Q. Would the members of the Municipal Infrastructure Support Panel please state your names and business address.

A. Thomas M. Gencarelli and Paul Cherian. Our business address is 1610 Matthews Avenue, Bronx, NY 10462.

Q. What are your current positions with Con Edison?

A. (**Gencarelli**) I am employed by Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") as the General Manager of Public Improvement.

(**Cherian**) I am employed by Con Edison as the Section Manager of Engineering Services in Public Improvement.

Q. Please describe your educational background.

A. (**Gencarelli**) I graduated from New York Institute of Technology with a Bachelor's Degree in Mechanical Technology in 1970.

(**Cherian**) I received a Bachelor's Degree in Electrical Engineering from University of Kerala, India in 1976.

Q. Please describe your work experience.

A. (**Gencarelli**) I have been employed by Con Edison since 1972. I have held the positions of Engineer in Power Generation, Project Superintendent at Indian Point Generating Station, Department Manager of the Nuclear

Projects Department at Indian Point, and Department Manager of Public Improvement.

(**Cherian**) I have been employed by Con Edison since 1987. I have held the positions of Engineer in the Estimating group, Engineer in Central Construction and Superintendent at the Indian Point Generating Station.

Q. Please generally describe your current responsibilities.

A. (**Gencarelli**) My current responsibilities as General Manager of Public Improvement are to maintain the integrity of Con Edison's electric, gas and steam systems during the course of municipal construction projects in a cost effective-manner. This requires planning, coordinating, engineering and negotiating with municipalities and the contractors assigned to work for them to ensure the timely completion of their projects.

(**Cherian**) As Section Manager, I manage the Municipal Infrastructure Support O&M and Capital budgeting and expenditure tracking process. Part of my function is to manage the Engineering Estimating process, which prepares estimates for interference related O&M and Capital projects. In addition, I am responsible for

handling the Emergency Sewer/Water and Test pit contracts.

Q. What is the purpose of your testimony?

A. Our testimony addresses: (1) the meaning of "interference" as it relates to Con Edison's Electric system; (2) Operation and Maintenance ("O&M") interference costs associated with the Company's electric facilities for the rate years ending March 31, 2011 ("Rate Year" or "RY1"), March 31, 2012 ("RY2") and March 31, 2013 ("RY3"); (3) Capital interference costs associated with the Company's electric facilities for the period 2010-2013; (4) Lower Manhattan O&M interference costs for the rate years RY1, RY2 and RY3 and Capital interference costs for the period 2010-2013; 5) mitigation measures the Company has undertaken to reduce its interference costs; 6) impact of Federal Stimulus funds on interference expenditures; and 7) a proposal for bilateral reconciliation of interference capital and O&M expenses.

Q. Please provide a summary of your testimony.

A. When a municipality performs work, such as installation or repairs to water mains, sewers and drainage facilities, reconstruction of roadways, curbs and sidewalks, and if the work affects the Company's

Electric facilities, Con Edison must bear the costs to support and protect its facilities. The forecasted amount of O&M interference costs is approximately $73.5 million for the Rate Year, and $70.3 million and $54.9 million for RY2 and RY3, respectively. Spending in the historic year for O&M interference costs was $61 million. The Company's increased interference forecast is driven by the City's forecast for its expected infrastructure improvement expenditures, which has seen a dramatic increase in the level of expenditures in the recent past. The calculation for this forecast is based on New York City's forecast of its infrastructure expenditures as reflected in the City's January Capital Commitment Plan, which includes a 33.8 percent increase from its expected expenditures in 2009 versus 2010.

The Company's capital interference costs are the capital expenditures incurred when the Company is required to remove and relocate Company electric facilities to a new location due to direct interference with proposed City or other municipal facilities. The Company's forecast for capital interference costs for calendar years 2010-2013 is $28.86 million, $26.70 million, $28.45 million and $28.45 million, respectively.

The methodology utilized in forecasting Lower Manhattan O&M expenditure is different from the method used to forecast expenditures in other areas. Therefore, as in previous rate cases, the forecast for Lower Manhattan expenditures are being presented separately in this rate case. The forecast for Lower Manhattan (World Trade Center or "WTC") interference O&M expenditures for RY1, RY2 and RY3 is approximately $18.81 million, $21.41 million and $17.35 million, respectively. Spending in the historic year for lower Manhattan was $6.4 million. The forecast for Lower Manhattan Capital expenditures for calendar year 2010 through 2013 is approximately $16.14 million, $18.30 million, $21.55 million and $21.55 million, respectively.

Our testimony explains the steps the Company takes to mitigate the costs associated with interference work, including using Joint Bidding for Lower Manhattan projects.

Our testimony discusses anticipated expenditures associated with projects funded by the Federal Stimulus package.

Finally, since the Company's interference forecast is based on municipal infrastructure programs that the municipalities determine, programs over which the

Company has no direct control, the Company proposes a bi-lateral reconciliation mechanism with a 2.5 percent dead-band for interference O&M expenses, including Lower Manhattan O&M expenses and expenses associated with the Federal Stimulus program. Should the Commission decide against a bi-lateral reconciliation mechanism, the Commission should adopt the Company's unmitigated forecast for O&M expenditures. The Company also seeks a bi-lateral reconciliation of its capital expenditures and explains why a one-way, downward only reconciliation for capital interference expenditures is inappropriate.

INTERFERENCE

Q. Please explain interference.

A. Con Edison has an extensive system of electric cables, conduits, structures and poles in addition to services and appurtenances of various sizes and operating voltages, within the streets of its service territories, which includes Manhattan, Queens, Bronx, Brooklyn, Staten Island and Westchester County. These facilities share the space under the streets with other facilities, such as telephone and cable TV, owned by private utility companies, and sewer, water and traffic

facilities owned by New York City and other municipalities. In addition, electric overhead facilities share space above the streets with private, City and municipal facilities. When an entity plans to perform work -- either underground or overhead -- and is prevented from completing the proposed plan due to other facilities being in the way, the term "interference" is used.

Q. Is there more than one kind of interference?

A. Yes. Interference can be direct or indirect. A direct interference is where an existing Con Edison facility must be located, identified, removed and reinstalled at a new location in order to accommodate and provide space for a new City or other municipal facility. An indirect interference requires the Company to identify the location of Company facilities, monitor construction work, and take steps necessary to support and protect Company facilities, which sometimes requires the Company to temporarily relocate its facilities.

Q. Please explain interference expenses as they relate to Electric Operations.

A. If a private entity, like the telephone company, performs work in the vicinity of the Company's electric

facilities, and Con Edison determines that the electric conduit and structures need to be supported, protected, adjusted or relocated to accommodate the work of the private entity, then the private entity is required to bear this cost.

However, if the City of New York or another municipality performs work, such as installing or repairing a sewer or water main in the vicinity of Con Edison's electric facilities, then Con Edison must bear the costs to move, replace, support and protect these facilities affected by the construction activity.

Another component of interference expense is the cost the Company incurs to support and protect or modify its facilities during the course of a municipal public improvement project. For example, when a City street is repaved or the pavement around Con Edison's facilities is modified, raising or lowering of structures (e.g., castings of electric manholes) may be required. The costs that the Company incurs to raise or lower these castings or modify these structures are also considered to be an Electric interference expense.

Q. What type of municipal construction activities cause interference with electric facilities?

A. The typical public improvement activities that affect Company Electric facilities are the installation of water, sewer and drainage facilities, reconstruction of roads, bridges, curbs and sidewalks, and, as mentioned above, the repaving of roadways.

Q. How often does the Company have to support, protect and/or relocate its electric facilities?

A. On any given day, there are hundreds of municipal projects being planned, engineered, or constructed within our service area. These projects are initiated by such organizations as the Department of Design and Construction ("DDC"), Department of Transportation ("DOT"), Department of Environmental Protection ("DEP"), Department of Parks, Bureau of Bridges and the Economic Development Corporation, in addition to the various municipalities in Westchester County. The projects may be planned or may be emergency activities, such as a response to a sewer or water main break. However, any excavation needed for these City/Municipal project activities can potentially impact the electric facilities located in that area and, therefore, may present interference.

The Company's engineering groups work with these State and local agencies to try to minimize the impact of

municipal projects on electric facilities. However, due to the heavy congestion of various underground facilities within the streets, in many cases, there is simply no way to avoid the interference.

Q. Is New York City the primary municipality that drives the level of the Company's interference expenditures?

A. Yes. The City of New York's Capital Infrastructure Improvement Program is the primary driver of the Company's interference expenditures, both for capital and O&M. Other municipalities also perform this work, but on a smaller scale.

O&M INTERFERENCE FORECAST FOR THE RATE YEAR

Q. Was the exhibit entitled "ELECTRIC INTERFERENCE O&M AND CAPITAL EXPENDITURE FORECAST EXCLUDING LOWER MANHATTAN" prepared under your supervision or direction?

A. Yes, it was.

MARK FOR IDENTIFICATION AS EXHIBIT __ (MISP-1)

Q. What does this exhibit show?

A. This exhibit shows the Company's forecast of electric interference O&M expenses for the Rate Year and the capital interference forecast for the period 2010-2013. For O&M, it is forecasted that the Company will spend an estimated $73.52 million, excluding labor, in the

Rate Year. This is approximately $12.7 million higher than O&M expenditures incurred during the historic year (calendar year 2008).

Q. Can you explain why the Company is forecasting an increase in O&M expenditures in the Rate Year?

A. The City's actual and forecasted expenditures for infrastructure improvement projects have significantly increased over the last several years. Actual infrastructure improvement project expenditures have increased from $635 million in 2006 to $732 million in 2008 (See Exhibit ___ (MISP-2), page 2 of 5). Similarly, the City's forecasts have jumped from $610 million in 2006 to $958 million in 2008 (See Exhibit ___ (MISP-2), page 2 of 5). For 2009, the City's forecast has once again increased to approximately $1 billion (See Exhibit ___ (MISP-2) page 2 of 5). The City's forecasted level of expenditures is the main driver for the Company's interference forecast in rate cases. While the Company works with the City to try to minimize our costs, the City's plans and actual level of interference work is not within the Company's control. In the same vein, we note that these City forecasts do not take into account any of the significant infrastructure improvement expenditures

that are anticipated as a result of Federal Stimulus funding, which we discuss later in our testimony.

Q. Have you prepared an exhibit entitled "NEW YORK CITY CAPITAL COMMITMENT & EXPENDITURES AND CON EDISON'S INTERFERENCE O&M FORECAST 2010 - 2013?"

A. Yes, this exhibit was prepared under our supervision and direction.

MARK FOR IDENTIFICATION AS EXHIBIT __ (MISP-2)

Q. Is the methodology the Panel uses to forecast interference expenses consistent with the methodology utilized by the Company to forecast its interference expenditures in Case 08-E-0539?

A. Yes. We used the same overall approach to develop our forecast as we did in Case 08-E-0539 but added a step to the development of the estimate, which reasonably mitigates the forecast in conjunction with the bilateral reconciliation we are proposing. The additional step reduces the Company's O&M request by approximately $10 million. The Company continues to believe that using the Company's methodology, without this additional step, is appropriate and justified.

Q. Does the City develop a forecast for its infrastructure expenditures?

A. Yes. New York City publishes its five-year Capital Commitment Plan ("Commitment Plan") three times a year, in April, September and January. This plan describes anticipated infrastructure projects and includes all project costs that the City expects to commit in each of the upcoming fiscal years for all the different categories of reconstruction work that the City expects to undertake.

The City's Commitment Plan also includes a Commitment Target. Commitment Targets are set because the City realizes that not all planned projects will actually be undertaken and completed.

Q. Does the Company base its forecast on the City's Commitment Plan?

A. Yes. The Company reviews the City's proposed forecast for the categories in the Commitment Plan defined as Water, Sewer, Highway and Bridge projects. Since these four City expenditure categories have the greatest impact on Company facilities, the projected expenditures for these categories are extracted from the Commitment Plan.

Q. Why does the Company use the City's Commitment Plan in developing the Company's forecast for O&M interference expenditures?

A. Over the years, Con Edison has determined that there is a proportional relationship between its gross interference expenditure and the City's Capital infrastructure improvement expenditures. Since the City is in the best position to determine what its future expenditures will be, the Company relies on the City's Commitment Plan, which sets forth the City's forecast of its infrastructure improvement expenditures.

Q. You mentioned that the Company proposes to use a multi-step approach to estimating these expenses. What are these steps?

A. The steps are as follows:

1. developing the modified City Commitment Target;
2. developing the City's projected "actual" infrastructure expenditure forecast;
3. applying a factor reflecting the Company's actual interference costs as a percentage of the City's actual expenditures; and
4. applying a factor reflecting the ratio of electric expenditures to the Company's total interference expenditures.

And, as mentioned earlier, the Company is proposing an additional step to mitigate these expenditures in

association with the implementation of a bi-lateral reconciliation mechanism.

Q. Please explain in greater detail the five-step methodology used to calculate the Rate Year interference forecast.

A. The first step in the Company's methodology is the development of the modified Commitment Target. The City's Commitment Target forecast reflects the projects that are expected to be engineered, bid, and awarded for each fiscal year. In the latest City Commitment Plan, published in January 2009, the Commitment Target varies among the three City agencies, DDC, DOT and DEP, whose projects primarily impact the Company's interference expenses. The January 2009 Commitment Targets for DOT and DDC is 66 percent. However, the Commitment Target for DEP (water and sewer projects) is 100 percent. This means that the City is forecasting that it will expend 66 percent of the Commitment Plans for DDC and DOT and 100 percent for DEP. Therefore, a weighted average was calculated to be approximately 80%.

For purposes of further refining the interference O&M forecast, the Company extracted from the January 2009 City Commitment plan the City's forecast amounts for

four specific categories of projects that impact Company facilities, which are Water, Sewer, Highway and Bridges. The bridge category is then separated into Highway Bridges and Waterway Bridges because we realize that not all waterway bridge projects will have an impact on our interference expenditures. In this rate filing, none of the Waterway Bridge projects are currently expected to have an impact on the electric interference expenditure. The total amount for these five categories is $1.6 billion, which is then multiplied by 67.4 percent, the average of the Commitment Targets in each of the last five January Commitment Plans for the years 2005-2009. The Company used the average as a representation of the Commitment Plan targets, instead of simply relying on the current year. This smoothes out fluctuations that may occur from year to year and better reflects the typical Commitment Target level over time. However, as discussed later, since the Commitment Plan target for any year can vary significantly from the average, a circumstance over which the Company has no control, a reconciliation mechanism to protect both customers and the Company from material variations is warranted. This step is also consistent with past Staff

recommendations. In this case, this first step produced a projected expenditure level of $1,081 million ($1.1 Billion).

Q. Is there a particular area in which the City's forecasted expenditures is expected to rise significantly?

A. Yes, you will note that for 2009, we have utilized a weighted average of 80 percent in our calculations for the City's Commitment Target (see Exhibit __ (MISP-2) page 1 of 6). The 80 percent City Commitment Target is higher than it has been recently, when it has averaged between 63 - 66 percent. This increase in the weighted average for the Commitment Target is due to the fact, which we noted earlier, that the City's Commitment Target for DEP is 100 percent. DEP budget lines WM-1, WM-6, and sewers are being fully funded by the City at 100 percent.

Q. Do you have a reasonable degree of confidence that the expected DEP expenditures will materialize?

A. Yes. For example, one of the larger DEP programs included in the City's Commitment Plan that is fully funded is the "Manhattan trunk Water main Project." This project will tie the major water trunk mains into water tunnel No. 3 at eleven separate locations

throughout the borough of Manhattan through shafts approximately 20 feet in diameter some 450ft below the surface. This is a long-term City project which, as we understand it, is vital to the City's water supply.

For the City to complete this portion of its water project, major large diameter piping work will be required on the surface as large valves and pressure regulator stations will have to be constructed as the water exits. Thereafter, piping of 36" and 48" diameter will run under the streets and tie into existing trunk water mains. Numerous Company facilities, including electric facilities, are affected by this project.

Recently, the City held an executive meeting/briefing with all stakeholders to outline the magnitude of this undertaking, the impact, and to solicit support and cooperation. We are working very closely with the City agencies to mitigate what is expected to be a significant impact on our systems. The City estimates its program costs for this project to be $107 million. They estimate that utility costs could reach as high as $642 million. The first project in the program has been bid and awarded with all work being scheduled to be completed in 2013.

Q. Please describe the splitting of the bridge category mentioned above under the first step.

A. The City's Commitment level for Bridges is the sum of expenditures forecasted for highway bridges and waterway bridges. We know bridges over waterways have Company facilities on them. However, impact to Company facilities will depend upon the individual bridges involved and the type of work being undertaken by the City. Based on these criteria, we separated the Bridge category into Highway Bridges and Waterway Bridges. Upon reviewing the work proposed by the City in this category, we determined that the work for the waterway bridges would have no impact on our facilities for 2009 through 2013.

Q. Please continue.

A. Despite the fact that we estimate no Company expenditures for the waterway bridges category, as shown on Exhibit __ (MISP-2) page 1 of 6, the Company's first step in its calculation nevertheless results in a projected expenditure target is $1,081 million (1.1 billion). This further demonstrates the degree to which the City's projected level of infrastructure expenses has increased.

Q. Please describe the second step, development of the City's "actual" infrastructure expenditure forecast.

A. In the second step, in order to further refine the forecast, the Company compared the City's forecast (as reflected in the Commitment Plan from January of the previous fiscal year) to the City's actual expenditures and averaged the results of this comparison for the past five years to develop a City expenditure factor of 91.9 percent. This comparison shows that, on average, over the last five years (2004-2008), 91.9 percent of the City's January Commitment Plan forecast resulted in actual City expenditures. This calculation is shown in Exhibit __ (MISP-2), p. 2 of 6) and results in a projected expenditure of $994 million.

Q. For the third and fourth steps, has the Company found any correlation between the City's infrastructure expenditures and the Company's interference costs?

A. Yes. The Company's actual interference costs as a percentage of the City's actual expenditure averaged approximately 11.8 percent over the last five years 2004-2008. The 11.8 percent factor, as shown in Exhibit __ (MISP-2, p. 3 of 6), is the five-year average (2004-2008) of the Company's gross interference

expenditure compared to the City's actual expenditures for the five categories mentioned above.

The Company has also developed a ratio for the electric expenditure to total Company interference expenditures. The most current five-year average, 2004-2008, of actual electric interference expenditures to the Company's actual gross interference expenditures is 74 percent. The 74 percent factor, as shown in Exhibit __ (MISP-2, p. 4 of 6), is the percentage of the Company's interference expenditure associated with electric facilities compared to the gross interference expenditure for all items combined. This process is demonstrated in Exhibit ___ (MISP-2, p. 1 of 6).

Q. Please describe the fifth step, the "Mitigation Factor."

A. The fifth step is a factor derived by comparing the Company's budget of electric interference O&M for the past five years to the Company's actual expenditures, resulting in a factor of 88.43 percent, as shown in Exhibit __ (MISP-2, page 6 of 6). This additional step compares our budget versus actual expenditures over a five year period. We have determined that we expend anywhere between 74 percent and 116 percent of that budget. On average, we spent approximately 89 percent

of the dollars budgeted for interference. This factor reduces the forecast for O&M expenditures by approximately $10 million and mitigates the impact on customers from the City's increased projection of expenditures in its Commitment Plan.

Q. What is the forecast that results from these computations?

A. By applying these percentages to the last three quarters of 2010 and the first quarter of 2011, the Company derived the total Electric interference forecast of $73.52 million for RY1, excluding Company labor. Exhibit __ (MISP-2, page 1 of 6) also provides the forecast for RY2 and RY3 excluding Company labor. This rate year forecast is approximately $12.7 million higher than the historic year expenditure. The City's forecasted expenditure target of approximately $1.1 billion is driving the Company's increased interference forecast. As the Company has noted, these costs are largely beyond the Company's control. The increase in the City's forecast coupled with the inability of the Company to control these costs underscores the need for a bi-lateral reconciliation.

Q. Does the Company propose to update the forecast of interference expenses during this rate case?

A. Yes. New York City's Capital Commitment Plan is generally published in January, April and September of each calendar year. Our testimony and exhibits were prepared based on the City's commitment plan published in January 2009. We propose to update our forecast utilizing the January 2010 Commitment Plan. Pursuant to discussions in previous rate proceedings, there is much controversy in relying on the April plan and updating one time using the January plan would provide a measure of consistency. In addition, we will also update our forecast if a major City program, such as a project related to the Federal Stimulus program, surfaces during the course of this proceeding, that would substantially impact our interference O&M forecast.

CAPITAL EXPENSES

Q. What is the interference capital expenditure forecast?

A. The interference capital expenditure forecast for the period 2010-2013, based on our estimate, is $28.86 million in 2010, $26.70 million in 2011, $28.45 million in 2012 and $28.45 million in 2013, as shown on Exhibit __ (MISP-1).

Q. Does the Company's forecast include projects that could receive Federal Stimulus funding?

A. No. This forecast does not take into account projects that could potentially be introduced due to the anticipated availability of Federal Stimulus funds. In addition, due to the vast amount of current major City construction projects, in particular the construction of Water Tunnel No. 3 and branch connections discussed earlier in our testimony, the relocation of transmission feeder sections resulting from direct interference with municipal structures is much more likely than historical experience would indicate. The costs for transmission feeder section relocations would be substantially more costly than relocation of distribution facilities. Relocations of selected sections of transmission feeders to eliminate interferences may also need to be addressed on an expedited basis, particularly in 2011 and 2012. For these reasons, the Company proposes a bi-lateral reconciliation mechanism for capital expenditures, as well as for O&M expenditures. The impact of stimulus funds and the Company's reconciliation proposals will be addressed later in this testimony.

Q. Is the methodology the Company uses to forecast capital expenses the same as that used to forecast O&M?

A. No. Unlike the O&M projection, which is calculated based on the City's forecast, the forecast for capital interference expenses is based on the estimated cost of projects contained within the New York City Commitment Plan. The Company also relies on information obtained in meetings with various City agencies, specifically the DDC, concerning future projects.

LOWER MANHATTAN EXPENDITURES

Q. Was the exhibit entitled "LOWER MANHATTAN ELECTRIC O&M AND CAPITAL FORECAST" prepared under your supervision and direction?

A. Yes, it was.

MARK FOR IDENTIFICATION AS EXHIBIT __ (MISP-3)

Q. What does this exhibit demonstrate?

A. This exhibit shows the projected Lower Manhattan Interference O&M expenditure for RY1 through RY3 and Capital expenditure forecast for the period 2010 to 2013.

Q. What is the electric interference forecast associated with Lower Manhattan?

A. The Company's O&M expenditure forecast for Lower Manhattan is $18.81 million, $21.41 million, and $17.35

million for RY1, RY2 and RY3, respectively. The Lower Manhattan Capital expenditure forecast is $16.14 million, $18.30 million, $21.55 million and $21.55 million for the period 2010 to 2013.

Q. What was the historic year expenditure for O&M in Lower Manhattan?

A. The historic year O&M expenditure was $6.2 million.

Q. Why the difference between the historic year expense and the rate year forecast?

A. The overall list of projects that need to be completed for Lower Manhattan and their scopes have not changed. However, the prolonged delay in bidding, awarding and commencing field work resulted in lower than forecasted expenditures for the historic year. The pace for these projects is picking up and the projects that did not materialize during the historic year will impact expenditures in future years. Our forecast takes into consideration the shifting of expenditures.

Q. Explain the methodology used to calculate the interference cost for Lower Manhattan.

A. The City provided a listing of projects with anticipated starting dates and the type of the projects for the Lower Manhattan area. Based on this list, we developed order of magnitude estimates for O&M and

Capital work for each project given the Company's past experience with similar jobs in the Lower Manhattan area. Our estimate reflects the unique nature of the work required in Lower Manhattan.

Q. Please explain the difference in the work in Lower Manhattan.

A. Through the years, most of the new facilities in Lower Manhattan have been installed on top of existing active and abandoned facilities. As a result, there is significant underground congestion with layers upon layers of facilities in Lower Manhattan. The federal financing, which is being used to defray the costs to the City for the rebuilding of Lower Manhattan roadways, requires the roadways to be constructed to meet Federal DOT specifications. This means a 7-inch curb reveal (the distance between the top of the curb and the roadway surface) must be achieved. To attain the 7-inch curb reveal, the current level of the roadway has to be lowered, which requires the lowering of Company facilities. This requires the removal of abandoned facilities and then rearranging and lowering active facilities to provide adequate space for lowering the roadway. Consequently, extensive removal work is required for these projects, which generally

comes at a higher cost to perform interference work relative to areas outside of Lower Manhattan.

Q. Are there any other reasons why the methodology used for calculating Lower Manhattan interference expenses is different from the methodology used to calculate all other interference expenses?

A. Yes. For areas outside of Lower Manhattan, the majority of interference work is being done under the bid protocol called Section U, which is Section U of the DDC contract. However, the work in Lower Manhattan is being implemented under a different protocol called "Joint Bid." Under Joint Bid, the utility interference work is included in the City bid document and is competitively bid by the contractors bidding the City project. This protocol was introduced by State Legislation specifically for the work funded by the Federal Government in Lower Manhattan and was accepted by the City of New York and all the major utility companies operating in the City. The City and the utilities spent approximately two years establishing the detailed process for Joint Bid and the first project under this protocol was bid in late 2007. At this point, due to the early stages of this work, there is no historic data available to develop a methodology

to forecast future interference expenditures as a percentage of the City's forecast. In addition to higher levels of underground congestion, the narrower than normal roadways in Lower Manhattan are also a complicating factor which precludes the development of a generic mathematical formula to forecast future expenditures. For the foregoing reasons, we are forecasting our future interference costs on an individual project estimate basis.

SUMMARY OF O&M & CAPITAL FORECASTS

Q. What is the total O&M and Capital forecast identified in this rate case?

A. There are two separate O&M and Capital forecasts outlined in this rate case (1) Lower Manhattan program, and (2) program for area outside of Lower Manhattan.

Q. Have you prepared an exhibit entitled "CON EDISON'S TOTAL INTERFERENCE O&M AND CAPITAL FORECAST"

A. Yes, it was prepared under our supervision and direction.

MARK FOR IDENTIFICATION AS EXHIBIT__(MISP-6)

Q. What does this exhibit demonstrate?

A. This exhibit lists the O&M and Capital forecasts associated with the two programs discussed above. The

total O&M forecast for RY1, RY2 and RY3 is $92.33 million, $91.68 million and $72.34 million, respectively. The total capital for 2010, 2011, 2012 and 2013 is $45 million, $45 million, $50 million and $50, respectively.

MITIGATION MEASURES

Q. Please describe any mitigation measures that the Company takes to minimize interference costs.

A. In addressing interference costs, the Company is required to adhere to state and municipal statutes, codes, regulations and other established protocols, which limit the Company's flexibility in implementing mitigation measures. In addition, and as discussed in more detail below, given the nature of interference work and the fact that this work (and related expenditures) is largely driven by factors outside of the Company's control, the opportunities for mitigation measures are, consequently, limited. However, over the past eight or so years, the Public Improvement department has implemented several aggressive initiatives to mitigate interference costs, and they are as follows:

Expansion of the Joint Bidding Contracting Format:

Currently, the Joint Bidding contracting concept is restricted to Lower Manhattan which was initiated through State legislation. Recently, preliminary discussions were initiated within Con Edison and with NYC DDC to consider applying the joint bidding concept to other locations in Manhattan and eventually expanding the concept to all boroughs. Legislation will need to be introduced in Albany and supported through a joint effort of all utilities involved and NYC. This concept is seen as the best method of obtaining competitive pricing, minimizing schedule delays, mitigating community impact and apportioning costs fairly.

Strengthening Public Improvement Engineering:

Engineering is our first line of defense in cost mitigation and therefore, we have increased our in-house resources and structured engineering's functioning to realize maximum efficiency. Engineering interfaces with various agencies during the initial design and planning phases of a project, and has the first opportunity to study the agencies' scope of work. Engineering performs an in-depth analysis of the work scope to determine the type and nature of the interference and to quantify it. During the planning phase of agency projects, Engineering may

suggest/request and discuss possible scope changes to minimize interferences and request accommodations. Then the Section U package is prepared quantifying the interference items and identifying their locations. This package is submitted to the agency to be included in the Section-U of their contract document. Almost always, the time available to perform the above-mentioned functions is less than thirty days. Hundreds of projects of varying size and complexity are engineered by various agencies during any given fiscal year in this short time period. Recognizing the importance of performing a thorough engineering analysis and issuing a quality Section U package for every project led to the initiative to increase internal resources and established access to external resources, if required.

Maximize Number of Section-U Projects: The Section U protocol provides the Company with certain limited leverage to negotiate a fair market price with the City agency contractors for the Company's portion of interference work. Projects are not automatically classified as Section U unless certain engineering requirements are met. Through the efforts of the engineering department to meet City requirements, the

Company has been able to maximize the number of interference projects under Section U.

Conduct Studies and Surveys: Since the protocol for dealing with underground and overhead interferences is unique particularly in the City of New York, it does not easily lend to benchmarking with other utilities. This led Public Improvement to seek the assistance of experts in the field, to conduct independent studies to provide guidance in determining fair market value for interference items of work and best construction practices based on the latest technology. In addition, we also conducted periodic surveys utilizing internal Company resources to ascertain the latest methodology utilized by roadway contractors in implementing certain tasks. This information allows the Company to update estimating pricing structure and keeps the Company current with the latest technology and methodologies.

Negotiating Team: The negotiating team concept has been extremely successful since its inception in 2001. The team consists of the estimator, the project engineer, the borough manager and the borough project specialist. The estimator is the lead and the common individual for all negotiations irrespective of the borough. This helped the enforcement of uniform

pricing for same work items throughout the boroughs and also forced the reduction of prices for certain items which resulted from the studies and surveys.

Maximize Lump Sum Agreements: Our experience demonstrates that lump sum agreements generally result in lower total project cost as compared to unit price agreements. Therefore, we prefer and promote lump sum agreements. For the past three years, approximately 76 percent of agreements are of the lump sum type. The added advantage of lump sum agreements is that it allows our field personnel to concentrate primarily on preventing damage to our facilities instead of negotiating for extra work on a piecemeal basis.

Aggressive Arbitration Strategy: Section U is the section in the City contract for infrastructure work, where the utilities identify and quantify the interference scope of work. The protocol for Section U is established jointly by the City of New York and the major utilities operating in the City. Under the protocol, the contractor of record for any Section U project should negotiate and reach an agreement with the utilities prior to the start of the project. If an agreement cannot be reached, the matter is submitted for arbitration and the result is final and binding.

Another goal served by the studies/surveys and the negotiating team concept is to support efforts to successfully challenge contractors in arbitration if the pricing offered by the contractor is out of line with fair market value. To date, the Company has an approximate 90 percent success rate when we have arbitrated these projects.

Structure Department Functions for Maximum Efficiency: We restructured the Public Improvement Department to maximize efficiency. One recent example of this restructuring was the creation of an independent sub-section in Engineering Services to focus on Emergency Sewer and Water projects as well as borough wide Test Pitting. The Emergency Sewer and Water personnel focus on "relining" of a sewer instead of a larger more costly "open cut." We work with the DEP on making this change to a project after we perform timely rigorous test pitting in advance of Engineering to properly identify interference relationships with other utilities and verify the accuracy of our maps and records. As a result, we benefit through consistent pricing of contractor work as the section uses a "borough wide" approach rather then each borough being independent.

We have also created an office in Lower Manhattan that focuses on work in this area as their primary mission.

Working Clearance near Overhead Conductors: We requested OSHA to provide clarification on safe clearance guidelines for working near live electric overhead conductors (approach distances). This enabled us to address some contractor's refusal to use certain types of mechanized equipment in proximity of electric overhead conductors while performing City infrastructure work.

FEDERAL STIMULUS FUNDING

Q. Do the Company's O&M and Capital forecasts include interference costs associated with the Federal Stimulus funds?

A. No. Our O&M and Capital forecasts do not include expenditures that may result from the anticipated Federal Stimulus funds. The information that is currently available relating to Federal Stimulus funding for City projects is preliminary in nature. As the Company obtains more information over the course of this proceeding regarding specific funding amounts and projects, it will update its forecast accordingly. The anticipated expenditures related to Federal Stimulus funds provides further support for a bi-lateral

reconciliation mechanism (for both O&M and Capital) given that key elements associated with these expenditures are currently unknown, could be very significant and are outside of the Company's control.

Q. Does the Company have a list of projects planned to be funded by the Federal Stimulus funds?

A. Yes. The Company has a preliminary list of projects, published by the City of New York, identifying the projects to receive stimulus funds, which is presented as Exhibit __ (MISP-4). This document was obtained from the City's website.

Q. Has the Company prepared a preliminary interference forecast for the Federal Stimulus projects?

A. Yes. The Company has prepared a preliminary order of magnitude forecast based on a project by project review of the scope identified in the City's listing of projects receiving direct stimulus funding shown in Exhibit __ (MISP-4).

MARK FOR IDENTIFICATION AS EXHIBIT ___ (MISP-4)

Q. Was the exhibit entitled "ELECTRIC O&M AND CAPITAL FORECAST FOR STIMULUS PROJECTS" prepared under your supervision and direction?

A. Yes, it was.

MARK FOR IDENTIFICATION AS EXHIBIT __ (MISP-5)

Q. What does this exhibit demonstrate?

A. This exhibit lists projects receiving direct stimulus funding and projects receiving displaced funding (i.e., money from the City's capital funds, which is now available for previously unfunded or under-funded projects). This exhibit also shows the City's total project cost for each project, the stimulus funding for each project, and the pre-stimulus funding from the City's capital funds. The difference between the total project cost and the pre-stimulus funding is the amount that will impact the Company's interference expenditures. This amount is allocated between 2009 and 2013 based on the bid and completion dates identified in the City's report.

We then utilized the same methodology applied in determining the O&M interference costs, as shown on Exhibit __ (MISP-2) to calculate the potential impact stimulus funding would have on Company's interference expenditures. Based on our calculations the forecast for RY1, RY2 and RY3 is $11.3 million, $10.7 million and $5.6 million, respectively. In addition to the O&M component, these projects will also have a capital component. The capital forecast is also shown on Exhibit __ (MISP-5).

Due to the lack of preliminary design information, the capital cost is calculated as a percentage of the O&M expenditure. The percentage was derived by comparing the past five year capital expenditures to the corresponding O&M expenditures, which results in a ratio of 39 percent. The capital expenditure forecast for calendar years 2010, 2011, 2012 and 2013 is $4.5 million, $4.94 million, $2.5 million and $1.6 million, respectively.

RECONCILIATION

Q. Is the Company proposing to reconcile electric interference O&M costs?

A. Yes. The Company is proposing a two-way reconciliation with a 2.5 percent dead-band for all O&M interference expenses.

Q. Why does the Company seek a reconciliation mechanism for these expenses?

A. As described earlier in our testimony, all Municipal Infrastructure Support Capital and O&M expenses that are incurred when the Company is obligated to take action in response to municipal projects are not subject to reasonable projection and are predominately outside of the Company's control. While the Company does seek to mitigate these expenses to the extent

practicable, as we previously described, the magnitude and timing of municipal projects is driven by municipal plans and processes largely outside of our control. These uncontrollable variables can cause the scope and timing of actual expenditures to vary significantly from forecasted amounts.

Q. Why is the Company also proposing to include a 2.5 percent dead-band as part of its reconciliation mechanism?

A. A dead-band allows for normal variation in the estimating/forecasting process and responds to comments that a bilateral reconciliation may eliminate the Company's incentive to continually explore initiatives and improvements to control costs to the best of our ability.

Q. Have circumstances changed since the Company's last filing that make a reconciliation mechanism particularly appropriate?

A. In recent rate filings and for the reasons discussed above, the Company has consistently argued that reconciliation of interference expenditures is appropriate due to the nature of these costs. Recent circumstances relating to Federal Stimulus funding, which we discuss above, lends further support to our observation that in any one year, our costs can

dramatically increase for reasons outside our control. Therefore, absent a bilateral reconciliation, there is no reasonable basis for including the fifth step of our formula in forecasting our total interference expenditures, which would unreasonably expose the Company to an understated forecast based on the latest available information.

We note that when forecasting our interference expenditures specifically on Federal Stimulus funded projects, we did not utilize a "NYC Commitment Target" or the fifth step in our process. Stimulus projects are considered to be fully funded and not subject to a Commitment Target adjustment. With no experience on how the funding will flow to the City on these projects or if changes will be made in the allocation made to NYC, there is no basis to assume otherwise.

Q. Is the Company also proposing to reconcile electric interference O&M costs for Lower Manhattan projects?

A. Yes. Like other interference costs, the Company's forecast of expenditures for Lower Manhattan projects is driven by the City's forecasted projects and estimated costs and the City's actual execution of its program. Accordingly, these costs are not directly within the Company's control. Therefore, the Company

proposes to utilize the same reconciliation mechanism for interference expenditures for Lower Manhattan.

Q. Is the Company proposing a reconciliation mechanism for capital expenditures in addition to the reconciliation mechanism for O&M?

A. Yes. For some of the same reasons described above in connection with the Company's O&M expenditures, the Company is also proposing a bi-lateral reconciliation mechanism for capital expenditures. In light of the anticipated funding for projects related to the Federal Stimulus program, the Company anticipates additional capital expenditures for interference. Additionally, significant capital expenditures are anticipated in connection with the City's Water Tunnel No. 3 project. Because the precise amount of the expenditures and the scope of the work involved with these two programs are currently unknown and because the factors impacting the cost and scope of the work are largely outside of the Company's control, a bi-lateral reconciliation mechanism is the most appropriate way to address these significant uncertainties.

Q. What is the Company's position regarding continuation of the one-way, downward only reconciliation of capital expenditures?

A. Company witness Rasmussen addresses continuation of downward reconciliation for all categories of capital expenses. However, we would note that as we have explained throughout the course of this testimony, the expenditures associated with interference are driven primarily by the City's expenditures. Placing a downward reconciliation on costs outside the Company's control is particularly improper. In that regard, we note the Commission's rejection of a downward reconciliation mechanism for interference O&M in the 2009 Order, stating:

> "Given the extent to which the Company's municipal infrastructure operation and maintenance expenses are driven primarily by the City's plans and only secondarily by the efficiency with which the Company completes the necessary work, we decline to adopt a one-way, downward-only reconciliation for this expense category."

Q. Does this conclude the Panel's initial testimony?

A. Yes, it does.

CONSOLIDATED EDISON COMPANY OF NEW YORK INC.
ELECTRIC INTERFERENCE O&M AND CAPITALEXPENDITURE FORECAST
EXCLUDING LOWER MAHATTAN

O&M FORECAST

Rate year 1

Electric Interference expenditure forecast for rate year including Company labor	$76,430,000	
Company Labor 3.8% (Labor % based on 5 Year Average)	$2,904,340	
Net expenditure forecast excluding labor		$73,525,660

Historic year

Electric interference expenditure for historic year, twelve months ending Dec 31st 2008	$63,061,141	
Company labor	$2,257,798	
Net expenditure		$60,803,343
Program change		$12,722,317

CAPITAL FORECAST

	2010	2011	2012	2013
Electric Interference capital expenditure forecast	$28,861,000	$26,700,000	$28,450,000	$28,450,000

Exhibit ___ (MISP-1)

CONSOLIDATED EDISON COMPANY OF NEW YORK INC.
NEW YORK CITY CAPITAL COMMITMENT & EXPENDITURES
AND CON EDISON O&M INTERFERENCE FORECAST 2010 - 2013

(millions)

NYC Capital Commitment (Jan 2009 Publication)	2009	2010	2011	2012	2013
Water (WM - 1 & WM - 6 Budget Categories)	100	171	215	97	252
Sewer	208	142	272	192	279
Highway (Excluding WTC)	623	544	409	277	320
Highway Bridge	673	723	474	105	593
Waterway Bridge	0	0	0	0	0
Total Commitment	**1604**	**1580**	**1370**	**671**	**1444**
Five year Average Commitment Target 67.4% (See calc. below)	1081	1065	923	452	973
		↘	↘	↘	↘
City Expenditure Forecast calculated @91.9% of target (See Page 2)		994	979	849	416

Con Edison's Interference Forecast:	2010	2011	2012	2013
Con Edison's gross Interference forecast @ 11.8% of City forecast (5 Yr Avg) (See Page 3)	117.24	115.48	100.13	49.04
Elec. O&M forecast @ 74% of Con Ed gross forecast(5 Yr.Avg) (See Page 4)	86.75	85.46	74.10	36.29
Adjustment Factor applied to Elec. O&M forecast (Act. vs. Bud. 88.43%) See Pg. 6	76.72	75.57	65.53	32.09

RATE YEAR FORECAST	With Lab.	W/O Lab
Electric Interference forecast for rate year 4/01/10 - 3/31/11 (RY1)	76.430	73.526
Electric Interference forecast for rate year 4/01/11 - 3/31/12 (RY2)	73.058	70.282
Electric Interference forecast for rate year 4/01/12 - 3/31/13 (RY3)	57.167	54.995

Five year average Commitment target calculation for January Commitment Plans

Year	Target
2005	63%
2006	63%
2007	65%
2008	66%
2009	80%
Avg	67.40%

CONSOLIDATED EDISON COMPANY OF NEW YORK
NYC's ACTUAL EXPENDITURE AS A % OF NYC's
COMMITMENT TARGET FROM JAN COMMITMENT PLAN

Fiscal Year	NYC 's Actual Expenditure	NYC's Comm. target from previous FY Jan. Commitment Plan	NYC Actual Exp. as a % of Previous Years Commitment Target
2004	$695	$664	105%
2005	$716	$771	93%
2006	$635	$610	104%
2007	$644	$721	89%
2008	$732	$958	76%
Five Year Average	$3,422	$3,724	91.89%
			Say 91.9%

COMMITMENT TARGET CALCULATION

Items	City's Comm. Plan - Jan 2003 Pub.	City's Comm. Plan - Jan 2004 Pub.	City's Comm. Plan - Jan 2005 Pub.	City's Comm. Plan - Jan 2006 Pub.	City's Comm. Plan - Jan 2007 Pub.
Water Main (WM1 & WM 6)	167	$151	$117	155	135
Sewer	288	272	222	253	234
Highway	303	382	348	284	507
Bridges	313	363	281	453	598
Total Comm. Plan	1071	1168	968	1145	1474
Commitment Target @	664	$771	610	721	958
62% - 2003					
66% - 2004					
63% - 2005					
63% - 2006					
65% - 2007					

CONSOLIDATE EDISON COMPANY OF NEW YORK INC

CON EDISON'S EXPENDITURE AS A PERCENTAGE OF NYC'S EXPENDITURE (EXCLUDING LM)

Analysis based on 2004 Thru 2008

Description	2004	CE Expenditure	2005	CE Expenditure	2006	CE Expenditure	2007	CE Expenditure	2008	CE Expenditure
	Expenditure	As a % Of NYC's	Expenditure	As a % Of NYC's	Expenditure	As a % Of NYC's	Expenditure	As a % Of NYC's	Expenditure	As a % Of NYC's
City Expenditure	695,054,000		715,775,000		635,305,000		644,367,000		731,769,000	
Con Edison O&M	73,046,721	10.51%	86,665,819	12.11%	80,679,793	12.70%	77,577,762	12.04%	84,839,601	11.59%

Description	5 yr Total	CE O&M as a %
	Expenditure	of City Exp.
City Expenditure	3,422,270,000	
Con Edison O&M	402,809,696	11.77%

Use 11.8% of City's Projected Expenditure to derive at Con Edison's O&M Expenditure.

CONSOLIDATED EDISON COMPANY OF NEW YORK INC
ELECTRIC INTERFERENCE EXPENDITURE
AS A PERCENTAGE OF GROSS INTERFERENCE EXPENDITURE

Analysis based on 2004 Thru 2008 data

DISCIPLINE	2004 Expenditure	% of Total	2005 Expenditure	% of Total	2006 Expenditure	% of Total	2007 Expenditure	% of Total	2008 Expenditure	% of Total
Electric	56,171,355	76.90%	69,665,085	80.38%	53,969,294	66.89%	53,981,422	69.58%	63,061,142	74.33%
Gas	14,019,604	19.19%	14,238,308	16.43%	23,083,953	28.61%	21,601,323	27.84%	17,932,167	21.14%
Steam Interference	1,177,383	1.61%	730,201	0.84%	1,049,951	1.30%	582,795	0.75%	1,012,774	1.19%
Steam Op's Interference	1,680,684	2.30%	2,034,816	2.35%	2,578,472	3.20%	1,413,997	1.82%	2,833,519	3.34%
Total	73,049,027	100.00%	86,668,409	100.00%	80,681,670	100.00%	77,579,537	100.00%	84,839,602	100.00%

DISCIPLINE	Total Expenditure	%of Total
	2004-2008 by discipline	2004-2008
Electric	296,848,298	73.69%
Gas	90,875,355	22.56%
Steam Interference	4,553,104	1.13%
Steam Op's Interference	10,541,488	2.62%
Total	402,818,245	100.00%

Say	74%

January 2004 - December 2004
Account Type : O & M

Historic Year Electric Interference Expenditures & Company Labor Excluding Lower Manhattan

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
Interference Expense w/labor	2,927,964	2,588,182	4,022,958	4,252,046	3,605,129	5,860,646	5,465,724	4,518,822	6,436,914	4,995,289	6,959,985	4,535,391
Basic Labor	133,938	126,242	103,491	124,859	213,843	198,949	228,399	242,649	199,787	181,144	214,064	358,972
Total without labor	2,794,026	2,461,940	3,919,467	4,127,187	3,391,286	5,661,697	5,237,325	4,276,173	6,237,127	4,814,145	6,745,921	4,176,419

Jan. 2004 - Dec. 2004 Total expense w/labor	56,169,050
Total basic labor	2,326,337
Total without labor	53,842,713
Labor as a percentage	4.14%

January 2005 - December 2005
Account Type : O & M

Historic Year Electric Interference Expenditures & Company Labor Excluding Lower Manhattan

	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05
Interference Expense w/labor	4,759,129	5,614,860	7,496,379	7,724,541	6,810,651	6,795,137	5,412,883	4,418,299	5,064,677	5,670,681	4,956,783	4,938,474
Basic Labor	120,162	131,151	234,749	113,505	130,912	103,183	233,102	166,251	231,871	245,824	229,617	179,048
Total without labor	4,638,967	5,483,709	7,261,630	7,611,036	6,679,739	6,691,954	5,179,781	4,252,048	4,832,806	5,424,857	4,727,166	4,759,426

Jan. 2005 - Dec. 2005 Total expense w/labor	69,662,494
Total basic labor	2,119,375
Total without labor	67,543,119
Labor as a percentage	3.04%

January 2006 - December 2006
Account Type : O & M

Historic Year Electric Interference Expenditures & Company Labor Excluding Lower Manhattan

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06
Interference Expense w/labor	3,415,232	4,736,993	3,516,496	4,672,534	4,645,667	4,264,981	4,286,370	5,789,643	4,883,238	6,908,387	3,296,062	3,551,814
Basic Labor	117,491	177,118	140,748	178,171	119,074	164,831	203,895	169,020	168,937	208,596	160,780	228,035
Total without labor	3,297,741	4,559,875	3,375,748	4,494,363	4,526,593	4,100,150	4,082,475	5,620,623	4,714,301	6,699,791	3,135,282	3,323,779

Jan. 2006 - Dec. 2006 Total expense w/labor	53,967,417
Total basic labor	2,036,696
Total without labor	51,930,721
Labor as a percentage	3.77%

January 2007 - December 2007
Account Type : O & M

Historic Year Electric Interference Expenditures & Company Labor Excluding Lower Manhattan

	7-Jan	7-Feb	7-Mar	7-Apr	7-May	7-Jun	7-Jul	7-Aug	7-Sep	7-Oct	7-Nov	7-Dec
Interference Expense w/labor	3,335,995	3,483,771	3,842,247	4,425,945	4,626,830	4,562,196	6,189,578	6,166,407	4,022,083	5,107,821	4,382,756	3,834,012
Basic Labor	188,965	223,652	213,579	216,843	269,673	236,346	234,634	217,396	198,690	178,816	170,864	151,025
Total without labor	3,147,030	3,260,119	3,628,668	4,209,102	4,357,157	4,325,850	5,954,944	5,949,011	3,823,393	4,929,005	4,211,892	3,682,987

Jan. 2007 - Dec. 2007 Total expense w/labor	53,979,641
Total basic labor	2,500,483
Total without labor	51,479,158
Labor as a percentage	4.63%

January 2008 - December 2008
Account Type : O & M

Historic Year Electric Interference Expenditures & Company Labor Excluding Lower Manhattan

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Interference Expense w/labor	3,253,499	5,459,470	4,743,468	5,382,600	4,534,961	5,286,517	6,316,270	6,550,920	5,721,836	5,430,773	5,749,036	4,631,791
Basic Labor	137,424	186,108	241,671	155,289	138,956	198,774	200,818	257,642	197,728	195,605	229,981	117,802
Total without labor	3,116,075	5,273,362	4,501,797	5,227,311	4,396,005	5,087,743	6,115,452	6,293,278	5,524,108	5,235,168	5,519,055	4,513,989

Jan. 2008 - Dec. 2008 Total expense w/labor	63,061,141
Total basic labor	2,257,798
Total without labor	60,803,343
Labor as a percentage	3.58%

5 Year Percentage Average	3.83%

Electric Interference O&M History 2004 - 2008
Ratio Actual vs. Budget

(million)

Cal. Year	Elec Budget	Elec Actual	Act vs. Bud
2004	61.6	56.1	91.07%
2005	60.2	69.6	115.61%
2006	72.8	53.9	74.04%
2007	66	53.9	81.67%
2008	74.7	63	84.34%
Ratio Act. Vs. Bud.	**335.3**	**296.5**	**88.43%**

CONSOLIDATED EDISON COMPANY OF NEW YORK INC.
LOWER MANHATTAN ELECTRIC O&M AND CAPITAL FORECAST
(millions)

O&M FORECAST;

Description	Hist. Yr (12/31/08)	Program Change	RY1	Program Change	RY2	Program Change	RY3
Lower Manhattan Electric O&M expenditure forecast (excluding Company labor 1.46%)	6,208	12,607	18,815	2,594	21,409	(4,059)	17,350

CAPITAL FORECAST

Description	2010	2011	2012	2013
Lower Manhattan Electric Capital expenditure forecast	16,139	18,300	21,550	21,550

Exhibit __ (MISP-3)
Page 1 of 3

PROJECT	LOCATION	Budget Ref.	CAT.	2009	2010	2011	2012	2013	Total
2009									
MED583-AR	Fulton St Phase A	Judlau	O&M	4,000					4,000
MED583-AR	Fulton St Phase A	7ED6251	ED	4,000					4,000
MED583-AR	Fulton St Phase A	7GD3251	GD	300					300
MED583-AR	Fulton St Phase A	7SD1711	SD	800					800
801 NYSE	Broad St	Felix	O&M	500					500
801 NYSE	Broad St	8ED-6251	ED	1,300					1,300
801 NYSE	Broad St	8GD-3221	GD						-
801 NYSE	Broad St	8SD-1371	SD	300					300
MG-41100-107M	Various Parks		O&M	100					100
MG-41100-107M	Various Parks	8ED-6141	ED	300					300
MG-41100-107M	Various Parks	8GD-3211	GD	100					100
MG-41100-107M	Various Parks		SD						-
HWMWTCA4	Beaver St	Felix	O&M	1,000					1,000
HWMWTCA4	Beaver St	7ED-6391	ED	-					-
HWMWTCA4	Beaver St		GD						-
HWMWTCA4	Beaver St	7SD-1721	SD						-
HWMWTCA6E	Beekman St	Trocom	O&M	2,000					2,000
HWMWTCA6E	Beekman St	6ED6291	ED	2,000	200				2,200
HWMWTCA6E	Beekman St	6GD3301	GD	500					500
HWMWTCA6E	Beekman St	6SD1471	SD	1,800					1,800
NYS - Route 9A	Segment 2	Tully	O&M	150	50				200
NYS - Route 9A	Segment 2	6ED6311	ED	2,700	500				3,200
NYS - Route 9A	Segment 2	6GD3311	GD	600	80				680
NYS - Route 9A	Segment 2		SD						-
HWMWTCA6C	Liberty St	Trocom	O&M	2,000	850				2,850
HWMWTCA6C	Liberty St	8ED-6431	ED	1,570	1,200				2,770
HWMWTCA6C	Liberty St	8GD-3261	GD	1,000	510				1,510
HWMWTCA6C	Liberty St	8SD-1441	SD	200	90				290
HWMWTCA8B	Fulton St Phase B		O&M	3,000	2,000	2,000	2,000		9,000
HWMWTCA8B	Fulton St Phase B	7ED6261	ED	1,500	1,500	800	800		4,600
HWMWTCA8B	Fulton St Phase B	7GD3261	GD	200	200	200	200		800
HWMWTCA8B	Fulton St Phase B	7SD1591	SD	150	300	300	300		1,050
HWMWTCA7A	Greenwich St	Felix	O&M	2,500	2,500				5,000
HWMWTCA7A	Greenwich St	Felix	ED	3,000	3,600				6,600
HWMWTCA7A	Greenwich St	Felix	GD	1,500	1,560				3,060
HWMWTCA7A	Greenwich St	Felix	SD	200	250				450
HWMWTCA6B	Chambers St		O&M	2,000	3,500	3,000			8,500
HWMWTCA6B	Chambers St	5ED6281	ED	400	1,500	500			2,400
HWMWTCA6B	Chambers St	5GD3291	GD	200	500	500			1,200
HWMWTCA6B	Chambers St	6SD1191	SD	800	870	1,000			2,670
17060007	ERW Esplanade & Piers		O&M	1,250	750				2,000
17060007	ERW Esplanade & Piers		ED	300	740				1,040
17060007	ERW Esplanade & Piers		GD	200					200
17060007	ERW Esplanade & Piers		SD	350	825				1,175
HWM1165	Nassau Street		O&M	2,000	2,000	2,000			6,000
HWM1165	Nassau Street		ED	500	800	800			2,100
HWM1165	Nassau Street		GD	200	500	500			1,200
HWM1165	Nassau Street		SD	400	400	400			1,200
HWMP2030	Chatham Square		O&M	2,095	3,000	3,000	3,000		11,095
HWMP2030	Chatham Square		ED	500	500	1,000	1,000		3,000
HWMP2030	Chatham Square		GD	200	250	300	150		900
HWMP2030	Chatham Square		SD						-
	2010								
HWMWCA7D	Peck Slip (HWM-1159)		O&M		1,750	3,000			4,750
HWMWCA7D	Peck Slip (HWM-1159)		ED		200	1,000			1,200
HWMWCA7D	Peck Slip (HWM-1159)		GD		200	200			400
HWMWCA7D	Peck Slip (HWM-1159)		SD		50	25			75
HWMWTCA7G	John St		O&M		1,500	1,000	1,000		3,500
HWMWTCA7G	John St		ED		200	440	220		860
HWMWTCA7G	John St		GD		200				200
HWMWTCA7G	John St		SD		1,000	1,000			2,000
HWMWTCA6A	Broadway Phase 1		O&M		1,400	1,800	2,000		5,200

PROJECT	LOCATION	Budget Ref.	CAT.	2009	2010	2011	2012	2013	Total
HWMWTCA6A	Broadway Phase 1	5ED6261	ED		800	1,200	1,130		3,130
HWMWTCA6A	Broadway Phase 1	5GD3281	GD		200				200
HWMWTCA6A	Broadway Phase 1	5SD1351	SD		250	250			500
HWMWTCA7B	Bway Recon - Leonard/Cortlandt		O&M		3,000	6,000	6,000	2,500	17,500
HWMWTCA7B	Bway Recon - Leonard/Cortlandt		ED		1,000	3,100	3,100	2,630	9,830
HWMWTCA7B	Bway Recon - Leonard/Cortlandt		GD		360	850	850	250	2,310
HWMWTCA7B	Bway Recon - Leonard/Cortlandt		SD		550	770	770	210	2,300
HWMWTCA8A	Church St		O&M		1,300	2,400	2,700		6,400
HWMWTCA8A	Church St		ED		500	1,000	1,000		2,500
HWMWTCA8A	Church St		GD						-
HWMWTCA8A	Church St		SD		1,000	1,300	2,200		4,500
HWMWTCA7E	Worth St		O&M		1,300	2,600	2,600	1,500	8,000
HWMWTCA7E	Worth St		ED		699	1,000	1,000	1,000	3,699
HWMWTCA7E	Worth St		GD						-
HWMWTCA7E	Worth St		SD		375	375			750
HWMWTCA7F	Warren St		O&M		600	1,000	1,400	600	3,600
HWMWTCA7F	Warren St		ED		200	450	420	420	1,490
HWMWTCA7F	Warren St		GD			300	300	300	900
HWMWTCA7F	Warren St		SD		500	500	700	250	1,950
HWMWTCA8D	Frankfort St		O&M		600	1,000	2,000	1,600	5,200
HWMWTCA8D	Frankfort St		ED		500	1,800	1,800	1,500	5,600
HWMWTCA8D	Frankfort St		GD						-
HWMWTCA8D	Frankfort St		SD						-
HWMWTC	South St		O&M		2,000	3,400	4,400	2,200	12,000
HWMWTC	South St		ED		1,500	3,780	7,000	9,000	21,280
HWMWTC	South St		GD						-
									-
	2011								-
HWMWTCA7C	Water St		O&M			1,000	4,000	4,000	9,000
HWMWTCA7C	Water St		ED			1,430	2,400	3,000	6,830
HWMWTCA7C	Water St		GD			145	345	345	835
HWMWTCA7C	Water St		SD			465	790	790	2,045
	2012								-
HWMWTC	Canal St		O&M				3,000	5,700	8,700
HWMWTC	Canal St		ED				1,680	4,000	5,680
HWMWTC	Canal St		GD				800	300	1,100
HWMWTC	Canal St		SD				860	940	1,800
TOTAL O&M			O&M	22,595	28,100	33,200	34,100	18,100	136,095
TOTAL ELECTRIC CAPITAL			ED	18,070	16,139	18,300	21,550	21,550	95,609
TOTAL GAS CAPITAL			GD	5,000	4,560	2,995	2,645	1,195	16,395
TOTAL STEAM CAPITAL			SD	5,000	6,460	6,385	5,620	2,190	25,655
		O&M Electric Portion			18,265	21,580	22,165	11,765	
		O&M Labor @ 1.46%			267	315	324	172	
		O&M Excluding Labor			17,998	21,265	21,841	11,593	
RY1		Rate Year 10			18,815				
RY2		Rate Year 11				21,409			
RY3		Rate Year 12					17,350		

Exhibit _ (CM15P-4)
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THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, NY 10007

Projects Receiving Direct Stimulus Funding

Rehabilitation of Saint George Ferry Terminal Ramps

Description: The rehabilitation will address significant wear and tear on seven ramps that carry bus and passenger car traffic in and out of the terminal by providing new decks, eliminating joints where feasible, and replacing deteriorated steel. The current structure suffers from very rough riding conditions, leaking joints, poor drainage, insufficient lighting, and pigeon infestation. Replacing the ramps now will reduce the need for increasing levels of maintenance investment on the existing structure. The terminal handles more than 60,000 passengers a day using ferry service. In addition to the ferry service, the terminal also includes an MTA bus station serving 23 lines, the St. George Staten Island Railway Station, and three commuter parking lots within the project limits.
Total Project Cost: $175 million
Direct Stimulus Funding: $175 million
Pre-Stimulus Funding: $175 City Capital Funds
Funding Displaced to Other Projects: $175 million
Construction Bid date: Winter 2009
Estimated Completion: Spring 2013

Rehabilitation of the Brooklyn Bridge

Description: The ramps leading to the Brooklyn Bridge in Brooklyn and Manhattan will be rehabilitated and widened and the entire bridge will be repainted. The improvements to the ramps, which are in poor condition, will improve traffic conditions, particularly from the FDR Drive and the repainting will prevent steel corrosion and repairs for decades to come. More than 100,000 vehicles and 4,000 pedestrians and 2,600 bicyclists cross the Brooklyn Bridge every day.
Total Project Cost: $382 million
Direct Stimulus Funding: $47.2 million
Pre-Stimulus Funding: $382 million City Capital Funds
Funding Displaced to Other Projects: $47.2 million
Construction Bid: Spring 2009
Estimated Completion: Summer 2012

(more)

Upgrades to the Wards Island Pedestrian Bridge

Description: The project will improve pedestrian access to Ward's Island from East Harlem through a complete mechanical and electrical rehabilitation, including replacing of complete tower drive machinery, providing new reinforced concrete deck, repairing concrete substructure, providing utility supports for new utilities, installing a new joint system and new drainage system, replacing rocker bearings with new elastomeric bearings, and providing a new back-up generator and new access platform for the tower bearings. The island recreational facilities are currently undergoing a $100 million upgrade and this bridge is a vital link in accessing those facilities, which include Icahn Stadium and dozens of new ball fields. The project will improve pedestrian safety and durability and extend the useful life of the existing bridge.
Total Project Cost: $14.3 million
Direct Stimulus Funding: $14.3 million
Pre-Stimulus Funding: $14.3 City Capital Funds
Funding Displaced to Other Projects: $14.3 million
Construction Bid: Summer 2009
Estimated Completion: Winter 2012

Rehabilitation of 12 Roadway Bridges

Description: Rehabilitation of deteriorated components of 12 bridges throughout the City to extend their useful life by 10 years. Rehabilitation work will address concrete abutments, piers and columns, bearing replacements, resurfacing steel repairs and waterproofing. The following bridges will be rehabilitated:

- East 174th St. Pedestrian Bridges North and South over the Sheridan Expressway (Bronx)
- 15th Avenue over the Long Island Rail Road (Brooklyn)
- 13th Avenue over the Long Island Rail Road and NYCTA (Brooklyn)
- East Drive over East Wood Arch, Prospect Park (Brooklyn)
- West 148th Street Pedestrian Bridge over the Amtrak Line (Manhattan)
- West 181st Street Ramp to the George Washington Bridge (Manhattan)
- Inwood Hill Pedestrian Bridge over the Amtrak Line (Manhattan)
- 37th Street over the Brooklyn Queens Expressway (Queens)
- Superior Road over the Cross Island Parkway (Queens)
- Jackie Robinson Parkway over Austin Street (Queens)
- Albee Avenue over the Staten Island Railway (Staten Island)

Total Project Cost: $9.7 million
Direct Stimulus Funding: $9.7 million
Pre-Stimulus Funding: $9.7 million City Capital Funds
Funding Displaced to Other Projects: $9.7 million
Construction Bid: Summer 2009
Estimated Completion: Summer 2010

Replacement of Protective Coating on Two Bruckner Expressway Bridges

Description: Replacement of the protective coating on two Bruckner Expressway Bridges over the Bronx River. Lead-based paint will be replaced with a lead-free protective coating. The new coating will protect the structural steel from further corrosion, extending the useful life of the structures by 20 years.
Total Project Cost: $8.8 million
Direct Stimulus Funding: $8.8 million
Pre-Stimulus Funding: $8.8 million City Capital Funds
Funding Displaced to Other Projects: $8.8 million
Construction Bid: Summer 2009
Estimated Completion: Winter 2012

Rehabilitation of the Greenpoint Avenue Bridge over Newtown Creek (Greenpoint/Blissville)

Description: The rehabilitation of the bridge will result in reduced maintenance costs and extend the useful life of the structure by 10 years. Approximately 24,000 vehicles per day use the Greenpoint Avenue Bridge, which connects Brooklyn and Queens. The upgrades included replacing the concrete bridge deck on the movable span of the bridge, sealing roadway joints, replacing damaged steel deck supports, and milling, resurfacing and waterproofing the roadway. The rehabilitation will create a smoother and safer trip for drivers and pedestrians.
Total Project Cost: $6 million
Direct Stimulus Funding: $6 million
Pre-Stimulus Funding: $6 million City Capital Funds
Funding Displaced to Other Projects: $6 million
Construction Bid: Fall 2009
Estimated Completion: Winter 2011

Projects Receiving Displaced Funding

BRONX

Improvements to Hunts Point

Description: Improvements to facilitate the safe movement of trucks, cars, bicycles and pedestrians throughout Hunts Point and integrate the South Bronx into the regional greenway system. The project will create a greenway in Hunts Point and Port Morris to help improve air quality, encourage recreation and reduce pollution in an area plagued with high asthma and obesity rates. The project include the Lafayette Avenue streetscape, Hunts Point Landing waterfront access, creating a connection from the South

Bronx to the recreational facilities at Randall's Island, Food Center Drive transportation improvements, and new complementary greenway improvements.
Total Project Cost: $48.9 million
Displaced Funding Received: $22 million
Other Funding: $16.7 million City Capital Funds, $6.8 million State Funding, $3.4 million Federal Funding
Construction Bid: Spring 2009
Estimated Completion: Fall 2012

Reconstruction of Paulding Avenue (Bronxwood)

Description: Reconstruction of the roadway to improve the deteriorated street and curbs, installation of pedestrian ramps, sidewalks, and street lighting, and repairs to the water main and sewer utilities. The proposed work is in a densely populated residential area and the improved streetscape will increase the overall attractiveness of the avenue and nearby areas, improving residential and retail markets.
Total Project Cost: $21 million
Displaced Funding Received: $21 million
Other Funding: $0
Construction Bid: Summer 2009
Estimated Completion: Fall 2014

Reconstruction of the Claremont Parkway Bridge (Bathgate)

Description: Reconstruction to extend the life of the bridge by 40 years. The existing superstructure will be replaced with new prefabricated concrete box beams and cast in-place reinforced concrete deck slab. The substandard guard rail and picket fence railings with chain link fence will be replaced by three-rail railing and galvanized wire mesh fences behind the railings. Existing substructure will be rehabilitated, substandard vertical profile will be modified and approach roadways will be reconstructed.
Total Project Cost: $7.0 million
Displaced Funding Received: $7.0 million
Other Funding: $0
Construction Bid: Winter 2009
Estimated Completion: Summer 2012

Reconstruction of the Decatur Ave Retaining Wall (Bedford Park)

Description: Reconstruction of the 153 foot long Decatur Avenue retaining wall, located on Decatur Avenue between East 195th and East 197th Streets. The project will improve the retaining wall along Decatur Avenue, which is currently in deteriorated condition, along Decatur Avenue and will increase safety and mobility for pedestrians, bicyclists, and vehicular traffic.

Total Project Cost: $7 million
Displaced Funding Received: $7 million
Other Funding: $0 million
Construction Bid: Spring 2009
Estimated Completion: Fall 2011

Improvements to Hugh Grant Circle (Parkchester)

Description: The project will improve access to the elevated MTA number 6 Train entrance for the Parkchester/East 177th Street Station, which is situated in the middle of the rotary and requires pedestrians to cross up to four lanes of traffic to access the station. Hugh Grant Circle is located at the nexus of Metropolitan Avenue, Westchester Avenue and Virginia Avenue with the elevated number 6 train entrance above it and the Cross Bronx Expressway running below it. Approximately 4.4 million riders board at this stop annually. The project includes sidewalk expansions and enhancements to reduce crossing distances to the station and improve traffic flow in the area.
Total Project Cost: $3.5 million
Displaced Funding Received: $3.5 million
Other Funding: $0
Construction Bid: Fall 2009
Estimated Completion: Summer 2011

BROOKLYN

Improvements to Brooklyn Navy Yard

Description: The project will reconstruct several roadways in the Navy Yard area and upgrade water and sewer systems. Morris Avenue, Sands Street, and 2nd, 4th, 5th and 6th Streets will be reconstructed. The new roads will allow for the reopening of the historic Sands Street gate; providing more efficient pedestrian, bicycle and vehicle access to the Navy Yard, including better access to the A/C/F Trains; add much need parking; facilitate additional industrial development; and improve water conservation, storm water run-off management and landscaping.
Total Project Cost: $35.4 million
Displaced Funding Received: $4.7 million
Other Funding: $30.7 million City Capital Funds
Construction Bid: March 2009
Estimated Completion: Summer 2011

Streetscape Improvements to Flatbush Avenue (Flatbush)

Description: Streetscape improvements along Flatbush Avenue from Tillary to Hanson Place, including new street and pedestrian lights, an elevated landscaped median in the street, and new pedestrian crosswalk refuges at medians. The project also includes sewer and water main upgrades. The project will create a more pedestrian friendly atmosphere for one of Brooklyn's major thoroughfares and support additional private development in the area.
Total Project Cost: $23 million
Displaced Funding Received: $3.5 million
Other Funding: $19.5 million City Capital Funds
Construction Bid: April, 2009
Estimated Completion: June 2011

Reconstruction of Nassau Avenue and Monitor Street (Greenpoint)

Description: Reconstruction of deteriorated roadway on Nassau Street from Bedford Avenue to Apollo Street and on Monitor Street from Greenpoint Avenue to Nassau Avenue. Improvements will be made to pavement, curbs, and sidewalks, and access will be increased to commercial establishments along Manhattan Avenue and Nassau Avenue, the MTA subway line, and the Brooklyn-Queens Expressway. The project will also improve drainage and reduce disruptive flooding. The improvements to this growing commercial district will make the area even more attractive and encourage more access and commercial activity in the area.
Total Project Cost: $15 million
Displaced Funding Received: $12.9 million
Other Funding: $200,000 City Capital Funds, $1.9 Federal Funding
Construction Bid: Winter 2010
Estimated Completion: Fall 2011

Reconstruction of Coney Island Boardwalk

Description: Reconstruction of crumbling portions of the deteriorated boardwalk. The current boardwalk is structurally unsound in some areas and constantly requires "band-aid" repairs or partial reconstruction. The reconstruction will be done using sustainable materials that have a lower carbon footprint, lower maintenance costs and will reduce future deterioration to unsafe conditions. Reconstruction work will take place from West 31st to West 37th Street, West 15th Street to Stillwell Avenue, and Surf Avenue / Ocean Parkway to Brighton 2nd. Maintaining a state of good repair along the boardwalk will help ensure the health of local tourism and recreation industries.
Total Project Cost: $15 million
Displaced Funding Received: $15 million
Other Funding: $0
Construction Bid: Spring 2009
Estimated Completion: Spring 2011

Reconstruction of Shore (Belt) Parkway East 8th Street Access Ramp (Bath Beach)

Description: The reconstruction will address deficiencies and substandard features, bring the bridge into compliance with current safety standards, reduce maintenance costs, and extend the useful life of the bridge. The improvements will improve traffic flow and pedestrian and vehicular safety. The current structure is 67 years old.
Total Project Cost: $14 million
Displaced Funding Received: $14 million
Other Funding: $0
Construction Bid: 2/13/2009
Estimated Completion: Spring 2011

Reconstruction of Eastern Parkway (Prospect Heights)

Description: Reconstruction of the roadway from Washington Avenue to Grand Army Plaza to improve the street, which is currently in deteriorated condition, and improve safety for pedestrians, bicyclists, and vehicular traffic. The reconstruction will reduce the frequency of future resurfacing and repair work, which can cause lane closures. The project will improve access to several cultural, recreational and educational institutions, including the Brooklyn Museum, the Brooklyn Botanical Garden, the Brooklyn Public Library, and Prospect Park.
Total Project Cost: $12 million
Displaced Funding Received: $6 million
Other Funding: $6 million City Capital Funds
Construction Bid: Fall 2009
Estimated Completion: Spring 2012

Improvements to Bedford Stuyvesant Gateway Business District

Description: A streetscape project designed to increase consumer traffic in the heavily congested area and to support the attraction of new and diverse businesses to the neighborhood. The project will construct new sidewalks – using specially designed, tinted concrete – reconstruct curbs, and add additional street light poles. The project encompasses the commercial heart of the community, including Fulton Street, from Classon Avenue to Troy/Lewis Avenue, and Nostrand Avenue from Halsey Street to Atlantic Avenue. The area contains more than 500,000 square feet of mostly street-level retail space.
Total Project Cost: $9 million
Displaced Funding Received: $7.1 million
Other Funding: $1.9 million City Capital Funds
Construction Bid: Spring 2009**Estimated Completion:** Winter 2011

Replacement of Protective Coating on Steel Structure of Six Belt/Shore Parkway Bridges

Description: The project will protect structural steel in six bridges from corrosion and section loss, extending the useful life of the bridge superstructures by 20 years. In addition, the removal of lead-based paint from the structure will extend the useful life of numerous bridge components. The bridges involved are the Bay 8th Street, Cropsey Avenue, Sheepshead Bay Road, Ocean Avenue, Bedford Avenue, and 14th Street Pedestrian bridges.
Total Project Cost: $6.8 million
Displaced Funding Received: $6.8 million
Other Funding: $0
Construction Bid: Spring 2009
Estimated Completion: Fall 2011

MANHATTAN

Reconstruction of West 125th Street

Description: West 125th Street will be reconstructed to improve connections to the regional transportation network and enhance the attractiveness of the West Harlem Piers Park. The improvements include widening sidewalks, enhancing roadway alignments, installing bicycle lanes, street lights and furniture, landscaping, and lighting the number 1 train viaduct at West 125th Street and Broadway and the Riverside Drive viaduct at West 125th Street and 12th Avenue. A transit hub will be created on 12th Avenue, between West 125th Street and St. Claire Place, to facilitate connections between the several modes of transportation present in the area. The project area will encompass West 125th Street between Old Broadway and the Hudson River.
Total Project Cost: $32.9 million
Displaced Funding Received: $1.9 million
Other Funding: $24.8 million Federal Funds, $6.2 million City Capital Funds
Construction Bid: Spring 2010
Estimated Completion: Fall 2014

Reconstruction of East Houston Street

Description: The project will include reconstruction of the deteriorated roadway from Bowery to FDR Drive; widening of sidewalks, enlarging of medians, installation of new pavement markings and bicycle lanes from Second Avenue to FDR Drive; and creation of two new plaza areas. The project will have a significant benefit for businesses by improving the streetscape, geometry, and road condition to increase foot traffic. Additionally, the two plaza areas created by the project will attract additional pedestrians and generage economic activity in the surrounding area.

Total Project Cost: $23.5 million
Displaced Funding Received: $23.5 million
Other Funding: $0
Construction Bid: Summer 2009
Estimated Completion: Fall 2011

QUEENS

Improvements to Long Island City Queens Plaza – Phase I

Description: The improvements will rationalize the traffic network, enhance the pedestrian environment, improve streetscape elements and create a public plaza. The changes are a component of the transformation of Long Island City, which includes converting the central business district into a major boulevard with new sidewalks and landscaping along Queens Plaza North and South between Northern Boulevard/Jackson Avenue and Vernon Boulevard; continuing the bikeway between 23rd and 21st Streets; and installing new landscaping between 21st Street and the waterfront.
Total Project Cost: $60 million
Displaced Funding Received: $22 million
Other Funding: $18.3 million City Capital Funds, $19.7 million Federal Funds
Construction Bid: Summer 2009
Estimated Completion: Spring 2011

Improvements to Long Island City Queens Plaza – Phase II

Description: The project will make streetscape improvements along Queens Plaza North and South between Northern Boulevard/Jackson Avenue and Vernon Boulevard, including new sidewalks, street trees in a continuous trench with cobble and lighting, the continuation of the bikeway between 23rd and 21st Street, and new streetscape between 21st Street and the waterfront.
Total Project Cost: $75 million
Displaced Funding Received: $15 million
Other Funding: $40.3 million City Capital funds, $19.7 million Federal Funds
Construction Bid: Summer 2009
Estimated Completion: Spring 2011

Reconstruction of Rockaway Boardwalk

Description: Reconstruction of crumbling portions of the deteriorated boardwalk. The current boardwalk is structurally unsound in some areas and constantly requires "band-aid" repairs or partial reconstruction. The reconstruction will be done using sustainable materials that have a lower carbon footprint, lower maintenance costs and reduce future

deterioration to unsafe conditions. Reconstruction will take place from Beach 50th to 55th Streets, Beach 77th to 81st Streets, Beach 23rd to 27th Streets, and Beach 44th to Beach 50th Street. Maintaining a state of good repair along the boardwalk will support the rapid increase in new housing and development in the Rockaways and help ensure the health of local tourism and recreation industries.
Total Project Cost: $15 million
Displaced Funding Received: $15 million
Other Funding: $0
Construction Bid: Spring 2009
Estimated Completion: Spring 2011

Reconstruction of College Point / 32nd Avenue

Description: Reconstruction of 32nd Avenue from Linden Place to College Point Boulevard and replacement of deteriorated concrete on College Point Boulevard from Fowler Avenue to the Whitestone Expressway. The project will bring 32nd Avenue up to commercial loading standards to allow for increased activity, benefiting the heavily commercial and industrial area. The roadway improvements in this vibrant commercial district will make the area even more attractive and encourage more access to and activity in the area.
Total Project Cost: $12 million
Displaced Funding Received: $12 million
Other Funding: $0
Construction Bid: Fall 2009
Estimated Completion: Fall 2011

Replacement of Hillside Avenue Sidewalk (Jamaica)

Summary: Replacement of the majority of the existing sidewalks on Hillside Avenue from the Van Wyck Expressway to 191st Street, which are in a dilapidated condition, including landscaping and replacement of existing lamp posts and any damaged curb.

Total Project Cost: $10 million
Displaced Funding Received: $10 million
Other Funding: $0
Construction Bid: Spring 2009
Estimated Completion: Fall 2010

Extension of 132nd Street / Linden Place Extension

Description: 132nd Street will be extended between Linden Place and 20th Avenue (known as the Linden Place Extension) to improve traffic conditions and accommodate anticipated traffic growth from office and industrial development at College Point

Corporate Park. The improvements will resurface roadbeds and roadway pavement and install or improve curbs, sidewalks and street lighting.
Total Project Cost: $7 million
Displaced Funding Received: $7 million
Other Funding: $0
Construction Bid: Spring 2010
Estimated Completion: Winter 2014

STATEN ISLAND

Rehabilitation of 11 Staten Island Railway Bridges

Description: Replacement of the protective coating on 11 bridges running over the Staten Island Railway line. Lead-based paint will be replaced with a lead-free protective coating. The new coating will protect the structural steel from further corrosion, extending the useful life of the structures by 20 years. The protective coating will be replaced on the Page Avenue, Richmond Valley Road, Seguine Avenue, Giffords Lane, Greaves Avenue, Guyon Avenue, Beach Avenue, New Dorp Lane, Bancroft Avenue, Lincoln Avenue, and Midland Avenue bridges.
Total Project Cost: $8.2 million
Displaced Funding Received: $8.2 million
Other Funding: $0
Construction Bid: Winter 2010
Estimated Completion: Summer 2010

Completion of the St. George Ferry Terminal Retail Area

Description: Upgrading utility infrastructure and space outfitting to allow for the completion of over 20,000 square feet of retail area in the terminal, which will complete the renovation of the St. George Ferry terminal area, serving 30,000 local residents and over 60,000 riders daily.
Total Project Cost: $6 million
Displaced Funding Received: $6 million
Other Funding: $0
Construction Bid: 3/1/2009
Estimated Completion: Fall 2009

ALL BOROUGHS

Citywide Sidewalk Repairs

Description: The project will repair sidewalks that are damaged by curbside trees in locations throughout the City. The damaged sidewalks cause inconvenience and safety concerns for property owners, who are responsible for the condition of their sidewalks. The sidewalk repairs, done at no cost to the homeowner, will maximize the strength and durability of the sidewalks, while minimizing the damage to tree roots. One-, two-, and three family homes occupied by the owner are eligible for this program.
Total Project Cost: $3.7 million
Displaced Funding Received: $3.7 million
Other Funding: $0
Construction Bid: Spring 2009
Estimated Completion: Summer 2010

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Contact: Stu Loeser/Marc La Vorgna (212) 788-2958

CONSOLIDATED EDISON COMPANY OF NEW YORK INC.
NEW YORK CITY STIMILUS PROJECT AND EXPENDITURES
CON EDISONS STIMULUS INTERFERENCE O&M AND CAPITAL FORECAST

(millions)

Project	Total Project Cost	Pre-Stimulus funding (Amount identified in Capital funding)	Stimulus Funding	Additional City expense due to stimulus(Total Cost) - (Pre-Stimulus)	ADDITIONAL CITY EXPENDITURE DUE TO STIMULUS				
					2009	2010	2011	2012	2013
Saint George Ferry Terminal Ramp	175	175	175	0					
Brooklyn Bridge (See note 1)	382	382	47	195		65	65	65	
Wards Island Pedestrian Bridge	14	14	14	0					
12 Roadway bridges	10	10	10	0					
Bruckner Expressway Bridges	9	9	9	0					
Green Point Avenue Bridge	6	6	6	0					
Improvement to Hunts Point	49	27	22	22	0	8	8	6	
Paulding avenue	21	0	21	21		5	6	6	4
Claremont Parkway	7	0	7	7		2	4	1	
Decatur Ave Retaining wall	7	0	7	7		4	3		
Hugh Grant Circle	4	0	4	4		2	2		
Brooklyn Navy Yard	35	31	5	5		3	2		
Flatbush Avenue	23	20	3	3		2	1		
Nassau Ave and Monitor Street	15	2	13	13			13		
Coney Island Boardwalk	15	0	15	0					
Shore Parkway East 8th Street Access Ramp	14	0	14	14	2	6	6		
Eastern Parkway	12	6	6	6		3	3		
Bedford Stuyvesant Gateway	9	2	7	7		4	3		
Six Belt/Shore Parkway Bridges	7	0	7	0					
West 125th Street	33	31	2						
East Houston Street	24	0	24	24	4	10	10		
Long Island City Queens Plaza Phase 1	60	38	22	22	2	10	10		
Phase 2	75	60	15	15	1	7	7		

Exhibit__(MISP-5)
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Project	Total Project Cost	Pre-Stimulus funding (Amount identified in Capital funding)	Stimulus Funding	Additional City expense due to stimulus(Total Cost) - (Pre-Stimulus)	2009	2010	2011	2012	2013
Rockaway boardwalk	15	0	15	15	3	6	6		
College Point/ 32nd Avenue	12	0	12	12		6	6		
Hillside Avenue Sidewalk	10	0	1	0					
132nd Street/Linden Place	7	0	7	7			3	2	2
Staten Island Railway Bridges	8	0	8	0					
St George Ferry terminal retail area	6	0	6	6	6				
City Sidewalk Repairs	4	0	4	4	4				
Total					22	143	158	80	6
Target 100%					22	143	158	80	6
Ratio of actual vs. Committed 91.9% (Note 2)					20	131	145	74	39
Gross Interference forecast at 11.8% of City forecast					2	16	17	9	5
Electric Interference at 74% of gross Interference					1.8	11	13	6	4

Note:

1. Due to lack of information in the capital commitment plan, we did not consider the Brooklyn Bridge project having an impact on Interference. However, the description of work . in this stimulus plan indicates potential interference due to widening of the approach ramps.
2. The 8.1% deviation of the work not accomplished during the earlier calendar years is accounted for in 2013

RATE YEAR FORECAST	With Labor	W/O Labor (3.8%)
RY 1	11.78	11.33
RY 2	11.11	10.69
RY 3	5.81	5.59

CAPITAL FORECAST

	2010	2011	2012	2013
Capital forecast at 39% of O&M forecast.	4.48	4.94	2.50	1.56

Calculation of Capital vs. O&M ratio

	Electric O&M	Electric Capital	Capital as a % of O&M
2004	56,171	19,442	34.61%
2005	69,665	20,765	29.81%
2006	53,969	27,385	50.74%
2007	53,980	26,174	48.49%
2008	63,061	23,073	36.59%
Total	296,846	116,839	39.36%

CONSOLIDATED EDISON COMPANY OF NEW YORK INC.

TOTAL INTERFERENCE O&M AND CAPITAL FORECAST

O&M

Program	RY1	RY2	RY3
Area outside of Lower Manhattan	73.52	70.28	54.99
Lower Manhattan	18.81	21.40	17.35
Total	92.33	91.68	72.34

CAPITAL

Program	2010	2011	2012	2013
Area outside of Lower Manhattan	28.86	26.70	28.45	28.45
Lower Manhattan	16.14	18.30	21.55	21.55
Total	45.00	45.00	50.00	50.00

EXHIBIT__(MISP-6)