66	68	70	72	76	79	82	84	87	89	89
Lab Equipment - Normal Depreciation	218	216	215	213	211	209	208	206	204	203	201	199	2,503
- Amortization Ltd Plant	89	89	89	89	90	90	90	91	91	91	93	93	1,087
Power Equipment - Normal Depreciation	65	65	65	65	65	65	65	65	65	65	65	65	780
- Amortization Ltd Plant	648	657	662	672	682	692	702	712	722	732	742	752	9,459
Misc. Equipment - Normal Depreciation	9,726	9,452	9,469	9,540	9,544	9,548	9,592	9,616	9,639	9,662	9,685	9,708	118,778
- Amortization Ltd Plant	8,072	7,845	7,859	7,918	7,922	7,925	7,953	7,981	8,000	8,029	8,058	8,086	96,086
Software Amortization	42,046	42,652	42,916	43,132	43,310	43,499	43,687	43,876	44,065	44,254	44,443	44,632	523,036
Total Common Depreciation	50,118	50,487	50,775	51,050	51,232	51,424	51,620	51,816	52,012	52,208	52,404	52,600	619,131
Common Allocation to Electric (63%)	58	58	58	58	58	58	58	58	58	58	58	58	58
Depreciation on Electric Plant Above	50,118	50,487	50,775	51,050	51,232	51,424	51,620	51,816	52,012	52,208	52,404	52,600	619,131
Total Electric Depreciation (Per Person Adj)	58	58	58	58	58	58	58	58	58	58	58	58	58
Person Adjustment	50,176	50,574	50,872	51,166	51,365	51,579	51,794	52,009	52,224	52,439	52,654	52,869	621,103
Total Electric Depreciation with Pension Adj	50,176	50,574	50,872	51,166	51,365	51,579	51,794	52,009	52,224	52,439	52,654	52,869	621,103

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TAXES OTHER THAN INCOME TAXES - ELECTRIC
 12 MONTHS ENDED DECEMBER 31, 2008
ADJUSTED TO THE 12 MONTHS ENDING MARCH 31, 2011
 (Thousands of Dollars)

Line No.	Item	12 Months Ended 12/31/08	Changes to Reflect Conditions in Rate Year	12 Months Ending 3/31/11	Line No.
	Property Taxes				
1	New York City	\$ 705,588	\$ 305,770	\$ 1,011,358	1
2	Upstate and Westchester	89,203	6,210	95,413	2
3	Property Tax Reconciliation Deferral	<u>(29,346)</u>	<u>29,346</u>	<u>-</u>	3
	Total Property Taxes	<u>765,445</u>	<u>341,326</u>	<u>1,106,771</u>	
4	Revenue Taxes	201,462	13,877	215,339	4
5	Payroll Taxes	47,608	6,974	54,582	5
6	MTA Mobility Tax	-	1,878	1,878	6
7	Sales & Compensating Use Tax	1,037	(1,037)	-	7
8	Subsidiary Capital Tax	5,058	119	5,177	8
9	Receipts Tax	15,682	(449)	15,233	9
10	All Other Taxes	<u>699</u>	<u>898</u>	<u>1,597</u>	10
	Total Taxes Other than Income Taxes	<u>\$ 1,036,991</u>	<u>\$ 363,586</u>	<u>\$ 1,400,577</u>	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 COMPUTATION OF LABOR FACTOR TO BRING
THE TWELVE MONTHS ENDED DECEMBER 31, 2008 TO THE RATE YEAR
 (Thousands of Dollars)

	Twelve Months Ended <u>Dec 31, 2008</u>	<u>Twelve Months Ending March 31, 2011</u>			
		<u>Without Productivity Savings</u>		<u>With Productivity Savings</u>	<u>Productivity Savings</u>
<u>Union Wages</u>					
Straight Time	\$ 562,190	\$ 612,878		\$ 602,247	\$ 10,631
Premium Time	27,593	30,005		29,330	675
Overtime	<u>134,004</u>	<u>145,716</u>		<u>142,437</u>	<u>3,279</u>
Total Union	723,787	788,599	8.9%	774,014	6.9% 14,585
 <u>Management Salaries</u>					
Straight Time	508,781	560,511		550,730	9,781
Compensatory Time	<u>35,537</u>	<u>38,067</u>		<u>37,210</u>	<u>857</u>
Total Management	544,318	598,578	10.0%	587,940	8.0% 10,638
 Total Salaries and Wages	<u>\$ 1,268,105</u>	<u>\$ 1,387,177</u>		<u>\$ 1,361,954</u>	<u>\$ 25,223</u>
 Percentage Increase - Rate Year Over Twelve Months Ended December 31, 2008		<u>9.39%</u>		<u>7.40%</u>	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STRAIGHT TIME WAGES AND SALARIES

	<u>Weekly</u>	<u>Without Productivity Management</u>	<u>Total</u>	<u>Weekly</u>	<u>With Productivity Management</u>	<u>Total</u>
<u>Number of Employees</u>						
Actual on Roll with Pay for December 2008	9,455	4,871	14,326	9,455	4,871	14,326
Estimated Average Number of Employees on Roll with Pay during the Rate Year	9,455	4,871	14,326	9,291	4,786	14,077
Average Weekly Straight Time Wages and Monthly Management Salary During Rate Year	\$ 1,261 /Week	\$ 9,046 /Month		\$ 1,261 /Week	\$ 9,046 /Month	
	\$ 1,232 /Week			\$ 1,232 /Week		
				without progression		
<u>Rate Year Straight Time Wages and Salaries (Thousands of Dollars)</u>						
<u>Weekly</u>	With Progression	Without Progression		With Progression	Without Progression	
(X) Average Weekly Straight Time Wages	\$ 1,261	\$ 1,232		\$ 1,261	\$ 1,232	
(X) 52 Weeks	52	52		52	52	
	65,581	64,060		65,581	64,060	
(X) No. of Employees	4,728	4,728		4,646	4,646	
Total Weekly Straight Time Wages	\$ 310,034	\$ 302,844	\$ 612,878	\$ 304,657	\$ 297,591	\$ 602,247
sub-total			612,878			602,247
<u>Management</u>						
(X) Average Monthly Straight Time Wages		\$ 9,046		\$ 9,046		
(X) 12 Months		12		12		
		108,558		108,558		
Variable pay	6.0%	6,513		6,513		
(X) No. of Employees Employees		115,071		115,071		
Total Management Salaries		4,871	560,511	4,786	550,730	
Total Straight Time Wages and Salaries			\$ 1,173,389			\$ 1,152,977

Note:
Based on the latest 3 year average, approximately 50% of weekly employees received progressions

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
OTHER THAN STRAIGHT TIME WAGES AND SALARIES
 (Thousands of Dollars)

Weekly

Premium Time

Actual Twelve Months Ended December 31, 2008	\$ 27,593	
(X) Rate Year Factor	<u>108.74%</u>	
Rate Year Amount - without productivity savings		<u>\$ 30,005</u>
Rate Year Amount - with productivity savings		<u>\$ 29,330</u>

Overtime

Actual Twelve Months Ended December 31, 2008	\$ 134,004	
(X) Rate Year Factor	<u>108.74%</u>	
Rate Year Amount - without productivity savings		<u>\$ 145,716</u>
Rate Year Amount - with productivity savings		<u>\$ 142,437</u>

Management

Compensatory Time

Actual Twelve Months Ended December 31, 2008	\$ 35,537	
(X) Rate Year Factor	<u>107.12%</u>	
Rate Year Amount - without productivity savings		<u>\$ 38,067</u>
Rate Year Amount - with productivity savings		<u>\$ 37,210</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
AVERAGE SALARY AND WAGES

<u>Weekly Employees</u>	<u>Per Week With progression</u>	<u>Per Week Without progression</u>
Straight Time Average December 2008	\$ 1,159.81	\$ 1,159.81
Est. average for March 2010	1,223.36	\$ 1,200.40
Estimated Average Straight Time for the Rate Year		
April-10	1,223.36	1,200.40
May-10	1,223.36	1,200.40
June-10	1,223.36	1,200.40
July-10 @ 3.5% wage award	1,266.17	1,242.42
August-10	1,266.17	1,242.42
September-10	1,266.17	1,242.42
October-10 @ .7% progression	1,275.04	1,242.42
November-10	1,275.04	1,242.42
December-10	1,275.04	1,242.42
January-11	1,275.04	1,242.42
February-11 @ .6% progression	1,282.69	1,242.42
March-11	1,282.69	1,242.42
	1,261.18	1,231.91
Rate Year Straight Time Average		
<u>Labor Factor</u>		
Rate Year Average less December 2008	\$ 101.37	\$ 72.10
divided by December 2008	8.74%	6.22%
 <u>Management Employees</u>		
	<u>Per Month</u>	
Straight Time Average for December 2008	\$ 8,445.00	
Estimated April 2009 - 3.5% merit	8,740.58	
Estimated Average Straight Time for the Rate Year		
April-10 @ 3.5% merit	9,046.50	
May-10	9,046.50	
June-10	9,046.50	
July-10	9,046.50	
August-10	9,046.50	
September-10	9,046.50	
October-10	9,046.50	
November-10	9,046.50	
December-10	9,046.50	
January-11	9,046.50	
February-11	9,046.50	
March-11	9,046.50	
	9,046.50	
Rate Year Straight Time Average		
<u>Labor Factor</u>		
Rate Year Average less December 2008	\$ 601.50	
divided by December 2008	7.12%	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STAFFING LEVELS FROM DECEMBER 2008 TO MARCH 2011

	<u>%</u>	<u>Weekly</u>	<u>Management</u>	<u>Total</u>
Average with pay at December 2008		9,455	4,871	14,326
Forecast of Productivity - January to December 2009	1.00%	<u>(95)</u>	<u>(49)</u>	<u>(144)</u>
Average with pay at December 2008		9,360	4,822	14,182
Forecast of Productivity - January to March 2010	0.25%	<u>(23)</u>	<u>(12)</u>	<u>(35)</u>
Average with pay at March 2009		9,337	4,810	14,147
Forecast of Productivity - April 2010 to March 2011	1.00%	<u>(93)</u>	<u>(48)</u>	<u>(141)</u>
Average with pay at March 2011		9,244	4,762	14,006
Average March 2010 and March 2011		<u>9,291</u>	<u>4,786</u>	<u>14,077</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STATEMENT OF ELECTRIC COST ELEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2008
(Thousands of Dollars)

EXHIBIT (AP-5)
SCHEDULE 4
PAGE 1 OF 3

LINE NO.	DESCRIPTION	(40) PRODUCTION		(43) TRANSMISSION		(44) DISTRIBUTION		(47) CUSTOMER		(45) AGENCIES AND GENERAL	TOTAL
		OPERATION	MAINTENANCE	OPERATION	MAINTENANCE	OPERATION	MAINTENANCE	ACCOUNTING	SERVICE		
1	Fuel & Purchased Power	3,425,361	0	8,923	11,547	-	-	-	-	-	3,445,831
2	Auxiliary Adjustment	0	-	-	-	-	-	-	-	(20,000)	(20,000)
3	Administrative Expenses Transferred - cr.	-	-	-	-	57,123	58,191	378	570	90	116,345
4	Electric Operation	-	97	(12)	-	-	-	-	-	-	37
5	Access Removal and Abatement	-	-	-	-	-	-	-	-	-	132
6	System and Transmission Operations	-	-	9,655	21,312	53	1,239	-	-	-	32
7	Substation Operation	-	-	654	16,281	4,731	6,559	-	-	-	28,225
8	Boiler Clearing	-	-	373	1,067	161	161	1,282	116	(3,068)	2,559
9	Building Service Facilities	-	-	-	-	23	-	-	-	-	23
10	Electrician's Work	-	-	-	-	-	-	-	-	-	0
11	Capital Equipment/Obsolescence	-	-	-	-	-	-	-	-	-	257
12	Capital Equipment/Obsolescence	-	-	-	-	-	-	-	-	-	5,639
13	Communications - Telephone	-	225	31	463	420	42	83	83	1,175	7,087
14	Other Compensation	18,843	8,802	3,724	6,816	20,108	7,757	104,134	3,918	93,287	287,367
15	Company Labor	17	3	34,421	26,888	78,478	87,271	2,028	3,357	1,157	233,609
16	Contract Labor	0	6	11	583	165	94	140	80	12,780	13,683
17	Contract Labor - Elect. Op., STO, SSO	0	4,711	-	-	3	41	80	3	1,185	1,882
18	Contract Labor	-	-	-	-	-	-	-	-	-	4,711
19	Contract Labor	-	-	-	-	-	-	-	-	-	(722)
20	Contract Labor	-	-	-	-	-	-	-	-	-	10,216
21	Contract Labor	-	-	-	-	-	-	-	-	-	70,885
22	Contract Labor	-	-	-	-	-	-	-	-	-	14,178
23	Contract Labor	-	-	-	-	-	-	-	-	-	4,197
24	Contract Labor	-	-	-	-	-	-	-	-	-	4,197
25	Duplicate Misc. Charges	-	71	7	813	462	71	598	292	1,400	4,197
26	EDP Equipment Rentals & Misc.	56	-	-	16	-	-	610	-	-	3,846
27	Electricity & Gas Used	-	-	-	-	-	-	-	-	-	114,250
28	Employee Pensions / OPEBS	1,818	11	701	579	1,299	1	52	0	468	79,524
29	Employee Pensions - Net	-	-	-	-	-	-	-	-	-	4,390
30	Environmental Expenses	-	-	-	-	-	-	-	-	-	11,371
31	ERRP - Major Maintenance	-	11,371	-	-	-	(257)	(278)	(22)	4,681	3,559
32	Executive Incentive Plan	(51)	(628)	(107)	(77)	(932)	-	-	-	-	1,605
33	Facilities Maintenance	-	1,628	-	-	-	-	-	-	5,910	5,910
34	Gas Turbines	-	2,832	-	-	-	-	-	-	3	2,835
35	Information Resources	984	-	3,125	-	8,959	-	4,705	1,120	13,201	32,095
36	Informational Advertising	-	-	-	-	-	-	-	-	852	8,735
37	Informational Advertising	-	-	-	-	-	-	-	-	48,489	48,489
38	Insurance - Property	284	-	-	-	-	-	-	-	1,542	1,826
39	Insurance Premiums	-	-	-	-	-	-	-	-	21,169	21,169
40	Interference	-	-	-	4,750	3,992	56,268	-	-	16,271	16,271
41	Reserve for Contingencies	-	-	-	-	-	-	-	-	4,537	4,537
42	Corporate and Fiscal Expenses	-	-	-	-	-	-	-	-	-	97
43	Corporate and Fiscal Expenses	-	-	-	-	-	-	-	-	(155)	1,047
44	Marshall's Fees	68	482	106	235	179	3	1,027	2	-	2,823
45	Marshall's Fees	-	-	-	-	-	-	-	-	(168)	2,655
46	Materials & Supplies	155	1,292	44	27	421	485	5,901	1	11,322	11,322
47	RCA - MGP / Superfund	-	-	-	-	-	-	-	-	-	5,591
48	Outreach and Education	386	1,900	-	-	2	-	-	-	8	1,896
49	Outside Legal Services	-	-	-	6	0	0	5	-	836	849
50	Paving	-	-	-	-	-	-	-	-	-	12
51	Plant Component Upgrade	0	227	0	-	0	0	5	-	-	227
52	Power Your Way	-	-	0	0	2	0	13,932	186	200	14,178
53	Prologis Maintenance	-	1,868	-	-	-	-	41	-	200	3,968
54	RCA - Pension	-	-	-	-	-	-	-	-	(50,186)	(50,186)
55	RCA - Pension	-	-	-	-	-	-	-	-	-	477
56	RCA - Pension	-	-	-	-	-	-	-	-	-	28,626
57	RCA - Pension of Hudson-Farragut	-	-	477	-	-	-	-	-	28,626	28,626
58	Renewable Portfolio Standard	-	-	-	-	-	-	-	-	3,685	3,685
59	Real Estate Expense	-	-	-	-	-	-	-	-	33,759	33,759
60	Rentals	1,402	72,208	17,449	18	33,485	18	1,872	-	167	72,208
61	Rentals	-	-	-	-	-	-	-	-	-	4,836
62	Rentals (Indefinite)	-	-	-	-	-	-	-	-	2,386	17,939
63	Research & Development	-	-	-	-	12,428	-	-	-	87,477	87,477
64	System Benefit Charge	-	-	-	-	-	-	-	-	445	437
65	System Benefit Charge	-	-	-	-	-	-	-	-	-	1,537
66	System Benefit Charge	-	-	-	-	-	-	-	-	-	6,348
67	System Benefit Charge	-	-	-	-	-	-	-	-	(10,520)	(6,348)
68	System Benefit Charge	-	-	-	-	-	-	-	-	128	4,200
69	System Benefit Charge	-	-	-	-	-	-	-	-	-	140
70	System Benefit Charge	-	-	-	-	-	-	-	-	-	65,210
71	System Benefit Charge	-	-	-	-	-	-	-	-	-	317
72	System Benefit Charge	-	-	-	-	-	-	-	-	-	644
73	System Benefit Charge	-	-	-	-	-	-	-	-	-	644
74	System Benefit Charge	-	-	-	-	-	-	-	-	-	644
75	System Benefit Charge	-	-	-	-	-	-	-	-	-	644
76	System Benefit Charge	-	-	-	-	-	-	-	-	-	644
77	System Benefit Charge	-	-	-	-	-	-	-	-	-	644
	Total Operation & Maintenance Expenses	3,626,230	95,724	97,726	89,626	225,731	241,037	215,721	31,534	597,302	5,126,183

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STATEMENT OF ELECTRIC COST ELEMENTS
TWELVE MONTHS ENDING MARCH 31, 2011
(Thousands of Dollars)

LINE NO.	DESCRIPTION	(40) PRODUCTION		(43) TRANSMISSION		(44) DISTRIBUTION		(47) CUSTOMER		(46) ADMIN GENERAL	TOTAL
		OPERATION	MAINTENANCE	OPERATION	MAINTENANCE	OPERATION	MAINTENANCE	ACCOUNTING	SERVICE		
1	Fuel & Purchased Power	2,772,080		8,923	11,547					(30,000)	2,792,556
2	Admin. Adjustment									(27,915)	(27,915)
3	Administrative Expenses Transferred - cr					65,440		389	588	93	123,223
4	Electric Operation	127	38	(12)		56,568					130
5	Electric Operation										130
6	Asbestos Removal and Abatement										130
7	Bank Collection Fees			10,616	27,711	55	1,278				26,354
8	System and Transmission Operations			817	16,008	4,889	6,640				26,354
9	System and Transmission										1,008
10	Boiler Operations	1,008		385	1,100	1,344	100	1,322	119	9,074	15,724
11	Building Services/Facilities	1,352				24					24
12	Central Engineering-Administrative										3,363
13	Central Engineering-Distribution	133	232	32	477	434	43	3,380	85	3	6,094
14	Collection Agency/Payment Agent Fees										2,431
15	Contractor Telephone										2,431
16	Contractor Transportation										2,431
17	Company Labor	20,495	6,453	4,117	7,595	21,739	9,331	112,580	4,300	105,243	259,420
18	Company Labor - Elect. Op., STO, SSO			30,016	28,091	87,957	3,200	2,150	3,200	10,951	114,773
19	Consultants	47	3	24	612	181	42	92	3	1,203	2,021
20	Contract Labor		4,859			3					4,859
21	Contractor Maintenance										6,001
22	Contractor - AMP S.										6,001
23	Disposal of Obsolete M&S		476				6,395		13,554		42,866
24	DSM										59,450
25	Duplicate Misc. Charges										(22,085)
26	EDP Equipment Rentals & Misc		73	833		488	73	301			4,300
27	Electricity & Gas Utilities	58		7	16			610			3,999
28	Electricity & Gas Utilities										3,999
29	Employee Welfare Expenses - Net										300,781
30	Employee Welfare Expenses - Net										300,781
31	Environment/Energy Expenses	1,861	11	730	597	1,349	1	64		446	6,001
32	Executive Incentive Plan	(51)	11,371	(107)	(77)	(302)	(257)	(278)	(22)	1,122	11,371
33	Facilities Maintenance		1,092								1,092
34	Gas Utilities		2,921								2,921
35	Information Resources	1,015		3,223		5,240		5,148	1,155	15,500	26,777
36	Informational Advertising										2,921
37	Injuries & Damages Reserve										15,300
38	Inst. Dues & Subscriptions	272									40,423
39	Insurance - Fire										1,862
40	Insurance - General										26,514
41	Insurance - Liability										26,514
42	Reserve for Contingencies					4,117	86,215				95,232
43	Corporate and Fiscal Expenses										4,670
44	LIC Outage										1,000
45	Manhour Expense	70	588	110	242	178	3	27	2	(140)	1,080
46	Materials & Supplies										3,713
47	Materials & Supplies	190	1,332	46	28	434	470	1,338	1	(90)	3,713
48	Outreach and Education										5,073
49	Other (Fossil)	388	1,547			2				8	1,955
50	Outside Legal Services										965
51	Plant Construction		234		0			5			234
52	Plant Component Upgrade										53
53	Power Year Way										53
54	Postage		1,926			2		15,288	41	200	15,531
55	Preventive Maintenance										1,926
56	RCA - Pension										477
57	RCA - Pension										477
58	RCA - Pension of Hudson-Franklin										477
59	RCA - Pension of Hudson-Franklin										477
60	Real Estate Expense										223,723
61	Regulatory Commission Expense										505
62	Rents (ERRP)	1,440		17,900		34,534	19	1,725			59,285
63	Rents (ERRP)	67,764									67,764
64	Rents (Equipment)	30									5,884
65	Rents (Management)										21,388
66	System Benefit Charge										146,096
67	Scheduled Overhauls	(237)	2,585					260		672	2,348
68	Security	937						2,242		(11,005)	(8,823)
69	Shared Services										5,000
70	Steam Incident					1,400	(128)			128	70
71	System Process - Electric Co										70
72	Trenching										144
73	Trenching										144
74	Uncollectible	653			115	1		60,017	(3)	(1)	60,017
75	Water										653
76	Water Chemicals										653
77	Other	388				4,005	(195)	13,172	947	23,292	40,585
	Total Operation & Maintenance Expenses	\$ 2,870,895	\$ 39,217	\$ 95,709	\$ 96,369	\$ 244,403	\$ 274,344	\$ 223,440	\$ 45,937	\$ 1,052,758	\$ 4,944,447

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 STATEMENT OF ELECTRIC COST ELEMENTS
 VARIATION TWELVE MONTHS ENDING MARCH 2011 VS. TWELVE MONTHS ENDED DECEMBER 2008
 (Thousands of Dollars)

LINE NO.	(40) PRODUCTION		(49) TRANSMISSION		(44) DISTRIBUTION		(47) CUSTOMER		(46) ADMIN AND GENERAL		TOTAL	LINE NO.
	OPERATION	MAINTENANCE	OPERATION	MAINTENANCE	OPERATION	MAINTENANCE	ACCOUNTING	SERVICE	GENERAL	GENERAL		
1												1
2												2
3												3
4												4
5												5
6												6
7												7
8												8
9												9
10												10
11												11
12												12
13												13
14												14
15												15
16												16
17												17
18												18
19												19
20												20
21												21
22												22
23												23
24												24
25												25
26												26
27												27
28												28
29												29
30												30
31												31
32												32
33												33
34												34
35												35
36												36
37												37
38												38
39												39
40												40
41												41
42												42
43												43
44												44
45												45
46												46
47												47
48												48
49												49
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61												61
62												62
63												63
64												64
65												65
66												66
67												67
68												68
69												69
70												70
71												71
72												72
73												73
74												74
75												75
76												76
77												77
Total Operation & Maintenance Expenses												

(755,274) \$ 3,483 \$ 7,970 \$ 9,364 \$ 18,162 \$ 33,300 \$ 7,778 \$ 13,463 \$ 465,459 \$ (175,741)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED DECEMBER 31, 2008 ACTUAL - ELECTRIC COST ELEMENTS
 REDUCTION OPERATIONS - (40)
 (Thousands of Dollars)

LINE NO.	DESCRIPTION	PSC/AC (500)	(501)	(502)	(504)	(505)	(506)	(507)	(517)	(518.1)	(524)	(547)	(548)	(550)	(555)	(557)	TOTAL	LINE NO.	
1	Fuel & Purchased Power																	1	
2	Auxiliary Adjustment		374,774									1,005			3,140,552		3,525,381	2	
3	Administrative Expenses Transferred - uc		0								0						0	3	
4	Electric Operation																	4	
5	Address Removal and Abatement																	5	
6	Bank Charge																	6	
7	Bank Related Transaction Operations																	7	
8	Substation Operation																	8	
9	Bulk Cleaning						1,036									463	1,036	9	
10	Building Service/Facilities	279					369										1,311	10	
11	Central Engineering/Administrative	0															0	11	
12	Construction																0	12	
13	Contract Labor																129	13	
14	Collection Agency/Personal Agent Fees	86					42										129	14	
15	Communications - Telephone																	15	
16	Other Compensation			5,060	(47)		2,518										18,843	16	
17	Company Labor	11,126															17	17	
18	Contract Labor - Elsd. Op. - 31 CO, 88/O																17	18	
19	Contract Labor	0															0	19	
20	Contract Labor	0															0	20	
21	AMR Services																	21	
22	Dispatch of Chokehold M&S																	22	
23	Dispatch of Chokehold M&S																	23	
24	Dispatch of Chokehold M&S																	24	
25	Dispatch of Chokehold M&S																	25	
26	Dispatch of Chokehold M&S																	26	
27	Dispatch of Chokehold M&S																	27	
28	Dispatch of Chokehold M&S																	28	
29	Dispatch of Chokehold M&S																	29	
30	Dispatch of Chokehold M&S																	30	
31	Dispatch of Chokehold M&S																	31	
32	Dispatch of Chokehold M&S																	32	
33	Dispatch of Chokehold M&S																	33	
34	Dispatch of Chokehold M&S																	34	
35	Dispatch of Chokehold M&S																	35	
36	Dispatch of Chokehold M&S																	36	
37	Dispatch of Chokehold M&S																	37	
38	Dispatch of Chokehold M&S																	38	
39	Dispatch of Chokehold M&S																	39	
40	Dispatch of Chokehold M&S																	40	
41	Dispatch of Chokehold M&S																	41	
42	Dispatch of Chokehold M&S																	42	
43	Dispatch of Chokehold M&S																	43	
44	Dispatch of Chokehold M&S																	44	
45	Dispatch of Chokehold M&S																	45	
46	Dispatch of Chokehold M&S																	46	
47	Dispatch of Chokehold M&S																	47	
48	Dispatch of Chokehold M&S																	48	
49	Dispatch of Chokehold M&S																	49	
50	Dispatch of Chokehold M&S																	50	
51	Dispatch of Chokehold M&S																	51	
52	Dispatch of Chokehold M&S																	52	
53	Dispatch of Chokehold M&S																	53	
54	Dispatch of Chokehold M&S																	54	
55	Dispatch of Chokehold M&S																	55	
56	Dispatch of Chokehold M&S																	56	
57	Dispatch of Chokehold M&S																	57	
58	Dispatch of Chokehold M&S																	58	
59	Dispatch of Chokehold M&S																	59	
60	Dispatch of Chokehold M&S																	60	
61	Dispatch of Chokehold M&S																	61	
62	Dispatch of Chokehold M&S																	62	
63	Dispatch of Chokehold M&S																	63	
64	Dispatch of Chokehold M&S																	64	
65	Dispatch of Chokehold M&S																	65	
66	Dispatch of Chokehold M&S																	66	
67	Dispatch of Chokehold M&S																	67	
68	Dispatch of Chokehold M&S																	68	
69	Dispatch of Chokehold M&S																	69	
70	Dispatch of Chokehold M&S																	70	
71	Dispatch of Chokehold M&S																	71	
72	Dispatch of Chokehold M&S																	72	
73	Dispatch of Chokehold M&S																	73	
74	Dispatch of Chokehold M&S																	74	
75	Dispatch of Chokehold M&S																	75	
76	Dispatch of Chokehold M&S																	76	
77	Dispatch of Chokehold M&S																	77	
78	Other	305																305	78
	Total	\$ 13,585	\$ 374,774	\$ 8,243	\$ (253)	\$ 71	\$ 5,873	\$ 73,635	\$ 70	\$ 1,402	\$ 0	\$ 1,005	\$ 0	\$ 2	\$ 3,140,552	\$ 1,733	\$ 3,525,381		

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED DECEMBER 31, 2008 ACTUAL - ELECTRIC COST ELEMENTS
 PRODUCTION MAINTENANCE - (60)
 (Thousands of Dollars)

LINE NO.	DESCRIPTION	(510)	(511)	(512)	(513)	(514)	(652)	(653)	(654)	TOTAL	LINE NO.
1	Fuel & Purchased Power										1
2	Auxiliary Adjustment										2
3	Administrative Expenses Transferred - or										3
4	Electric Operation										4
5	Electric Operation		26							37	5
6	Accrual Removal and Abatement										6
7	Salvage		9		3						7
8	Substation Operation										8
9	Substation Operation										9
10	Boiler Clean-Up										10
11	Boiler Clean-Up										11
12	Boiler Clean-Up										12
13	Boiler Clean-Up										13
14	Boiler Clean-Up										14
15	Boiler Clean-Up										15
16	Boiler Clean-Up										16
17	Boiler Clean-Up										17
18	Boiler Clean-Up										18
19	Boiler Clean-Up										19
20	Boiler Clean-Up										20
21	Boiler Clean-Up										21
22	Boiler Clean-Up										22
23	Boiler Clean-Up										23
24	Boiler Clean-Up										24
25	Boiler Clean-Up										25
26	Boiler Clean-Up										26
27	Boiler Clean-Up										27
28	Boiler Clean-Up										28
29	Boiler Clean-Up										29
30	Boiler Clean-Up										30
31	Boiler Clean-Up										31
32	Boiler Clean-Up										32
33	Boiler Clean-Up										33
34	Boiler Clean-Up										34
35	Boiler Clean-Up										35
36	Boiler Clean-Up										36
37	Boiler Clean-Up										37
38	Boiler Clean-Up										38
39	Boiler Clean-Up										39
40	Boiler Clean-Up										40
41	Boiler Clean-Up										41
42	Boiler Clean-Up										42
43	Boiler Clean-Up										43
44	Boiler Clean-Up										44
45	Boiler Clean-Up										45
46	Boiler Clean-Up										46
47	Boiler Clean-Up										47
48	Boiler Clean-Up										48
49	Boiler Clean-Up										49
50	Boiler Clean-Up										50
51	Boiler Clean-Up										51
52	Boiler Clean-Up										52
53	Boiler Clean-Up										53
54	Boiler Clean-Up										54
55	Boiler Clean-Up										55
56	Boiler Clean-Up										56
57	Boiler Clean-Up										57
58	Boiler Clean-Up										58
59	Boiler Clean-Up										59
60	Boiler Clean-Up										60
61	Boiler Clean-Up										61
62	Boiler Clean-Up										62
63	Boiler Clean-Up										63
64	Boiler Clean-Up										64
65	Boiler Clean-Up										65
66	Boiler Clean-Up										66
67	Boiler Clean-Up										67
68	Boiler Clean-Up										68
69	Boiler Clean-Up										69
70	Boiler Clean-Up										70
71	Boiler Clean-Up										71
72	Boiler Clean-Up										72
73	Boiler Clean-Up										73
74	Boiler Clean-Up										74
75	Boiler Clean-Up										75
76	Boiler Clean-Up										76
77	Boiler Clean-Up										77
78	Total	6,345	3,627	4,654	4,448	2,515	4	14,200	49	36,734	78

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED DECEMBER 31, 2008 ACTUAL - ELECTRIC COST ELEMENTS
 TRANSMISSION OPERATION--(43)
 (Thousands of Dollars)

LINE NO.	PSC / AC (560)	(561)	(562)	(563)	(564)	(565)	(567)	TOTAL	LINE NO.
1	\$	8,923						8,923	1
2									2
3									3
4									4
5						(12)		(12)	5
6									6
7		314						314	7
8		629	8,190	462				9,685	8
9								961	9
10								373	10
11									11
12									12
13									13
14						(6)		31	14
15		31						31	15
16		3,185						3,724	16
17		5,033.44	16,285.19	276.15				34,421.11	17
18								11	18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30		701						701	30
31		(107)						(107)	31
32									32
33									33
34									34
35						3,125		3,125	35
36									36
37									37
38									38
39									39
40									40
41									41
42									42
43									43
44					104			108	44
45									45
46									46
47									47
48									48
49									49
50									50
51									51
52									52
53									53
54									54
55									55
56									56
57							477	477	57
58									58
59									59
60									60
61							17,449	17,449	61
62									62
63								4,806	63
64								3,117	64
65									65
66									66
67									67
68									68
69									69
70									70
71									71
72									72
73									73
74									74
75									75
76									76
77									77
78		10,339	21,079	740	1,988	6,395	22,733	87,738	78

CONSOLIDATED Edison COMPANY OF NEW YORK, INC.
TWELVE MONTHS ENDED DECEMBER 31, 2008 ACTUAL - ELECTRIC COST ELEMENTS
TRANSMISSION MAINTENANCE - (53)
(Thousands of Dollars)

LINE NO.		PSC / AC (568)	(658)	(570)	(571)	(572)	(573)	(575)	TOTAL	LINE NO.
1	Fuel & Purchased Power							11,547	11,547	1
2	Auxiliary Adjustment									2
3	Administrative Expenses Transferred - cr									3
4	Electric Operation									4
5	Electric Operation and Abatement									5
6	Bank Collection Fees		6,185	217	3,381				21,312	6
7	System and Transmission Operations	97	5,874	10,707		8,432	3,020		19,381	7
8	Substation Operation									8
9	Boiler Cleaning								1,087	9
10	Building Service/Facilities	1,087								10
11	Central Engineering-Administrative									11
12	Construction									12
13	Collection Agency/Payment Agent Fees									13
14	Communications - Telephone	463							463	14
15	Other Compensation					388			8,818	15
16	Company Labor	6,409		2					28,858	16
17	Company Labor - Elect. Op., STO, SSO	48,117	7,057	13,655.62	853.14	5,415.76	467.72		6	17
18	Consultants	5							583	18
19	Contractor	78				517				19
20	Contractor Maintenance									20
21	AMR Savings									21
22	Disposal of Obsolete M&S									22
23	DSM									23
24	Duplicate Misc. Charges									24
25	EDP Equipment Rental & Misc.								813	25
26	Employee Pension / OPEBS	862				11			16	26
27	Employee Welfare Expense - Nat									27
28	Environmental Expenses									28
29	Environmental Expenses - Nat								579	29
30	Environmental Expenses	454				125			(77)	30
31	Executive Incentive Plan	(77)								31
32	Facilities Maintenance									32
33	Financial Services									33
34	Information Resources									34
35	Information Resources									35
36	International Advertising									36
37	Injuries & Damages Reserve									37
38	Instr. Discs & Subscriptions									38
39	Insurance Premiums									39
40	Intelligence									40
41	Inventory								4,750	41
42	Inventory									42
43	Inventory									43
44	Inventory									44
45	Inventory									45
46	Inventory									46
47	Inventory									47
48	Inventory									48
49	Inventory									49
50	Inventory									50
51	Inventory									51
52	Inventory									52
53	Inventory									53
54	Inventory									54
55	Inventory									55
56	Inventory									56
57	Inventory									57
58	Inventory									58
59	Inventory									59
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61	Inventory									61
62	Inventory									62
63	Inventory									63
64	Inventory									64
65	Inventory									65
66	Inventory									66
67	Inventory									67
68	Inventory									68
69	Inventory									69
70	Inventory									70
71	Inventory									71
72	Inventory									72
73	Inventory									73
74	Inventory								112	74
75	Inventory									75
76	Inventory									76
77	Inventory									77
78	Other								(2,408)	78
	Total	7,141	18,916	24,002	4,214	19,629	3,487	11,547	89,038	

CONSOLIDATED ERISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED DECEMBER 31, 2014
 CUSTOMER ACTUAL - ELECTRIC COST ELEMENTS
 CUSTOMER ACCOUNTS (42)
 (Thousands of Dollars)

LINE NO.	PSC / AC (801)	(902)	(903)	(904)	(905)	TOTAL	LINE NO.
1	\$						1
2							2
3							3
4		78				378	4
5			200				5
6						132	6
7			132				7
8							8
9							9
10	649	79				1,282	10
11							11
12							12
13			2,569			2,569	13
14		247	2,905		(6)	3,288	14
15	5043	27,228	71,734		100	104,134	15
16		272,89	1,759,125		0	2,028,014	16
17		14	45			60	17
18							18
19							19
20							20
21		(722)				(722)	21
22							22
23							23
24							24
25	9		578		3	588	25
26							26
27	9	43	558			610	27
28							28
29							29
30	40	2	4		6	52	30
31	(278)					(278)	31
32							32
33							33
34			4,533			4,705	34
35					173		35
36							36
37							37
38							38
39							39
40							40
41							41
42							42
43							43
44	1		24		0	27	44
45			1,047			1,047	45
46	2	160	442		1	586	46
47							47
48							48
49							49
50							50
51							51
52			5			5	52
53							53
54	1	23	13,907			13,932	54
55							55
56							56
57							57
58							58
59							59
60							60
61	35	327	1,311			1,672	61
62							62
63							63
64							64
65							65
66							66
67	2	8	251			261	67
68			2,174			2,174	68
69							69
70							70
71							71
72							72
73		(2)	(1)			(3)	73
74							74
75							75
76							76
77	550	2,338	8,520		32	11,838	77
78							78
	\$ 6,040	\$ 30,083	\$ 114,833	\$ 65,210	\$ 344	\$ 215,721	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 ELECTRIC COST ELEMENT
SUMMARY OF ELECTRIC CHANGES

(Thousands of Dollars)

<u>LINE NO.</u>	<u>MAG</u>	<u>DESCRIPTION</u>	<u>TWELVE MONTHS ENDED 12/31/2008</u>	<u>NORMALIZING ADJUSTMENTS</u>	<u>PROGRAM CHANGES</u>	<u>LABOR ESCALATION</u>	<u>GENERAL ESCALATION</u>	<u>TWELVE MONTHS ENDING 3/31/2011</u>	<u>LINE NO.</u>
		PRODUCTION EXPENSE							
1	40	OPERATION	\$ 3,626,260	\$ (214)	\$ (756,768)	\$ 1,411	\$ 297	\$ 2,870,986	1
2	50	MAINTENANCE	35,734	-	2,273	651	559	39,217	2
		TRANSMISSION EXPENSE							
3	43	OPERATION	87,736	7	3,854	2,972	1,137	95,706	3
4	53	MAINTENANCE	89,036	-	5,324	2,505	1,535	98,399	4
		DISTRIBUTION EXPENSE							
5	44	OPERATION	225,731	4,095	3,054	7,551	4,062	244,493	5
6	54	MAINTENANCE	241,037	(10,940)	32,029	7,156	5,059	274,341	6
7	47	CUSTOMER ACCOUNTING	215,721	(742)	(263)	7,842	893	223,451	7
8	48	CUSTOMER SERVICE	31,634	(186)	12,381	558	710	45,097	8
9	49	ADMINISTRATIVE & GENERAL	567,300	24,623	450,928	5,825	4,082	1,052,758	9
10		TOTAL	\$ 5,120,188	\$ 16,643	\$ (247,188)	\$ 36,473	\$ 18,333	\$ 4,944,449	10

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC PROGRAM CHANGES AND NORMALIZATIONS BY PROGRAMS
(\$000s)

EXHIBIT ___ (AP-5)
SCHEDULE 6
PAGE 2 OF 5

	<u>Total</u>	<u>Electric</u>	<u>Allocations</u>
<u>Electric Operations</u>			
OH Conductor Clearance Program - MAC	\$ 169	\$ 169	
Rear Lot Pole Elimination - MAC	1,449	1,449	
5 Year OH Inspection Program	3,050	3,050	
5 Year UG Structure Inspection Program	(5,072)	(5,072)	
Mobile Stray Voltage Testing - Sarnoff Devices	5,358	5,358	
Danger Tree Removal	501	501	
Line Clearance	2,532	2,532	
Unit Substation Repairs and Inspection	449	449	
Trip Coil Monitor	410	410	
Electric Distribution Equipment Reconditioning and Repairs	397	397	
Energy Services Case Management	123	123	
Total Electric Operations per Exhibit ___ (IIP- 9)	9,366	9,366	
<u>System and Transmission Operations</u>			
Manhole Inspections	133	133	
Low/Medium Pressure	108	108	
Partial Discharge/Rainey Tunnel Inspections	64	64	
Vegetation Management	144	144	
Coating Refurbishment	1,338	1,338	
PFT Injection	(2,025)	(2,025)	
Manhole Refurbishment	64	64	
Furnace Brook Lake Dam Maintenance	1,975	1,975	
Tower Painting	47	47	
PFT Patrols	258	258	
Install Bird Discouragers	270	270	
Conductor Cart Training	75	75	
Live Line Method Procedures	175	175	
Training Specialist for TLM Programs	90	90	
Update Plan and Profile Drawings	46	46	
QBB - Pipe Inspection/Refurbishment Program	500	500	
Corrosion Repairs	99	99	
Manhole Clearing	97	97	
Tower Repairs - Lights and Other	127	127	
Conductor Repairs	262	262	
O&R and PJM Line Maintenance	430	430	
Antenna Installation	(350)	(350)	
EMS Projection Completion	900	900	
Communications Infrastructure	259	259	
Scheduling DO	34	34	
ECC Trainer and Compliance - 1 Human Resource	125	125	
Operations Analysis and System Support - 8 Human Resources	650	650	
Planning Studies	100	100	
State Transmission Assessment & Reliability Study	100	100	
Transmission Planning - 3 Human Resources	300	300	
NERC Compliance & Standards Implementation - 2 Human Resources	200	200	
Transmission Reliability Group Fees	47	47	
NYISO Functions - 1 Human Resource	100	100	
Total System and Transmission Operations per Exhibit ___ (IIP- 9)	6,742	6,742	
<u>Substation Operations</u>			
Staffing of New Facilities - Incl. 10 Human Resources	2,128	2,128	
Total Substation Operations per Exhibit ___ (IIP- 9)	2,128	2,128	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC PROGRAM CHANGES AND NORMALIZATIONS BY PROGRAMS
(\$000s)

EXHIBIT ___ (AP-5)
SCHEDULE 6
PAGE 3 OF 5

	<u>Total</u>	<u>Electric</u>	
<u>Energy Efficiency</u>			
DSM Support - Incl. 10 Human Resources	818	818	
Total Energy Efficiency	818	818	
<u>Energy Management</u>			
NYISO Transmission Owner Data Reporting System - 1 Human Resource	90	90	
NYISO Weekly Billing - 3 Human Resources	270	197	((\$270*78.7% less 7.1%)
Total Energy Management per Exhibit ___ (SSP-16)	360	287	
<u>Customer Operations (common)</u>			
AMR Saturation/Strategic	180	147	(at 82%)
Call Center Improvements	335	275	(at 82%)
Mandatory Hourly Pricing - Incl. 3 Human Resources	1,162	952	(at 82%)
Meter Data Management System - 1 Human Resource	394 *	323	(at 82%)
Cycle Meter Reading Hand Held System	(220)	(180)	(at 82%)
Bill Design Project	917	752	(at 82%)
Off System Billing - Incl. 2 Human Resources	367	301	(at 82%)
CSS Life Extension - 4 Human Resources	400	328	(at 82%)
AMR Savings - Average of 20 Human Resources	(1,202) *	(986)	(at 82%)
Water Meter Reading - Labor Savings	(97) *	(80)	(at 82%)
Presort Postal Discount	220	180	(at 82%)
Power Your Way - Electric - Normalization	(186) *	(186)	
Total Customer Operations	2,270	1,826	
<u>Electric Production</u>			
Water Usage	336	336	
Scheduled Overhauls	2,270	2,270	
Scheduled Overhauls	(230) *	(230)	
Total Electric Production per Exhibit ___ (EPP- 2)	2,376	2,376	
<u>Environment, Health & Safety</u>			
Human Resources - 4	428	257)
Arboreal Services	100	60) See back up
Climate Registry - Normalization	55 *	33) papers
Total Environment, Health & Safety	583	350	
<u>Municipal Infrastructure</u>			
Interference	12,722	12,722	
Interference - Lower Manhattan (WTC)	12,607	12,607	
Total Interference per Exhibits ___ (MISP- 1 and 3)	25,329	25,329	
<u>Emergency Management (common)</u>			
Audit Report Implementation Plan - Incl. 7 Human Resources	1,320	1,054	((\$700*78.7% plus \$620*81.14%)
Total Emergency Management per Exhibit ___ (SSP- 3 and 4)	1,320	1,054	
<u>Security (common)</u>			
Geo-Spatial Camera Maintenance	120	97	(\$120*81.14%)
Human Resources - 2	156	123	(\$156*78.7%)
SOC Equipment - Maintenance Agreement	137	111	(\$137*81.14%)
Total Security per Exhibit ___ (MMC - 1 through 4)	413	331	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC PROGRAM CHANGES AND NORMALIZATIONS BY PROGRAMS
(\$000s)

EXHIBIT ____ (AP-5)
SCHEDULE 6
PAGE 4 OF 5

	<u>Total</u>	<u>Electric</u>	
<u>Research & Development</u>			
Base Program	3,146	3,146	
Capitalization Credit (1.6% of Budget)	(337)	(337)	
Total Research & Development per Exhibit ____ (AK- 1)	<u>2,809</u>	<u>2,809</u>	
<u>Central Engineering</u>			
Transmission Feeder Studies, Other Inspections, Testing and Analysis	<u>2,686</u>	<u>2,686</u>	*
<u>Construction Services</u>			
Contractor Oversight, Safety/Inspection & Support Services	<u>(497)</u>	<u>(519)</u>	
<u>Facilities Management</u>			
Betterment Programs - Regions	5,630	4,568	(at 81.14%)
Betterment Programs - Irving Place - Incl. 2 HR	10,294	8,348	(\$202*78.7% plus \$10,092*81.14%)
Properties for Future Substation Use	87	87	
Total Facilities Management per Exhibits ____ (SSP- 12 through 14)	<u>16,011</u>	<u>13,003</u>	
<u>Information Resources (common)</u>			
Computer Costs	2,000	1,055	(\$2,000*65%*81.14%)
Mainframe Operating and Maintenance Cost	980	795	(\$980*81.14%)
SCADA - 3 Human Resources	330	330	
Total Information Resources per Exhibit ____ (SSP- 8)	<u>3,310</u>	<u>2,180</u>	
<u>Human Resources (common)</u>			
Career Path Training - Incl. 3 Human Resources	722	577	(\$341*81.14% plus \$381*78.7%)
Workforce Strategy - 1 Human Resources	85	67	(at 78.7%)
Strike Contingency Planning	(926)	(751)	(-\$34*78.7% plus -\$892* 81.14%)
Total Human Resources per Exhibit ____ (SSP- 9)	<u>(119)</u>	<u>(107)</u>	
<u>Public Affairs (common)</u>			
Energy Education/Emergency Preparedness	7,500	6,100	(at 81.14%)
Total Public Affairs per Exhibit ____ (PCIP-1)	<u>7,500</u>	<u>6,100</u>	
<u>Energy Policy and Regulatory Affairs</u>			
Human Resources and Expenses - 2 HR	<u>168</u>	<u>123</u>	(\$158*78.7% plus \$9*81.14 less 7.1%)
<u>Auditing</u>			
Human Resources and Expenses - 9 HR	<u>1,147</u>	<u>814</u>	(\$1,050*78.7% + \$97*81.14 - 7.1%-3%)
<u>Finance</u>			
Rate Engineering -Load Diversity	94	94	
Rate Engineering - Mandatory Hourly Pricing Load Research	38	38	
Rate Engineering - 4 Human Resources (common and O&R)	295	216	(\$295*78.7% less 7.1%)
Corporate Accounting - 8 Human Resources (common and O&R)	630	461	(\$630*78.7% less 7.1%)
Treasury - 2 Human Resources (common and O&R)	130	95	(\$130*78.7% less 7.1%)
Strategic Planning - 5 Human Resources (common and O&R)	680	497	(\$680*78.7% less 7.1%)
Total Finance	<u>1,867</u>	<u>1,401</u>	
<u>Law (common and O&R)</u>			
Human Resources - 15 Human Resources	<u>1,635</u>	<u>1,195</u>	(\$1,635*78.7% less 7.1%)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC PROGRAM CHANGES AND NORMALIZATIONS BY PROGRAMS
(\$000s)

EXHIBIT ____ (AP-5)
SCHEDULE 6
PAGE 5 OF 5

	<u>Total</u>	<u>Electric</u>
Program Changes Above	86,802	78,731
Normalizations Above*	<u>1,420</u>	<u>1,561</u>
Total Above Changes	88,222	80,292
Program Changes from Above		\$ 78,731
Plus Other Program Changes:		
Fuel and Purchased Power		(753,275)
A&S Transfer Credit		3,490
Austerity Adjustment		(30,000)
Uncollectibles		(5,193)
Postage		1,356
Collection Agency Fees		791
Disposal of Obsolete Materials & Supplies		77
Duplicate Miscellaneous Charges		(709)
Injuries & Damages		(9,303)
Insurance		5,355
Employee Welfare Expenses		12,861
Employee Pensions / OPEBS		191,991
Electricity & Gas Used		151
Financial Services		3,721
Regulatory Commission Expense		190,089
Rents - ERRP		(4,212)
Rents - Interdepartmental		1,048
System Benefits Charge		61,221
Retail Portfolio Standard		18,812
DSM		(14,385)
Consultants - PricewaterhouseCoopers		197
Subtotal		<u>(325,917)</u>
Total Program Changes per Exhibit ____ (AP-5), Schedule 8		<u>\$ (247,186)</u>
Normalizations from Above*		\$ 1,561
Plus Other Normalizations:		
Reserve for Contingencies - LIC		(16,271)
Transfer of Expenses from Capital to O&M		(2,464)
Out of Period Gas Import Tax Entry		1,000
Disposal of Obsolete Materials and Supplies		(3,600)
Employee Welfare Expense		9,186
Other Compensation - Officers		(4,730)
Executive Incentive Plan		(3,539)
Consultants		(2,048)
Rate Case Accounting - Pension/OPEBS		53,186
Regulatory Commission Expenses		(839)
RCA-MGP/Superfund		(11,322)
Steam Incident		(4,876)
Storm Reserve		1,400
Subtotal		<u>15,083</u>
Total Normalizations per Exhibit ____ (AP-5), Schedule 7		<u>\$ 16,644</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC NORMALIZING ADJUSTMENTS BY ELEMENT OF EXPENSE IN THE RATE YEAR
 (Thousands of Dollars)

LINE NO.	MAJOR ACCOUNT GROUP	OTHER COMPENSATION	COMPANY LABOR	CONSULTANTS	LINE NO.
1	40 PRODUCTION OPERATION				1
2	EH&S Climate Registry				2
3	Scheduled Overhauls				3
	SUB-TOTAL	-	-	-	
4	50 PRODUCTION MAINTENANCE				4
	SUB-TOTAL	-	-	-	
5	43 TRANSMISSION OPERATION				5
6	EH&S Climate Registry				6
	SUB-TOTAL	-	-	-	
7	53 TRANSMISSION MAINTENANCE				7
	SUB-TOTAL	-	-	-	
8	44 DISTRIBUTION OPERATION				8
9	EH&S Climate Registry				9
10	Central Engineering				10
11	Storm Reserve				11
	SUB-TOTAL	-	-	-	
12	54 DISTRIBUTION MAINTENANCE				12
13	Steam Incident				13
14	Disposal of Obsolete M&S				14
15	Capital to expense transfer				15
	SUB-TOTAL	-	-	-	
16	47 CUSTOMER ACCOUNTS				16
17	EH&S Climate Registry				17
18	Customer Operations		163		18
19	AMR Savings				19
	SUB-TOTAL	-	163	-	
20	48 CUSTOMER SERVICE				20
21	Power Your Way				21
	SUB-TOTAL	-	-	-	
22	49 ADMINISTRATIVE & GENERAL				22
23	Reserve for Contingencies				23
24	SRIP / DIP				24
25	Regulatory Commission Expense			(2,048)	25
26	Finance Transformation Program				26
27	Eliminate out of period entry				27
28	Incentive Plan				28
29	RCA - MGP/Superfund				29
30	RCA - Employee Pensions				30
31	Other Compensation - Officers	(4,730)			31
	SUB-TOTAL	(4,730)	-	(2,048)	
32	TOTAL	\$ (4,730)	\$ 163	\$ (2,048)	32
33	SUMMARY				33
34	40 PRODUCTION OPERATION	\$ -	\$ -	\$ -	34
35	50 PRODUCTION MAINTENANCE	-	-	-	35
36	43 TRANSMISSION OPERATION	-	-	-	36
37	53 TRANSMISSION MAINTENANCE	-	-	-	37
38	44 DISTRIBUTION OPERATION	-	-	-	38
39	54 DISTRIBUTION MAINTENANCE	-	-	-	39
40	47 CUSTOMER ACCOUNTS	-	163	-	40
41	48 CUSTOMER SERVICE	-	-	-	41
	49 ADMINISTRATIVE & GENERAL	(4,730)	-	(2,048)	
42	TOTAL	\$ (4,730)	\$ 163	\$ (2,048)	42

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC NORMALIZING ADJUSTMENTS BY ELEMENT OF EXPENSE IN THE RATE YEAR
(Thousands of Dollars)

LINE NO.	MAJOR ACCOUNT GROUP	AMR SAVINGS	DISPOSAL OF OBSOLETE M&S	EMPLOYEE WELFARE EXPENSE	ENVIRONMENTAL AFFAIRS	EXECUTIVE INCENTIVE PLAN	INFORMATION RESOURCES	LINE NO.
40	<u>PRODUCTION OPERATION</u>							
1	EH&S Climate Registry				16			1
2	Scheduled Overhauls							2
3	SUB-TOTAL	-	-	-	16	-	-	3
50	<u>PRODUCTION MAINTENANCE</u>							
4	SUB-TOTAL	-	-	-	-	-	-	4
43	<u>TRANSMISSION OPERATION</u>							
5	EH&S Climate Registry				7			5
6	SUB-TOTAL	-	-	-	7	-	-	6
53	<u>TRANSMISSION MAINTENANCE</u>							
7	SUB-TOTAL	-	-	-	-	-	-	7
44	<u>DISTRIBUTION OPERATION</u>							
8	EH&S Climate Registry				9			8
9	Central Engineering							9
10	Storm Reserve							10
11	SUB-TOTAL	-	-	-	9	-	-	11
54	<u>DISTRIBUTION MAINTENANCE</u>							
12	Steam Incident							12
13	Disposal of Obsolete M&S		(3,600)					13
14	Capital to expense transfer							14
15	SUB-TOTAL	-	(3,600)	-	-	-	-	15
47	<u>CUSTOMER ACCOUNTS</u>							
16	EH&S Climate Registry				1			16
17	Customer Operations						80	17
18	AMR Savings	(986)						18
19	SUB-TOTAL	(986)	-	-	1	-	80	19
48	<u>CUSTOMER SERVICE</u>							
20	Power Your Way							20
21	SUB-TOTAL	-	-	-	-	-	-	21
49	<u>ADMINISTRATIVE & GENERAL</u>							
22	Reserve for Contingencies							22
23	SRIP / DIP			9,186				23
24	Regulatory Commission Expense							24
25	Finance Transformation Program							25
26	Eliminate out of period entry							26
27	Incentive Plan					(3,539)		27
28	RCA - MGP/Superfund							28
29	RCA - Employee Pensions							29
30	Other Compensation - Officers							30
31	SUB-TOTAL	-	-	9,186	-	(3,539)	-	31
32	TOTAL	\$ (986)	\$ (3,600)	\$ 9,186	\$ 33	\$ (3,539)	\$ 80	32
40	<u>SUMMARY</u>							
33	PRODUCTION OPERATION	\$ -	\$ -	\$ -	\$ 16	\$ -	\$ -	33
34	PRODUCTION MAINTENANCE	-	-	-	-	-	-	34
35	TRANSMISSION OPERATION	-	-	-	7	-	-	35
36	TRANSMISSION MAINTENANCE	-	-	-	-	-	-	36
37	DISTRIBUTION OPERATION	-	-	-	9	-	-	37
38	DISTRIBUTION MAINTENANCE	-	(3,600)	-	-	-	-	38
39	CUSTOMER ACCOUNTS	(986)	-	-	1	-	80	39
40	CUSTOMER SERVICE	-	-	-	-	-	-	40
41	ADMINISTRATIVE & GENERAL	-	-	9,186	-	(3,539)	-	41
42	TOTAL	\$ (986)	\$ (3,600)	\$ 9,186	\$ 33	\$ (3,539)	\$ 80	42

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC NORMALIZING ADJUSTMENTS BY ELEMENT OF EXPENSE IN THE RATE YEAR
(Thousands of Dollars)

LINE NO.	MAJOR ACCOUNT GROUP	RESERVE FOR CONTINGENCIES	RCA MGP SUPERFUND	POWER YOUR WAY	RCA PENSIONS	LINE NO.
40	<u>PRODUCTION OPERATION</u>					
1	EH&S Climate Registry					1
2	Scheduled Overhauls					2
3	SUB-TOTAL	-	-	-	-	3
50	<u>PRODUCTION MAINTENANCE</u>					
4	SUB-TOTAL	-	-	-	-	4
43	<u>TRANSMISSION OPERATION</u>					
5	EH&S Climate Registry					5
6	SUB-TOTAL	-	-	-	-	6
53	<u>TRANSMISSION MAINTENANCE</u>					
7	SUB-TOTAL	-	-	-	-	7
44	<u>DISTRIBUTION OPERATION</u>					
8	EH&S Climate Registry					8
9	Central Engineering					9
10	Storm Reserve					10
11	SUB-TOTAL	-	-	-	-	11
54	<u>DISTRIBUTION MAINTENANCE</u>					
12	Steam Incident					12
13	Disposal of Obsolete M&S					13
14	Capital to expense transfer					14
15	SUB-TOTAL	-	-	-	-	15
47	<u>CUSTOMER ACCOUNTS</u>					
16	EH&S Climate Registry					16
17	Customer Operations					17
18	AMR Savings					18
19	SUB-TOTAL	-	-	-	-	19
48	<u>CUSTOMER SERVICE</u>					
20	Power Your Way			(186)		20
21	SUB-TOTAL	-	-	(186)	-	21
49	<u>ADMINISTRATIVE & GENERAL</u>					
22	Reserve for Contingencies	(16,271)				22
23	SRIP / DIP					23
24	Regulatory Commission Expense					24
25	Finance Transformation Program					25
26	Eliminate out of period entry					26
27	Incentive Plan					27
28	RCA - MGP/Superfund		(11,322)			28
29	RCA - Employee Pensions				53,186	29
30	Other Compensation - Officers					30
31	SUB-TOTAL	(16,271)	(11,322)	-	53,186	31
32	TOTAL	\$ (16,271)	\$ (11,322)	\$ (186)	\$ 53,186	32
	<u>SUMMARY</u>					
33	40 PRODUCTION OPERATION	\$ -	\$ -	\$ -	\$ -	33
34	50 PRODUCTION MAINTENANCE	-	-	-	-	34
35	43 TRANSMISSION OPERATION	-	-	-	-	35
36	53 TRANSMISSION MAINTENANCE	-	-	-	-	36
37	44 DISTRIBUTION OPERATION	-	-	-	-	37
38	54 DISTRIBUTION MAINTENANCE	-	-	-	-	38
39	47 CUSTOMER ACCOUNTS	-	-	-	-	39
40	48 CUSTOMER SERVICE	-	-	(186)	-	40
41	49 ADMINISTRATIVE & GENERAL	(16,271)	(11,322)	-	53,186	41
42	TOTAL	\$ (16,271)	\$ (11,322)	\$ (186)	\$ 53,186	42

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC NORMALIZING ADJUSTMENTS BY ELEMENT OF EXPENSE IN THE RATE YEAR
(Thousands of Dollars)

LINE NO.	MAJOR ACCOUNT GROUP	REGULATORY COMMISSION EXPENSE	SCHEDULED OVERHAULS	STEAM INCIDENT	STORM COSTS	OTHER	TOTAL	LINE NO.
40	<u>PRODUCTION OPERATION</u>						\$ 16	1
1	EH&S Climate Registry							
2	Scheduled Overhauls		(230)				(230)	2
3	SUB-TOTAL	-	(230)	-	-	-	(214)	3
50	<u>PRODUCTION MAINTENANCE</u>						-	4
4	SUB-TOTAL	-	-	-	-	-	-	
43	<u>TRANSMISSION OPERATION</u>						7	5
5	EH&S Climate Registry							
6	SUB-TOTAL	-	-	-	-	-	7	6
53	<u>TRANSMISSION MAINTENANCE</u>						-	7
7	SUB-TOTAL	-	-	-	-	-	-	
44	<u>DISTRIBUTION OPERATION</u>						9	8
8	EH&S Climate Registry							
9	Central Engineering					2,686	2,686	9
10	Storm Reserve				1,400		1,400	10
11	SUB-TOTAL	-	-	-	1,400	2,686	4,095	11
54	<u>DISTRIBUTION MAINTENANCE</u>						(4,876)	12
12	Steam Incident			(4,876)			(4,876)	
13	Disposal of Obsolete M&S						(3,600)	13
14	Capital to expense transfer					(2,464)	(2,464)	14
15	SUB-TOTAL	-	-	(4,876)	-	(2,464)	(10,940)	15
47	<u>CUSTOMER ACCOUNTS</u>						1	16
16	EH&S Climate Registry							
17	Customer Operations						243	17
18	AMR Savings						(986)	18
19	SUB-TOTAL	-	-	-	-	-	(742)	19
48	<u>CUSTOMER SERVICE</u>						(186)	20
20	Power Your Way							
21	SUB-TOTAL	-	-	-	-	-	(186)	21
49	<u>ADMINISTRATIVE & GENERAL</u>						(16,271)	22
22	Reserve for Contingencies							
23	SRIP / DIP						9,186	23
24	Regulatory Commission Expense	(839)					(839)	24
25	Finance Transformation Program						(2,048)	25
26	Eliminate out of period entry					1,000	1,000	26
27	Incentive Plan						(3,539)	27
28	RCA - MGP/Superfund						(11,322)	28
29	RCA - Employee Pensions						53,186	29
30	Other Compensation - Officers						(4,730)	30
31	SUB-TOTAL	(839)	-	-	-	1,000	24,623	31
32	TOTAL	\$ (839)	\$ (230)	\$ (4,876)	\$ 1,400	\$ 1,222	\$ 16,643	32
40	<u>SUMMARY</u>						(214)	33
33	40 PRODUCTION OPERATION	\$ -	\$ (230)	\$ -	\$ -	\$ -	(214)	33
34	50 PRODUCTION MAINTENANCE	-	-	-	-	-	-	34
35	43 TRANSMISSION OPERATION	-	-	-	-	-	7	35
36	53 TRANSMISSION MAINTENANCE	-	-	-	-	-	-	36
37	44 DISTRIBUTION OPERATION	-	-	-	1,400	2,686	4,095	37
38	54 DISTRIBUTION MAINTENANCE	-	-	(4,876)	-	(2,464)	(10,940)	38
39	47 CUSTOMER ACCOUNTS	-	-	-	-	-	(742)	39
40	48 CUSTOMER SERVICE	-	-	-	-	-	(186)	40
41	49 ADMINISTRATIVE & GENERAL	(839)	-	-	-	1,000	24,623	41
42	TOTAL	\$ (839)	\$ (230)	\$ (4,876)	\$ 1,400	\$ 1,222	\$ 16,643	42

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC PROGRAM CHANGES BY ELEMENT OF EXPENSE IN THE RATE YEAR
(Thousands of Dollars)

LINE NO.	MAJOR ACCOUNT GROUP	FUEL	AUSTERITY ADJUSTMENT	ADMIN EXPENSES TRANS. - CR	ELECTRIC OPERATIONS	SYSTEM & TRANS. OPERATIONS	SUBSTATION OPERATIONS	BUILDING SERVICE	COLLECTION AGENCY FEES	COMMUNICATIONS TELEPHONE	COMPANY LABOR	COMPANY LABOR ELEC OPS, SSO, STO	CONSULTANTS	CONTRACT LABOR	LINE NO.
40	PRODUCTION OPERATION														
1	Fuel	(753,275)													1
2	Steam Operations														2
3	Rents - ETRP														3
4	Energy Management										197				4
5	Electric Operations				123										5
6	EH&S Labor										34				6
7	EH&S - Contract Arboreal Services												29		7
8	SUB-TOTAL	(753,275)			123						231		29		8
9	PRODUCTION MAINTENANCE														9
10	Steam Operations														10
11	Disposal of Obsolete M&S														11
12	43 TRANSMISSION OPERATION														12
13	System & Transmission Operations					639						1,375			13
14	Energy Management										90				14
15	EH&S Labor										19				15
16	EH&S - Contract Arboreal Services												13		16
17	Interdepartmental Rents											532			17
18	Substation Operations						138								18
19	SUB-TOTAL					639	138				109	1,907	13		19
20	53 TRANSMISSION MAINTENANCE														20
21	System & Transmission Operations					5,073						(346)			21
22	EH&S Labor										42				22
23	Substation Operations						114								23
24	SUB-TOTAL					5,073	114				42	95			24
25	44 DISTRIBUTION OPERATION														25
26	Electric Operations				(310)							2,916			26
27	Construction											412			27
28	Substation Operations						107								28
29	EH&S Labor										135				29
30	EH&S - Contract Arboreal Services												16		30
31	SUB-TOTAL				(310)		107				135	3,328	16		31
32	54 DISTRIBUTION MAINTENANCE														32
33	Electric Operations				5,282							1,375			33
34	Construction														34
35	Interference														35
36	Disposal of Obsolete M&S														36
37	Interference - Lower Manhattan (WTC)						79					304			37
38	Substation Operations											1,679			38
39	SUB-TOTAL				5,282		79					1,679			39
40	47 CUSTOMER ACCOUNTS														40
41	Uncollectibles								791						41
42	Collection Agency Fees									497	415				42
43	Customer Operations										27				43
44	EH&S Labor												2		44
45	EH&S - Contract Arboreal Services														45
46	Postage														46
47	SUB-TOTAL								791	497	442		2		47
48	48 CUSTOMER SERVICE														48
49	DSM														49
50	Informational Advertising										268				50
51	Energy Efficiency										268				51
52	SUB-TOTAL										268				52
53	49 ADMINISTRATIVE & GENERAL														53
54	Injuries & Damages														54
55	Insurance														55
56	Employee Welfare Expenses														56
57	Fringe Benefits - New Employees														57
58	Financial Services														58
59	Employee Pensions / OPEBS														59
60	Electricity & Gas Used														60
61	Renewable Portfolio Standard														61
62	Regulatory Commission Expense												197		62
63	PricewaterhouseCoopers														63
64	DSM														64
65	Austerity Adjustment		(30,000)												65
66	Duplicate Misc. Charges										123				66
67	Corporate Security														67
68	System Benefits Charge														68
69	Facilities Programs							12,448			172				69
70	Human Resources									(4)	340		(117)		70
71	Construction														71
72	Information Resources Programs										330				72
73	Audit Report Implementation Plan (Emergency Mgmt)										551				73
74	Research and Development														74
75	Finance/Energy Policy & Reg Affairs/Auditing									133	2,128				75
76	Law										1,195				76
77	A&S Transfer Credit			3,490										80	77
78	SUB-TOTAL		(30,000)	3,490				12,448			129	4,839		80	78
79	TOTAL	\$ (753,275)	\$ (30,000)	\$ 3,490	\$ 5,075	\$ 5,712	\$ 438	\$ 12,448	\$ 791	\$ 626	\$ 6,066	\$ 7,009	\$ 140	\$ 92	79
80	SUMMARY														80
81	40 PRODUCTION OPERATION	\$ (753,275)	\$ -	\$ -	\$ 123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231	\$ -	\$ 29	\$ -	81
82	50 PRODUCTION MAINTENANCE	-	-	-	-	-	-	-	-	-	-	1,907	13	-	82
83	43 TRANSMISSION OPERATION	-	-	-	-	639	138	-	-	-	109	1,907	13	-	83
84	53 TRANSMISSION MAINTENANCE	-	-	-	-	5,073	114	-	-	-	42	95	-	-	84
85	44 DISTRIBUTION OPERATION	-	-	-	(310)	-	107	-	-	-	135	3,328	16	-	85
86	54 DISTRIBUTION MAINTENANCE	-	-	-	5,282	-	79	-	-	-	-	1,679	-	-	86
87	47 CUSTOMER ACCOUNTS	-	-	-	-	-	-	-	791	497	442	-	2	-	87
88	48 CUSTOMER SERVICE	-	-	-	-	-	-	-	-	-	268	-	-	-	88
89	49 ADMINISTRATIVE & GENERAL	-	(30,000)	3,490	-	-	-	12,448	-	-	129	4,839	-	80	89
90	TOTAL	\$ (753,275)	\$ (30,000)	\$ 3,490	\$ 5,075	\$ 5,712	\$ 438	\$ 12,448	\$ 791	\$ 626	\$ 6,066	\$ 7,009	\$ 140	\$ 92	90

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC PROGRAM CHANGES BY ELEMENT OF EXPENSE IN THE RATE YEAR
(Thousands of Dollars)

LINE NO.	MAJOR ACCOUNT GROUP	DISPOSAL OF OBSOLETE M&S	DUPLICATE MISC. CHARGES DSM	EDP EQUIPMENT RENTALS & MTCE.	ELECTRICITY & GAS USED	EMPLOYEE PENSIONS	EMPLOYEE WELFARE EXPENSE	ENVIRONMENTAL EXPENSES	FINANCIAL SERVICES	INFORMATION RESOURCES	INFORMATIONAL ADVERTISING	LINE NO.	
40	PRODUCTION OPERATION											1	
1	Fuel											2	
2	Steam Operations											3	
3	Rents - ERRP											4	
4	Energy Management											5	
5	Electric Operations											6	
6	EH&S Labor											7	
7	EH&S - Contract Arboreal Services											8	
8	SUB-TOTAL											9	
50	PRODUCTION MAINTENANCE											10	
9	Steam Operations											11	
10	Disposal of Obsolete M&S	3										12	
11	SUB-TOTAL	3										13	
43	TRANSMISSION OPERATION											14	
12	System & Transmission Operations											15	
13	Energy Management											16	
14	EH&S Labor											17	
15	EH&S - Contract Arboreal Services											18	
16	Interdepartmental Rents											19	
17	Substation Operations											20	
18	SUB-TOTAL											21	
53	TRANSMISSION MAINTENANCE											22	
19	System & Transmission Operations											23	
20	EH&S Labor											24	
21	Substation Operations											25	
22	SUB-TOTAL											26	
44	DISTRIBUTION OPERATION											27	
23	Electric Operations											28	
24	Construction											29	
25	Substation Operations											30	
26	EH&S Labor											31	
27	EH&S - Contract Arboreal Services											32	
28	SUB-TOTAL											33	
54	DISTRIBUTION MAINTENANCE											34	
29	Electric Operations											35	
30	Construction											36	
31	Interference											37	
32	Disposal of Obsolete M&S	74										38	
33	Interference - Lower Manhattan (WTC)											39	
34	Substation Operations											40	
35	SUB-TOTAL	74										41	
47	CUSTOMER ACCOUNTS											42	
36	Uncollectibles											43	
37	Collection Agency Fees									206		44	
38	Customer Operations											45	
39	EH&S Labor											46	
40	EH&S - Contract Arboreal Services											47	
41	Postage									206		48	
42	SUB-TOTAL											49	
48	CUSTOMER SERVICE											50	
43	DSM		5,463									51	
44	Informational Advertising										6,100	52	
45	Energy Efficiency											53	
46	SUB-TOTAL		5,463								6,100	54	
49	ADMINISTRATIVE & GENERAL											55	
47	Injuries & Damages											56	
48	Insurance											57	
49	Employee Welfare Expenses						11,229					58	
50	Fringe Benefits - New Employees					540	1,092					59	
51	Financial Services								3,721			60	
52	Employee Pensions / OPEBS					191,991						61	
53	Electricity & Gas Used				151							62	
54	Renewable Portfolio Standard											63	
55	Regulatory Commission Expense											64	
56	PricewaterhouseCoopers											65	
57	DSM		(19,848)									66	
58	Austerity Adjustment											67	
59	Duplicate Misc. Charges			(709)								68	
60	Corporate Security											69	
61	System Benefits Charge											70	
62	Facilities Programs							(34)				71	
63	Human Resources				(27)							72	
64	Construction									1,850		73	
65	Information Resources Programs											74	
66	Audit Report Implementation Plan (EM)											75	
67	Research and Development									72		76	
68	Finance/Energy Policy & Reg Affairs/Auditing											77	
69	Law											78	
70	A&S Transfer Credit											79	
71	SUB-TOTAL		(19,848)	(709)	(27)	151	192,531	12,321	(34)	3,721	1,922	80	
72	TOTAL	\$ 77	\$ (14,385)	\$ (709)	\$ (27)	\$ 151	\$ 192,531	\$ 12,321	\$ (34)	\$ 3,721	\$ 2,128	\$ 6,100	81
73	SUMMARY											82	
74	40 PRODUCTION OPERATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	83	
75	50 PRODUCTION MAINTENANCE	3										84	
76	43 TRANSMISSION OPERATION											85	
77	53 TRANSMISSION MAINTENANCE											86	
78	44 DISTRIBUTION OPERATION											87	
79	54 DISTRIBUTION MAINTENANCE	74									206	88	
80	47 CUSTOMER ACCOUNTS											89	
81	48 CUSTOMER SERVICE		5,463	(709)	(27)	151	192,531	12,321	(34)	3,721	1,922	90	
82	49 ADMINISTRATIVE & GENERAL		(19,848)									91	
82	TOTAL	\$ 77	\$ (14,385)	\$ (709)	\$ (27)	\$ 151	\$ 192,531	\$ 12,321	\$ (34)	\$ 3,721	\$ 2,128	\$ 6,100	92

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 SUMMARY OF ELECTRIC PROGRAM CHANGES BY ELEMENT OF EXPENSE IN THE RATE YEAR
 (Thousands of Dollars)

LINE NO.	MAJOR ACCOUNT GROUP	INJURIES & DAMAGES RESERVE	INSURANCE PREMIUMS	INTERFERENCE	MATERIALS & SUPPLIES	POSTAGE	LINE NO.
40	<u>PRODUCTION OPERATION</u>						
1	Fuel						1
2	Steam Operations						2
3	Rents - ERRP						3
4	Energy Management						4
5	Electric Operations						5
6	EH&S Labor						6
7	EH&S - Contract Arboreal Services						7
8	SUB-TOTAL	-	-	-	-	-	8
50	<u>PRODUCTION MAINTENANCE</u>						
9	Steam Operations						9
10	Disposal of Obsolete M&S						10
11	SUB-TOTAL	-	-	-	-	-	11
43	<u>TRANSMISSION OPERATION</u>						
12	System & Transmission Operations						12
13	Energy Management						13
14	EH&S Labor						14
15	EH&S - Contract Arboreal Services						15
16	Interdepartmental Rents						16
17	Substation Operations						17
18	SUB-TOTAL	-	-	-	-	-	18
53	<u>TRANSMISSION MAINTENANCE</u>						
19	System & Transmission Operations						19
20	EH&S Labor						20
21	Substation Operations						21
22	SUB-TOTAL	-	-	-	-	-	22
44	<u>DISTRIBUTION OPERATION</u>						
23	Electric Operations						23
24	Construction						24
25	Substation Operations						25
26	EH&S Labor						26
27	EH&S - Contract Arboreal Services						27
28	SUB-TOTAL	-	-	-	-	-	28
54	<u>DISTRIBUTION MAINTENANCE</u>						
29	Electric Operations						29
30	Construction						30
31	Interference			12,722			31
32	Disposal of Obsolete M&S						32
33	Interference - Lower Manhattan (WTC)			12,607			33
34	Substation Operations						34
35	SUB-TOTAL	-	-	25,329	-	-	35
47	<u>CUSTOMER ACCOUNTS</u>						
36	Uncollectibles						36
37	Collection Agency Fees						37
38	Customer Operations				702		38
39	EH&S Labor						39
40	EH&S - Contract Arboreal Services						40
41	Postage					1,356	41
42	SUB-TOTAL	-	-	-	702	1,356	42
48	<u>CUSTOMER SERVICE</u>						
43	DSM						43
44	Informational Advertising						44
45	Energy Efficiency						45
46	SUB-TOTAL	-	-	-	-	-	46
49	<u>ADMINISTRATIVE & GENERAL</u>						
47	Injuries & Damages	(9,303)					47
48	Insurance		5,355				48
49	Employee Welfare Expenses						49
50	Fringe Benefits - New Employees						50
51	Financial Services						51
52	Employee Pensions / OPEBS						52
53	Electricity & Gas Used						53
54	Renewable Portfolio Standard						54
55	Regulatory Commission Expense						55
56	PricewaterhouseCoopers						56
57	DSM						57
58	Austerity Adjustment						58
59	Duplicate Misc. Charges						59
60	Corporate Security						60
61	System Benefits Charge						61
62	Facilities Programs						62
63	Human Resources				64		63
64	Construction						64
65	Information Resources Programs						65
66	Audit Report Implementation Plan (EM)				11		66
67	Research and Development						67
68	Finance/Energy Policy & Reg Affairs/Auditing						68
69	Law						69
70	A&S Transfer Credit						70
71	SUB-TOTAL	(9,303)	5,355	-	75	-	71
72	TOTAL	\$ (9,303)	\$ 5,355	\$ 25,329	\$ 777	\$ 1,356	72
<u>SUMMARY</u>							
73	40 PRODUCTION OPERATION	\$ -	\$ -	\$ -	\$ -	\$ -	73
74	50 PRODUCTION MAINTENANCE	-	-	-	-	-	74
75	43 TRANSMISSION OPERATION	-	-	-	-	-	75
76	53 TRANSMISSION MAINTENANCE	-	-	-	-	-	76
77	44 DISTRIBUTION OPERATION	-	-	-	-	-	77
78	54 DISTRIBUTION MAINTENANCE	-	-	25,329	-	-	78
79	47 CUSTOMER ACCOUNTS	-	-	-	702	1,356	79
80	48 CUSTOMER SERVICE	-	-	-	-	-	80
81	49 ADMINISTRATIVE & GENERAL	(9,303)	5,355	-	75	-	81
82	TOTAL	\$ (9,303)	\$ 5,355	\$ 25,329	\$ 777	\$ 1,356	82

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC PROGRAM CHANGES BY ELEMENT OF EXPENSE IN THE RATE YEAR
(Thousands of Dollars)

LINE NO.	MAJOR ACCOUNT GROUP	SYSTEM BENEFIT CHARGE	RENEW. PORTFOL STAND.	REG. COMM. EXP.	RENTS	RENTS (ERRP)	RENTS (INTERDEPT)	R & D	SCHEDULED OVERHAULS	SECURITY	UNCOLLECTIBLE	WATER	OTHER	TOTAL	LINE NO.	
40	PRODUCTION OPERATION															
1	Fuel													\$ (753,275)	1	
2	Steam Operations											336		336	2	
3	Rents - ERRP				(4,212)									(4,212)	3	
4	Energy Management													197	4	
5	Electric Operations													123	5	
6	EH&S Labor													34	6	
7	EH&S - Contract Arboreal Services													29	7	
8	SUB-TOTAL				(4,212)							336		(756,766)	8	
50	PRODUCTION MAINTENANCE															
9	Steam Operations								2,270					2,270	9	
10	Disposal of Obsolete M&S													3	10	
11	SUB-TOTAL								2,270					2,273	11	
43	TRANSMISSION OPERATION															
12	System & Transmission Operations													2,014	12	
13	Energy Management													90	13	
14	EH&S Labor													19	14	
15	EH&S - Contract Arboreal Services													13	15	
16	Interdepartmental Rents						1,048							1,048	16	
17	Substation Operations													670	17	
18	SUB-TOTAL						1,048							3,854	18	
53	TRANSMISSION MAINTENANCE															
19	System & Transmission Operations													4,727	19	
20	EH&S Labor													42	20	
21	Substation Operations													555	21	
22	SUB-TOTAL													5,324	22	
44	DISTRIBUTION OPERATION															
23	Electric Operations												(222)	2,606	23	
24	Construction													(222)	24	
25	Substation Operations													519	25	
26	EH&S Labor													135	26	
27	EH&S - Contract Arboreal Services													16	27	
28	SUB-TOTAL												(222)	3,054	28	
54	DISTRIBUTION MAINTENANCE															
29	Electric Operations												(394)	6,637	29	
30	Construction													(394)	30	
31	Interference													12,722	31	
32	Disposal of Obsolete M&S													74	32	
33	Interference - Lower Manhattan (WTC)													12,607	33	
34	Substation Operations													383	34	
35	SUB-TOTAL												(394)	32,029	35	
47	CUSTOMER ACCOUNTS															
36	Uncollectibles										(5,193)			(5,193)	36	
37	Collection Agency Fees													791	37	
38	Customer Operations											934		2,754	38	
39	EH&S Labor													27	39	
40	EH&S - Contract Arboreal Services													2	40	
41	Postage													1,356	41	
42	SUB-TOTAL										(5,193)		934	(263)	42	
48	CUSTOMER SERVICE															
43	DSM													5,463	43	
44	Informational Advertising													6,100	44	
45	Energy Efficiency												550	818	45	
46	SUB-TOTAL												550	12,381	46	
49	ADMINISTRATIVE & GENERAL															
47	Injuries & Damages													(9,303)	47	
48	Insurance													5,355	48	
49	Employee Welfare Expenses													11,229	49	
50	Fringe Benefits - New Employees													1,632	50	
51	Financial Services													3,721	51	
52	Employee Pensions / OPEBS													191,991	52	
53	Electricity & Gas Used													151	53	
54	Renewable Portfolio Standard		18,812											18,812	54	
55	Regulatory Commission Expense			190,089										190,089	55	
56	PricewaterhouseCoopers													197	56	
57	DSM													(19,848)	57	
58	Austerity Adjustment													(30,000)	58	
59	Duplicate Misc. Charges													(709)	59	
60	Corporate Security									208				331	60	
61	System Benefits Charge	61,221												61,221	61	
62	Facilities Programs				381									13,003	62	
63	Human Resources												(420)	(107)	63	
64	Construction													97	64	
65	Information Resources Programs													2,180	65	
66	Audit Report Implementation Plan (EM)													492	66	
67	Research and Development						2,809							2,809	67	
68	Finance/Energy Policy & Reg Affairs/Auditing												5	2,338	68	
69	Law													1,195	69	
70	A&S Transfer Credit													3,490	70	
71	SUB-TOTAL	61,221	18,812	190,089	381			2,809		208				174	450,928	71
72	TOTAL	\$ 61,221	\$ 18,812	\$ 190,089	\$ 381	\$ (4,212)	\$ 1,048	\$ 2,809	\$ 2,270	\$ 208	\$ (5,193)	\$ 336	\$ 1,042	\$ (247,188)	72	
40	PRODUCTION OPERATION															
73	Fuel					(4,212)								(756,768)	73	
74	Steam Operations								2,270			336		2,273	74	
75	Rents - ERRP				(4,212)									3,854	75	
76	Energy Management													5,324	76	
77	Electric Operations												(222)	3,054	77	
78	EH&S Labor													(394)	32,029	78
79	EH&S - Contract Arboreal Services													934	(263)	79
80	Postage										(5,193)			550	12,381	80
81	SUB-TOTAL	61,221	18,812	190,089	381			2,809		208				174	450,928	81
82	TOTAL	\$ 61,221	\$ 18,812	\$ 190,089	\$ 381	\$ (4,212)	\$ 1,048	\$ 2,809	\$ 2,270	\$ 208	\$ (5,193)	\$ 336	\$ 1,042	\$ (247,188)	82	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC COST ELEMENTS
SUBJECT TO GENERAL ESCALATION
(Thousands of Dollars)

LINE NO.		BASE	3.13% ESCALATION RATE	LINE NO.
1	Fuel & Purchased Power	\$ (NA)	\$ (NA)	1
2	Austerity Adjustment	(NA)	(NA)	2
3	Administrative Expenses Transferred - cr.	(11,019)	(345)	3
4	Electric Operation	121,420	3,802	4
5	Asbestos Removal and Abatement	37	1	5
6	Bank Collection Fees	132	4	6
7	System and Transmission Operations	37,971	1,189	7
8	Substation Operation	28,463	891	8
9	Boiler Cleaning	1,036	32	9
10	Building Service/Facilities	15,007	470	10
11	Central Engineering-Administrative	23	1	11
12	Central Engineering-Distribution	0	0	12
13	Collection Agency/Payment Agent Fees	(NA)	(NA)	13
14	Communications - Telephone	6,462	202	14
15	Other Compensation	2,357	74	15
16	Company Labor	(NA)	(NA)	16
17	Company Labor - Elect. Op., STO, SSO	(NA)	(NA)	17
18	Consultants	11,125	348	18
19	Contract Labor	1,959	61	19
20	Corrective Maintenance	4,711	148	20
21	AMR Savings	(NA)	(NA)	21
22	Disposal of Obsolete M&S	6,693	210	22
23	DSM	(NA)	(NA)	23
24	Duplicate Misc. Charges	(NA)	(NA)	24
25	EDP Equipment Rentals & Mtce.	4,170	131	25
26	Electricity & Gas Used	(NA)	(NA)	26
27	Employee Pensions / OPEBS	(NA)	(NA)	27
28	Employee Welfare Expense - Net	(NA)	(NA)	28
29	Environmental Expenses	4,929	154	29
30	ERRP - Major Maintenance	(NA)	(NA)	30
31	Executive Incentive Plan	(NA)	(NA)	31
32	Facilities Maintenance	1,605	50	32
33	Financial Services	(NA)	(NA)	33
34	Gas Turbines	2,835	89	34
35	Information Resources	34,302	1,074	35
36	Informational Advertising	14,835	465	36
37	Injuries & Damages Reserve	39,196	1,227	37
38	Instit. Dues & Subscriptions	1,806	57	38
39	Insurance Premiums	(NA)	(NA)	39
40	Interference	92,340	2,892	40
41	Reserve for Contingencies	(NA)	(NA)	41
42	Corporate and Fiscal Expenses	4,537	142	42
43	LIC Outage	0	0	43
44	Manhour Expense	971	30	44
45	Marshall's Fees	1,047	33	45
46	Materials & Supplies	3,600	113	46
47	RCA- MGP / Superfund	(NA)	(NA)	47
48	Outreach and Education	5,501	172	48
49	Other (Fossil)	1,896	59	49
50	Outside Legal Services	936	29	50
51	Paving	12	0	51
52	Plant Component Upgrade	227	7	52
53	Power Your Way	(NA)	(NA)	53
54	Postage	(NA)	(NA)	54
55	Preventive Maintenance	1,868	58	55
56	RCA - Pension	(NA)	(NA)	56
57	RCA-Amort. of Hudson-Farragut	(NA)	(NA)	57
58	Renewable Portfolio Standard	(NA)	(NA)	58
59	Real Estate Expense	3,685	115	59
60	Regulatory Commission Expense	33,124	714	60
61	Rents	54,576	1,709	61
62	Rents (ERRP)	(NA)	(NA)	62
63	Rents (Interdepartmental)	(NA)	(NA)	63
64	Research & Development	20,748	650	64
65	System Benefit Charge	(NA)	(NA)	65
66	Scheduled Overhauls	2,277	71	66
67	Security	1,821	57	67
68	Shared Services	(3,282)	(103)	68
69	Steam Incident	(NA)	(NA)	69
70	Storm Reserve - Electric Op	(NA)	(NA)	70
71	Green Power	0	0	71
72	Tree Trimming	0	0	72
73	Trenching	140	4	73
74	Uncollectible	(NA)	(NA)	74
75	Water	(NA)	(NA)	75
76	Water Chemicals	644	20	76
77	Other	39,158	1,226	77
	Total Operation & Maintenance Expenses	\$ 595,882	\$ 18,333	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC COST ELEMENTS
SUBJECT TO LABOR ESCALATION
(Thousands of Dollars)

LINE NO.		BASE	7.40% ESCALATION RATE	LINE NO.
1	Fuel & Purchased Power	\$ (NA)	\$ (NA)	1
2	Austerity Adjustment	(NA)	(NA)	2
3	Administrative Expenses Transferred - cr.	(14,570)	(1,078)	3
4	Electric Operation	(NA)	(NA)	4
5	Asbestos Removal and Abatement	(NA)	(NA)	5
6	Bank Collection Fees	(NA)	(NA)	6
7	System and Transmission Operations	(NA)	(NA)	7
8	Substation Operation	(NA)	(NA)	8
9	Boiler Cleaning	(NA)	(NA)	9
10	Building Service/Facilities	(NA)	(NA)	10
11	Central Engineering-Administrative	(NA)	(NA)	11
12	Central Engineering-Distribution	(NA)	(NA)	12
13	Collection Agency/Payment Agent Fees	(NA)	(NA)	13
14	Communications - Telephone	(NA)	(NA)	14
15	Other Compensation	(NA)	(NA)	15
16	Company Labor	273,596	20,246	16
17	Company Labor - Elect. Op., STO, SSO	240,618	17,806	17
18	Consultants	(NA)	(NA)	18
19	Contract Labor	(NA)	(NA)	19
20	Corrective Maintenance	(NA)	(NA)	20
21	AMR Savings	(1,708)	(126)	21
22	Disposal of Obsolete M&S	(NA)	(NA)	22
23	DSM	(NA)	(NA)	23
24	Duplicate Misc. Charges	(NA)	(NA)	24
25	EDP Equipment Rentals & Mtce.	(NA)	(NA)	25
26	Electricity & Gas Used	(NA)	(NA)	26
27	Employee Pensions / OPEBS	(NA)	(NA)	27
28	Employee Welfare Expense - Net	(NA)	(NA)	28
29	Environmental Expenses	(NA)	(NA)	29
30	ERRP - Major Maintenance	(NA)	(NA)	30
31	Executive Incentive Plan	(NA)	(NA)	31
32	Facilities Maintenance	(NA)	(NA)	32
33	Financial Services	(NA)	(NA)	33
34	Gas Turbines	(NA)	(NA)	34
35	Information Resources	(NA)	(NA)	35
36	Informational Advertising	(NA)	(NA)	36
37	Injuries & Damages Reserve	(NA)	(NA)	37
38	Instit. Dues & Subscriptions	(NA)	(NA)	38
39	Insurance Premiums	(NA)	(NA)	39
40	Interference	(NA)	(NA)	40
41	Reserve for Contingencies	(NA)	(NA)	41
42	Corporate and Fiscal Expenses	(NA)	(NA)	42
43	LIC Outage	(NA)	(NA)	43
44	Manhour Expense	(NA)	(NA)	44
45	Marshall's Fees	(NA)	(NA)	45
46	Materials & Supplies	(NA)	(NA)	46
47	RCA- MGP / Superfund	(NA)	(NA)	47
48	Outreach and Education	(NA)	(NA)	48
49	Other (Fossil)	(NA)	(NA)	49
50	Outside Legal Services	(NA)	(NA)	50
51	Paving	(NA)	(NA)	51
52	Plant Component Upgrade	(NA)	(NA)	52
53	Power Your Way	(NA)	(NA)	53
54	Postage	(NA)	(NA)	54
55	Preventive Maintenance	(NA)	(NA)	55
56	RCA - Pension	(NA)	(NA)	56
57	RCA-Amort. of Hudson-Farragut	(NA)	(NA)	57
58	Renewable Portfolio Standard	(NA)	(NA)	58
59	Real Estate Expense	(NA)	(NA)	59
60	Regulatory Commission Expense	(NA)	(NA)	60
61	Rents	(NA)	(NA)	61
62	Rents (ERRP)	(NA)	(NA)	62
63	Rents (Interdepartmental)	(NA)	(NA)	63
64	Research & Development	(NA)	(NA)	64
65	System Benefit Charge	(NA)	(NA)	65
66	Scheduled Overhauls	(NA)	(NA)	66
67	Security	(NA)	(NA)	67
68	Shared Services	(5,064)	(375)	68
69	Steam Incident	(NA)	(NA)	69
70	Storm Reserve - Electric Op	(NA)	(NA)	70
71	Green Power	(NA)	(NA)	71
72	Tree Trimming	(NA)	(NA)	72
73	Trenching	(NA)	(NA)	73
74	Uncollectible	(NA)	(NA)	74
75	Water	(NA)	(NA)	75
76	Water Chemicals	(NA)	(NA)	76
77	Other	(NA)	(NA)	77
	Total Operation & Maintenance Expenses	\$ 492,872	\$ 36,473	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF ELECTRIC COST ELEMENTS
WITNESS AND PLANNED UPDATE

Line No.		Witness	Planned Update
	moved down 2 lines		
1	Fuel & Purchased Power	Kimball	Y
2	Austerity Adjustment	Accounting Panel	
3	Administrative Expenses Transferred - cr.		Y
4	Electric Operation	Infrastructure Invest. Panel	
5	Asbestos Removal and Abatement		
6	Bank Collection Fees		
7	System and Transmission Operations	Infrastructure Invest. Panel	Y
8	Substation Operation	Infrastructure Invest. Panel	
9	Boiler Cleaning		
10	Building Service/Facilities	Various	Y
11	Central Engineering-Administrative		
12	Central Engineering-Distribution		
13	Collection Agency/Payment Agent Fees	Accounting Panel	
14	Communications - Telephone		
15	Other Compensation		
16	Company Labor	Various	Y
17	Company Labor - Elect. Op., STO, SSO	Infrastructure Invest. Panel	
18	Consultants	Various	Y
19	Contract Labor		
20	Corrective Maintenance		
21	AMR Savings		
22	Disposal of Obsolete M&S		
23	DSM		
24	Duplicate Misc. Charges		
25	EDP Equipment Rentals & Mtce.		
26	Electricity & Gas Used		
27	Employee Pensions / OPEBS	Accounting Panel	Y
28	Employee Welfare Expense - Net	Reyes	Y
29	Environmental Expenses		Y
30	ERRP - Major Maintenance	Accounting Panel	Y
31	Executive Incentive Plan		Y
32	Facilities Maintenance		Y
33	Financial Services	Accounting Panel	Y
34	Gas Turbines		
35	Information Resources	Infrastructure Invest. Panel	
36	Informational Advertising	Public and Customer Information Panel	
37	Injuries & Damages Reserve	Accounting Panel	Y
38	Instit. Dues & Subscriptions		
39	Insurance Premiums	Accounting Panel	Y
40	Interference	Municipal Infrastructure Panel	Y
41	Reserve for Contingencies		
42	Corporate and Fiscal Expenses		
43	LIC Outage		
44	Manhour Expense		
45	Marshall's Fees		Y
46	Materials & Supplies		Y
47	RCA- MGP / Superfund	Price/Accounting Panel	Y
48	Outreach and Education		
49	Other (Fossil)		
50	Outside Legal Services		
51	Paving		
52	Plant Component Upgrade		
53	Power Your Way		
54	Postage		
55	Preventive Maintenance		
56	RCA - Pension		
57	RCA-Amort. of Hudson-Farragut		
58	Renewable Portfolio Standard		
59	Real Estate Expense		
60	Regulatory Commission Expense	Accounting Panel	Y
61	Rents	Shared Services Panel	Y
62	Rents (ERRP)	Accounting Panel	Y
63	Rents (Interdepartmental)	Accounting Panel	Y
64	Research & Development	Kressner	Y
65	System Benefit Charge		Y
66	Scheduled Overhauls		
67	Security		
68	Shared Services		
69	Steam Incident		
70	Storm Reserve - Electric Op		
71	Green Power		
72	Tree Trimming		
73	Trenching		
74	Uncollectible	Accounting Panel	Y
75	Water	Electric Production Panel	Y
76	Water Chemicals		Y
77	Other	Various	Y
78	Property Taxes	Hutcheson	Y
79	Payroll Taxes	Accounting Panel	Y
80	Rate Case Amortizations	Accounting Panel	Y
81	Cost of Capital	Accounting Panel/Morin	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED NET PLAN
INDEX TO SCHEDULES

<u>Schedule No.</u>		<u>Number of Pages</u>
1	Estimated Net Plant	2
2	Construction Work in Process	2
3	Pension Adjustment-Estimated Net Plant	2

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 ESTIMATED NET PLANT - ELECTRIC **
 TWELVE MONTH AVERAGE ENDING MARCH 31, 2011
 (\$000)

	<u>BOOKCOST OF PLANT</u>	<u>ACCRUED DEPRECIATION</u>	<u>NET PLANT</u>
MARCH 31, 2010 *	\$ 9,597,577	\$ 2,003,167	\$ 7,594,410
APRIL 30, 2010	19,458,391	4,028,644	15,429,747
MAY 31, 2010	19,572,185	4,035,605	15,536,580
JUNE 30, 2010	19,669,897	4,060,002	15,609,895
JULY 31, 2010	19,746,121	4,082,493	15,663,629
AUGUST 31, 2010	19,826,344	4,098,848	15,727,496
SEPTEMBER 30, 2010	19,899,337	4,111,492	15,787,845
OCTOBER 31, 2010	20,005,715	4,127,530	15,878,185
NOVEMBER 30, 2010	20,107,845	4,146,417	15,961,429
DECEMBER 31, 2010	20,266,056	4,148,985	16,117,072
JANUARY 31, 2011	20,337,947	4,177,149	16,160,798
FEBRUARY 29, 2011	20,396,290	4,198,409	16,197,882
MARCH 31, 2011*	10,241,143	2,112,740	8,128,403
TOTAL	\$ 239,124,850	\$ 49,331,480	\$ 189,793,370
AVERAGE	\$ 19,927,071	\$ 4,110,957	\$ 15,816,114

* ONE HALF OF ENDING BALANCE
 **INCLUDES COMMON ALLOCATED

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED NET PLANT - ELECTRIC
December 31, 2008 - MARCH 31, 2009
(\$000)

	<u>BOOKCOST OF PLANT</u>	<u>ACCRUED DEPRECIATION</u>	<u>NET PLANT</u>
DECEMBER 31, 2008	\$ 17,784,556	\$ 3,754,276	\$ 14,030,280
JANUARY 31, 2009	17,861,691	3,777,581	14,084,110
FEBRUARY 28, 2009	17,948,177	3,794,103	14,154,074
MARCH 31, 2009	18,044,667	3,817,583	14,227,084
APRIL 30, 2009	18,145,934	3,836,967	14,308,967
MAY 31, 2009	18,213,275	3,840,841	14,372,435
JUNE 30, 2009	18,304,429	3,862,014	14,442,415
JULY 31, 2009	18,428,284	3,881,641	14,546,644
AUGUST 31, 2009	18,516,607	3,895,234	14,621,373
SEPTEMBER 30, 2009	18,600,105	3,905,130	14,694,974
OCTOBER 31, 2009	18,712,502	3,918,464	14,794,038
NOVEMBER 30, 2009	18,830,272	3,934,653	14,895,619
DECEMBER 31, 2009	18,964,892	3,934,523	15,030,369
JANUARY 31, 2010	19,039,961	3,961,106	15,078,855
FEBRUARY 28, 2010	19,101,178	3,980,806	15,120,372
MARCH 31, 2010	\$ 19,195,154	\$ 4,006,335	\$ 15,188,819

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED CONSTRUCTION WORK IN PROGRESS - ELECTRIC
TWELVE MONTH AVERAGE ENDING MARCH 31, 2010
(\$000s)**

	<u>TOTAL</u>	<u>INTEREST BEARING</u>	<u>NON-INTEREST BEARING</u>
MARCH 31, 2010 *	\$ 615,960	\$ 284,128	\$ 331,831
APRIL 30, 2010	1,104,198	470,444	633,754
MAY 31, 2010	1,090,083	460,891	629,192
JUNE 30, 2010	1,109,031	476,919	632,112
JULY 31, 2010	1,132,519	494,010	638,509
AUGUST 31, 2010	1,157,686	512,019	645,668
SEPTEMBER 30, 2010	1,181,560	528,975	652,584
OCTOBER 31, 2010	1,210,559	549,462	661,097
NOVEMBER 30, 2010	1,242,043	571,759	670,284
DECEMBER 31, 2010	1,237,637	576,411	661,227
JANUARY 31, 2011	1,255,151	588,834	666,316
FEBRUARY 29, 2011	1,275,005	602,689	672,316
MARCH 31, 2011*	647,936	308,730	339,205
TOTAL	\$ 14,259,367	\$ 6,425,271	\$ 7,834,096
AVERAGE	\$ 1,188,281	\$ 535,439	\$ 652,841

* ONE HALF OF ENDING BALANCE
**INCLUDES COMMON ALLOCATED

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED CONSTRUCTION WORK IN PROGRESS - ELECTRIC
DECEMBER 31, 2007 - MARCH 31, 2009
(\$000s)

	<u>TOTAL</u>	<u>INTEREST BEARING</u>	<u>NON-INTEREST BEARING</u>
DECEMBER 31, 2008	\$ 748,789	\$ 165,986	\$ 582,803
JANUARY 31, 2009	789,007	200,999	588,008
FEBRUARY 28, 2009	807,324	227,261	580,063
MARCH 31, 2009	850,350	257,568	592,782
APRIL 30, 2009	902,188	292,639	609,549
MAY 31, 2009	949,423	323,067	626,355
JUNE 30, 2009	989,896	352,212	637,684
JULY 31, 2009	977,980	364,319	613,662
AUGUST 31, 2009	1,008,904	388,660	620,244
SEPTEMBER 30, 2009	1,034,540	412,796	621,744
OCTOBER 31, 2009	1,073,761	444,067	629,694
NOVEMBER 30, 2009	1,105,449	468,941	636,507
DECEMBER 31, 2009	1,142,664	505,026	637,638
JANUARY 31, 2010	1,171,291	525,297	645,994
FEBRUARY 28, 2010	1,202,505	546,975	655,530
MARCH 31, 2009	\$ 1,231,919	\$ 568,257	\$ 663,662

Current Rates Pension Adjustment

EXHIBIT (AP-6)

Schedule 3

Page 1 of 2

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED NET PLANT - ELECTRIC **
TWELVE MONTH AVERAGE ENDING MARCH 31, 2011
(\$1000)

	<u>BOOKCOST OF PLANT</u>	<u>ACCRUED DEPRECIATION</u>	<u>NET PLANT</u>
MARCH 31, 2010 *	12,500	29	12,471
APRIL 30, 2010	33,333	116	33,217
MAY 31, 2010	41,667	193	41,474
JUNE 30, 2010	50,000	290	49,710
JULY 31, 2010	58,333	406	57,927
AUGUST 31, 2010	66,667	541	66,126
SEPTEMBER 30, 2010	75,000	696	74,304
OCTOBER 31, 2010	83,333	870	82,463
NOVEMBER 30, 2010	91,667	1,063	90,604
DECEMBER 31, 2010	100,000	1,276	98,724
JANUARY 31, 2011	108,333	1,508	106,825
FEBRUARY 29, 2011	116,667	1,759	114,908
MARCH 31, 2011*	62,500	1,015	61,485
TOTAL	900,000	9,762	890,238
AVERAGE	\$75,000	\$814	\$74,187

* ONE HALF OF ENDING BALANCE

**INCLUDES COMMON ALLOCATED

Current Rates Pension Adjustment

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED NET PLANT - ELECTRIC **
December 31, 2008 - MARCH 31, 2010
(\$1000)

	<u>BOOKCOST OF PLANT</u>	<u>ACCRUED DEPRECIATION</u>	<u>NET PLANT</u>
DECEMBER 31, 2008	0	0	0
JANUARY 31, 2009	0	0	0
FEBRUARY 28, 2009	0	0	0
MARCH 31, 2009	0	0	0
APRIL 30, 2009	0	0	0
MAY 31, 2009	0	0	0
JUNE 30, 2009	0	0	0
JULY 31, 2009	0	0	0
AUGUST 31, 2009	0	0	0
SEPTEMBER 30, 2009	0	0	0
OCTOBER 31, 2009	0	0	0
NOVEMBER 30, 2009	0	0	0
DECEMBER 31, 2009	0	0	0
JANUARY 31, 2010	8,333	0	8,333
FEBRUARY 28, 2010	16,667	19	16,648
MARCH 31, 2010	25,000	58	24,942

EXHIBIT __ (AP- 7)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED COMMON CAPITAL PROJECTS-FINANCE/LAW

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
COMMON CAPITAL PROJECTS - FINANCE/LAW
2009-2013

	(\$000's)					Total 5 yr
	2009	2010	2011	2012	2013	
<u>Enterprise Resource Planning System</u>						
Corporate Accounting New Financial & Supply Chain System (aka General Ledger)	\$ 32,684	\$ 39,014	\$ 20,011	\$ 7,103	\$ -	\$ 98,812 *
Allocation to O&R @ 7.1%	2,430	2,783	1,431	500	-	7,144
Allocation to CECONY	30,254	36,231	18,580	6,603	-	91,668
<u>Finance & Law - CECONY</u>						
Property Record Power Plant System	4,918	-	-	-	-	4,918
Sabrix Use Tax Calculation	1,198	-	-	-	-	1,198
Dashboard/Oracle Reporting Solution	-	250	-	-	-	250
PeopleSoft Job Scheduling Solution	-	250	-	-	-	250
Dynamic Load Shaping- Rate Panel	400	-	-	-	-	400
Load Diversity - Rate Panel	744	-	-	-	-	744
Mandatory Hourly Pricing - Rate Panel	-	320	-	-	-	320
Customer Usage System - Rate Panel	-	300	400	-	-	700
Allocation and Demand Analysis - Rate Panel	-	300	100	-	-	400
Case Management System - Law	500	-	-	-	-	500
Litigation Management System - Law	125	-	-	-	-	125
Records Retention Management System - Law	500	-	-	-	-	500
JD Edwards-(A/P)	450	-	-	-	-	450
Enterprise Risk Management	400	-	-	-	-	400
Other	300	-	-	-	-	300
Total Finance & Law	9,535	1,420	500	-	-	11,455
Grand Total Finance/Law Common Capital Projects	\$ 39,789	\$ 37,651	\$ 19,080	\$ 6,603	\$ -	\$ 103,123
Electric Allocation @ 83%	\$ 33,025	\$ 31,250	\$ 15,836	\$ 5,480	\$ -	\$ 85,592

* Including 2008 expenditure of \$1.746 million, total estimated cost of project is \$100.558 million

EXHIBIT __ (AP- 8)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
RATE BASE

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
RATE BASE - ELECTRIC
AVERAGE TWELVE MONTHS ENDED DECEMBER 31, 2008 AND
AVERAGE TWELVE MONTHS ENDING MARCH 31, 2011
(Thousands of Dollars)

LINE	AVERAGE ACTUAL TWELVE MONTHS ENDED DECEMBER 31, 2008 (COL. 1)	ADJUSTMENTS TO REFLECT CONDITIONS IN RATE YEAR (COL. 2)	AVERAGE TWELVE MONTHS ENDING MARCH 31, 2011 (COL. 3)	ADJUSTMENTS TO RATE BASE TWELVE MONTHS ENDING MARCH 31, 2011 (COL. 4)	RATE YEAR RATE BASE FULLY ADJUSTED FOR PROPOSED RATE INCREASE (COL. 5)
NO. UTILITY PLANT					
1 BOOK COST OF PLANT	\$ 16,982,078	\$ 3,019,993	\$ 20,002,071	\$ -	\$ 20,002,071
2 ACCUMULATED RESERVE FOR DEPRECIATION	(3,660,920)	(450,851)	(4,111,771)	(7,604)	(4,119,375)
3 NET PLANT	13,321,158	2,569,142	15,890,300	(7,604)	15,882,696
4 NON-INTEREST BEARING CWIP	542,055	110,786	652,841	-	652,841
5 UNBILLED REVENUES	-	66,454	66,454	-	66,454
6 PREFERRED STOCK EXPENSE	2,425	(11)	2,414	-	2,414
7 UNAMORTIZED DEBT DISCOUNT PREMIUM AND EXPENSE	133,023	15,413	148,436	-	148,436
8 DEFERRED FUEL - NET OF TAX	100,773	(14,772)	86,001	-	86,001
9 F.I.T. REFUND DEFICIENCY- INCL. INTEREST - NET OF TAX	2,363	(2,363)	-	-	-
10 UNAMORTIZED BALANCE - HUDSON FARRAGUT	1,919	(1,073)	846	-	846
11 CUSTOMER ADVANCES FOR CONSTRUCTION	(340)	(200)	(540)	-	(540)
12 M.T.A. SURTAX - NET OF TAX	4,651	(488)	4,163	-	4,163
13 WORKING CAPITAL	504,149	216,728	772,531	-	772,531
14 EXCESS RATE BASE OVER CAPITALIZATION ADJUSTMENT	535,208	-	535,208	(141,980)	393,228
15 EARLY RETIREMENT TERMINATION BENEFIT (1993) - NET OF TAX	37	(37)	-	-	-
16 EARLY RETIREMENT TERMINATION BENEFIT (1999) - NET OF TAX	9,425	(2,929)	6,496	-	6,496
17 DC SERVICE INCENTIVE - NET OF TAX	(1,735)	1,735	-	-	-
18 SYSTEM BENEFITS CHARGE/RETAIL PORTFOLIO STANDARD - NET OF TAX	4,761	(549)	4,212	-	4,212
19 AMOUNTS BILLED IN ADVANCE OF CONSTRUCTION - NET OF TAX	(6,361)	742	(5,619)	-	(5,619)
20 DIRECT LOAD CONTROL PROGRAM - NET OF TAX	80	(80)	-	-	-
21 COGEN TECHNOLOGIES - REIMB. FOR O&M - NET OF TAX	(458)	458	-	-	-
22 SALE / APPROPRIATION OF PROPERTY	(1,616)	1,616	-	-	-
23 CATV POLE ATTACHMENT REVENUE - NET OF TAX	(404)	404	-	-	-
24 REAL TIME PRICING PROGRAM - NET OF TAX	36	(36)	-	-	-
25 DAY AHEAD REDUCTION PROGRAM - NET OF TAX	55	(55)	-	-	-
26 VOLUNTARY LOAD REDUCTION PROGRAM - NET OF TAX	194	(194)	-	-	-
27 CUSTOMER REFUND ASSOCIATED WITH DIVESTED PLANTS - NET OF TAX	(45)	45	-	-	-
28 EXPIRING AMORTIZATION OF DEFERRED COSTS - NET OF TAX	2,166	(2,166)	-	-	-
29 FORGOING RENTAL INCOME-W 24TH STREET - NET OF TAX	(16)	16	-	-	-
30 PROVISION FOR REFUND- NET POST-MERGER BENEFITS - NET OF TAX	28	(28)	-	-	-
31 SALE OF AIR RIGHTS - NET OF TAX	4	(4)	-	-	-
32 STORM RESERVE CASE 07-E-0523	(46)	46	-	-	-
33 SALE OF 280 SOUTH STREET	2	(2)	-	-	-
34 NYC GAS UTILITY EXCISE TAX	292	(292)	-	-	-
SUB-TOTAL	15,153,783	2,958,306	18,163,743	(149,584)	18,014,159

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
RATE BASE - ELECTRIC
AVERAGE TWELVE MONTHS ENDED DECEMBER 31, 2008 AND
AVERAGE TWELVE MONTHS ENDING MARCH 31, 2011
(Thousands of Dollars)

	AVERAGE ACTUAL TWELVE MONTHS ENDED DECEMBER 31, 2008 (COL. 1)	ADJUSTMENTS TO REFLECT CONDITIONS IN RATE YEAR (COL. 2)	AVERAGE TWELVE MONTHS ENDING MARCH 31, 2011 (COL. 3)	ADJUSTMENTS TO RATE BASE TWELVE MONTHS ENDING MARCH 31, 2011 (COL. 4)	RATE YEAR FULLY ADJUSTED RATE INCREASE (COL. 5)
<u>RATE CASE RECONCILIATIONS - NET OF F.I.T.</u>					
35	Retail Choice Phase 7	-	3,868	-	3,868
36	Deferrals from Case 04-E-0572 RY3	-	5,627	-	5,627
37	Interest on Deferrals from Case 04-E-0572 RY3	-	201	-	201
38	T&D Deferral from Case 07-E-0523	-	88,305	-	88,305
39	Pension/OPEB deferral	16,260	(16,260)	-	-
40	SIR deferral	-	104,746	-	104,746
41	Property Tax Increase deferral - April 2008 - March 2009	-	38,135	-	38,135
42	Business Incentive Rate - Revenue Shortfall	3,339	(755)	-	2,584
43	Targeted DSM	-	591	-	591
44	Interest	-	713	-	713
45	Interest on MGP - Electric	-	1,397	-	1,397
46	Emergency Demand Response / Demand Reduction Programs	80	33	-	113
47	Power for Jobs Tax Credit	-	(1,333)	-	(1,333)
48	Excess Emission Reduction Credits	(697)	157	-	(540)
49	Credits from Case 07-E-0523	-	(43,920)	-	(43,920)
50	TSC Revenues	-	(7,507)	-	(7,507)
51	Interference Underspending	-	(11,199)	-	(11,199)
52	Network CAIDI Performance Mechanism Revenue Adjustment	-	(2,516)	-	(2,516)
53	Washington Heights and WTC Security Initiatives	(490)	111	-	(379)
54	SO2 Allowances	-	(823)	-	(823)
55	Auction Interest Rate - Case 07-E-0523	-	(921)	-	(921)
56	Property Condemnations	(427)	71	-	(356)
57	Property Tax Refunds	-	(2,451)	-	(2,451)
58	Interest - Gain on Sale of First Avenue Properties	-	(1,368)	-	(1,368)
<u>ACCUMULATED DEFERRED INCOME TAXES</u>					
59	ADR / ACRS / MACRS DEDUCTIONS	(1,506,826)	(571,051)	1,712	(2,076,166)
60	CHANGE OF ACCOUNTING SECTION 263A	(308,461)	32,266	-	(276,195)
61	VESTED VACATION	12,018	(1,099)	-	10,919
62	PREPAID INSURANCE EXPENSES	(3,652)	(175)	-	(3,827)
63	UNBILLED REVENUES	86,062	22,140	-	108,202
64	CONTRIBUTIONS IN AID OF CONSTRUCTION	12,102	939	-	13,041
65	CAPITALIZED INTEREST	6,238	401	-	6,639
66	ADVANCE REFUNDING OF MORTGAGE BONDS	1	(1)	-	-
67	WESTINGHOUSE DISCOUNTS	(125)	125	-	-
68	REPAIR & MAINTENANCE ALLOWANCE - 02 - 06 IRS AUDIT	4,657	(268)	-	4,389
69	FIN 48 - DISALLOWED SSCM	(62,538)	11,404	-	(51,134)
70	MTA	(9,120)	(8,722)	-	(17,842)
71	AMORTIZATION OF COMPUTER SOFTWARE	(24,518)	(16,466)	-	(40,984)
72	CUSTOMER DEPOSITS	4,426	(1,594)	-	2,832
73	CALL PREMIUM	(20,583)	5,379	-	(15,204)
74	EXCESS DEFERRED SIT (2000/2001)	(3,049)	3,049	-	-
75	DEFERRED S.I.T.	(155,429)	(100,139)	-	(255,568)
76	TOTAL RATE BASE	\$ 13,203,051	\$ 2,489,396	\$ 15,744,101	\$ (147,873) \$ 15,596,228

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
WORKING CAPITAL - ELECTRIC
AVERAGE TWELVE MONTHS ENDED DECEMBER 31, 2008 AND
AVERAGE TWELVE MONTHS ENDING MARCH 31, 2011
(Thousands of Dollars)

LINE NO.	AVERAGE ACTUAL TWELVE MONTHS ENDED DECEMBER 31, 2008 (COL. 1)	ADJUSTMENTS TO REFLECT CONDITIONS IN RATE YEAR (COL. 2)	AVERAGE TWELVE MONTHS ENDING MARCH 31, 2011 (COL. 3)	ADJUSTMENTS TO RATE BASE TWELVE MONTHS ENDING MARCH 31, 2011 (COL. 4)	RATE YEAR RATE BASE FULLY ADJUSTED FOR PROPOSED RATE INCREASE (COL. 5)
<u>MATERIALS AND SUPPLIES</u>					
1.	\$ 6,876	\$ -	\$ 6,876	\$ -	\$ 6,876
2	90,898	3,845	94,743	-	94,743
3	97,774	3,845	101,619	-	101,619
<u>PREPAYMENTS</u>					
4	11,262	2,840	14,102	-	14,102
5	14,967	247	15,214	-	15,214
6	162,954	70,497	233,451	-	233,451
7	8,031	323	8,354	-	8,354
8	-	56,692	56,692	-	56,692
9	6,895	216	7,111	-	7,111
10	257	23	280	-	280
11	9,831	308	10,139	-	10,139
12	214,197	131,144	345,341	-	345,341
<u>CASH WORKING CAPITAL</u>					
13	5,120,188	(175,739)	4,944,449	-	4,944,449
14	3,149,582	(646,340)	2,503,242	-	2,503,242
15	359,675	(350,904)	8,771	-	8,771
16	10,374	260,807	271,181	-	271,181
17	4,836	1,048	5,884	-	5,884
18	65,210	(5,193)	60,017	-	60,017
19	1,530,511	564,843	2,095,354	-	2,095,354
20	191,314	70,605	261,919	-	261,919
21	865	21,734	22,598	-	22,599
22	192,178	92,339	284,518	-	284,518
23	\$ 504,149	227,329	\$ 731,478	\$ -	\$ 731,478
24	51,653	(10,600)	41,053	-	41,053
25	\$ 555,803	\$ 216,728	\$ 772,531	0 \$	772,531

EXHIBIT __ (AP-9)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
REVENUE REQUIREMENT

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

OPERATING INCOME, RATE BASE AND RATE OF RETURN FOR ELECTRIC OPERATIONS
SHOWING THE EFFECT OF THE PROPOSED INCREASE IN RATES
TWELVE MONTHS ENDING MARCH 31, 2011
(Thousands of Dollars)

	Twelve Months Ending March 31, 2011 As Reflected in Exhibit (AP-5) (Column 1)	Rate Case Adjustments (Schedule 3) (Column 2)	Rate Year As Adjusted (Column 3)	Proposed Rate Increase (Column 4)	Rate Year As Adjusted For Proposed Rate Increase (Column 5)
OPERATING REVENUES					
SALES REVENUES	\$7,673,088	\$23,008	\$7,696,096	\$854,468	\$8,550,564
OTHER OPERATING REVENUES	<u>240,272</u>	<u>(41,315)</u>	<u>198,957</u>	<u>3,204</u>	<u>202,161</u>
TOTAL OPERATING REVENUES	<u>7,913,360</u>	<u>(18,307)</u>	<u>7,895,053</u>	<u>857,672</u>	<u>8,752,725</u>
OPERATING REVENUE DEDUCTIONS					
FUEL AND PURCHASED POWER	2,792,556	0	2,792,556	0	2,792,556
OTHER OPERATION AND MAINTENANCE	2,151,892	0	2,151,892	5,810	2,157,702
DEPRECIATION AND AMORTIZATION	621,103	15,238	636,341	0	636,341
TAXES OTHER THAN INCOME TAXES	1,400,559	0	1,400,559	23,754	1,424,313
GAINS FROM DISPOSITION OF UTILITY PLANT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OPERATING REVENUE DEDUCTIONS	<u>6,966,110</u>	<u>15,238</u>	<u>6,981,348</u>	<u>29,564</u>	<u>7,010,912</u>
OPERATING INCOME BEFORE INCOME TAXES	947,250	(33,544)	913,706	828,108	1,741,814
NEW YORK STATE INCOME TAX (Schedule 2, Page 1)	31,599	(2,068)	29,531	58,796	88,327
FEDERAL INCOME TAX (Schedule 2, Page 2)	<u>97,788</u>	<u>(6,301)</u>	<u>91,487</u>	<u>269,259</u>	<u>360,746</u>
OPERATING INCOME AFTER INCOME TAXES	<u>\$817,863</u>	<u>(\$25,175)</u>	<u>\$792,688</u>	<u>\$500,053</u>	<u>\$1,292,741</u>
AVERAGE RATE BASE (AP-8)	<u>\$15,744,101</u>	<u>(\$147,873)</u>	<u>\$15,596,228</u>		<u>\$15,596,228</u>
RATE OF RETURN	<u>5.19%</u>		<u>5.08%</u>		<u>8.29%</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

NEW YORK STATE INCOME TAX - ELECTRIC
TWELVE MONTHS ENDING MARCH 31, 2011
(Thousands of Dollars)

Line No.		Twelve Months Ending March 31, 2011 As Reflected in Exhibit (AP-5) (Column 1)	Rate Case Adjustments (Schedule 3) (Column 2)	Rate Year As Adjusted (Column 3)	Proposed Rate Increase (Column 4)	Rate Year As Adjusted For Proposed Rate Increase (Column 5)
1	Book Operating Income Before Income Taxes	<u>\$947,250</u>	<u>(\$33,544)</u>	<u>\$913,706</u>	<u>\$828,108</u>	<u>\$1,741,814</u>
	FLOW THROUGH ITEMS					
	Deduct: Non-Taxable Income and Additional Deductions					
2	Interest expense	485,602	(4,411)	481,191	0	481,191
3	Medicare Part D Subsidy - Post Employment Benefits	16,599	0	16,599	0	16,599
4	Total Deductions	<u>502,201</u>	<u>(4,411)</u>	<u>497,790</u>	<u>0</u>	<u>497,790</u>
	NORMALIZED ITEMS					
	Add: Additional Income and Unallowable Deductions					
5	Book Depreciation	621,103	15,238	636,341	0	636,341
6	Contributions in Aid of Construction	672	0	672	0	672
7	Capitalized Interest	16,833	0	16,833	0	16,833
8	Pensions / OPEB expense - Per Books	<u>306,781</u>	<u>14,339</u>	<u>321,120</u>	<u>0</u>	<u>321,120</u>
9	Total Additions	<u>945,389</u>	<u>29,577</u>	<u>974,966</u>	<u>0</u>	<u>974,966</u>
	Deduct: Non-Taxable Income and Additional Deductions					
10	NYS Depreciation	681,062	0	681,062	0	681,062
11	263A Capitalized Overheads	103,125	0	103,125	0	103,125
12	Removal Costs	167,356	0	167,356	0	167,356
13	Repair Allowance	43,475	0	43,475	0	43,475
14	Loss on MACRS Retirements	45,342	0	45,342	0	45,342
15	Pensions / OPEB expense - Funding	284,737	0	284,737	0	284,737
16	Westchester Property Tax adjustment	1,416	0	1,416	0	1,416
17	WTC Capital expenses	0	(2,522)	(2,522)	0	(2,522)
18	Retail Choice Phase 7	0	(2,562)	(2,562)	0	(2,562)
19	Deferrals from Case 04-E-0572 RY3	0	(3,728)	(3,728)	0	(3,728)
20	Interest on Deferrals from Case 04-E-0572 RY3	0	(133)	(133)	0	(133)
21	T&D Deferral from Case 07-E-0523	0	(19,498)	(19,498)	0	(19,498)
22	SIR deferral	0	(18,259)	(18,259)	0	(18,259)
23	Property Tax Increase deferral - April 2008 - March 2009	0	(25,261)	(25,261)	0	(25,261)
24	Business Incentive Rate - Revenue Shortfall	0	(1,712)	(1,712)	0	(1,712)
25	Targeted DSM	0	(391)	(391)	0	(391)
26	Interest	0	(472)	(472)	0	(472)
27	Interest on MGP - Electric	0	(926)	(926)	0	(926)
28	Emergency Demand Response / Demand Reduction Progr	0	(75)	(75)	0	(75)
29	Power for Jobs Tax Credit	0	883	883	0	883
30	Excess Emission Reduction Credits	0	358	358	0	358
31	Credits from Case 07-E-0523	0	29,093	29,093	0	29,093
32	TSC Revenues	0	4,973	4,973	0	4,973
33	Interference Underspending	0	7,418	7,418	0	7,418
34	Network CAIDI Performance Mechanism Revenue Adjustm	0	1,667	1,667	0	1,667
35	Washington Heights and WTC Security Initiatives	0	251	251	0	251
36	SO2 Allowances	0	545	545	0	545
37	Auction Interest Rate - Case 07-E-0523	0	610	610	0	610
38	Property Condemnations	0	236	236	0	236
39	Property Tax Refunds	0	1,623	1,623	0	1,623
40	Interest - Gain on Sale of First Avenue Properties	0	906	906	0	906
41	Miscellaneous	0	0	0	0	0
42	Total Deductions	<u>1,326,513</u>	<u>(26,976)</u>	<u>1,299,537</u>	<u>0</u>	<u>1,299,537</u>
43	Taxable Income - New York State	<u>\$63,925</u>	<u>\$27,419</u>	<u>\$91,344</u>	<u>\$828,108</u>	<u>\$919,452</u>
	Tax Computation					
44	Current New York State Income Tax @ 7.10%	\$4,539	\$1,947	\$6,486	\$58,796	\$65,282
45	Deferred New York State Income Tax @ 7.10%	<u>27,060</u>	<u>(4,015)</u>	<u>23,045</u>	<u>0</u>	<u>23,045</u>
46	Total New York State Income Tax	<u>\$31,599</u>	<u>(\$2,068)</u>	<u>\$29,531</u>	<u>\$58,796</u>	<u>\$88,327</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
FEDERAL INCOME TAX - ELECTRIC
TWELVE MONTHS ENDING MARCH 31, 2011
(Thousands of Dollars)

Line No.		Twelve Months Ending March 31, 2011 As Reflected in Exhibit (AP-5) (Column 1)	Rate Case Adjustments (Schedule 3) (Column 2)	Rate Year As Adjusted (Column 3)	Proposed Rate Increase (Column 4)	Rate Year As Adjusted For Proposed Rate Increase (Column 5)
1	Book Operating Income Before Income Taxes	\$947,250	(\$33,544)	\$913,706	\$828,108	\$1,741,814
2	New York State Income Tax	31,599	(2,068)	29,531	58,796	88,327
3	Book Operating Income Before Federal Income Tax	915,651	(31,476)	884,175	769,312	1,653,487
FLOW THROUGH ITEMS						
Add: Additional Income and Unallowable Deductions						
4	Book Depreciation	621,103	15,238	636,341	0	636,341
5	Hudson-Farragut Amortization - Per Books	483	0	483	0	483
6	Capitalized Interest	16,833	0	16,833	0	16,833
7	Total Additions	638,419	15,238	653,657	0	653,657
Deduct: Non-Taxable Income and Additional Deductions						
8	Interest expense	485,602	(4,411)	481,191	0	481,191
9	Statutory Depreciation - at current book rates	398,599	0	398,599	0	398,599
10	Statutory Depreciation - change at proposed book rates	0	1,505	1,505	0	1,505
11	Statutory Depreciation - change with reserve deficiency	0	8,274	8,274	0	8,274
12	Removal Costs	167,356	0	167,356	0	167,356
13	Medicare Part D Subsidy - Post Employment Benefits	16,599	0	16,599	0	16,599
14	Westchester Property Tax adjustment	1,416	0	1,416	0	1,416
15	Dividends Paid on \$5 Cumulative Preferred Stock	3,327	0	3,327	0	3,327
16	Total Deductions	1,072,899	5,368	1,078,267	0	1,078,267
NORMALIZED ITEMS						
Add: Additional Income and Unallowable Deductions						
17	Contributions in Aid of Construction	672	0	672	0	672
18	Pensions / OPEB Expense - Per Books	306,781	14,339	321,120	0	321,120
19	Deferred State Income Tax	27,060	(4,015)	23,045	0	23,045
20	Total Additions	334,513	10,324	344,837	0	344,837
Deduct: Non-Taxable Income and Additional Deductions						
21	Statutory Depreciation - at current book rates	268,159	0	268,159	0	268,159
22	263A Capitalized Overheads	103,125	0	103,125	0	103,125
23	Statutory Depreciation - change at proposed book rates	0	(1,505)	(1,505)	0	(1,505)
24	Statutory Depreciation - change with reserve deficiency	0	(8,274)	(8,274)	0	(8,274)
25	Repair Allowance	43,475	0	43,475	0	43,475
26	Loss on MACRS Retirements	45,527	0	45,527	0	45,527
27	Pensions / OPEB expense - Funding	284,737	0	284,737	0	284,737
28	WTC Capital expenses	0	(2,522)	(2,522)	0	(2,522)
29	Retail Choice Phase 7	0	(2,562)	(2,562)	0	(2,562)
30	Deferrals from Case 04-E-0572 RY3	0	(3,728)	(3,728)	0	(3,728)
31	Interest on Deferrals from Case 04-E-0572 RY3	0	(133)	(133)	0	(133)
32	T&D Deferral from Case 07-E-0523	0	(19,498)	(19,498)	0	(19,498)
33	SIR deferral	0	(18,259)	(18,259)	0	(18,259)
34	Property Tax Increase deferral - April 2008 - March 2009	0	(25,261)	(25,261)	0	(25,261)
35	Business Incentive Rate - Revenue Shortfall	0	(1,712)	(1,712)	0	(1,712)
36	Targeted DSM	0	(391)	(391)	0	(391)
37	Interest	0	(472)	(472)	0	(472)
38	Interest on MGP - Electric	0	(926)	(926)	0	(926)
39	Emergency Demand Response / Demand Reduction Programs	0	(75)	(75)	0	(75)
40	Power for Jobs Tax Credit	0	883	883	0	883
41	Excess Emission Reduction Credits	0	358	358	0	358
42	Credits from Case 07-E-0523	0	29,093	29,093	0	29,093
43	TSC Revenues	0	4,973	4,973	0	4,973
44	Interference Underspending	0	7,418	7,418	0	7,418
45	Network CAIDI Performance Mechanism Revenue Adjustment	0	1,667	1,667	0	1,667
46	Washington Heights and WTC Security Initiatives	0	251	251	0	251
47	SO2 Allowances	0	545	545	0	545
48	Auction Interest Rate - Case 07-E-0523	0	610	610	0	610
49	Property Condemnations	0	236	236	0	236
50	Property Tax Refunds	0	1,623	1,623	0	1,623
51	Interest - Gain on Sale of First Avenue Properties	0	906	906	0	906
52	Miscellaneous	0	0	0	0	0
53	Total Deductions	745,023	(36,755)	708,268	0	708,268
54	Taxable Income - Federal	\$70,661	\$25,472	\$96,133	\$769,312	\$865,445
Tax Computation						
55	Current Federal Income Tax @ 35%	\$24,731	\$8,915	\$33,646	\$269,259	\$302,905
56	Deferred Federal Income Tax @ 35%	143,679	(16,478)	127,201	0	127,201
Amortization of Previously Deferred Federal Income Tax						
57	Depreciation - ADR / ACRS / MACRS - at current book rates	(41,664)	567	(41,097)	0	(41,097)
58	Depreciation - MACRS - SSCM	(9,894)	0	(9,894)	0	(9,894)
59	Loss on MACRS Retirements	(4,424)	426	(3,998)	0	(3,998)
60	Repair Allowance	(9,893)	275	(9,618)	0	(9,618)
61	Investment Tax Credit	(4,747)	(6)	(4,753)	0	(4,753)
62	Total Federal Income Tax	\$97,788	(\$6,301)	\$91,487	\$269,259	\$360,746

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

ADJUSTMENTS TO OPERATING INCOME - ELECTRIC
TWELVE MONTHS ENDING MARCH 31, 2011
(Thousands of Dollars)

	<u>Amount</u>
<u>SALES REVENUES</u>	
1a. Unbilled Revenue net of Recovery of WTC O&M Costs	<u>\$23,008</u>
<u>OTHER OPERATING REVENUES</u>	
1. To recover previously deferred amounts:	
a. WTC Capital expenses	(\$2,522)
b. Retail Choice Phase 7	(2,562)
c. Deferrals from Case 04-E-0572 RY3	(3,728)
d. Interest on Deferrals from Case 04-E-0572 RY3	(133)
e. T&D Deferral from Case 07-E-0523	(19,498)
f. Pension deferral	(14,339)
g. SIR deferral	(18,259)
h. Property Tax Increase deferral - April 2008 - March 2009	(25,261)
i. Business Incentive Rate - Revenue Shortfall	(1,712)
j. Targeted DSM	(391)
k. Interest	(472)
l. Interest on MGP - Electric	(926)
m. Emergency Demand Response / Demand Reduction Programs	(75)
2. To refund previously deferred amounts:	
a. Power for Jobs Tax Credit	\$883
b. Excess Emission Reduction Credits	358
c. Credits from Case 07-E-0523	29,093
d. TSC Revenues (including interest)	4,973
e. Interference Underspending	7,418
f. Network CAIDI Performance Mechanism Revenue Adjustment	1,667
g. Washington Heights and WTC Security Initiatives	251
h. SO2 Allowances	545
i. Auction Interest Rate - Case 07-E-0523	610
j. Property Condemnations	236
k. Property Tax Refunds	1,623
l. Interest - Gain on Sale of First Avenue Properties	906
Total Adjustments to Other Operating Revenues	<u>(\$41,315)</u>
<u>FUEL AND PURCHASED POWER</u>	<u>\$0</u>
<u>OPERATION AND MAINTENANCE EXPENSES</u>	<u>\$0</u>
<u>DEPRECIATION AND AMORTIZATION EXPENSES</u>	
1. Increase in depreciation expense resulting from:	
a. Proposed changes in book depreciation rates	\$2,346
b. Amortization of the reserve deficiency over 15 years	<u>12,892</u>
Total Adjustments to Depreciation and Amortization Expenses	<u>\$15,238</u>
<u>TAXES OTHER THAN INCOME TAXES</u>	<u>\$0</u>
<u>GAINS FROM DISPOSITION OF UTILITY PLANT</u>	<u>\$0</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CUSTOMER CREDITS AND DEBITS - ELECTRIC
(Thousands of Dollars)

	Acct #	Balance at 3/31/2009	Additional Amounts 4/09 - 3/10	Amounts to be amortized 4/09 - 3/10 per Case 08-E-0539	Rate Year 1	Rate Year 2	Rate Year 3	Total
					\$	\$	\$	\$
Customer Debits and Credits								
1 Unbilled Revenue net of Recovery of WTC O&M Costs	various	(9,008)	-	(14,000)	(23,008)	-	-	\$(23,008)
2 WTC Capital expenses	various	75,651	-	-	2,522	2,521	2,521	7,565
3 Retail Choice Phase 7	L0494	7,687	-	-	2,562	2,563	2,563	7,687
4 Deferrals from Case 04-E-0572 RY3	K0429	16,775	-	(5,592)	3,728	3,727	3,727	11,183
5 Interest on Deferrals from Case 04-E-0572 RY3	N0429	585	-	(186)	133	133	133	399
6 T&D Deferral from Case 07-E-0523	E0426	175,484	-	(19,498)	19,498	19,499	19,499	58,495
7 Pension deferral	B & H0427	49,723	(6,705)	-	14,339	14,340	14,340	43,018
8 SIR deferral	various	91,800	108,012	(17,218)	18,259	18,260	18,260	54,778
9 Property Tax Increase deferral - April 2008 - March 2009	V0429	75,783	-	-	25,261	25,261	25,261	75,783
10 Business Incentive Rate - Revenue Shortfall	E & F0496	5,136	-	-	1,712	1,712	1,712	5,136
11 Targeted DSM	C0427 / E0466	1,761	-	(587)	391	392	392	1,174
12 Interest	J0428	2,777	-	-	472	473	473	1,417
13 Interest on MGP - Electric	A & N0495	224	-	-	926	925	925	2,777
14 Emergency Demand Response / Demand Reduction Programs	U0963	(2,649)	-	-	75	74	74	224
15 Power for Jobs Tax Credit	L0963	(1,073)	-	-	(883)	(883)	(883)	(2,649)
16 Excess Emission Reduction Credits	various	(174,511)	-	-	(358)	(357)	(357)	(1,073)
17 Credits from Case 07-E-0523	V & W0956	(22,167)	-	87,231	(29,093)	(29,094)	(29,094)	(87,280)
18 TSC Revenues (with interest)	G0950	(5,000)	-	7,248	(4,973)	(4,973)	(4,973)	(14,919)
19 Interference Underspending	B0957	(753)	-	-	(7,418)	(7,419)	(7,419)	(22,255)
20 Network CAIDI Performance Mechanism Revenue Adjustment	C0968	(4,935)	-	-	(1,667)	(1,667)	(1,667)	(5,000)
21 Washington Heights and WTC Security Initiatives	G0951 / S0950	(1,831)	-	3,300	(251)	(251)	(251)	(753)
22 SO2 Allowances (with interest)	F0956	(707)	-	-	(545)	(545)	(545)	(1,635)
23 Auction Interest Rate - Case 07-E-0523	various	(7,619)	-	-	(610)	(611)	(611)	(1,831)
24 Property Condemnations	various	(2,131)	(588)	-	(236)	(235)	(235)	(707)
25 Property Tax Refunds	P0962	(2,131)	(588)	5,029	(1,623)	(1,623)	(1,623)	(4,870)
26 Interest - Gain on Sale of First Avenue Properties					(906)	(907)	(907)	(2,719)

EXHIBIT __ (AP- 10)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ALLOCATION OF RATE INCREASES BETWEEN MAC AND T&D

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

SUMMARY OF RATE INCREASE FOR ELECTRIC OPERATIONS
SHOWING THE EFFECT OF THE PROPOSED INCREASE IN RATES
TWELVE MONTHS ENDING MARCH 31, 2011
(Thousands of Dollars)

	TOTAL PROPOSED RATE INCREASE <hr/> (Column 1)	MAC PROPOSED RATE INCREASE <hr/> (Column 2)	T&D PROPOSED RATE INCREASE <hr/> (Column 3)
<u>OPERATING REVENUES</u>			
SALES REVENUES	\$854,468	\$16,233	\$838,235
OTHER OPERATING REVENUES	<u>3,204</u>	<u>57</u>	<u>3,147</u>
TOTAL OPERATING REVENUES	<u>857,672</u>	<u>16,290</u>	<u>841,382</u>
<u>OPERATING REVENUE DEDUCTIONS</u>			
FUEL AND PURCHASED POWER	0	0	0
OTHER OPERATION AND MAINTENANCE	5,810	101	5,709
DEPRECIATION AND AMORTIZATION	0	0	0
TAXES OTHER THAN INCOME TAXES	23,754	451	23,303
GAINS FROM DISPOSITION OF UTILITY PLANT	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OPERATING REVENUE DEDUCTIONS	<u>29,564</u>	<u>552</u>	<u>29,012</u>
OPERATING INCOME BEFORE INCOME TAXES	828,108	15,738	812,370
NEW YORK STATE INCOME TAX	58,796	1,117	57,679
FEDERAL INCOME TAX	<u>269,259</u>	<u>5,117</u>	<u>264,142</u>
OPERATING INCOME AFTER INCOME TAXES	<u>\$500,053</u>	<u>\$9,504</u>	<u>\$490,549</u>
AVERAGE RATE BASE (Exhibit (AP-8))	<u>\$15,596,228</u>	<u>\$799,615</u>	<u>\$14,796,613</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

OPERATING INCOME, RATE BASE AND RATE OF RETURN FOR ELECTRIC PRODUCTION OPERATIONS
SHOWING THE EFFECT OF THE PROPOSED INCREASE IN RATES
TWELVE MONTHS ENDING MARCH 31, 2011
(Thousands of Dollars)

	Twelve Months Ending March 31, 2011 <u>(Column 1)</u>	Rate Case Adjustments (Schedule 3) <u>(Column 2)</u>	Rate Year As Adjusted <u>(Column 3)</u>	Proposed Rate Increase <u>(Column 4)</u>	Rate Year As Adjusted For Proposed Rate Increase <u>(Column 5)</u>
OPERATING REVENUES					
SALES REVENUES	827,868	\$0	\$827,868	\$16,233	\$844,101
OTHER OPERATING REVENUES	(547)	0	(547)	57	(490)
TOTAL OPERATING REVENUES	<u>827,321</u>	<u>0</u>	<u>827,321</u>	<u>16,290</u>	<u>843,611</u>
OPERATING REVENUE DEDUCTIONS					
FUEL AND PURCHASED POWER	414,276	0	414,276	0	414,276
OTHER OPERATION AND MAINTENANCE	241,613	0	241,613	101	241,714
DEPRECIATION AND AMORTIZATION	22,651	4,170	26,821	0	26,821
TAXES OTHER THAN INCOME TAXES	60,943	0	60,943	451	61,394
GAINS FROM DISPOSITION OF UTILITY PLANT	0	0	0	0	0
TOTAL OPERATING REVENUE DEDUCTIONS	<u>739,483</u>	<u>4,170</u>	<u>743,653</u>	<u>552</u>	<u>744,205</u>
OPERATING INCOME BEFORE INCOME TAXES	87,838	(4,170)	83,668	15,738	99,406
NEW YORK STATE INCOME TAX	4,513	(296)	4,217	1,117	5,334
FEDERAL INCOME TAX	23,509	(833)	22,676	5,117	27,793
OPERATING INCOME AFTER INCOME TAXES	<u>\$59,816</u>	<u>(\$3,041)</u>	<u>\$56,775</u>	<u>\$9,504</u>	<u>\$66,279</u>
AVERAGE RATE BASE (Schedule 4)	<u>\$799,615</u>	<u>\$0</u>	<u>\$799,615</u>		<u>\$799,615</u>
RATE OF RETURN	<u>7.48%</u>		<u>7.10%</u>		<u>8.29%</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

NEW YORK STATE INCOME TAX - ELECTRIC PRODUCTION
TWELVE MONTHS ENDING MARCH 31, 2011
(Thousands of Dollars)

Line No.		Twelve Months Ending March 31, 2011 (Column 1)	Rate Case Adjustments (Schedule 3) (Column 2)	Rate Year As Adjusted (Column 3)	Proposed Rate Increase (Column 4)	Rate Year As Adjusted For Proposed Rate Increase (Column 5)
1	Book Operating Income Before Income Taxes	<u>\$87,838</u>	<u>(\$4,170)</u>	<u>\$83,668</u>	<u>\$15,738</u>	<u>\$99,406</u>
	<u>FLOW THROUGH ITEMS</u>					
	<u>Deduct: Non-Taxable Income and Additional Deductions</u>					
2	Interest expense	<u>24,272</u>	<u>0</u>	<u>24,272</u>	<u>0</u>	<u>24,272</u>
3	Total Deductions	<u>24,272</u>	<u>0</u>	<u>24,272</u>	<u>0</u>	<u>24,272</u>
	<u>NORMALIZED ITEMS</u>					
	<u>Add: Additional Income and Unallowable Deductions</u>					
4	Book Depreciation	<u>22,651</u>	<u>4,170</u>	<u>26,821</u>	<u>0</u>	<u>26,821</u>
5	Total Additions	<u>22,651</u>	<u>4,170</u>	<u>26,821</u>	<u>0</u>	<u>26,821</u>
	<u>Deduct: Non-Taxable Income and Additional Deductions</u>					
6	NYS Depreciation	<u>28,599</u>	<u>0</u>	<u>28,599</u>	<u>0</u>	<u>28,599</u>
7	Total Deductions	<u>28,599</u>	<u>0</u>	<u>28,599</u>	<u>0</u>	<u>28,599</u>
8	Taxable Income - New York State	<u>\$57,618</u>	<u>\$0</u>	<u>\$57,618</u>	<u>\$15,738</u>	<u>\$73,356</u>
	<u>Tax Computation</u>					
9	Current New York State Income Tax @ 7.10%	<u>\$4,091</u>	<u>\$0</u>	<u>\$4,091</u>	<u>\$1,117</u>	<u>\$5,208</u>
10	Deferred New York State Income Tax @ 7.10%	<u>422</u>	<u>(296)</u>	<u>126</u>	<u>0</u>	<u>126</u>
11	Total New York State Income Tax	<u>\$4,513</u>	<u>(\$296)</u>	<u>\$4,217</u>	<u>\$1,117</u>	<u>\$5,334</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

FEDERAL INCOME TAX - ELECTRIC PRODUCTION
 TWELVE MONTHS ENDING MARCH 31, 2011
 (Thousands of Dollars)

Line No.		Twelve Months Ending March 31, 2011 (Column 1)	Rate Case Adjustments (Schedule 3) (Column 2)	Rate Year As Adjusted (Column 3)	Proposed Rate Increase (Column 4)	Rate Year As Adjusted For Proposed Rate Increase (Column 5)
1	Book Operating Income Before Income Taxes	\$87,838	(\$4,170)	\$83,668	\$15,738	\$99,406
2	New York State Income Tax	4,513	(296)	4,217	1,117	5,334
3	Book Operating Income Before Federal Income Tax	<u>83,325</u>	<u>(3,874)</u>	<u>79,451</u>	<u>14,621</u>	<u>94,072</u>
FLOW THROUGH ITEMS						
<u>Add: Additional Income and Unallowable Deductions</u>						
4	Book Depreciation	22,651	4,170	26,821	0	26,821
5	Total Additions	<u>22,651</u>	<u>4,170</u>	<u>26,821</u>	<u>0</u>	<u>26,821</u>
<u>Deduct: Non-Taxable Income and Additional Deductions</u>						
6	Interest expense	24,272	0	24,272	0	24,272
7	Statutory Depreciation - at current book rates	14,537	0	14,537	0	14,537
8	Statutory Depreciation - change at proposed book rates	0	412	412	0	412
9	Statutory Depreciation - change with reserve deficiency	0	2,264	2,264	0	2,264
10	Total Deductions	<u>38,809</u>	<u>2,676</u>	<u>41,485</u>	<u>0</u>	<u>41,485</u>
NORMALIZED ITEMS						
<u>Deduct: Non-Taxable Income and Additional Deductions</u>						
11	Statutory Depreciation - at current book rates	13,540	0	13,540	0	13,540
12	Statutory Depreciation - change at proposed book rates	0	(412)	(412)	0	(412)
13	Statutory Depreciation - change with reserve deficiency	0	(2,264)	(2,264)	0	(2,264)
14	Total Deductions	<u>13,540</u>	<u>(2,676)</u>	<u>10,864</u>	<u>0</u>	<u>10,864</u>
15	Taxable Income - Federal	<u>\$53,627</u>	<u>\$296</u>	<u>\$53,923</u>	<u>\$14,621</u>	<u>\$68,544</u>
Tax Computation						
16	Current Federal Income Tax @ 35%	\$18,770	\$104	\$18,874	\$5,117	\$23,991
17	Deferred Federal Income Tax @ 35%	4,739	(937)	3,802	0	3,802
18	Total Federal Income Tax	<u>\$23,509</u>	<u>(\$833)</u>	<u>\$22,676</u>	<u>\$5,117</u>	<u>\$27,793</u>

EXHIBIT __ (AP- 11)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
EAST RIVER MAINTENANCE

EXHIBIT __ (AP-11)
SCHEDULE 1

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
EAST RIVER MAINTENANCE EXPENSES - DEFERRAL
APRIL 1, 2009 - MARCH 31, 2015
(thousands of dollars)

Accrued Maintenance @ 3/31/09 (Company Account E0954)		(\$4,443)
Maintenance Accrual - 4/1/09 - 3/31/10	(\$7,500)	
Projected outage related costs - 4/1/09 - 3/31/10	<u>7,293</u>	
		<u>(207)</u>
Balance @ 3/31/10		(\$4,650)
Maintenance Accrual - 4/1/10 - 3/31/11	(\$7,500)	
Projected outage related costs - 4/1/10 - 3/31/11	<u>8,061</u>	
		<u>561</u>
Balance @ 3/31/11		(\$4,089)
Maintenance Accrual - 4/1/11 - 3/31/12	(\$7,500)	
Projected outage related costs - 4/1/11 - 3/31/12	<u>14,039</u>	
		<u>6,539</u>
Balance @ 3/31/12		\$2,450
Maintenance Accrual - 4/1/12 - 3/31/13	(\$7,500)	
Projected outage related costs - 4/1/12 - 3/31/13	<u>7,293</u>	
		<u>(207)</u>
Balance @ 3/31/13		\$2,243
Maintenance Accrual - 4/1/13 - 3/31/14	(\$7,500)	
Projected outage related costs - 4/1/13 - 3/31/14	<u>14,059</u>	
		<u>6,559</u>
Balance @ 3/31/14		\$8,802
Maintenance Accrual - 4/1/14 - 3/31/15	(\$7,500)	
Projected outage related costs - 4/1/14 - 3/31/15	<u>7,293</u>	
		<u>(207)</u>
Balance @ 3/31/15		\$8,595

EXHIBIT __ (AP-11)
SCHEDULE 2

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
EAST RIVER MAINTENANCE COSTS
APRIL 1, 2009 - MARCH 31, 2015
(thousands of dollars)

Start Date	End Date	Outage Type	Unit #	Cost
September 16, 2009	September 30, 2009	Combustion Inspection	#2	\$1,040
October 1, 2009	October 15, 2009	Combustion Inspection	#1	\$1,040
Materials costs			#1	\$85
Materials costs			#2	\$85
Parts refurbishment			#1	\$760
Parts refurbishment			#2	\$760
Parts expense			#1	\$1,047
Parts expense			#2	\$1,047
Non-scheduled overhaul maintenance				\$1,429
Total Apr 2009 - Mar 2010				<u>\$7,293</u>
March 5, 2011	March 31, 2011	Major Inspection	#2	\$4,370
Materials costs			#2	\$150
Parts expense			#1	\$1,083
Parts expense			#2	\$1,041
Non-scheduled overhaul maintenance				\$1,417
Total Rate Year 1 (Apr 2010 - Mar 2011)				<u>\$8,061</u>
April 3, 2011	May 1, 2011	Major Inspection	#1	\$4,370
Materials costs			#1	\$150
Parts refurbishment			#1	\$2,500
Parts refurbishment			#2	\$2,500
Parts expense			#1	\$1,019
Parts expense			#2	\$1,083
Non-scheduled overhaul maintenance				\$2,417
Total Rate Year 2 (Apr 2011 - Mar 2012)				<u>\$14,039</u>
September 16, 2012	September 30, 2012	Combustion Inspection	#2	\$1,040
October 1, 2012	October 15, 2012	Combustion Inspection	#1	\$1,040
Materials costs			#1	\$85
Materials costs			#2	\$85
Parts refurbishment			#1	\$760
Parts refurbishment			#2	\$760
Parts expense			#1	\$1,047
Parts expense			#2	\$1,047
Non-scheduled overhaul maintenance				\$1,429
Total Rate Year 3 (Apr 2012 - Mar 2013)				<u>\$7,293</u>
March 15, 2014	April 18, 2014	Hot Gas Path Inspection	#2	\$2,250
April 19, 2014	May 17, 2014	Hot Gas Path Inspection	#1	\$2,250
Materials costs			#1	\$120
Materials costs			#2	\$120
Parts refurbishment			#1	\$2,400
Parts refurbishment			#2	\$2,400
Parts expense			#1	\$1,040
Parts expense			#2	\$1,062
Non-scheduled overhaul maintenance				\$2,417
Total Rate Year 4 (Apr 2013 - Mar 2014)				<u>\$14,059</u>
September 16, 2015	September 30, 2015	Combustion Inspection	#2	\$1,040
October 1, 2015	October 15, 2015	Combustion Inspection	#1	\$1,040
Materials costs			#1	\$85
Materials costs			#2	\$85
Parts refurbishment			#1	\$760
Parts refurbishment			#2	\$760
Parts expense			#1	\$1,047
Parts expense			#2	\$1,047
Non-scheduled overhaul maintenance				\$1,429
Total Rate Year 5 (Apr 2014 - Mar 2015)				<u>\$7,293</u>

EXHIBIT __ (AP- 12)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CAPITAL STRUCTURE & COST OF CAPITAL

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 RATE OF RETURN REQUIRED FOR THE RATE YEAR
 TWELVE MONTHS ENDING MARCH 31, 2011
 (Thousands of Dollars)

	Actual Capital Structure December 31, 2008	Adjustments to Reflect Conditions in Rate Year	Average Capital Structure at March 31, 2011		Cost Rate	Cost of Capital
			Amount	Percent		
Long Term Debt	\$ 8,990,900	\$ 1,045,725	\$ 10,036,625 (1)	49.50%	5.90% (1)	2.92%
Preferred Stock	212,563	-	212,563 (2)	1.05%	5.34% (2)	0.06%
Customer Deposits	250,222	10,655	260,877	1.28%	4.85%	0.06%
Subtotal	9,453,685	1,056,381	10,510,066	51.84%		3.04%
Common Equity	9,016,900	748,719	9,765,619	48.16%	10.9%	5.25%
Total	\$ 18,470,585	\$ 1,805,100	\$ 20,275,685	100.00%		8.29%

(1) Per Schedule 2
 (2) Per Schedule 3

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
AVERAGE COST OF LONG TERM DEBT
March 31, 2011
(Thousands of Dollars)

Type of Issue	Due	Debt Outstanding 12/31/2008	Cost Rate	Average Balance 3/31/2011	Average Cost Annualized	Effective Cost Rate
<u>Debentures</u>						
1998 Series B	02/01/28	105,000	7.1000%	105,000	7,455	
1998 Series D	10/01/28	75,000	6.9000%	75,000	5,175	
1999 Series B	12/01/09	200,000	7.1500%	-	-	
2000 Series A	05/01/10	325,000	8.1250%	40,625	3,301	
2000 Series B	09/01/10	300,000	7.5000%	137,500	10,313	
2002 Series A	07/01/12	300,000	5.6250%	300,000	16,875	
2002 Series B	02/01/13	500,000	4.8750%	500,000	24,375	
2003 Series A	04/01/33	175,000	5.8750%	175,000	10,281	
2003 Series B	06/15/13	200,000	3.8500%	200,000	7,700	
2003 Series C	06/15/33	200,000	5.1000%	200,000	10,200	
2004 Series A	02/01/14	200,000	4.7000%	200,000	9,400	
2004 Series B	02/01/34	200,000	5.7000%	200,000	11,400	
2004 Series C	06/15/09	275,000	4.7000%	-	-	
2005 Series A	03/01/35	350,000	5.3000%	350,000	18,550	
2005 Series B	07/01/35	125,000	5.2500%	125,000	6,563	
2005 Series C	12/01/15	350,000	5.3750%	350,000	18,813	
2006 Series A	03/15/36	400,000	5.8500%	400,000	23,400	
2006 Series B	06/15/36	400,000	6.2050%	400,000	24,820	
2006 Series C	09/15/16	400,000	5.5000%	400,000	22,000	
2006 Series D	12/01/16	250,000	5.3000%	250,000	13,250	
2006 Series E	12/01/36	250,000	5.7000%	250,000	14,250	
2007 Series A	08/15/37	525,000	6.3000%	525,000	33,075	
2008 Series A	04/01/18	600,000	5.8500%	600,000	35,100	
2008 Series B	04/01/38	600,000	6.7500%	600,000	40,500	
2008 Series C	12/01/18	600,000	7.1250%	600,000	42,750	
2009 Series A	04/01/14	275,000	5.5500%	275,000	15,263	
2009 Series B	04/01/19	475,000	6.6500%	475,000	31,588	
2009 Series C	12/01/39	650,000	7.7000%	650,000	50,050	
2010 Series A	08/01/20	400,000	7.4500%	216,667	16,142	
2010 Series B	08/01/40	450,000	8.2000%	243,750	19,988	
2010 Series C	12/01/20	330,000	7.4500%	68,750	5,122	
<u>Tax Exempt Debt Issue through New York State</u>						
1999 Series A	05/01/34	292,700	VAR (A)	292,700	5,687	
2001 Series A	06/01/36	224,600	VAR (A)	224,600	10,556	
2001 Series B	10/01/36	98,000	VAR (A)	98,000	1,904	
2004 Series A	01/01/39	98,325	VAR (A)	98,325	1,910	
2004 Series B1	05/01/32	127,225	VAR (A)	127,225	2,472	
2004 Series B2	10/01/35	19,750	VAR (A)	19,750	384	
2004 Series C	11/01/39	99,000	VAR (A)	99,000	1,102	
2005 Series A	05/01/39	126,300	VAR (A)	126,300	1,406	
Subtotal				\$ 9,998,192	\$ 573,117	5.73%
Amortization of Debt Discount & Expense					18,547	
Ending Balance of Unamortized Premium (Discount)				38,434		
TOTAL				\$ 10,036,625	\$ 591,664	5.90%

(A) Average variable rate

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
AVERAGE COST OF PREFERRED STOCK
MARCH 31, 2011
(Thousands of Dollars)

Issue	Cost Rate	Average Amount Outstanding	Average Dividends Annualized	Effective Cost Rate
Cumulative Preferred Stock				
\$5	(A)	\$ 175,000	\$ 9,577	
Series C	4.650%	15,330	713	
Series D	4.650%	22,233	1,034	
Subtotal		\$ 212,563	\$ 11,324	5.33%
Amortization of Expenses				
Refunding of Series A & B			20	
Total		\$ 212,563	\$ 11,344	5.34%

Note: (A) \$5 per share on 1,915,319 outstanding shares

EXHIBIT __ (AP- 13)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
FUND REQUIREMENTS AND SOURCES

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 FUND REQUIREMENTS AND SOURCES
 TWELVE MONTHS ENDING MARCH 31, 2011
 (Millions of Dollars)

CAPITAL FUNDS REQUIRED

Construction Expenditures	\$ 2,252
Rate Cast Amortizations/Accruals	(323)
Working Capital	34
TOTAL FUNDS REQUIRED	<u>1,964</u>

INTERNAL SOURCE OF FUNDS

Retained Earnings	354
Depreciation	787
Deferred Tax Accruals	238
AFUDC	(36)
Other	(79)
TOTAL INTERNAL SOURCES OF FUNDS	<u>1,264</u>

INTERNAL FUNDS AVAILABLE/(REQUIRED) (700)

EXTERNAL SOURCES OF FUNDS

Net Equity Issuance	194
Commercial Paper	(49)
Bond Proceeds	555
TOTAL EXTERNAL SOURCES OF FUNDS	<u>700</u>

CAPITAL FUNDS REQUIRED LESS SOURCES OF FUNDS (0)

TEMPORARY CASH INVESTMENTS AT 03/31/10 \$ 10

TEMPORARY CASH INVESTMENTS AT 03/31/11 \$ 10

EXHIBIT __ (AP- 14)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
INTEREST COVERAGE

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
INTEREST COVERAGE
S.E.C. BASIS - PER BOOKS
(Millions of Dollars)

	2004 ACTUAL	2005 ACTUAL	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	12 MONTHS ENDING March 2011 ESTIMATE
NET INCOME	\$ 518	\$ 694	\$ 686	\$ 844	\$ 783	\$ 1,066
PREFERRED STOCK DIVIDEND	11	11	11	11	11	11
(INCOME) OR LOSS FROM EQUITY INVESTEEES	-	-	-	(2)	-	-
FEDERAL INCOME TAX	278	330	349	392	397	467
PRE-TAX INCOME FROM CONTINUING OPERATIONS	807	1,035	1,046	1,245	1,191	1,545
ADD: FIXED CHARGES						
Interest on long-term debt	317	333	370	411	458	574
Amortization of debt discount & expense	15	17	16	17	16	14
Other interest	34	21	65	39	25	15
Interest component of rentals	21	21	21	20	21	21
TOTAL FIXED CHARGES	387	392	472	487	520	625
EARNINGS AVAILABLE	\$ 1,194	\$ 1,427	\$ 1,518	\$ 1,732	\$ 1,711	\$ 2,169
INTEREST COVERAGE (TIMES)	3.09	3.64	3.22	3.56	3.29	3.47