

ACCOUNTING PANEL - GAS

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

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

7 Q. What are your current positions with Con Edison?

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

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

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

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

15 A. (Scarpitta) I graduated from Baruch College in May
16 1987, with a Bachelors Degree in Accounting. In 1977,
17 I began working for the Company in Customer Operations.
18 From 1978 to 1993, I worked in Plant Accounting in
19 increasing levels of responsibility up to and including
20 Assistant Manager. In 1994, I worked in Accounting
21 Research and Procedures ("ARP") and was promoted to
22 Manager of Payroll in 1998. In 2000, I became a
23 Section Manager in Energy Services and in 2001, I
24 worked in Corporate Planning. I was promoted to

ACCOUNTING PANEL - GAS

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

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

ACCOUNTING PANEL - GAS

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

18 (Kane) In May 1976, I received a Bachelor of Science
19 degree in Accounting from Manhattan College. I worked
20 for Con Edison from August 1976 until January 1978 as a
21 staff accountant. I then joined Orange & Rockland
22 Utilities, Inc ("O&R") and became Supervisor - Facility
23 Accounting. In 1980, I became Manager - Budgets. In
24 1989, I became Manager - General Accounting and in

ACCOUNTING PANEL - GAS

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

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

15 A. Yes, we have previously submitted testimony or
16 testified in various cases.

17 PURPOSE OF TESTIMONY

18 Q. Please summarize your testimony.

19 A. The Accounting Panel primarily explains and details:

- 20 • Historic financial statements and statistical
21 data, including balance sheets, income statements
22 and unappropriated retained earnings (Exhibit __
23 (AP-1) to Exhibit __ (AP-4)).

ACCOUNTING PANEL - GAS

- 1 • Revenues, Operation and Maintenance expenses and
2 Other Operating Deductions from the twelve months
3 ended June 30, 2009 to the rate year, the twelve
4 months ending September 30, 2011, are presented in
5 Exhibit __ (AP-5); a summary of normalizing
6 adjustments to the historic test year, as well as,
7 various program changes is also presented in Exhibit
8 __ (AP-5);
- 9 • The average rate base for the twelve months ended
10 June 30, 2009 to the rate year, the twelve months
11 ending September 30, 2011, including normalization
12 adjustments is presented in Exhibit __ (AP-8). The
13 book cost of utility plant, the accrued depreciation
14 reserve and the construction work in progress for
15 electric utility plant for the twelve months ended
16 June 30, 2009 to the rate year, the twelve months
17 ending September 30, 2011, are presented in Exhibit
18 __ (AP-6).
- 19 • Common and general equipment for the Finance
20 organizations for 2010 through 2014 is presented in
21 Exhibit __ (AP-7);
- 22 • Various accounting changes, adjustments,
23 amortizations of deferred charges and the resultant

ACCOUNTING PANEL - GAS

revenue requirement, which provides for in sum a revenue requirement of \$160.822 million, based upon an overall rate of return of 8.13 percent at proposed rates is presented in Exhibit ____ (AP-9);

- The overall rate of return of 8.13 percent and the capital structure for the rate year ending September 30, 2011 presented in (Exhibit ____ (AP-10);
- Fund requirements and sources of funds for the rate year ending September 30, 2011 (Exhibit ____ (AP-11); and
- Actual interest coverage on the SEC basis for the calendar years 2006 through 2008, forecast for 2009 and the rate year ending September 30, 2011 (Exhibit ____ (AP-12)).

HISTORIC FINANCIAL AND STATISTICAL DATA

Q. Was the document entitled "CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. - FINANCIAL AND STATISTICAL DATA - INDEX TO SCHEDULES," set forth as Exhibit ____ (AP-1), which lists eight schedules containing certain accounting and statistical information covering the operations of Con Edison for the years 2005, 2006, 2007, 2008 and the twelve months ended June 30, 2009, with particular reference to the Company's gas

ACCOUNTING PANEL - GAS

1 operations, prepared under your direction and
2 supervision?

3 A. Yes, it was.

4 MARK FOR IDENTIFICATION AS EXHIBIT __ (AP-1)

5 Q. What information is contained in Exhibit __ (AP-1)?

6 A. Exhibit __ (AP-1) consists of an index and eight
7 separate schedules containing financial data and the
8 results of operations. The balance sheets are shown as
9 of December 31 for the years 2005 through 2008, and as
10 of June 30, 2009, while details of the income accounts
11 are shown for the years 2006 through 2008 and the
12 twelve months ended June 30, 2009. The arrangement of
13 the schedules is as follows:

- 14 • Balance Sheets are shown on Schedule 1;
- 15 • Income Statements are shown on Schedule 2;
- 16 • Unappropriated Retained Earnings are shown on
17 Schedule 3;
- 18 • Gas Utility Operating Income, before and after
19 income taxes, is presented on Schedule 4;
- 20 • Gas Operating Revenues in dollar amounts and
21 equivalent cents per Dths sold are shown on Schedule
22 5;

ACCOUNTING PANEL - GAS

- 1 • Mdts of gas supplied by Service Classification and
2 the revenues realized therefrom are shown on
3 Schedule 6. This schedule also reflects revenue in
4 equivalent revenue per Dths sold;
- 5 • Gas Operation and Maintenance Expenses consisting of
6 eight pages are shown on Schedule 7. Page 1 is a
7 summary statement, which shows the operation and
8 maintenance expenses on a functional basis, both in
9 dollar amounts and equivalent cents per Dths sold.
10 Pages 2 to 8 show the details of the various
11 functional groups by account number, in dollar
12 amounts and in equivalent cents per Dths sold or
13 sent out; and
- 14 • Taxes Other Than Income Taxes - Gas are shown on
15 Schedule 8.

16 All of the information in Exhibit __ (AP-1) comes from
17 the Company's books and records; where revenues or
18 expenses are stated in cents per Dths sold, these
19 figures have been computed.

20 Q. Was the document entitled "CONSOLIDATED EDISION COMPANY
21 OF NEW YORK, INC. - CALCULATION OF FEDERAL AND STATE
22 INCOME TAXES - GAS - FOR THE TWELVE MONTHS ENDED JUNE
23 30, 2009," consisting of six pages, set forth as

ACCOUNTING PANEL - GAS

1 Exhibit __ (AP-2), prepared under your direction and
2 supervision?

3 A. Yes, it was.

4 MARK FOR IDENTIFICATION AS EXHIBIT __ (AP-2)

5 Q. Please describe Exhibit __ (AP-2).

6 A. The first four pages set forth the calculation of
7 Federal income tax for gas operations, including
8 accruals, deferrals and amortizations of deferrals.
9 Pages 5 and 6 show the calculation of New York State
10 income tax for gas operations. These amounts are also
11 included on Exhibit __ (AP-1), Schedule 2, page 4.

12 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
13 OF NEW YORK, INC. - BOOK COST OF UTILITY PLANT - GAS -
14 AS OF DECEMBER 31, 2005, 2006, 2007, 2008 AND JUNE 30,
15 2009," set forth as Exhibit __ (AP-3), prepared under
16 your direction and supervision?

17 A. Yes, it was.

18 MARK FOR IDENTIFICATION AS EXHIBIT __ (AP-3)

19 Q. What is shown on this exhibit?

20 A. This exhibit shows the book cost of Utility Plant - Gas
21 - by utility plant account at December 31, 2005 through
22 2008 and June 30, 2009. The amounts shown for Gas
23 Plant in Service and Construction Work in Progress are

ACCOUNTING PANEL - GAS

1 taken directly from the books and records of the
2 Company.

3 Q. Do the figures shown for gas plant in service on
4 Exhibit __ (AP-3) represent the original cost of
5 existing property, which is used and useful as of the
6 dates indicated?

7 A. To the best of the Panel's knowledge and belief, they
8 do. The plant accounts are maintained in balance with
9 the continuing property records, which show the
10 original cost of the existing property classified in
11 accordance with established continuing property record
12 units.

13 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
14 OF NEW YORK, INC. - ACCUMULATED PROVISION FOR
15 DEPRECIATION OF GAS PLANT IN SERVICE AS OF DECEMBER 31,
16 2005, 2006, 2007, 2008 AND JUNE 30, 2009," set forth as
17 Exhibit __ (AP-4), prepared under your direction and
18 supervision?

19 A. Yes, it was.

20 MARK FOR IDENTIFICATION AS EXHIBIT __ (AP-4)

21 Q. Please describe this exhibit.

22 A. This exhibit shows the accumulated provision for
23 depreciation of Gas Plant in Service as of December 31,
24 2005, 2006, 2007, 2008 and June 30, 2009. The amounts

ACCOUNTING PANEL - GAS

1 shown on this exhibit are taken from the Company's
2 books and records. Company witnesses Hutcheson address
3 the accumulated provision for depreciation in his
4 testimony.

5 REVENUES AND OPERATING EXPENSE DATA

6 Q. I show you a document entitled "CONSOLIDATED EDISON
7 COMPANY OF NEW YORK, INC. - REVENUES AND OPERATING
8 EXPENSE DATA," set forth as Exhibit __ (AP-5), and I
9 ask you if it was prepared under your direction and
10 supervision.

11 A. Yes, it was.

12 MARK FOR IDENTIFICATION AS EXHIBIT __ (AP-5)

13 Q. Please describe Exhibit __ (AP-5).

14 A. The first page contains an index of the 10 schedules
15 included in the exhibit.

16 Q. Will you describe Schedule 1 of Exhibit __ (AP-5)?

17 A. Schedule 1, page 1, is a statement of Gas Operating
18 Income before income taxes by component for the
19 historic year ended June 30, 2009, and for the rate
20 year ending September 30, 2011. Column 1 shows the
21 data as recorded on the Company's books of account for
22 the twelve months ended June 30, 2009. Column 2
23 reflects the changes made to normalize the historic
24 year costs and to provide for increased or decreased

ACCOUNTING PANEL - GAS

1 costs and activity levels or other linkage to arrive at
2 the rate year estimate shown in column 3. The historic
3 year revenues and costs were developed from various
4 schedules from Exhibit __ (AP-1). Total gas operating
5 revenues are shown on Exhibit __ (AP-1).

6 Operation and maintenance expenses by cost element as
7 shown on page 1 of Schedule 1 of this Exhibit __ (AP-
8 5) are detailed page 3 and were developed from various
9 other schedules in the exhibits we are presenting.

10 Q. How were sales revenues and associated gas costs
11 developed for the rate year?

12 A. The Company's Forecasting Panel provided the sales
13 forecast. Their testimony explains the sales related
14 changes from the historic year to the rate year.

15 Projected gas costs were developed by Company witness
16 Olmsted and then adjusted to an accounting basis.

17 Q. How were Other Operating Revenues and Other Operating
18 Income Deductions, as shown on lines 3 and 59 of page 1
19 of Schedule 1, determined?

20 A. The historic year levels were developed from Exhibit __
21 (AP-1). We developed the rate year forecasts for Other
22 Operating Revenues and Taxes, Other than Income Taxes.
23 These items are shown on Schedule 1, pages 2 and 6,
24 respectively. We have summarized depreciation expense

ACCOUNTING PANEL - GAS

1 using current rates as shown on Schedule 1, pages 4A
2 and 4B. Company witness Hutcheson's testimony explains
3 how the rate year level for Depreciation and
4 Amortization expense were developed.

5 Q. Please explain the operation and maintenance expenses
6 for the rate year shown on page 3 of Schedule 1.

7 A. Page 3 of Schedule 1 shows the derivation of the
8 projected costs in the rate year from the historic year
9 costs. Various Company witnesses, including this
10 Panel, explain the indicated normalizing adjustments
11 and program changes. In addition, our testimony
12 explains general escalation and labor escalation as
13 shown on Schedules 2 and 3 of Exhibit __ (AP-5).

14 Schedule 4 summarizes the historic and rate years'
15 operation and maintenance expenses, excluding fuel, by
16 Major Account Group ("MAG") function and the changes
17 between the two periods. The totals correspond to
18 Schedule 1, page 3. Schedule 5 shows the historic year
19 elements of expense, excluding fuel, by MAG. Schedule
20 6 shows a summary by function of the operating and
21 maintenance expenses, excluding fuel, for the historic
22 year and the changes in the forecast to the rate year
23 ending September 30, 2011.

24 Q. Please continue with Schedules 7 and 8.

ACCOUNTING PANEL - GAS

1 A. When a normalizing adjustment or program change affects
2 an individual element of expense, this is shown as
3 either an addition or subtraction from the historic
4 year, at the historic year price level. The
5 normalizing adjustments as shown on Schedule 7 are
6 sponsored primarily by this Panel with the Customer
7 Operations Panel testifying to AMR-Saturation on line
8 16 and Company witness Reyes testifying to Employee
9 Welfare Expense on line 26. Program changes are shown
10 on Schedule 8, and are addressed by various Company
11 witnesses.

12 Q. Who are the witnesses sponsoring the program changes
13 shown on Schedule 8?

14 A. In the area of Production costs, Company witness
15 Olmsted discusses gas fuel costs (line 1). In the area
16 of Distribution, the administrative cost of the gas
17 efficiency program (line 6) is discussed by the
18 Accounting Panel; Research and Development efforts
19 (line 7) are discussed by Company witness Ecock; and
20 staffing changes in Environmental, Health and Safety
21 and arboreal services (lines 8 and 14) are addressed by
22 Company witness Price. Interference costs (line 10)
23 are explained by the Company's Municipal Infrastructure
24 Support Panel ("MISP").

ACCOUNTING PANEL - GAS

- 1 Q. Please continue with the Customer Accounts function.
- 2 A. The Accounting Panel discusses uncollectible expense
3 (line 12). The Customer Operations Panel addresses
4 program changes relating to Call Center Improvements,
5 Cycle Meter Reading Hand-Held System, Off System
6 Billing, Customer Service System Improvements and
7 Postal Discount Processes (line 13). Under the
8 Customer Service function, the Accounting Panel
9 discusses the Company's oil to gas conversion and
10 system benefit programs on lines 16 and 17. We will
11 also address Informational Advertising, line 18.
- 12 Q. Please continue with the programs listed under the
13 Administrative and General function.
- 14 A. The Shared Services Panel discusses additional human
15 resources for security (line 20), programs related to
16 Company facilities (line 21), additional costs incurred
17 for mainframe operating and maintenance of systems and
18 computer hardware and software costs (line 23), and
19 strike contingency (line 37). Company witness Reyes
20 discusses increased employee welfare expenses (line
21 28). The balance of the program changes as well as the
22 allocations to gas operations, shown on lines 8 and 14
23 of Company witness Price's program changes for staffing

ACCOUNTING PANEL - GAS

1 and arboreal services are discussed by the Accounting
2 Panel.

3 Q. Please describe Schedules 9 and 10 of Exhibit __ (AP-
4 6).

5 A. Schedule 9 shows the Company's gas operation and
6 maintenance expenses subject to general escalation.
7 Schedule 10 lists cost elements that the Company
8 expects to update during this proceeding and the
9 witnesses sponsoring these cost elements. However,
10 there may be others, and if so, the Company will
11 provide notification at the proper time.

12 OTHER OPERATING REVENUES

13 Q. Does Exhibit __ (AP-5) show the details of Other
14 Operating Revenues?

15 A. Yes. Schedule 1, page 2 of Exhibit __ (AP-5) shows the
16 details of Other Operating Revenues both in the
17 historic and rate years. The historic year level of
18 \$35.2 million is forecasted to decrease by \$9.9
19 million, for a rate year level of \$25.3 million. The
20 changes are explained below.

21 Q. Please explain line 1, Miscellaneous Service Revenues.

22 A. These revenues consist of miscellaneous tariff charges
23 to customers for no access and meter recovery charges.

ACCOUNTING PANEL - GAS

1 The rate year amount is estimated at \$1,056,000 based
2 on a three year average.

3 Q. How was line 2, Interdepartmental Rents, of \$5,512,000
4 for the rate year developed?

5 A. This revenue represents carrying charges billed to the
6 electric and steam departments for their use of certain
7 gas facilities. For the historic and rate years, gas
8 interdepartmental rent revenues were derived from the
9 joint usage of the Ravenswood and Astoria Tunnels and
10 common utility plant. Carrying charges include
11 components of rate of return, depreciation, and taxes.
12 These carrying charge rates were then applied to the
13 cost of gas facilities used by the electric and steam
14 departments to arrive at the interdepartmental rent
15 revenues.

16 Q. Please continue with Rent from Gas Property, lines 3
17 through 5.

18 A. New York Facilities, line 3, represents carrying
19 charges billed by Con Edison to KeySpan Energy Delivery
20 New York and KeySpan Energy Delivery Long Island in
21 accordance with the provisions of the New York
22 Facilities Agreement. The rate year forecast was based
23 on information provided to us by Gas Operations. Line
24 4, Real Estate Rents, primarily represents the gas

ACCOUNTING PANEL - GAS

department's share of rental income from leasing property at the Company's central headquarters building. Line 5, Gas Tunnels - NYC, represents rental payments from Verizon for the use of space in the Astoria Tunnel.

Q. What is the next group, entitled Transmission System Reinforcement Recoveries, lines 6 and 7?

A. This grouping represents recoveries of CECONY's share of gas transmission system reinforcement costs from the following generators: Astoria Energy LLC, CECONY's ERRP and NYPA's (for its Poletti Expansion). These power generators use gas that is delivered by the Company. For this, certain facilities were built by the Company and agreements were put in place. Revenues from these entities are used to reimburse the Company for the cost of these facilities and to maintain these facilities. During the historic year, NYPA (for the Poletti Expansion) and the Company's Steam Operations (for ERRP) have satisfied their responsibility for transmission system reinforcement charges. NYPA's contribution was completed in July 2008 and Steam Operations in March 2009. All power generators (Astoria Energy LLC, NRG Power Marketing, TC Ravenswood, NYPA, USPG Astoria Generation) and Steam

ACCOUNTING PANEL - GAS

Operations pay a variable charge for operating costs as a function of throughput and maintenance fees for the upkeep of the Hunts Point Compressor when it is in use and gas is scheduled on the Tennessee Pipeline. Line 6 represents payments from NYPA for their contribution to variable operating costs and for the upkeep of the Hunts Point Compressor. The rate year forecast for revenues from NYPA for this charge and fee is \$541,000 based on the actual 12 month period ended September 2009. However, NYPA's Poletti Plant is scheduled to be decommissioned in January 2010. Accordingly, the Company plans to update this item to eliminate these revenues. Line 7 represents such revenues from the Company's Steam Operations for the operation of the ERRP. The rate year forecast for the O&M recovery is \$1,215,000.

Q. Please describe how Late Payment Charges, line 8, were developed.

A. Late payment charges reflect estimates for residential and non-residential customers. The Company's estimate of late payment charges for the rate year is \$4,155,000. It is based on the historic period relationship between late payment charges and sales revenues. We divided the historic period late payment

ACCOUNTING PANEL - GAS

1 charges by the historic period sales revenues and
2 multiplied this factor by the rate year sales revenues.

3 Q. Please explain line 9, Reimbursement to KeySpan -
4 Governors' Island.

5 A. This represents KeySpan's share of the revenues earned
6 from gas sales to the United States Coast Guard in
7 accordance with the Governors' Island agreement and
8 serves to offset the gross amount (including KeySpan's
9 share) recorded in sales revenues. Embedded in the
10 sales forecast is the historic level of revenue from
11 KeySpan. Therefore, we used the historic level of
12 reimbursement of \$59,000.

13 Q. Please continue with the next group, Unbundled Retail
14 Choice Service, lines 10 - 11.

15 A. Line 10, ESCOS/Marketers - Bill Charges (CUBS), relates
16 to the Company's consolidated billing system to
17 customers for our gas delivery service and the ESCO's
18 supply of gas. The rate year forecast of these
19 revenues is included in Sales Revenues. Line 11, POR
20 Discount, represents the discount on receivables
21 purchased by the Company from ESCOs. We project that
22 the POR discount in the rate year will be the same as
23 in the historic year.

ACCOUNTING PANEL - GAS

1 Q. Please explain the next group, entitled Non-Firm
2 Revenues.

3 A. Non-firm revenues are generated from serving non-firm
4 customers and from efforts to maximize the value of
5 assets obtained to meet the Company's firm customer
6 requirements. These revenues are subject to the non-
7 firm revenue sharing mechanism between firm customers
8 and the Company as provided for in the 2007 Rate Plan.
9 The Company proposes that the \$35 million included in
10 base rates remain unchanged. Line 12, Gas Purchased
11 from Transportation Customers, represents "cash out"
12 transactions with gas marketers. Line 13, Gas
13 Penalties - Off Peak/Interruptible, represents
14 penalties assessed to off peak and interruptible
15 customers for failure to switch to alternative fuel
16 sources when required. Transportation Imbalance
17 Penalties, line 14, are imposed on gas suppliers who
18 deliver less or more gas into the system than the
19 established tolerance levels. Exchange Sales, line 15,
20 are service fees related to off-system gas sales.

21 Q. How does the current non-firm revenue sharing mechanism
22 established in the 2007 Rate Plan operate?

23 A. For each rate year, the Company retains the first \$35
24 million of non-firm revenues and retains such revenues

ACCOUNTING PANEL - GAS

1 above \$35 million in the following proportions: 1)20
2 percent of the amount in excess of \$35 million up to
3 \$50 million; and 2)25 percent of the amount in excess
4 of \$50 million up to \$70 million. If Non-Firm Revenues
5 are less than \$35 million in any Rate Year, the Company
6 may defer for future recovery, with interest, the
7 amount by which Non-Firm Revenues are less than \$35
8 million.

9 Q. Does the Company propose to modify the current sharing
10 mechanism?

11 A. No.

12 Q. What is the next group, entitled Regulatory Accounting?

13 A. These items reflect the accounting primarily for the
14 impacts of various Commission decisions. The journal
15 entries recording the accounting are not applicable to
16 the rate year.

17 Line 16, Gas Interference Cost Sharing, are revenues
18 recorded for the purpose of making the Company whole by
19 offsetting certain refunds made to customers through
20 the MRA for gas interference. An interference cost
21 sharing agreement between New York City and the Company
22 has been in effect since 1989 and provides for the
23 City's assumption of 51 percent of the cost of gas
24 interference work occasioned by water and sewer

ACCOUNTING PANEL - GAS

1 projects performed by the New York City Municipal Water
2 Finance Authority. It also provides for the refund to
3 customers through the MRA of payments rendered by the
4 City to the Company to comply with its cost-sharing
5 obligation. Since the Company's estimate of MRA
6 revenues does not include this refund, we did not
7 forecast an offsetting item in other operating
8 revenues.

9 Line 17 reflects the accounting entries booked to
10 reconcile actual interference expenses, excluding
11 labor, with the targets established in the 2007 Rate
12 Plan.

13 Line 18, Deferred MTA Surcharges on SIT represents the
14 deferred MTA Surcharged on deferred State Income Taxes
15 that will be recovered in the future as the timing
16 differences generating the deferred surcharges are
17 reversed.

18 Q. Please continue.

19 A. Line 19 represents related interest accrued on the
20 revenues generated from the discount of the purchase of
21 ESCO receivables.

22 Q. Please explain the next two lines related to research
23 and development expenses.

ACCOUNTING PANEL - GAS

1 A. Line 20, reflects the accounting entries booked to
2 reconcile actual R&D expenses with the targets
3 established in the 2007 Rate Plan. Line 21 represents
4 the deferral of revenues collected from customers
5 through the MRA to fund certain gas research and
6 development projects pursuant to the PSC's order dated
7 April 4, 2000 in Case 99-G-1369. These revenues are
8 called the "Millennium Fund," as discussed by Company
9 witness Ecock. The amount on line 21 makes the Company
10 whole for actual research and development expenditures
11 funded by the Millennium Fund collections. As the
12 Company's forecast of sales revenues does not include
13 the Millennium Fund collections from customers, we
14 recognized \$2.0 million of Millennium Fund revenues as
15 other operating revenues to offset the research and
16 development costs estimated by Company witness Ecock.

17 Q. Please describe lines 22 through 24.

18 A. The first item represents the amortization of various
19 previously deferred amounts that were to be amortized
20 over the term of the 2007 Rate Plan. The second item
21 represents an open audit issue between the Company and
22 the Internal Revenue Service ("IRS") concerning the
23 Section 263A tax deduction claimed by the Company
24 beginning with tax returns filed for 2002 and later

ACCOUNTING PANEL - GAS

years. At issue is the appropriate method(s) to be applied to different classes of plant in order to calculate the Section 263A deduction. Resolution of this matter is pending for all tax years and may result in a disallowance of a portion of the tax deduction claimed by the Company. The 2007 Rate Plan established a 263A deferred tax balance that reflects the anticipated outcome of this dispute. The Company is deferring interest at the allowed pre-tax rate of return of 10.73 percent on any difference between the Section 263A tax benefit reflected in rate base and the actual tax benefits that result from the Section 263A deduction allowed by the IRS. The final Section 263A deduction reflected in rate base will recognize any related partial offset (i.e., higher/lower tax deduction), impacting the ADR/ACRS/MACRS rate base balances. The third item relates to the accounting for the levelized rate increase pursuant to the 2007 Rate Plan.

Q. Please explain.

A. The various signatories to the Joint Proposal in Case 06-G-1332 proposed that the Commission grant increases to the Company's base delivery service rates designed to produce an additional \$67.4 million in revenues on

ACCOUNTING PANEL - GAS

1 an annual basis in RY1; an additional \$32.7 million in
2 revenues on an annual basis in RY2; and an additional
3 \$42.7 million in revenues on an annual basis in RY3.
4 The Joint Proposal also included \$17.2 million of
5 uncollectibles and storage costs to be collected
6 through the Merchant Function Charge ("MFC") and \$14
7 million of gas energy efficiency costs to be recovered
8 through the monthly rate adjustment for a total RY1
9 increase of \$98.6 million. The Commission modified the
10 Joint Proposal by implementing a levelized increase.
11 The Commission's Order in the proceeding required the
12 Company to implement increases of \$67.5 million in
13 October 2007, \$67.5 million in October 2008, and \$67.5
14 million in October 2009. As a result, to reflect the
15 levelized rate increases, the Company in the first rate
16 year beginning October 2007 accrued revenues of \$31.1
17 million (\$98.6 million less \$67.5 million) plus
18 interest. The reversal of these revenues started in
19 October 2008 and continues through September 2010.
20 Thus the historic period shown on line 24 contains the
21 last three months of the accrual and the first 9 months
22 of the reversal.
23 Q. Please continue with line 25.

ACCOUNTING PANEL - GAS

1 A. Line 25 represents entries related to the Revenue
2 Decoupling Mechanism ("RDM") that was implemented as
3 part of the 2007 Rate Plan.
4 Line 26 represents the R&D reconciliation that was
5 implemented as part of the 2007 Rate Plan. If the
6 Company's actual expenditure for R&D (exclusive of
7 expenditures on Millennium Fund projects) is more or
8 less than the target level of \$2.920 million per rate
9 year, the Company is permitted to defer that amount for
10 future recovery from or credit to customers capped at
11 \$1.1 million. For RY1 of the 2007 Rate Plan, the
12 Company spent \$1.274 million more than the target and
13 deferred \$1.1 million on its books. For RY2, through
14 May 2009, the Company underspent the target by \$1.239
15 million and deferred revenues of \$1.1 million for the
16 benefit of customers. The item on line 26 is the
17 underspending for RY2. These entries are not
18 applicable to the rate year.
19 Line 27, Purchase of Receivables Credit and Collection,
20 reflects the annual reconciliation of the credit and
21 collection component of the Purchase of Receivables
22 Discount Rate. This reconciliation was established in
23 the 2007 Rate Plan.

ACCOUNTING PANEL - GAS

Line 28 represents accounting entries related to the earnings sharing mechanism for RY1 of the current Rate Plan.

Line 29 represents the reconciliation of actual working capital for gas in storage compared to the level approved in the 2007 Rate Plan. Working capital on gas in storage will be recovered volumetrically through the MFC and the MRA, instead of through base delivery rates. The amount for working capital on gas in storage was calculated using a return of 8.6 percent multiplied by the actual average balance of gas in storage. The Company reconciles the gas storage working capital amounts recovered through the MFC and MRA, estimated to be approximately \$11.5 million in RY1 (forecast average gas storage balance of \$130.8 million multiplied by 8.6 percent plus revenue taxes), to the actual cost of gas in storage. The collection/passback of the deferred balance is reflected in the following year's gas storage working capital components of the MFC and MRA.

Line 30 represents accounting entries related to the booking of gas unbilled revenues on the T&D function pursuant to the Commission's order in Case 08-M-1150 authorizing the Company to adopt the accrual method of

ACCOUNTING PANEL - GAS

1 revenue recognition for accounting and regulatory
2 purposes. The order was effective March 2009.
3 Line 31 represents the accounting entries related to
4 the gas System Benefit Charge. Accounting entries
5 record any over/under collection from customers for
6 amounts expensed.
7 Line 32 represents Gross Receipts Taxes on Winter
8 Bundled Sales. Line 33 represents the reconciliation
9 of distribution plant additions approved in the 2007
10 Rate Plan. If the average net distribution plant is
11 greater than or less than the Capital Target, the
12 Company defers the revenue requirement impact of the
13 variation up to the Cap from the targeted levels and
14 the deferred amounts are recovered from or credited to
15 customers. The revenue requirement is calculated by
16 applying an annual carrying charge factor of 13.0
17 percent (representing a combination of pre-tax rate of
18 return of 10.7 percent and depreciation of 2.3 percent)
19 to the amount of the variance. In the historic period
20 the Company exceeded the target spending, but was under
21 the cap due to items not being placed into plant in
22 service.
23 Q. Please continue with line 34.

ACCOUNTING PANEL - GAS

1 A. Line 34 represents the reconciliation of pipeline
2 integrity costs pursuant to the 2007 Rate Plan. The
3 New York Facilities Agreement, a joint operating
4 agreement between the Company and KeySpan (now part of
5 National Grid), provides for the sharing of certain
6 costs. Among the costs to be shared are the costs that
7 the companies incur to comply with new federal
8 requirements that require gas companies, like Con
9 Edison of New York and KeySpan, to develop and
10 implement an integrity management program for their
11 affected gas facilities using in-line inspection, hydro
12 or pressure testing, or direct assessment. The
13 Company's projected share of KeySpan's pipeline
14 integrity costs are reflected in current gas rates for
15 RYs 1, 2 and 3 at an estimated annual amount of \$1.845
16 million. The Company defers the difference in any Rate
17 Year between the \$1.845 million rate allowance to
18 actual payments made to KeySpan for pipeline integrity
19 programs and these amounts are recovered from or
20 credited to gas customers. In the historic period the
21 Company was under the allowance.
22 Line 35 reflects entries made on the books regarding
23 the recovery of a gas migration incentive earned by the
24 Company under Case 03-G-1671. The incentive was

ACCOUNTING PANEL - GAS

1 recorded on the Company's books in September 2007 and
2 the collection from customers through the MRA was made
3 in 2008. This item will not occur in the rate year.
4 Line 36, Interest on Gas Hedging Program, reflects a
5 reclassification of interest assessed on funds advanced
6 for the program to Interest and Dividend Income.
7 Line 37, Interest Revenue - Gas Case Deferrals,
8 represents net interest accruals on various gas
9 reconciliation items such as property taxes, tax
10 refunds due customers, and interference costs deferred.
11 Line 38 represents the 14% incentive retained by the
12 Company for achieving property tax refunds.
13 Q. Please continue with line 39.
14 A. Line 39 represents the accounting for gas pipeline
15 refund credits flowed back to firm customers.
16 Line 40 reflects accounting entries related to gas
17 property taxes being recovered from customers. Under
18 the terms of the Joint Proposal in Case 03-G-1671, the
19 Company was permitted to reconcile property tax expense
20 with a deadband of 2.5%. In addition, if the deferred
21 amount of undercollections after the second rate year
22 exceeded \$10 million the Company was to recover this
23 excess over \$10 million in RY3 through the MRA. The
24 Company also reconciled the amounts collected with the

ACCOUNTING PANEL - GAS

1 final amount to be collected in 2009. The amount of
2 \$163,000 on line 40 reflects entries made recording the
3 recovery and reconciliation for the period July 2008
4 through May 2009. This item will not be necessary in
5 the rate year.

6 Line 41 reflects revenues received for Asset
7 Management. The Federal Energy Regulatory Commission
8 ("FERC") issued Order No. 712, "Promotion of a More
9 Efficient Capacity Release Market," allowing the use of
10 Asset Management Arrangements ("AMA"), effective June
11 30, 2008. Under a qualifying AMA that is exempt from
12 competitive bidding requirements, a shipper holding
13 firm transportation and/or storage capacity may
14 temporarily release for a minimum period of five months
15 out of each twelve month period, all or a portion of
16 its capacity along with associated gas production and
17 gas purchase agreements to an asset manager, who may
18 utilize the capacity for its own purposes (e.g., for
19 re-releases or to make third-party sales) during the
20 release period. On March 30, 2009, the Company and
21 Orange and Rockland Utilities, Inc. entered into an
22 AMA. Under the terms of the arrangement, Con Edison
23 allows the asset manager the use of certain Con Edison-
24 owned storage and transportation assets under

ACCOUNTING PANEL - GAS

1 reasonable discretion during a multi-month period. In
2 exchange, the asset manager will pay Con Edison a
3 certain lump sum amount. During the historic year, the
4 Company has received \$56,338. Later this year, the
5 asset manager will return the storage capacity to Con
6 Edison essentially full, which Con Edison will then
7 purchase from the asset manager.

8 Q. Please conclude with the last group, All Other.

9 A. Line 42 primarily represents income from R&D ventures
10 that the Company receives on a sporadic basis. We do
11 not expect such revenues for the rate year.

12 Line 43, Learning Center Revenue, represents revenues
13 earned for services rendered to third parties at the
14 Company's Learning Center facility in Queens, NY. The
15 rate year forecast is based on the historic year.

16 Line 44, Miscellaneous, includes various small items
17 and we estimated the same level for the rate year.

18 DEPRECIATION AND AMORTIZATION

19 Q. Please explain Depreciation and Amortization shown on
20 Exhibit __ (AP-6), Schedule 1, pages 4A and 4B.

21 A. These two sheets show that by applying existing
22 depreciation methodologies, depreciation expense for
23 the rate year is projected to be \$108.246 million.

24 This was provided to us by Company witness Hutcheson

ACCOUNTING PANEL - GAS

1 and is fully discussed in his testimony. Page 4A shows
2 the linkage for depreciation expense between the end of
3 the historic period in June 2009 through September 30,
4 2010. Page 4B shows the depreciation for the rate year
5 ending September 30, 2011 by month.

6 TAXES, OTHER THAN INCOME TAXES

7 Q. Please explain the line items on your Schedule 1, page
8 5, Taxes Other than Income Taxes.

9 A. The first item is Property Taxes consisting of New York
10 City real estate and special franchise taxes and
11 Westchester County and All Other property taxes. The
12 historic amounts applicable to gas operations are
13 \$102,071,000 and \$33,219,000, respectively. The rate
14 year forecast totaling \$173,605,000 was provided to us
15 by Company witness Hutcheson and is described in his
16 testimony. Line 3 represents the reconciliation of
17 actual property taxes to the levels established in base
18 rates in Case 06-G-1332. The line item is not
19 applicable to the rate year.

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

22 A. Embedded in the Forecasting Panel forecast of gas sales
23 revenues, excluding revenue taxes on the PSL 18a
24 Assessment revenues, are \$43,986,000. To this, we

ACCOUNTING PANEL - GAS

1 added revenue taxes applicable to Other Operating
2 Revenues, such as late payment charge revenues and
3 other, in the amount of \$276,000 for a total of
4 \$44,262,000.

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

6 A. The increase in payroll taxes is due principally to the
7 increase in base wages subject to FICA. Payroll taxes
8 of \$311,000 relating to additional human resources
9 requested in this filing is also included. The Company
10 will revise payroll taxes for known changes, if any, in
11 the FICA rate and base in the update stage of this
12 proceeding. Any change in payroll taxes resulting from
13 tax legislation in any jurisdiction as well as any
14 revisions for additional human resources will also be
15 reflected later in the update stage of this proceeding.

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

17 A. As a result of New York State's and the nation's
18 economy, the budget passed by the state government in
19 2009 included a new Metropolitan Commuter
20 Transportation tax effective March 1, 2009. According
21 to Article 23 of the Ravitch MTA bailout plan, 0.34
22 percent of payroll expense for every employer doing
23 business within the metropolitan commuter
24 transportation district will be taxed. The estimated

ACCOUNTING PANEL - GAS

1 MTA Mobility tax for gas for the rate year ending
2 September 30, 2011, is \$398,000 using this methodology.
3 As with payroll taxes mentioned above, this item will
4 also be updated later in the update stage of this
5 proceeding.

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

8 A. The Company accrues the New York State and local use
9 tax by summarizing charges from the accounts payable
10 invoice system and materials and supplies requisitioned
11 from inventory from the Materials Management System to
12 determine the tax basis. Based on the coding assigned
13 to the items, the tax is calculated and charged on
14 these transactions to work orders and accounts on an
15 automated basis. A liability account and work order
16 accumulates the total taxes charged to other Company
17 accounts. Using summarized data, the Tax Department
18 prepares a worksheet that calculates the total tax. To
19 properly record the capitalized and expensed portion,
20 we compare this calculation with the total sales tax
21 accrued in the liability account and work order. The
22 difference between the calculated tax liability and the
23 total of the balance in the accrued liability account
24 and work order is expensed or credited to the electric,

ACCOUNTING PANEL - GAS

1 gas and steam services. Credits may arise due to the
2 non-taxability of items that were originally taxed,
3 prior period tax audit adjustments, and corrections.
4 The Company does not project any difference between the
5 tax liability and the contra accounts for the rate
6 year.

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

8 A. Subsidiary capital tax is the tax that New York City
9 imposes on Consolidated Edison, Inc.'s ("CEI")
10 ownership of Consolidated Edison Company of New York,
11 Inc. (the "Company"), because the Company is not
12 included in CEI's New York City corporate franchise tax
13 return. The forecast of the subsidiary capital tax was
14 based on the average historic growth in capital from
15 2004 through 2008, and the allocation to gas operations
16 is \$866,000.

17 Q. Please explain the Corporate Franchise Tax on line 9.

18 A. Corporate Franchise Tax is a tax imposed upon Con
19 Edison by states in which the Company maintains a
20 presence and is subject to tax due to their owning
21 property, but is not their primary location of doing
22 business. An example of this is the ownership of gas
23 in storage fields located in Louisiana. The rate year
24 was forecasted using a three year average of the

ACCOUNTING PANEL - GAS

1 historical results, which encompasses the period from
2 July 1, 2006 through June 30, 2009.

3 Q. Please explain the Receipts Tax on line 10.

4 A. The Gross Receipts Tax payments paid by a
5 predecessor company of Con Edison to a
6 municipality under prior franchise agreements, are
7 deductible from the special franchise tax, as
8 provided in section 626 of the real property tax
9 law. Section 626 provides for the deductions from
10 the special franchise tax of certain payments in
11 the nature of a tax, which Con Edison is required
12 to pay under the provisions of franchises granted
13 to predecessor companies. Company witness
14 Hutcheson's forecast of property taxes reflects
15 this deduction.

16 Q. Please describe All Other Taxes, line 11.

17 A. All other taxes represent minor taxes such as
18 commercial rent and occupancy tax, motor vehicle taxes,
19 state gasoline tax, state highway use tax, Federal
20 diesel and gasoline taxes, the New York State tax on
21 insurance premiums and hazardous waste. The rate year
22 forecast is based on the historic three year average
23 for the twelve months ended June 30, 2007 through 2009.

ACCOUNTING PANEL - GAS

NORMALIZING ADJUSTMENTS

1

2 Q. Please discuss each normalization adjustment, as
3 reflected in Exhibit ____ (AP-5), Schedule 7 that is not
4 addressed by another Company witness.

5 A. We will begin with our normalization of Company labor
6 for the variable pay as shown on lines 1, 3, 5, 7, 9,
7 12, 15, 18 and 23. The normalization as allocated to
8 gas is \$262,000. This amount was included in the
9 historic period and was based upon the Company
10 achieving 110% of their target award fund under the
11 variable pay plan. The rate year ending September 30,
12 2011 is to be based on 100% achievement of the target
13 award fund. Company witness de la Bastide discusses
14 the Company's variable pay plan.

15 Q. Please continue.

16 A. Line 25, Deferred Income Plan, shows a normalization of
17 \$1.242 million. We are normalizing out of historic
18 expenses, the administrative fee related to the
19 administrative costs and losses on participants'
20 accounts under the Deferred Income Plan, as shown on
21 Company witness Reyes' Exhibit ____ (HJR-1). In the
22 historic year, the plan had a loss in earnings of some
23 \$8.4 million due to the global financial turmoil.
24 Assets of these plans are held in trust funds and are

ACCOUNTING PANEL - GAS

1 being invested. The rate year costs to administer
2 these programs are projected to be offset by the
3 investment gains generated by the trust funds. In the
4 Company's current electric proceeding, the Company also
5 normalized out the loss in the historic year and in
6 Case 08-E-0539, a gain in the historic year was
7 similarly normalized in projecting the rate year cost.

8 Q. Please continue by explaining your normalization to
9 Executive Incentive Plan, line 20, of \$904,000.

10 A. This adjustment removes from gas operating expenses the
11 cost of the Company's executive incentive plan as the
12 Company elected to not seek recovery of these costs,
13 without prejudice to seeking the recovery of such costs
14 in future rate proceedings.

15 Line 22, Other Compensation for Officers of \$1.261
16 million, includes Long-Term Incentive Plan ("LTIP")
17 compensation expense for the Company's officers. In
18 order to mitigate this rate increase request, we are
19 not seeking recovery of LTIP for officers in this
20 proceeding, without prejudice to seeking the recovery
21 of such costs in future rate proceedings. Company
22 witness Reyes addresses the Company's executive
23 compensation program.

ACCOUNTING PANEL - GAS

1 Q. There are next two items in the category of Rate Case
2 Accounting on lines 13 and 24. Please continue.

3 A. Line 13, Rate Case Accounting - Interference of
4 \$439,000 in the historic year represents accounting
5 entries to true-up actual interference expense with the
6 target established in the 2007 Rate Plan for the rate
7 year ended September 30, 2008. The reconciliation of
8 non-labor gas interference expense for the rate year
9 ended September 30, 2008 reflected an entry booked in
10 June 2008 for an estimated undercollection through June
11 2008 of \$439,000. O&M was debited for this amount with
12 an offsetting credit in a Regulatory Asset account.
13 Subsequently, in September 2008, an estimate of an
14 overcollection of \$21,000 was booked and the June 2008
15 entry was reversed. The \$21,000 was booked as a debit
16 to Other Operating Revenues with an offsetting credit
17 to a Regulatory Liability account. The final
18 reconciliation was determined to be an overcollection
19 of \$19,024.39 and booked in October 2008. The
20 normalization here is for the June 2008 entry reversing
21 the \$439,000 charge to O&M. These true-up entries are
22 not applicable to the rate year ending September 30,
23 2011.

ACCOUNTING PANEL - GAS

1 Q. Please continue with your last normalizing adjustment
2 on line 24 entitled Rate Case Accounting -
3 Pensions/OPEBs.

4 A. This item reflects the undercollection of pension/OPEBs
5 costs of \$9.673 million pursuant to the true-up
6 provision of the 2007 Rate Plan for RYs 1 and 2 booked
7 during the historic year ended June 2009. Offsetting
8 this was \$779,000 reflecting the deferral of the tax
9 benefit related to the Medicare Subsidy, for a net
10 normalization of \$8.894 million. This reconciliation
11 is not necessary in the rate year.

12 Line 21, MGP/Superfund, reflects the normalization from
13 the historic year \$5.684 million of MGP/superfund costs
14 from our O&M expenses as we have a proposal that we
15 will discuss later in our testimony in our section
16 regarding the revenue requirement. After reviewing
17 Company witness Price's forecast of site investigation
18 and remediation costs, and taking into consideration
19 the rate year allowances from the 2007 Order and the
20 deferred balance as of June 30, 2009, we propose to
21 recover from customers over a three-year period \$11.688
22 million.

23 Q. The next and last normalization on line 11 is entitled
24 Steam Incident. Please explain this adjustment.

ACCOUNTING PANEL - GAS

1 A. Line 11 normalizes out of the historic period \$729,000
2 of expenses related to the July 2007 steam incident.
3 The entries made were to remove from steam plant in
4 service costs associated with the steam incident which
5 should not have been capitalized and were then
6 expensed. This item is not to be borne by customers.

7 PROGRAM CHANGES

8 Q. What is the next subject matter you will discuss?

9 A. We will discuss various program changes as shown on our
10 Exhibit ____ (AP-5), Schedule 8.

11 Q. Company witness Price discusses program changes for
12 Environment, Health and Safety. Do you have any
13 further comments to add?

14 A. With regards to lines 8 and 14, Environmental, Health
15 and Safety, we provided the allocation to gas
16 operations of Company witness Price's program changes
17 for staffing and arboreal services.

18 Q. What is the first program change the Panel will
19 discuss?

20 A. We will first discuss the program change for
21 Uncollectibles, line 12, under MAG 47. The rate year
22 level of uncollectible accounts is based on the
23 projection that write-offs as a percent of revenues
24 will equate to \$0.81 per \$100 of revenues. This factor

ACCOUNTING PANEL - GAS

1 is based on the historic 12 month average experience of
2 write-offs as related to revenues.

3 Q. On line 16, there is a program change under Gas Sales.
4 Please explain the item.

5 A. The Company intends to continue the Oil to Gas
6 Conversion program at the funding level established in
7 the 2007 Rate Plan. The Company will recover through a
8 surcharge in the MRA \$1.47 million for each of RY1, RY2
9 and RY3, for incentives associated with the Company's
10 Oil Heating to Gas Heating Conversion Incentive
11 Program. Incentives provided to customers by the
12 Company in excess of \$1.47 million will be funded by
13 the Company and not recoverable from customers. Under
14 this program, the Company will retain all revenues
15 resulting from oil-to-gas conversions during the term
16 of the Company's proposed Gas Rate Plan in order to
17 fund incentives and other costs and expenses incurred
18 by the Company in connection with this program.

19 Q. Are there other elements of expense that also incurred
20 program changes based on a similar match to the revenue
21 projection?

22 A. Yes, the System Benefits/Portfolio Standard program,
23 line 17, is \$4.282 million. Gas Energy Efficiency,
24 line 6, decreased \$1.038 million to match the revenue

ACCOUNTING PANEL - GAS

1 projection in sales revenues of \$14.005 million. These
2 expenditures, which were included for energy efficiency
3 programs in the 2007 Rate Plan, will still be
4 collected, through the SBC, for energy efficiency
5 programs during the rate year. The Commission issued
6 an Order in the Energy Efficiency Portfolio Standards
7 case on October 23. As a result, there may be some
8 changes to the amounts. We will update these amounts
9 when known. However, since these are not included in
10 base rates, there is no impact on the revenue
11 requirement.

12 Q. Line 18, Informational Advertising, represents the
13 Company's request for a rate year level of spending of
14 \$1.722 million. What is the basis of this figure?

15 A. This is based on 0.08% of gross revenues. 0.08% is the
16 percentage that the Commission has determined is
17 appropriate under its Advertising Policy Statement in
18 the most recent Con Edison electric rate proceeding.
19 For the purposes of this filing the Company is
20 requesting the same rate to be applied to gross
21 revenues. However, in calculating gross revenues ESCO
22 revenues were included. This was in error and the
23 Company will adjust this expense later in the update
24 phase of this proceeding.

ACCOUNTING PANEL - GAS

1 Q. Please continue with line 22, A&G Transfer Credit.

2 A. This line relates to capitalization of the
3 administrative function in the Company as it relates to
4 capital spending described throughout this filing.
5 This filing reflects the Company's plans to spend some
6 \$15.2 million more in the rate year than is reflected
7 in the historic year and, as a result, more of the
8 administrative function, primarily salary related, will
9 be capitalized. This is estimated at a credit of
10 \$603,000.

11 Line 25, Consultants, reflects the increase in gas
12 department's allocation for services provided by
13 PricewaterhouseCoopers ("PwC"), such as auditing,
14 research, and accounting advice. The forecast for the
15 rate year included an increase for PwC audit fees and
16 was based on a 3.5 percent increase from the 2010
17 proposed audit fees, which have been approved by the
18 Board of Directors. This rate of increase was
19 projected forward for the rate year.

20 Q. Please continue with line 26, Duplicate Miscellaneous
21 charges.

22 A. The Company increased duplicate miscellaneous charges,
23 line 26, by \$52,000. This was largely a result of the
24 annual time study that increases the 2009 rate of

ACCOUNTING PANEL - GAS

- 1 14.409 cents/kwh to the rate of 15.387 cents/kwh
2 effective January 2010. Duplicate miscellaneous
3 charges is made up of credits for charges made to
4 operating expenses or other accounts for the use of
5 utility service from its own supply.
- 6 Electricity and gas used, line 27, represents the
7 forecast of electricity and gas used at various Company
8 locations. The rate year forecast for this cost is
9 based on the historic usage of electricity and gas and
10 the use of the latest cost rates per usage. The latest
11 rates, which are based on an annual time study,
12 effective January 2010, charges gas for electric usage
13 at 15.387 cents/kwh and gas usage at 7.65/dth. Using
14 this method, we calculated an \$89,000 program change.
- 15 Q. What is the program change on line 29, Financial
16 Services?
- 17 A. The increase of \$615,000 represents the gas portion of
18 an increase in miscellaneous financing costs, fees and
19 services for the Company's expected increase in
20 financing needs to support its increased capital and
21 operating costs as testified to by various witnesses in
22 this proceeding.
- 23 Q. Please continue with line 30, Injuries and Damages.

ACCOUNTING PANEL - GAS

1 A In accordance with prior Commission practice, the rate
2 year level of injuries and damages is equivalent to the
3 annual average of all claim disbursements for a recent
4 three-year period. For this filing, we used July 2006
5 to June 2009, the three-year period ending with the
6 historic year. The allocation to gas is a decrease of
7 \$3,719,000. This three-year average will be updated
8 during the course of the proceeding to reflect more
9 recent actual experience.

10 Q. Insurance premiums on line 31 are forecasted to
11 increase by \$1.767 million. Please explain the
12 increase.

13 A. The increase of \$1,767,000 for Insurance premiums
14 represents primarily increases in premiums for property
15 and a Workers Compensation Board assessment charge.
16 The information regarding actual premiums was provided
17 to us by the Company's insurance department. Where the
18 premium expires, we used general escalation factors of
19 1.4 percent for 2010 and 1.7 percent for 2011 to
20 project insurance costs for the rate year. When we
21 developed the forecasted amount, we also took into
22 consideration the allowed amounts that the Company can
23 recover from ratepayers for excess liability insurance
24 premiums resulting from a provision in the Joint

ACCOUNTING PANEL - GAS

1 Proposal relating to the steam incident adopted by the
2 Commission in Case 08-S-0153 regarding excess liability
3 insurance. Under that provision, the Company can not
4 seek recovery from ratepayers for insurance premiums
5 for excess liability insurance premiums in excess of
6 \$11,259,798 annually (the premium in effect prior to
7 the steam incident) for policies covering the period
8 beginning April 28, 2008 and ending April 27, 2010. In
9 addition, the Company can not seek recovery from
10 ratepayers \$2 million of excess liability insurance
11 premiums for policies covering the period beginning
12 April 28, 2010 and ending April 27, 2012.

13 To the extent necessary and appropriate, the Company
14 will update insurance premiums at the appropriate point
15 in this proceeding.

16 Q. Please discuss the Finance & Supply Chain project
17 program change on line 33.

18 A. Finance - Supply Chain Project represents costs related
19 to contractor and maintenance and support of this new
20 system. We will discuss this project later in our
21 testimony. The allocation to gas is \$9,000 for the
22 rate year.

23 Q. Please discuss Pensions & OPEBs on line 34.

ACCOUNTING PANEL - GAS

- 1 A. The estimated increase of \$25.111 million reflects the
2 actuarially determined level of expenses for employee
3 pensions and other post employment benefits ("OPEBs"),
4 which was based on a study performed by the Company's
5 actuary, buckconsultants during the second quarter of
6 2009. The study was based on the Company's actual 2008
7 experience and included 10-year projections.
8 Assumptions used in the forecast of pensions and OPEBs
9 were a discount rate of 5.75 percent and an expected
10 return on plan assets of 8.50 percent, and a health
11 care cost trend rate of 7.0 percent for 2009 with the
12 rate decreasing gradually to 4.5 percent for 2012.
- 13 Q. Please sum up the estimate of employee pension/OPEBs
14 expense allocable to gas.
- 15 A. The net amount of the actuarially determined level of
16 expenses for employee pension/OPEBs and other payments
17 net of capitalization allocable to gas for the historic
18 year is \$19.487 million. The rate year allocation is
19 \$43.910 million, reflecting an increase of \$24.423
20 million.
- 21 Q. Please continue with Postage, line 35.
- 22 A. The increase of \$245,000 for Postage costs captures the
23 scheduled increase for postage costs in May 2009, which
24 is above the increase experienced in May 2008. The

ACCOUNTING PANEL - GAS

1 impact from the May 2008 increase was annualized and
2 the applicable increase was applied to the customer
3 bills and various regulatory required correspondences
4 such as: credit and collection letters, deposit
5 receipts, no access letters, customer refunds and any
6 general correspondence Customer Operations may send to
7 the customer, such as newsletters and annual rights
8 notifications.

9 For line 36, Disposal of Obsolete M&S, the rate year
10 was forecasted based on a three-year historic average.
11 The rate year forecast is an increase of \$12,000 from
12 the historical amount, plus general escalation of
13 \$1,000, for a rate year level of \$23,000.

14 Q. Please continue with your request for additional human
15 resources for Auditing and the Law Departments.

16 A. Our next program changes (lines 24 and 32) represent an
17 allocation to gas of \$164,000 and \$181,000 for
18 incremental employee positions in the Auditing and Law
19 Departments, respectively.

20 Q. Please begin continue with the Auditing Department's
21 request.

22 A. The program change for Auditing represents an
23 allocation to gas of \$164,000 to address the hiring of
24 nine additional personnel and integration of

ACCOUNTING PANEL - GAS

1 technologies for the Auditing Department. This amount
2 was obtained by applying an adjustment to the total
3 program change of \$1.147 million for affiliate work of
4 7.1 percent for O&R and 3 percent for non-utility
5 affiliates. To date, Auditing has hired one manager
6 and two auditors out of the nine open positions. The
7 balance of employees is expected to be hired by year
8 end 2009.

9 Q. Please continue.

10 A. As a result of a recent review of its operation,
11 Auditing has developed a reorganization to address core
12 audit functions and the risks and compliance issues
13 facing the Company, including the recent arrests of
14 Construction personnel and upcoming compliance
15 commitments to NERC and FERC, including the NERC
16 Critical Infrastructure Panel ("CIP") and the FERC
17 Electric Reliability Standards. The reorganization
18 entails:

- 19 1) The addition of nine incremental employee positions
20 in Auditing. These positions are expected to be
21 filled by the end of the fourth quarter of 2009; and
22 2) Integration of technologies including a new data
23 analytics tool, ACL Audit Exchange, to automate and
24 support the forensic analysis of data and an

ACCOUNTING PANEL - GAS

1 upgraded version of the current audit management
2 system, TeamMate, that will be used to standardize
3 audit report templates and track audit activities
4 and follow-ups.

5 Q. What is the current structure and function of the
6 Auditing Department?

7 A. Auditing is responsible for conducting a comprehensive
8 program of internal audits in order to provide an
9 independent assessment of the adequacy and
10 effectiveness of the system of internal control that
11 governs the operations of CEI and its subsidiaries. In
12 addition, Auditing provides guidance and training for
13 business ethics and various compliance initiatives
14 including FERC compliance standards. Auditing is
15 comprised of five major sections:

- 16 1) Customer Operations, Finance and Procurement
17 Audits;
- 18 2) Environmental, Health and Safety ("EH&S"),
19 Operations and Information Technology Audits;
- 20 3) Business Ethics and Corporate Policy;
- 21 4) Ethics and Compliance Training; and
- 22 5) Orange and Rockland Office.

23 Q. What is the proposed new organization structure?

ACCOUNTING PANEL - GAS

1 A. A new organization will be established by year end 2009
2 in Auditing and will be responsible for investigations,
3 ethics, compliance program development and training,
4 EH&S audits and Corporate policy. This organization
5 will be led by a Director. In addition, three analysts
6 will be hired to support the integration of new
7 technologies and compliance program development and
8 management. This organization will develop and manage
9 all FERC/NERC and Ethics compliance programs and will
10 maintain new audit technologies that will allow
11 auditors to analyze data and identify anomalies and
12 potential fraudulent activities. In addition, they
13 will conduct investigations into misconduct and other
14 violations, audit environmental health and safety
15 programs and maintain Corporate Policy documents.

16 Q. Please continue.

17 A. A new audit group focusing on construction projects,
18 contractor activity and Energy Services has also been
19 established. This group is led by a manager and
20 staffed by four auditors. This organization will audit
21 large-scale construction projects, contractor service
22 agreements and Energy Services projects. To date we
23 have hired one manager and two auditors. Offers will
24 go out shortly for a Director position and two

ACCOUNTING PANEL - GAS

1 additional auditors with the remaining positions
2 expected to be filled by year end 2009.

3 Q. What benefits are expected from the proposed new
4 organization structure?

5 A. The organization changes and integration of technology
6 will allow Auditing to:

7 1) Address core audit functions and expand its charter
8 to include new audits focused on Contractor,
9 Construction and Energy Services - this change will
10 help Auditing expand its focus to identify potential
11 misconduct in these areas and protect ratepayers.

12 The additional staffing will allow Auditing to
13 address these areas while maintaining a focus on
14 core audit functions in Finance, Operations and
15 Environmental Health and Safety;

16 2) Align Audit Plan with enterprise risk management
17 issues;

18 3) Address and manage investigations;

19 4) Audit Corporate Safety Programs as they develop and
20 mature; and

21 5) Manage and address NERC / FERC and Ethics Compliance
22 Programs.

23 Q. The Law Department has a request for new positions.
24 Please explain this item.

ACCOUNTING PANEL - GAS

1 A. The Law Department requests funding for twelve new
2 positions. The allocation to gas operations is
3 \$181,000. The needs to be addressed by the Law
4 Department fall in the following areas:

- 5 • Record Retention (2);
- 6 • Office of the Secretary (1);
- 7 • General Litigation (1);
- 8 • Commercial Transactions, Corporate and Finance
9 (2);
- 10 • Commercial Litigation (1);
- 11 • Regulatory Services (3);
- 12 • Operations (1); and
- 13 • Legal Secretary (1).

14 These positions are all described and discussed in our
15 Exhibit ____ (AP-13), entitled, "Personnel Requested for
16 the Law Department."

17 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-13)

18 Q. Has the Law Department hired any of these twelve
19 requested personnel?

20 A. The Law Department has recently filled the Commercial
21 Litigation attorney position. We are in the process of
22 preparing offers for two Regulatory attorney positions
23 and the Labor & Employment Sr. Specialist position and

ACCOUNTING PANEL - GAS

1 expect to fill all three positions before the end of
2 the year.

3 Q. Please describe your last change to Regulatory
4 Commission Expense, line 38.

5 A. The program change to Regulatory Commission Expense
6 consists of two parts. The first adjustment was to
7 reflect the annual PSC assessment. The rate year was
8 forecasted based on the latest PSC Assessment letter,
9 dated August 10, 2009, for the 2009-10 state fiscal
10 year ending March 31, 2010. The PSC's calculation of
11 the assessment is based on intrastate revenue from the
12 calendar year 2008 and the 2009-10 Enacted State Budget
13 for the Public Service Department. This portion of the
14 forecast for the rate year is an increase of \$4,000
15 from the historic year.

16 The second part of our program change for regulatory
17 commission expense is the use of a three-year average
18 of historic costs for all other costs. This portion of
19 the forecast for the rate year is an increase of
20 \$219,000 from the historic year. The total program
21 change for Regulatory Commission Expense is thus
22 \$223,000. The forecast does not include an amount for
23 the temporary PSL 18a Assessment effective April 1,
24 2009 to March 31, 2014 in Regulatory Commission

ACCOUNTING PANEL - GAS

Expense. Sales revenues and revenue taxes also do not include the collection of this expense. The Company did not reflect the large assessment in the filing as it does not impact the revenue requirement. The PSL 18a Assessment, excluding GRT, can be found in the Forecasting Panel's sales revenues in their Exhibit ____ (FP-2).

GENERAL ESCALATION

Q. Please describe the general escalation rate used.

A. The general escalation rate reflects cost increases anticipated to occur as the result of inflation. The general escalation factor is based on the projected increase in the Gross Domestic Product ("GDP") price deflator as forecast by Blue Chip.

Q. What are the forecasted rates of increase in the GDP price deflator that were used to develop the general escalation factor, what are their sources, and when were they published?

A. The actual GDP deflator used was published as of August 27, 2009 by the U.S. Department of Commerce and the forecasts were from the Blue Chip Economic Indicators, dated August 10, 2009. The quarter ending September 30, 2011 was derived from the Blue Chip quarterly rate forecast which was projected at 1.43 percent annually

1 from the second quarter of 2009 to the third quarter of
2 2011. Utilizing these forecasts, we calculated the
3 increase from the average of the historic year through
4 the average of the rate year to be 3.21 percent. As
5 with past practice in the Company's rate cases, we will
6 update the inflation factors to reflect the latest
7 available inflation forecasts later in this proceeding.

8 LABOR ESCALATION

9 Q. Please explain the derivation of the 5.78 percent labor
10 factor used to escalate the historic year labor expense
11 level to the rate year.

12 A. As shown on Exhibit __ (AP - 5), Schedule 2, page 1,
13 column 1, total Company salaries and wages for the
14 twelve months ended June 30, 2009 amounted to
15 \$1,302,612,000. Straight-time union labor includes
16 temporary summer employees. For the rate year, total
17 Company salaries and wages, as shown in column 3,
18 amount to \$1,377,849,000. The increase of \$75,237,000
19 in total Company labor dollars from the historic year
20 level to the rate year level represents a 5.78 percent
21 increase. Thus, we assumed the same factor to escalate
22 the historic Company labor amount for gas operations to
23 arrive at the rate year amount.

ACCOUNTING PANEL - GAS

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

3 A. As shown on Exhibit __ (AP-5), Schedule 3, starting
4 with the total number of employees on roll with pay for
5 the week ending June 30, 2009 of 14,453, we assumed a 1
6 percent annual productivity reduction from July 2009 to
7 September 2011 to arrive at the average number of
8 employees during the rate year of 14,202.

9 Q. Please continue.

10 A. Schedule 2, page 4, shows the computation of the
11 average wages and salaries in the rate year for Weekly
12 and Management employees. For Weekly employees, we
13 assumed a general wage increase of 3.5 percent in June
14 2010 and June 2011 and the effect of the semi-annual
15 progression increases of 0.7 percent in October 2010
16 and 0.6 percent in February 2011 were also applied to
17 50 percent of total weekly employees. These rates are
18 all pursuant to the labor agreements with the unions
19 representing the weekly employees. For Management
20 employees, we assumed a 3.5 percent merit increase in
21 April 2010 and April 2011.

22 Q. Please continue.

23 A. Having developed the rate year average staffing levels
24 and average rates of pay, we then used these amounts to

ACCOUNTING PANEL - GAS

1 develop the total Company rate year straight-time wages
2 and salaries as shown on Schedule 2, page 2.

3 Q. Please explain Schedule 2, page 3.

4 A. Page 3 shows the calculation of salaries and wages
5 other than straight-time payrolls. In the historic
6 year, actual weekly premium time and overtime payrolls
7 were \$30,206,000 and \$133,231,000, respectively. We
8 then increased these historical year payrolls by the
9 estimated contractual wage awards. Management
10 compensatory time is determined by starting with the
11 historic year level of \$37,331,000 and then applying
12 the average rate of increase, as previously determined,
13 to arrive at the rate year amount.

14 AVERAGE RATE BASE - NET PLANT

15 Q. Has the Accounting Panel prepared projections of plant
16 balances for the twelve months ending September 30,
17 2010 and September 30, 2011 appraising the impact of
18 the current construction and retirement programs on the
19 gas department's average rate base?

20 A. Yes, we have.

21 Q. Was the two page tabulation, the first entitled
22 "ESTIMATED NET PLANT - GAS - TWELVE MONTH AVERAGE
23 ENDING SEPTEMBER 30, 2011," and the second "ESTIMATED

ACCOUNTING PANEL - GAS

1 NET PLANT - GAS - JUNE 30, 2009 - SEPTEMBER 30, 2010,"
2 prepared under your supervision and direction?

3 A. Yes, it was.

4 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-6)

5 Q. What does this exhibit show?

6 A. There are two schedules. The first relates to the
7 average net plant in rate base. The second schedule
8 relates to the average construction work in progress
9 balance in rate base.

10 Q. Please continue and describe the two schedules.

11 A. Page 1 of Schedule 1 shows the projected average net
12 plant for the twelve months ending September 30, 2011.
13 Page 2 of the exhibit shows the estimated monthly
14 balances from June 30, 2009 through September 30, 2010
15 that served as a basis for our rate year projections.
16 The first column shows the book cost of plant; the
17 second column shows the accumulated provision for
18 depreciation; and the third column shows the resulting
19 net plant. Schedule 2 shows the average estimated
20 balance for construction work in progress both interest
21 bearing and non-interest bearing. The schedule shows
22 the data for the same time periods as Schedule 1.

23 Q. Please describe the development of the projections
24 contained in the exhibit.

ACCOUNTING PANEL - GAS

1 A. Using estimated capital expenditures provided to us by
2 the various witnesses in this proceeding and the
3 Company's books and records for construction work in
4 progress balances through June 30, 2009, we developed
5 estimated transfers to plant in service, and
6 construction work in progress balances. We then added
7 the estimated transfer to plant in service to the
8 actual plant in service account balances at June 30,
9 2009 and deducted the book cost of plant for
10 retirement. In addition, we calculated the accumulated
11 provision for depreciation in order to develop net
12 plant balances. Included in this calculation is the
13 forecasted depreciation accruals based on the
14 depreciation rates using current rates, and net removal
15 costs provided by Company witness Hutcheson. The
16 details of the average net plant balances are included
17 in the first four lines of the average rate base,
18 Exhibit __ (AP-8), page 1, columns 1 through 3, for the
19 rate year. The forecast used for the projections were
20 based on the Company's preliminary Five Year Capital
21 Forecast. We will update for the final Board-approved
22 budget later in this proceeding.

23 CAPITAL EXPENDITURES - FINANCE

24 Q. What is your next area of testimony?

ACCOUNTING PANEL - GAS

1 A. We will discuss how common general equipment or plant
2 is allocated. The Shared Services Panel addresses
3 general equipment or plant requirements on a Company-
4 wide basis in their testimony.

5 Q. Please continue.

6 A. Overall, the Company's common plant expenditures are
7 allocated to the operations that benefit from the
8 projects. A common plant project, overall, is
9 allocated amongst CECONY's services and if applicable
10 to CEI, O&R and other affiliates that benefit from the
11 project. For example, if the cost driver is the number
12 of employees or the number of units, costs will be
13 allocated accordingly. If there is not another basis
14 to allocate costs, the shared services percentage will
15 be used. This rate is currently 7.1 percent.

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

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

24 Q. Does the Accounting Panel support any capital projects?

ACCOUNTING PANEL - GAS

1 A. Yes. In our testimony, we discuss capital expenditures
2 as it applies to the Finance Department.

3 Q. Please continue.

4 A. The Finance Department's capital spending includes the
5 routine annual spending on items such as office
6 equipment, communications equipment, and other
7 miscellaneous equipment (referred to as XMs), which are
8 necessary for daily operations of these departments.
9 The Shared Services Panel discusses the projected
10 spending for these items in the rate year. We discuss
11 non-routine capital expenditures for the Finance
12 Department that are projected for 2010 through 2014.
13 These expenditures are shown in an exhibit.

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

18 A. Yes.

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

20 Q. Will you please describe the exhibit?

21 A. This exhibit includes expenditures for Corporate
22 Accounting, Property Records, Tax Department, Payroll
23 and Rate Engineering. These projects are included in
24 the Company's Five-Year Capital Forecast. The projects

ACCOUNTING PANEL - GAS

1 listed are applicable to CECONY operations only. Three
2 projects listed: Mandatory Hourly Pricing, Customer
3 Usage System and Allocation and Demand Analysis are
4 electric projects and were sponsored by the Rate Panel
5 in Case 09-E-0428. The Gas Rate Panel discusses in
6 their testimony their Gas Rate Design and Analysis
7 System project.

8 Q. Please begin with the capital projects you are
9 sponsoring.

10 A. The projects we are sponsoring here have also been
11 included in our electric rate request in Case 09-E-
12 0428.

13 We will begin with the Enterprise Resource Planning
14 ("ERP") System. This project will not be in service in
15 the rate year but it will be in service during the
16 period of the three-year rate plan that Company witness
17 Muccilo presents in his testimony.

18 Q. Why does the Company need for an ERP?

19 A. The current financial and supply chain system
20 environment is a patchwork of custom built modules
21 implemented at various times over the past three
22 decades. The individual skills required to maintain,
23 support and utilize this legacy technology are
24 difficult to attract and retain. In addition, the

ACCOUNTING PANEL - GAS

1 current systems require a substantial amount of manual
2 effort on the part of information technology, finance,
3 accounting, and supply chain resources to complete
4 basic finance and supply chain activities. These
5 factors tend to decrease the efficiency of finance and
6 supply chain operations and increase financial
7 reporting risk relative to environments with more
8 automated, modern ERP solutions.

9 Q. Have other companies implemented such finance and
10 supply chain systems?

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

18 Q. What benefits did these utilities seek in implementing
19t these Financial and Supply Chain ERP solutions?

20 A. Utilities began implementing ERP solutions over a
21 decade ago in an effort to achieve benefits such as:

- 22 • Improved cost control and decision-making due to
- 23 faster access to timely and relevant information;

ACCOUNTING PANEL - GAS

- 1 • Improved customer service to internal customers of
- 2 finance and supply chain processes;
- 3 • Reduced manual effort;
- 4 • Enhanced internal and external reporting
- 5 capabilities;
- 6 • Increased consistency in procedures and
- 7 standardization across the company (e.g.
- 8 standardized data, accounts, reporting, item
- 9 categories, etc.);
- 10 • Improved resource management;
- 11 • Improved ability to measure and track
- 12 project/programs costs more accurately;
- 13 • Improved tracking of inventory;
- 14 • Reduced risk in the financial close and reporting
- 15 process;
- 16 • Reduced data entry; and
- 17 • Enhanced ability to do ad hoc reporting.

18 Q. Are there other reasons for implementing an ERP at this
19 time?

20 A. Yes. A major impetus for implementing an ERP system at
21 this time is the transition to International Financial
22 Reporting Standards ("IFRS"). In August 2008, the
23 Securities and Exchange Commission ("SEC") proposed a

ACCOUNTING PANEL - GAS

1 roadmap for phasing in mandatory adoption of IFRS for
2 U.S. filers in 2014. Dual or multiple Generally
3 Accepted Accounting Principles ("GAAP") financial
4 reporting will be required starting two years prior to
5 adoption of the international standards.

6 Conversion to IFRS would create a need for new data,
7 changed calculations and changes in reporting.

8 Companies will not be able to simply switch off US GAAP
9 reporting one day and turn on IFRS the next. There
10 will be a period of transition, and there will be tax
11 and other reporting needs (such as debt covenants) that
12 may continue to be in US GAAP (for a period of time)
13 and other statutory reporting GAAP formats.

14 The legacy systems at Con Edison have limited scope for
15 the kind of change envisioned under IFRS. While
16 existing accounting systems will still do the job for
17 US GAAP reporting, adapting such legacy applications to
18 a dual-reporting scenario, encompassing both US GAAP
19 and IFRS, may prove extremely challenging. Achieving
20 and maintaining ongoing consistency is facilitated if
21 all of the information is in a single application. It
22 is important to avoid storing some of the IFRS
23 adjustments in Excel spreadsheets while the source
24 financial data is in a specialist application, as this

ACCOUNTING PANEL - GAS

1 generates additional work. Doing so makes compliance
2 more challenging because it increases the risk of
3 errors and the danger that inconsistencies will creep
4 into published financial statements.

5 An ERP system would support financial consolidation and
6 reporting needs in order to achieve IFRS compliance.

7 It would help embed the IFRS requirements into the
8 general ledger, sub-ledger and sub-systems, thereby
9 providing transparent and auditable information, and
10 minimizing compliance risk. Completing a system
11 transition now with an eye toward future IFRS
12 requirements reduces technology risks associated with
13 the eventual transition to IFRS.

14 Q. Please describe the shortcomings of Company's existing
15 systems.

16 A. Currently, CEI operates independent Finance and Supply
17 Chain systems for Con Edison (mainframe custom built
18 legacy), O&R (Walker Financial System), the Competitive
19 Energy Businesses (Oracle-PeopleSoft), and CEI itself
20 (Walker Financial System) and for the CEI consolidation
21 process (Infor-ComShare). The use of multiple systems
22 increases administrative costs as well as the
23 opportunity for error and reduces staff time for review
24 and analysis.

ACCOUNTING PANEL - GAS

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

23 Q. Please continue.

ACCOUNTING PANEL - GAS

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

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

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

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

22 A. No. Although O&R's product suite is highly integrated
23 there is concern regarding the product's viability.

24 The current vendor has announced there will be no more

ACCOUNTING PANEL - GAS

1 upgrades to the product, and there is a steady decline
2 of an already limited base of product implementation in
3 the market place.

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

6 A. Yes, the HR/Payroll (which went live January 2009),
7 PowerPlant systems (which will go live in 2010) and the
8 new General Ledger and Supply Chain systems are part of
9 a Company roadmap for future process and system
10 improvements.

11 Q. What steps has the Company taken in implementing an
12 ERP?

13 A. The Company instituted a Phase Zero Planning and
14 Analysis project to assess the overall implementation
15 effort and to mitigate risks before implementation.
16 The outcomes of this phase to included a project
17 implementation plan, staffing requirements, to-be
18 business processes, a refined cost estimate and
19 resource estimate. During this effort, we validated
20 the Oracle e-Business (Oracle's ERP) suite selection
21 for the Finance and Supply Chain ERP platform. This
22 project encompassed an in-depth analysis of the
23 business processes surrounding Finance (including
24 Accounts Payable, Miscellaneous Accounts Receivable &

ACCOUNTING PANEL - GAS

- 1 Billing, General Accounting - closing process and
2 account reconciliations, Management reporting,
3 Budgeting, and Financial Reporting) and Supply Chain
4 (including Purchasing, Materials Management, and
5 Warehouse Management) compared to Oracle's solution.
6 This was consistent with our approach with the
7 HR/Payroll and PowerPlant projects where a Phase Zero
8 effort was conducted before system implementation.
9 This phase began October 1, 2008 and ended in May 2009.
- 10 Q. What was the deliverable at the conclusion of the Phase
11 Zero stage?
- 12 A. The deliverable at the conclusion of Phase Zero was a
13 fit/gap analysis, future state business processes,
14 project timeline, conversion efforts, and required
15 interfaces, reporting requirements, and a cost estimate
16 and staffing requirements to implement a new Finance
17 and Supply Chain ERP.
- 18 Q. When do you expect the project implementation phase to
19 begin?
- 20 A. The implementation phase began in November 2009.
- 21 Q. Do you have a current estimate of an in service date?
- 22 A. Yes. We currently anticipate an in-service date of
23 April 2012, and a project completion date of June 2012
24 of the second rate year. The work to complete the

ACCOUNTING PANEL - GAS

1 project in the second quarter of 2012 includes a post
2 go-live system monitoring, process and controls
3 monitoring and validation, enhancements to production
4 system configurations, and retirement of legacy
5 systems.

6 Q. Please describe the phases and timetable for the ERP
7 implementation.

8 A. The Phase Zero analysis assumed that the Finance and
9 Supply Chain ERP implementation begins in November 2009
10 and the system goes into service April 2012. The
11 implementation will follow a standard method for ERP
12 implementations with Design, Build, Test, Deliver, and
13 Operate phases.

14 Q. Please explain the objectives of the phases.

15 A. The objectives of these phases are:

16 • Design - The objective of the Design phase is to
17 create a detailed design that includes the key
18 requirements definition, the software gap analysis
19 results, and software prototyping efforts. During
20 this phase, we will develop a common, detailed
21 understanding of how to operate its business using
22 the selected software package. The base technology
23 infrastructure is also maintained as part of the

ACCOUNTING PANEL - GAS

1 prototype environment to support the process design
2 effort.

3 • Build and Test - The objectives of the Build and
4 Test phase are to configure and test the business
5 and technical requirements that were defined in the
6 Design phase. The system is configured, an
7 integration test is planned and conducted, and the
8 system is prepared for user-acceptance testing and
9 training. Interfaces, reports, and conversions are
10 developed and tested; security profiles are created;
11 and testing, training, and production environments
12 are established to prepare for cutover to production
13 business operations.

14 • Deliver - The objectives of the Deliver phase are to
15 prepare for and execute a system and business
16 cutover to the new environment. This process
17 involves final system testing, user training, and
18 the formation or enhancement of a support
19 organization to help the Utilities after cutover.
20 During this phase, user-acceptance testing is
21 performed and all open issues are managed. Upon
22 successful cutover at the end of this phase, the
23 Company is ready to operate on the production
24 system.

ACCOUNTING PANEL - GAS

- Operate - The objective of the Operate phase is to make the transition from the readiness activities of a pre-production environment to actual business operations. During this phase, which begins immediately after cutover, the implementation team transfers responsibility for activities and tasks to the support organization and optimizes overall system performance.

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

A. The direct costs of implementation are estimated to be \$127.2 million. The direct costs of the project include Company Labor, System Integrator Labor, Contractor Labor, Hardware, Software, Travel, and Training. Including all indirect costs, such as AFUDC, labor overheads and a provision for cost contingency, the total project cost is estimated at \$163.5 million. The implementation costs of \$163.5 million are comprised of \$161.8 million of projected capital expenditures and \$1.7 million in related maintenance expense. In addition to the \$163.5 million is \$4.6 million in capital expenditures for the Phase Zero effort. The capital allocation to CECONY gas amounts to \$26.3 million and maintenance expense allocation amounts \$0.1 million in the second-rate year.

ACCOUNTING PANEL - GAS

1 Q. Are there any ongoing costs beyond the implementation
2 period to support these new systems?

3 A. Yes. There will be annual maintenance fees of \$3.5
4 million for these new systems and savings of \$0.940
5 million for systems retired for a net increase of
6 \$2.560 million of which \$0.435 million applies to
7 CECONY gas on annual basis.

8 Q. Are there any net savings estimated as a result of the
9 ERP?

10 A. Yes. We projected both qualitative and quantitative
11 savings as part of the Phase Zero effort as well as
12 incremental ongoing support costs. However, we did not
13 reflect these net savings as they are not expected to
14 materialize until after the ERP implementation in 2012.

15 Q. Are there any other projects included in the Five Year
16 Capital Forecast that the Accounting Panel will
17 discuss?

18 A. Yes. There are several capital projects to be
19 implemented in 2010 through 2011:

- 20 • Property Record Power Plant System - \$900,000 -
21 estimated completion in the 2nd quarter of 2010;
- 22 • Sabrix Use Tax Calculation - \$825,000 - estimated
23 completion in 2013;

ACCOUNTING PANEL - GAS

- 1 • Corporate Tax Accrual System (Power Tax) - \$100,000
- 2 - estimated completion in 4th quarter 2010;
- 3 • Dashboard/Oracle Reporting Solution - \$250,000 -
- 4 estimated completion in 4th quarter 2010; and
- 5 • PeopleSoft Job Scheduling Solution - \$250,000 -
- 6 estimated completion in third quarter 2010.

7 Q. Please describe the need for these new programs

8 A. The Property Record Power Plant System replaces the
9 multiple Property Records, Property Tax and Tax
10 Depreciation Systems, and Excel spreadsheets related to
11 the tax provision currently used by CECONY and O&R with
12 a single Property Records and Tax System. Work started
13 on this project beginning with Phase Zero, which was
14 completed in December 2007. Asset accounting policies
15 and practices impact cash flow through the regulatory
16 process as well as through tax impacts so it is of
17 strategic importance to Con Edison to be able to
18 account for the value of our assets in a timely and
19 efficient manner. This system will reduce and keep to
20 a minimum any plant closing backlog. The minimization
21 of backlog is an imperative not only for timely
22 accounting, but also for appropriate regulatory and tax
23 recognition. The new system automates the closing
24 function and provides easy on-line review and

ACCOUNTING PANEL - GAS

1 resolution facilities. It also would allow Con Edison
2 to combine CECONY and O&R assets into a single system
3 and standardize the processes between the companies.

4 Q. Please continue.

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

8 • Develop the monthly income tax provision by downloading
9 the support data for Schedule M (A schedule on the
10 Federal Corporate Income Tax Return which list the
11 differences between book income and taxable income) .
12 items for CECONY and O&R which, upon extension at
13 appropriate income tax rates, will develop reports
14 supporting deferred taxes, generate the CECONY and O&R
15 federal and state current and deferred tax journal
16 entries (including FAS 109 journal entries) and a
17 general Tax Balance Sheet; and

18 • Interface of the accrual for income tax with the tax
19 return preparation system.

20 Q. What efficiencies can be achieved in calculating income
21 taxes?

22 A. CECONY and O&R's current process requires the monthly
23 retrieval of data from various sources and several
24 hundred accounts via the CARE, FMS, or Walker systems

ACCOUNTING PANEL - GAS

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

ACCOUNTING PANEL - GAS

1 entry, increasing efficiencies, and avoiding human
2 error allowing more time for value-added analysis on
3 the tax return.

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

10 Q. Please continue with the next line item, Sabrix Use Tax
11 Calculation.

12 A. Sabrix Use Tax Calculation will enhance CECONY and
13 O&R's supply chain process. CECONY currently relies on
14 the assignment of a Payment Category Code ("PCC") to
15 determine if a purchase is taxable. Due to the large
16 volume an automated solution is needed. We have been
17 quoted a price of \$825,000 to install Sabrix. With use
18 tax expenditures of \$60 million per year, a 5 percent
19 reduction would produce monthly savings of \$250,000 and
20 a payback period of approximately four months for
21 vendor costs. Currently, only two employees are
22 assigned full time to the sales and use tax function,
23 and the Section Manager of the Transaction Tax Section
24 devotes approximately one third of his time to sales

ACCOUNTING PANEL - GAS

1 and use tax. The group is active in performing reviews
2 of transactions to identify potential tax savings, and
3 a mechanized system would provide the tools to increase
4 this activity.

5 Q. Please continue with the Corporate Tax Accrual System
6 (Power Tax).

7 A. Power tax is a subset of the Power Plant project. Power
8 Tax will provide efficiency and accuracy of the
9 deferred tax accrual. Additionally, a new system will
10 have the potential to conform all of CEI's companies
11 into a single tax platform. The current process
12 requires the monthly retrieval of data from several
13 hundred accounts via the Cost Analysis Reporting
14 Environment ("CARE") or Financial Management System
15 ("FMS") systems and the manual entry of this data into
16 an Excel spreadsheet. The current process is subject
17 to data processing errors and is extremely time
18 consuming. A new system will improve accuracy and
19 reduce the time spent by automatically downloading the
20 applicable account data.

21 A new system will also eliminate the data entry and
22 allow for the deferred tax provision to be computed on
23 a current basis, thus enhancing the interim tax
24 reporting for the Company.

ACCOUNTING PANEL - GAS

1 On the current Excel spreadsheet process, it is
2 difficult to confirm that the Schedule M items are
3 correctly recorded to their respective deferred tax
4 accounts. A new system will provide a clearer link
5 between Schedule M amounts and the appropriate deferred
6 tax accounts. This will facilitate the review process.
7 The current Excel spreadsheet does not generate the FAS
8 109 journal entry or the tax balance sheet. A new
9 system will add efficiencies and accuracy by automating
10 the FAS 109 journal entry and generating the tax
11 balance sheet. The current Excel spreadsheet cannot
12 interface with the tax return system. It is planned
13 that the new provision system will interface with the
14 tax return system (currently Insource) thereby
15 eliminating redundant data entry and avoiding human
16 error. The current Excel spreadsheet cannot
17 consolidate all the CEI subsidiaries into a single
18 report. A new system will have the capability to
19 consolidate all of CEI subsidiaries and create a single
20 report. This will provide the Tax Department and
21 Senior Management with a better analysis of CEI's
22 consolidated taxes.

23 Q. Please continue with the Dashboard/Oracle Reporting
24 Solution.

ACCOUNTING PANEL - GAS

1 A. Dashboard/Oracle Reporting Solution will provide a
2 Human Resources/Payroll reporting environment via a
3 Dashboard/Oracle Reporting solution on the web. It
4 will provide direct access to operational data in real-
5 time, enable decision makers to cost-effectively gain
6 immediate insight and actively guide business
7 performance. Providing operational information from
8 the Human Resources/Payroll system quickly is essential
9 to the efficient and accurate operation of our HR and
10 Payroll processes.

11 Q. Please continue with the Peoplesoft/Job Scheduling
12 Solution expenditure.

13 A. PeopleSoft Job Scheduling Solution is a scheduling
14 software that provides for an integrated solution that
15 ultimately prevents manual errors, processing delays
16 and work quality degradation. This job-scheduling tool
17 automates the HR/Payroll-related system job tasks that
18 are business processes by themselves or are parts of a
19 business process and will be robust enough to deliver a
20 solution to the complex scheduling requirements for the
21 various Company payrolls. CECONY administers several
22 different types of payrolls, such as weekly payrolls
23 (for our union workforce), semi-monthly (for our
24 management payrolls) and retirement payrolls (weekly

ACCOUNTING PANEL - GAS

1 and management). While there are many benefits from
2 the new HR Payroll system, many jobs that used to be
3 run automatically now must be run and monitored
4 manually by Payroll. This software will allow those
5 jobs to be automated once again.

6 AVERAGE RATE BASE

7 Q. Turning to average rate base, was the document
8 entitled, "CONSOLIDATED EDISON COMPANY OF NEW YORK,
9 INC. - RATE BASE - GAS - AVERAGE TWELVE MONTHS ENDED
10 JUNE 30, 2009 AND AVERAGE TWELVE MONTHS ENDING
11 SEPTEMBER 30, 2011," consisting of two pages prepared
12 under your direction and supervision?

13 A. Yes, it was.

14 MARK FOR IDENTIFICATION AS EXHIBIT __ (AP-8)

15 Q. Please describe this exhibit.

16 A. Page 1 shows the average rate base for the actual
17 twelve months ended June 30, 2009 in column 1; the
18 adjustment to the historic year to reflect conditions
19 in the rate year absent a rate filing in column 2; the
20 average rate base for the rate year absent a rate
21 filing in column 3; the adjustments to the average rate
22 base in the rate year as a result of this filing in
23 column 4; and the fully adjusted average rate base for
24 the rate year upon which the proposed rate increase is

ACCOUNTING PANEL - GAS

1 based in column 5. Page 2 details the items in working
2 capital as shown on page 1, line 10.

3 Q. Turning to page 1 of Exhibit __ (AP-8), please describe
4 the various items that are listed in the first three
5 columns.

6 A. Lines 1 through 3 show the average book cost at \$4.2
7 billion, accumulated provision for depreciation at \$1.1
8 billion and net plant balance at \$3.2 billion and line
9 4, of \$137.7 million, shows the average balance for
10 NIB-CWIP. Historic year levels on lines 1 through 4
11 were developed from the books and records of the
12 Company. The rate year levels were previously
13 discussed. Line 5, of \$1.2 million, shows the
14 Company's investment in the non-current portion of
15 cushion gas stored underground at the Honeoye Storage
16 Facilities. Lines 6 and 7 reflect the gas portion of
17 preferred stock expense at \$523,000 and the unamortized
18 balance of debt discount, premium and expense at \$25.6
19 million as additions to rate base. This rate base
20 treatment was directed by the Commission's Order on
21 Rehearing in Electric Case 27353.

22 Q. Please continue with your explanation of lines 8
23 through 10.

ACCOUNTING PANEL - GAS

1 A. Line 8, a credit of \$1.9 million, represents the
2 balance of customer advances for construction. These
3 are funds provided by customers for the construction of
4 utility services on their premises. Line 9 represents
5 the average balance of the Metropolitan Transportation
6 Authority ("MTA") surcharge paid but not yet collected
7 from customers, net of income taxes. The rate year
8 forecast for the item is \$2.3 million. Line 10 is the
9 level of the working capital included in rate base. We
10 will explain the details of working capital later in
11 our testimony.

12 Q. Please continue.

13 A. Line 11 reflects the required adjustment to bring rate
14 base equal to capitalization. This adjustment is
15 consistent with the rate base adjustment made in Case
16 06-G-1332. The Company's adjustment is currently a
17 positive adjustment. This is potentially due to
18 several factors, such as the Company's high accounts
19 receivables due to the current economic conditions,
20 including fluctuating energy costs, and the use of the
21 FERC one-eighth formula as a proxy for working capital
22 in lieu of performing a "lead lag study". The
23 Commission in its 2009 Order in Case 08-E-0539 upheld
24 the Company's use of the FERC one-eighth formula.

ACCOUNTING PANEL - GAS

1 Q. You previously indicated that line 11 of the Rate Base
2 Exhibit reflects a requirement to make rate base equal
3 to capitalization. Would this represent the Earnings
4 Base Capitalization or "EB/Cap" Adjustment the
5 Commission has adopted in numerous prior rate
6 proceedings?

7 A. Yes. This adjustment has been required by the
8 Commission to synchronize the total capitalization of a
9 utility with rate base and produce what is often
10 referred to as the "Earnings Base."

11 Q. Please explain lines 12 and 13.

12 A. Line 12 reflects the balance of unbilled revenues, we
13 estimated that the rate year forecast for the item will
14 be approximately the same as the current historic level
15 of \$35,497,000. Line 13, of \$3.6 million, represents
16 the Company's equity investment in the Honeoye Storage
17 Corporation. Honeoye provides gas storage service.
18 Any income from this investment goes to benefit of
19 customers.

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

21 A. Line 14, of a credit \$4.9 million represents the
22 balance associated with the Gas Interference Cost
23 Sharing Agreement, entered into on June 29, 1989, that
24 allows the Company to receive reimbursement of

ACCOUNTING PANEL - GAS

1 expenditures from the City of New York, but only as it
2 relates to replacing or relocating Company facilities
3 (gas mains and/or services) necessitated by work
4 conducted by the New York City Municipal Water Finance
5 Authority. Line 15, a credit of \$449,000, represents
6 the deferred revenues derived from unauthorized use of
7 gas charged to owners of the Company's divested plants.
8 Line 16 reflects the WTC Deferred expenses that are
9 being amortized, with a rate year forecast of \$16.3
10 million. We discuss this further in our testimony
11 regarding revenue requirement later.

12 Q. Please continue and explain the items found on lines 17
13 through 23.

14 A. Lines 17 to 22 represent NYC Property Tax Discount, Gas
15 Fuel Use Tax for NUGs, Credit and Collection Related
16 Charges, Supply Related Charges, Recoverable Fuel
17 Charge, Retail Choice Credit. Line 23 reflects various
18 items that are being amortized pursuant to the 2007
19 Rate Plan. It is anticipated that there will be no
20 balance remaining for these items in the rate year.

21 Q. Please explain the next grouping on lines 24 through
22 29, Rate Case Reconciliations - Net of Income Taxes.

23 A. In general, these items represent the estimated average
24 rate base impacts of the various reconciliation

ACCOUNTING PANEL - GAS

1 provisions of the 2007 Rate Plan and any remaining
2 balances from prior rate plans that were not reflected
3 in the 2007 Rate Plan. We discuss the derivations and
4 disposition of these items later in the section of
5 testimony discussing the rate treatment for these
6 items.

7 Q. Please continue.

8 A. Lines 30 through 43 reflect the accumulated deferred
9 Federal and State income taxes for various items. Line
10 30, a credit of \$446.1 million, represents the taxes
11 resulting from the normalization of Federal tax
12 depreciation. The average balance of accumulated
13 deferred taxes for the rate year was developed by
14 starting with the August 30, 2009 actual balance and
15 was increased each month, through the rate year, to the
16 extent of tax depreciation normalized for book purposes
17 offset in part by the flow-back of tax depreciation
18 previously deferred.

19 Q. Please continue with line 31.

20 A. Line 31, a credit of \$77.7 million relates to
21 capitalized overheads (Section 263A of the IRS Code).
22 Lines 32, with a credit balance of \$11.3 million,
23 represents accumulated deferred Federal income tax on
24 the amortization of Computer Software. Lines 33 to 35

ACCOUNTING PANEL - GAS

1 reflect the amount of accumulated deferred Federal
2 income taxes on Prepaid Insurance Expenses, Deferred
3 MTA, and Vested Vacation. The forecast amounts for the
4 rate year are (\$625,000), (\$4.7) million, and \$1.8
5 million respectively.

6 Q. Regarding line 36, please explain why taxes paid on
7 unbilled revenues are included in rate base.

8 A. The Commission, in its Statement of Policy on
9 Accounting and Ratemaking Procedures to Implement
10 Requirements of the Tax Reform Act of 1986 ("TRA-86"),
11 issued July 8, 1989 in Case 29465, directed utilities
12 to normalize the effect of unbilled revenues in taxable
13 income. In addition, per the Commission's approval in
14 Case 08-M-1150, the Company was authorized to adopt the
15 accrual method of revenue recognition for accounting
16 and regulatory purposes. The Order was effective March
17 17, 2009. This enhancement to earnings was deferred
18 and we discuss the benefit to customers later in our
19 testimony on revenue requirement. It is anticipated
20 that such item will remain at historical level of \$21.5
21 million for the rate year.

22 Q. Please continue.

23 A. Line 37, of \$1.4 million, reflects the accumulated
24 deferred Federal income taxes associated with

ACCOUNTING PANEL - GAS

1 Contributions in Aid of Construction, which are
2 reflected in taxable income and for which the
3 Commission also mandated tax normalization since TRA-
4 86. Line 38, of \$172,000, reports the deferred Federal
5 income taxes on Capitalized Interest. The Commission,
6 also in Case 29456, concluded that utilities should
7 normalize the income tax expense for additional
8 interest required to be capitalized for tax purposes
9 under TRA-86. Line 39 is the accumulated deferred
10 Federal income tax relates to the accelerated deduction
11 of plant service costs computed under the Simplified
12 Service Cost Method for the years 2002 through 2005.
13 It is expected that the balance will be zero for the
14 rate year.

15 Q. Please continue.

16 A. Line 40, in the credit amount of \$646,000, is the
17 deferred Federal income tax effect resulting from the
18 payment of Call Premiums when redeeming long-term debt
19 issues prior to their maturity dates. The Call
20 Premiums paid are a current deduction for Federal
21 income tax purposes, but amortized over the remaining
22 lives of the redeemed issues, in accordance with prior
23 Commission policy. Line 41, a credit of \$17.6 million,
24 is the deferred Federal income tax related to excess

ACCOUNTING PANEL - GAS

1 deferred State income tax. Line 42, a credit of
2 \$571,000, Excess Deferred SIT (2000/2001), represents
3 the excess accumulated deferred State income tax
4 balance from years 2000 and 2001, which were
5 established at the statutory rate of 10.3 percent and
6 9.53 percent, respectively, as compared to the current
7 rate of 9.03 percent.

8 Q. Please continue with the last item, line 43 Deferred
9 S.I.T.

10 A. Line 43, a credit of \$18.3 million, reflects the
11 deferred balance of New York State income taxes on
12 various items.

13 Q. Please turn to page 2 of Exhibit __ (AP-8) and explain
14 the items of Working Capital.

15 A. Working Capital is comprised of three categories:
16 Materials and Supplies, including gas in storage,
17 Prepayments, and Cash Working Capital.

18 Q. How did you determine the average balance of gas stored
19 underground - current, Liquefied Natural Gas ("LNG") in
20 storage and other materials and supplies for the rate
21 year as reflected in column 5 of page 2?

22 A. We eliminated from the average rate base the balance of
23 gas stored underground - current and LNG in storage for
24 the rate year. We had also eliminated from sales

ACCOUNTING PANEL - GAS

1 revenues the effects of gas in storage (as well as
2 other items) to reflect only pure base revenues to
3 which the revenue requirement should be based. This
4 elimination would match our adjustment to revenues. To
5 develop the rate year amount of materials and supplies,
6 excluding fuel, we took the average balance for the
7 historic year of \$9,642,000 and escalated it using the
8 general escalation factor of 3.21 percent, which we
9 discussed previously, to arrive at the increase of
10 \$310,000 as shown in column 2.

11 Q. Please continue with an explanation and description of
12 the components in Prepayments.

13 A. Gas prepayments, lines 4-7, consist of the gas
14 department's allocation of insurance premiums, property
15 taxes, the PSC assessment, and other miscellaneous
16 items.

17 Q. How did you develop the level of prepaid insurance and
18 property taxes?

19 A. Prepaid insurance for the rate year was forecasted by
20 assuming that 28 percent of insurance premiums are
21 prepaid. We applied this factor to our estimate for
22 gas insurance premiums in the rate year of \$6,330,000
23 as shown on Exhibit __ (AP-5), Schedule 1, pages 1 and
24 3 to arrive at the rate year level for insurance

ACCOUNTING PANEL - GAS

1 prepayments of \$1,772,000. This treatment is
2 consistent with the Commission's determination in the
3 Company's prior rate cases.

4 Prepayments for New York City and Westchester property
5 taxes were forecasted based on the Company's actual
6 level of gas property taxes for fiscal year 2008/2009
7 and the estimated levels for fiscal year 2008/2009,
8 2009/2010 and 2010/2011. Payments for property taxes
9 are currently made to New York City in July and January
10 of each year. Payments to Westchester are made at
11 various points in time during the calendar year. Based
12 on the forecast level of expense, prepayments for New
13 York City and Westchester property taxes in the rate
14 year are estimated to be \$28,892,000.

15 Q. Please continue with the prepayment for the PSC
16 Assessment.

17 A. We developed the amount for the PSC assessment, line 6
18 of \$1.3 million, by taking the latest known gas
19 assessment of \$5,556,000 for the fiscal year ending
20 March 31, 2009 with escalation to the rate year and
21 reflected payments on a semi-annual basis in March and
22 September. As indicated above, when a revised
23 assessment is received during the course of this

ACCOUNTING PANEL - GAS

1 proceeding, we will update the PSC Assessment, if
2 necessary.

3 Q. Please continue.

4 A. To develop prepayments applicable to "other"
5 miscellaneous items on line 7, we took the average
6 prepayment balance for the historic year of \$2.455
7 million and escalated this amount by the general
8 escalation factor of 3.21 percent to arrive at the rate
9 year level of \$2.534 million.

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

11 A. The last item of working capital, line 15, is the
12 allowance for cash working capital. The historic year
13 calculation was described earlier in our testimony.
14 For the rate year, we started with operation and
15 maintenance expenses of \$942,115,000. Based on the
16 methodology we previously described, the total cash
17 working capital allowance is \$82,581,000 as shown in
18 column 3.

19 Q. Please describe the adjustments to the average rate
20 base for the rate year as reflected on Exhibit __ (AP-
21 8, page 1, column 4).

22 A. The first adjustment on line 2, (\$468,000), reflects
23 the change in the average accumulated depreciation
24 reserve resulting from the proposed changes in

ACCOUNTING PANEL - GAS

1 depreciation rates. Such change is discussed in the
2 testimony of Company witness Hutcheson. Line 11, of -
3 \$16.2 million, represents an adjustment for Excess Rate
4 Base Over Capitalization reflecting the removal of non-
5 cash prepaid pension expense. Lines 16 and 24 to 30
6 reflect the effect on average rate base of amortizing
7 over a three-year period the balances of previously
8 deferred items and reconciliations. Again, these items
9 and reconciliations will be discussed in greater detail
10 in the following section of our testimony, wherein we
11 discuss the basis for the revenue requirement.

12 Q. Please continue.

13 A. The adjustment shown on line 31 represents the change
14 in average rate base due to changes to Accumulated
15 Deferred Federal income taxes for ACRS/MACRS/ADR
16 Depreciation as a result of the proposed depreciation
17 changes.

18 Q. What is the adjustment shown on page 2, column 4 of
19 Exhibit __ (AP-8)?

20 A. The adjustment on lines 9 and 10 reflect the impact on
21 cash working capital resulting from the adjustment of
22 operations and maintenance expenses. This adjustment
23 relates to rate case reconciliations shown on lines 24
24 to 30 of page 1.

REVENUE REQUIREMENT AND ACCOUNTING ADJUSTMENTS

1

2 Q. Please describe the basis for the revenue requirement
3 in this filing.

4 A. The revenue requirement for the rate year is based upon
5 our forecast of gas operations expenses for the twelve
6 months ending September 30, 2011, and an overall rate
7 of return requirement of 8.13 percent. The increase in
8 the Company's revenue requirement is \$160,822,000,
9 inclusive of gross receipts taxes.

10 Q. Have you prepared a rate of return exhibit?

11 A. Yes, we have.

12 Q. I show you a document, the first page of which is
13 entitled "OPERATING INCOME, RATE BASE AND RATE OF
14 RETURN FOR GAS OPERATIONS SHOWING THE EFFECT OF THE
15 PROPOSED INCREASE IN RATES - TWELVE MONTHS ENDING
16 SEPTEMBER 30, 2011" and ask if it was prepared under
17 your direction and supervision?

18 A. Yes, it was.

19 MARK FOR IDENTIFICATION AS EXHIBIT __ (AP-9)

20 Q. Will you please describe Exhibit __ (AP-9)?

21 A. Exhibit __ (AP-9) consists of four schedules. Schedule
22 1 summarizes the development of operating income,
23 average rate base and rate of return for the rate year
24 as adjusted for the rate increase. Column 1 shows

ACCOUNTING PANEL - GAS

operating income and rate of return unadjusted, or as it would be reflected in the books of account, for the rate year. The operating income before income taxes is as shown on Exhibit __ (AP-5, Schedule 1, page 1, column 3). The New York State and Federal income tax computations in this column are detailed on Schedule 2, pages 1 and 2, respectively, and the average rate base in this column is as reflected on Exhibit __ (AP-8). Column 2 summarizes certain adjustments to operating income that are detailed on Schedule 3. The adjustments to average rate base in this column are as reflected on Exhibit __ (AP-8, pages 1 and 2). Column 3 is merely the summation of columns 1 and 2. Column 4 shows the effect of the \$160,822,000 rate increase. Column 5, which is a summation of columns 3 and 4, shows operating income, average rate base and rate of return for the rate year after factoring in the rate increase.

Q. What rate of return does Schedule 1 show?

A. The unadjusted rate of return in column 1 is 6.28 percent. After factoring in the adjustments to operating income, rate base and the proposed rate increase, the rate of return on average rate base is 8.13 percent.

ACCOUNTING PANEL - GAS

1 Q. What was the gas department's rate of return for the
2 actual twelve-month period ended June 30, 2009?

3 A. As shown on Exhibit __ (AP-1, Schedule 2, page 4), gas
4 operating income for the twelve-month period ended June
5 30, 2009 was \$239,234,000. The gas department's
6 average rate base for the actual twelve-month period
7 ended June 30, 2009, as shown on Exhibit __ (AP-8, page
8 1) was \$2,794,699,000. Accordingly, the actual rate of
9 return for the twelve-month period ended June 30, 2009
10 was 8.56 percent.

11 Q. Please explain Schedule 2, page 1.

12 A. Schedule 2, page 1 details the New York State income
13 tax computation for each of the 5 columns shown on
14 Schedule 1. Column 1 of Schedule 2, page 1 is the
15 calculation of New York State income tax expense for
16 gas operations. Starting with book operating income
17 before income taxes as shown on line 1, we then set
18 forth on lines 2-25 the various required tax
19 adjustments to book operating income to determine
20 taxable income as shown on line 26. We then compute
21 the amount of New York State income tax payable on line
22 27 using the statutory rate applicable to such taxable
23 income. From the New York State income tax payable so
24 calculated, we reflect on line 28 normalizations for

ACCOUNTING PANEL - GAS

1 certain items reflected as adjustments to taxable
2 income to arrive at New York State income tax expense
3 as shown on line 29. The items detailed on column 2 of
4 this schedule, which reflect rate case adjustments, are
5 more fully detailed on Schedule 3, pages 1 and 2 of our
6 exhibit and are discussed later. Column 3 is the sum
7 of columns 1 and 2. Column 4 is the additional New
8 York State income tax to be paid as a result of the
9 additional revenue requirement and column 5 is the sum
10 of columns 3 and 4.

11 Q. Please explain Schedule 2, page 2.

12 A. Schedule 2, page 2 details the Federal income tax
13 computation for each of the 5 columns shown on Schedule
14 1. Column 1 of Schedule 2, page 2 is the calculation
15 of Federal income tax expense for gas operations.
16 Starting with book operating income before income taxes
17 as shown on line 1, we deducted on line 2 the amount of
18 New York State income tax previously determined on
19 Schedule 2, page 1, exclusive of the amortization of
20 previously deferred excess New York State income tax,
21 to arrive at book operating income before Federal
22 income tax on line 3. We then set forth on lines 4-34
23 the various required tax adjustments to book operating
24 income to determine taxable income as shown on line 35.

ACCOUNTING PANEL - GAS

1 We then compute the amount of Federal income tax
2 payable on line 36 using the statutory rate applicable
3 to such taxable income. From the Federal income tax
4 payable so calculated, we reflect on lines 37-39
5 normalizations for certain items reflected as
6 adjustments to taxable income as well as amortizations
7 for items normalized in the rate year or in prior
8 periods to arrive at Federal income tax expense as
9 shown on line 40. The items detailed on column 2 of
10 this schedule, which reflect rate case adjustments, are
11 more fully detailed on Schedule 3, pages 1 and 2 of our
12 exhibit and will be discussed later. Column 3 is the
13 sum of columns 1 and 2. Column 4 is the additional
14 Federal income tax to be paid as a result of the
15 additional revenue requirement and column 5 is the sum
16 of columns 3 and 4.

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

19 A. Schedule 3 consists of 2 pages and details the
20 adjustments to operating income as shown on Schedule 1,
21 column 2 by functional income statement category.

22 Q. Please describe the adjustment that you made to sales
23 revenues as shown on page 1 of Schedule 3.

24 A. The adjustment of (\$665,175,000) eliminates the effect

ACCOUNTING PANEL - GAS

1 of gas commodity revenues and other sales revenues not
2 retained by the Company.

3 Q. Please describe your adjustments to other operating
4 revenues.

5 A. In this section, we are listing all of our proposals
6 for recovery from or refund to customers of regulatory
7 assets and liabilities. With the exception of
8 adjustment 39, we are requesting recovery of deferred
9 assets. All of our proposals are contained in the
10 section Other Operating Revenues rather than O&M for
11 convenience. As such, these adjustments show up as
12 credit amounts. Our first adjustment to other operating
13 revenues of (\$3,083,000) relates to the collection of
14 deferred costs relating to the World Trade Center
15 Incident operation and maintenance expenditures
16 deferred as of August 31, 2009 (including interest
17 through the beginning of the new rate year in this
18 proceeding less recoveries authorized under the terms
19 of the current rate plan) over a 5-year period and
20 World Trade Center Incident capital expenditures
21 deferred as of August 31, 2009, over an assumed 28-year
22 recovery. We are proposing to extend the current
23 three-year amortization period to five years in order
24 to mitigate the rate increase. Under the terms of the

ACCOUNTING PANEL - GAS

1 2007 Rate Plan, the Company was authorized to collect
2 \$7,830,000 annually for a three-year period. So our
3 proposal reflected in Adjustment 1 represents a
4 decrease in the revenue requirement.

5 Adjustment 2 reflects the recovery of the estimated
6 level of deferred SIR costs at September 30, 2011. At
7 June 30, 2009, the actual shortfall of such costs
8 applicable to gas operations totaled \$24,844,000 and is
9 expected to increase to a total of \$35,063,000 by
10 September 30, 2011, net of recoveries in rates. We are
11 assuming a three-year recovery of this amount, or
12 \$11,688,000 per year.

13 Adjustment 3 of (\$541,000) relates to the recovery over
14 a three-year period of accrued interest income on the
15 deferral of MGP/Superfund Sites expenditures.

16 Adjustment 4 relates to pension/OPEB expenses estimated
17 to be deferred over the period of the existing rate
18 plan. The total amount of the under-collection is
19 estimated to be \$35,445,000, 1/3 of which is our
20 adjustment of \$11,815,000.

21 Q. Please continue.

22 A. Our fifth adjustment relates to the recovery over a
23 three-year period of deferred New York City and
24 Westchester and All Other property taxes. The actual

ACCOUNTING PANEL - GAS

1 undercollection of such property taxes was \$5,743,000
2 through the end of RY2 under the 2007 Rate Plan. These
3 amounts reflect the 90 percent/10 percent sharing
4 between customers and shareholders. One-third of this
5 amount is equal to our adjustment of (\$1,914,000).
6 Under the 2007 Rate Plan, the Company is to defer
7 interest on 263A Deferred Taxes at the allowed pre-tax
8 rate of return. Adjustment 6 (\$50,000) reflects a
9 three-year recovery.
10 Adjustment 7 (\$320,000) relates to interest on amounts
11 that have been deferred as a result of the
12 reconciliation mechanisms during the period of the
13 current rate plan. The amount of (\$320,000) reflects a
14 three-year recovery of the deferrals at September 30,
15 2009.
16 Adjustment 8 (\$1,311,000) represents the carrying
17 charges relating to the reconciliation of distribution
18 plant additions approved in the 2007 Rate Plan. We
19 discussed this item above in the Other Operating
20 Revenues. As of September 30, 2009, the Company has
21 exceeded the targeted spending by \$5,893,000 and had
22 amortized \$1,019,000 at the end of RY1 for a net
23 deferred balance of \$4,874,000 remaining on the books.
24 In November 2009, we will amortize an additional

ACCOUNTING PANEL - GAS

1 \$941,000 for RY2 leaving a net deferral of \$3,933,000.

2 The amount of (\$1,311,000) reflects a three-year
3 recovery.

4 Q. Please discuss your final adjustment to other operating
5 revenues.

6 A. Our final adjustment of \$229,000 reflects the refunds
7 to customers of the revenue requirement effect of
8 Medicare Rx Tax Legislation deferred during RY2 of the
9 2007 Rate Plan. The total refund is \$687,000, 1/3 of
10 which is our adjustment of \$229,000.

11 Q. Please describe the adjustment you made to gas costs as
12 shown on page 1 of Schedule 3.

13 A. The adjustment to gas costs of (\$620,607,000)
14 eliminates all expenses related to the cost of gas from
15 the calculation of the revenue requirement, other than
16 the cost of gas used for Company purposes. This
17 adjustment is associated with our adjustment to sales
18 revenues wherein we eliminated all revenues related to
19 gas cost recoveries.

20 Q. Please discuss your adjustments to depreciation and
21 amortization expenses as shown on Schedule 3, page 2.

22 A. The adjustment to gas depreciation and amortization
23 expenses of \$949,000 relates to proposed changes in
24 depreciation rates. The basis for this adjustment is

ACCOUNTING PANEL - GAS

1 discussed in the testimony of Company witness
2 Hutcheson.

3 Q. Please explain the adjustments you made to taxes, other
4 than income taxes.

5 A. Our adjustment to taxes other than income taxes is a
6 revenue tax adjustment that is directly related to our
7 adjustment to sales revenues.

8 Q. Do you plan to update your adjustments related to items
9 subject to reconciliation during the term of the
10 current rate plan, as actual levels for the final rate
11 year become known?

12 A. Yes. The Company will provide updates of the third
13 rate year reconciliations during this proceeding as is
14 practical.

15 Q. Please describe Schedule 4.

16 A. Schedule 4 summarizes by rate year and in total, those
17 items reflected on Schedules 2 and Schedule 3, and in
18 the calculation of the revenue requirement, that are
19 reflective of customer credits and debits.

20 RATE OF RETURN

21 Q. Has the Accounting Panel prepared a rate of return
22 required exhibit?

ACCOUNTING PANEL - GAS

1 A. Yes. We will present the rate of return required in
2 the rate year and, in addition, the Fund Requirements
3 and Sources and Interest Coverage in the rate year.

4 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
5 OF NEW YORK, INC. - RATE OF RETURN REQUIRED FOR THE
6 RATE YEAR - TWELVE MONTHS ENDING SEPTEMBER 30, 2011,"
7 set forth as Exhibit ____ (AP-10), prepared under your
8 direction and supervision?

9 A. Yes, it was.

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

11 Q. Please describe Exhibit ____ (AP-10), Schedule 1.

12 A. This exhibit shows the projected average capital
13 structure for the rate year, the twelve months ending
14 September 30, 2011, the average cost rate for each
15 component of the capital structure, and the related
16 cost of capital. The Company's overall weighted cost
17 of capital for the rate year is projected to be 8.13
18 percent.

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

21 A. To derive the average long-term debt for the rate year
22 ending September 30, 2011, we determined the amount of
23 long-term debt outstanding at the end of each month
24 from September 2010 through September 2011. We then

ACCOUNTING PANEL - GAS

1 utilized these amounts to calculate the average of
2 long-term debt outstanding.

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

5 A. We estimated changes in the outstanding amount of debt
6 from month to month during the linkage period from June
7 30, 2009 to the beginning of the rate year based on the
8 funding requirements forecasted. This resulted in the
9 Company's forecasted issuances and scheduled maturities
10 as follows:

- 11 • The forecasted issuance of \$310 million 5.84 percent
12 Series 2009C debentures on December 1, 2009;
- 13 ■ The forecasted issuance of \$300 million 5.35 percent
14 Series 2010A debentures on May 1, 2010;
- 15 ■ The forecasted issuance of \$300 million 6.14 percent
16 Series 2010B debentures on May 1, 2010;
- 17 ■ The forecasted issuance of \$370 million 5.35 percent
18 Series 2010C debentures on September 1, 2010;
- 19 ■ The forecasted issuance of \$250 million 6.14 percent
20 Series 2010D debentures on December 1, 2010;
- 21 ■ The forecasted issuance of \$350 million 5.88 percent
22 Series 2011A debentures on July 1, 2011;

ACCOUNTING PANEL - GAS

- 1 ▪ The forecasted issuance of \$300 million 6.34 percent
- 2 Series 2011B debentures on September 1, 2011;
- 3 ▪ The maturity of the \$200 million 7.15 percent Series
- 4 1999B debentures on December 1, 2009;
- 5 ▪ The maturity of the \$325 million 8.125 percent
- 6 Series 2000A debentures on May 1, 2010; and
- 7 ▪ The maturity of the \$300 million 4.70 percent Series
- 8 2000B debentures on September 1, 2010.

9 The amount of average long-term debt for the rate year
10 ending September 31, 2011, after the above adjustments
11 are made, is \$10,162 million, the details of which are
12 shown in Schedule 2 of Exhibit ____ (AP-10).

13 Q. Please explain the cost rate assumed with respect to
14 the additional debt.

15 A. The additional debt is issued based on a combination of
16 10-year and 30-year debentures. The 10-year debentures
17 are assumed to be issued at 5.35 percent for 2010 and
18 5.88 percent for 2011. The 30-year debentures are
19 assumed to be issued at 5.84 percent for 2009, 6.14
20 percent for 2010 and 6.34 percent for 2011, which
21 reflect the current forecasted market conditions for
22 taxable debt issued for A-rated utilities. This
23 information on the forecasted interest rates was

ACCOUNTING PANEL - GAS

1 provided to us by Company witness Perkins and will be
2 updated, if necessary, later in this proceeding.

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

5 A. To determine the average amount of preferred stock for
6 the rate year ending September 30, 2011, we first
7 determined the amount of preferred stock outstanding at
8 the end of each month from September 2010 through
9 September 2011. We then utilized this amount to
10 calculate an average amount outstanding of \$213
11 million.

12 Q. Please explain how you derive the average customer
13 deposits, set forth on Exhibit ____ (AP-10), Schedule 1,
14 for the rate year ending September 30, 2011.

15 A. With respect to customer deposits, we started with the
16 projected balance outstanding at September 30, 2010 of
17 \$268 million. The balance is expected to grow by
18 approximately 0.2% a month bringing the September 2011
19 balance to \$266 million. After determining the monthly
20 customer deposit balances during the rate year, an
21 average of \$264 million was calculated.

22 Q. Please explain the change in Common Equity during the
23 linkage period from June 30, 2009 to the beginning of
24 the rate year.

ACCOUNTING PANEL - GAS

1 A. During the linkage period from June 30, 2009 to the
2 beginning of the rate year, Common Equity increased
3 \$502 million due to a net equity infusion of \$194
4 million as an investment by parent, net income for
5 common equity of \$1,133 million less common dividends
6 to parents during the linkage period of \$825 million.
7 This is done to maintain a 48 percent Equity Ratio.

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

10 A. CECONY's long-term debt is comprised of tax-exempt debt
11 issued through NYSERDA and debenture bonds. The
12 average annual cost rate of this debt is calculated by
13 dividing the average annual interest requirements for
14 all long-term debt issues, including the average annual
15 amortization of the net amount of any premiums or
16 discounts realized when the securities were sold and
17 the cost and expense of issuance, by the amount of
18 long-term debt outstanding. As shown on Schedule 2 of
19 Exhibit ____ (AP-10), the average cost of long-term debt
20 for the rate year is 5.74 percent, which is determined
21 by dividing the sum of the average annual interest
22 requirements and the amortization of debt discount and
23 expense, of \$583.6 million by the average aggregate

ACCOUNTING PANEL - GAS

1 amount of long-term debt outstanding of \$10,162
2 million.

3 Q. How did you determine the average cost rate of CECONY's
4 preferred stock?

5 A. On average, CECONY will have an estimated total of
6 approximately \$213 million in preferred stock
7 outstanding during the rate year. The average annual
8 cost of the preferred stock is calculated by dividing
9 the average annual dividend requirement of \$11.3
10 million, including the expense associated with the
11 amortization of expenses associated with the refunded
12 series, by the average amount of preferred stock
13 outstanding of \$213 million. As set forth on Schedule
14 3 of Exhibit ____ (AP-10), the average cost of preferred
15 stock for the rate year ending September 30, 2011 thus
16 computed is 5.34 percent.

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

18 A. We expect the Commission will mandate a 2.45 percent
19 cost rate to be in effect January 2010. The Commission
20 reviews this rate annually and if the actual rate
21 varies from what was included in this filing, we will
22 update this rate at the appropriate time.

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

ACCOUNTING PANEL - GAS

1 Q. We have utilized a return on common equity of 10.8
2 percent to calculate an overall rate of return of 8.13
3 percent, which we used in determining the revenue
4 requirement for the rate year. Company witness Muccilo
5 proposes a three year rate plan and in his testimony he
6 discusses a "stay out premium" for a three year rate
7 plan. Is it your decision or do you participate in any
8 decision making as to what CECONY's dividend funding
9 requirements to CEI will be?

10 A. No. The Board of Directors makes the dividend decision
11 for CEI. We are not members of the Board of Directors
12 nor are we participants in its meetings or meetings of
13 the Finance Committee of the Board.

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

17 A. That is correct.

18 FUND REQUIREMENTS AND SOURCES

19 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
20 OF NEW YORK, INC. - FUND REQUIREMENTS AND SOURCES -
21 TWELVE MONTHS ENDING SEPTEMBER 30, 2011," set forth as
22 Exhibit ____ (AP-11), prepared under your direction and
23 supervision?

24 A. Yes, it was.

ACCOUNTING PANEL - GAS

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

2 Q. What does Exhibit ____ (AP-11) reflect?

3 A. This exhibit reflects the Company's forecast of capital
4 fund requirements and sources of capital funds, as well
5 as certain financial statistics, for the 12 months
6 ending September 30, 2011. Exhibit ____ (AP-11) shows
7 that capital funds required during the rate year will
8 exceed internal sources by \$928 million.

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

11 A. The first item, requiring the largest amount of capital
12 funds, is Construction Expenditures of \$2,345 million.
13 This amount is consistent with the Company's five-year
14 forecast of construction expenditures.

15 Q. Please continue.

16 A. The second item, Rate Case Amortization/Accruals, in
17 the amount of \$(18) million, represent the net
18 anticipated recovery of deferred items from this rate
19 proceeding. The third item, Working Capital, in the
20 amount of \$(34) million is the Company's estimate of
21 its incremental working capital requirements.

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

ACCOUNTING PANEL - GAS

1 A. The first item is retained earnings of \$367 million.
2 This estimate includes certain earnings and common
3 dividend assumptions. For the rate year, net income
4 for common stock is projected at \$1,049 million, offset
5 by projected common stock dividends of \$671 million and
6 projected preferred stock dividend of \$11 million. The
7 second item is depreciation. The third item, deferred
8 tax accruals, are funds provided principally by the use
9 of tax depreciation subject to normalization. The
10 fourth item, other expense, includes AFUDC Debt and
11 Equity from other operating activities and other
12 Operating Cash flow.

13 Q. Please describe the final section of Exhibit ____ (AP-
14 11).

15 A. The final section shows that at September 30, 2011, the
16 Company will have temporary cash investments estimated
17 in the amount of \$10 million.

18 Q. Please describe the components in the equity line in
19 the final section of Exhibit ____ (AP-11).

20 A. The estimate for retained earnings described above is
21 sufficient to maintain a 48 percent equity ratio in
22 2011. Therefore there are no new equity issuances.
23
24

INTEREST COVERAGE - S.E.C. BASIS PER BOOKS

1
2 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
3 OF NEW YORK, INC. - INTEREST COVERAGE - S.E.C. BASIS -
4 PER BOOKS," set forth as Exhibit ____ (AP-12), prepared
5 under your direction and supervision?

6 A. Yes, it was.

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

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

10 A. No. As shown in Exhibit ____ (AP-12), the interest
11 coverage calculation also includes "other" interest.

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

13 A. "Other" interest is comprised of interest on the
14 following items: customer deposits, commercial paper,
15 customer overpayments and other miscellaneous items.

16 Q. Does the Company currently have lines of credit
17 available to it?

18 A. Yes. The Company, along with CEI and O&R, has
19 agreements with various banks for revolving credit
20 lines of \$2,250 million. However, assuming that CEI
21 and O&R have not used their assigned portions of this
22 credit, \$1,000 million and \$200 million, respectively,
23 the Company can utilize the entire \$2,250 million.

ACCOUNTING PANEL - GAS

- 1 Q. Does this conclude the Accounting Panel's initial
- 2 testimony?
- 3 A. Yes, it does.

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

Schedule No.		Number of Pages
1	Balance Sheet As of December 31, 2005, 2006, 2007, 2008 and June 30, 2009	2
2	Income Statement Years 2006 to 2008 Inclusive and Twelve Months Ended June 30, 2009	4
3	Statement of Unappropriated Retained Earnings Years 2005 to 2008 Inclusive and Twelve Months Ended June 30, 2009	1
4	Utility Operating Income - Gas (Before and After Income Taxes) Years 2006 to 2008 Inclusive and Twelve Months Ended June 30, 2009	1
5	Operating Revenues - Gas Years 2006 to 2008 Inclusive and Twelve Months Ended June 30, 2009	1
6	Statement Showing by Classification of Service M Dekatherm of Gas Supplied and the Revenue Realized Therefrom Years 2006 to 2008 Inclusive and Twelve Months Ended June 30, 2009	1
7	Summary of Operation and Maintenance Expenses - Gas Years 2006 to 2008 Inclusive and Twelve Months Ended June 30, 2009	8
8	Taxes Other than Income Taxes - Gas Years 2006 to 2008 Inclusive and Twelve Months Ended June 30, 2009	1

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2005, 2006, 2007, 2008 AND JUNE 30, 2009
(Thousands of Dollars)

Exhibit (AP - 1)
Schedule 1
Page 1 of 2

ACCOUNT NO.	ASSETS AND OTHER DEBITS	2005	2006	2007	2008	June 30, 2009
<u>UTILITY PLANT</u>						
101	Electric Plant In Service	\$ 12,728,747	\$ 13,817,368	\$ 14,955,170	\$ 16,380,618	\$16,970,581
101	Gas Plant In Service	2,678,427	2,843,732	2,992,462	3,265,800	3,400,645
101	Steam Plant In Service	1,610,888	1,678,569	1,740,329	1,836,113	1,867,014
118.1	Common Utility Plant In Service	1,414,252	1,507,215	1,595,605	1,643,387	1,703,326
105	Electric Plant Held For Future Use	3,914	42,976	51,284	58,666	62,476
107, 118.1	Construction Work In Progress	739,621	832,621	975,096	1,051,393	1,071,144
	Sub-Total	19,175,849	20,722,481	22,309,946	24,235,976	25,075,186
108	Accumulated Provision For Depreciation of Plant In Service	(4,084,150)	(4,207,833)	(4,307,396)	(4,514,904)	(4,848,562)
110	Accumulated Provision For Depreciation of Electric Plant Held For Future Use	-	-	(2,356)	(5,524)	-
111.1	Accumulated Prov. For Amortization and Depletion of Producing Natural Gas Land And Land Rights	-	-	-	-	-
119.1	Accumulated Provision For Depreciation and Amortization of Common Utility Plant	(441,647)	(464,110)	(479,129)	(501,174)	(505,603)
	Net	14,650,052	16,050,538	17,521,065	19,214,374	19,721,021
120, 120.5	Nuclear Fuel Assemblies - Net	-	-	-	-	-
117	Gas Stored Underground - Non-Current	1,239	1,239	1,239	1,239	1,239
	Total	14,651,291	16,051,777	17,522,304	19,215,613	19,722,260
<u>OTHER PROPERTY AND INVESTMENTS</u>						
121	Nonutility Property	31,738	30,778	29,268	29,337	29,266
122	Accumulated Provision for Depreciation - Non Utility	(14,118)	(15,685)	(17,258)	(18,838)	(19,635)
123.1	Investment In Subsidiary Companies	1,089	1,196	2,223	2,443	2,693
124	Other Investments	2,145	1,792	2,424	2,424	2,584
128	Other Special Funds	68,966	87,911	253,386	234,604	246,834
	Total	89,820	105,992	270,043	249,970	261,742
<u>CURRENT AND ACCRUED ASSETS</u>						
131	Cash	(36,095)	(56,610)	(80,053)	(78,958)	(40,944)
132	Interest Special Deposits	(344)	(216)	-	-	-
134	Other Special Deposits	2,022	3,028	3,022	3,074	3,081
135	Working Funds	11,477	12,456	11,993	10,012	13,290
136	Temporary Cash Investments	16,575	25,958	101,257	21,111	243,503
142	Customer Accounts Receivable	915,585	756,786	875,647	989,991	1,210,464
143	Other Accounts Receivable	222,789	346,345	260,350	104,063	113,261
144	Accumulated Provision For Uncollectible Accounts - Credit	(39,877)	(43,164)	(46,626)	(56,128)	(62,874)
146	Accounts Receivable from Associated Companies	213,776	137,729	96,160	228,534	44,040
150	Materials And Supplies	132,504	173,442	182,582	181,914	177,207
164.1	Gas Stored Underground - Current	168,865	183,023	158,947	250,003	127,416
164.2	Liquefied Natural Gas In Storage	14,173	9,737	10,942	11,359	9,524
165	Prepayments	1,890,236	83,804	80,753	538,427	74,532
171	Interest And Dividends Receivable	(33)	(145)	(225)	(259)	(331)
172	Rents Receivable	810	1,119	1,852	1,465	1,609
174	Miscellaneous Current and Accrued Assets	1,859	10,166	-	28,712	-
175, 176	Derivative Instruments	234,874	-	10,325	71,039	53,717
	Total	3,749,196	1,643,458	1,666,926	2,304,359	1,967,495
<u>DEFERRED DEBITS</u>						
181	Unamortized Debt Discount And Expense	162,289	150,410	140,741	65,061	67,432
182.2	Unrecovered Plant and Regulatory Study Costs	-	-	-	-	-
182.3	Other Regulatory Assets	2,004,233	4,285,302	4,462,226	8,078,570	7,866,393
183	Preliminary Survey and Investigation Charges	-	-	-	-	-
184	Clearing Accounts	-	-	-	-	(693)
186	Miscellaneous Deferred Debits	24,670	48,576	36,943	41,519	61,067
188	Investment In Research and Development	-	-	-	-	-
189	Unamortized Loss on Reacquired Debt	-	15,017	13,682	89,004	84,494
190	Accumulated Deferred Income Taxes	539,841	382,234	265,799	276,866	171,074
191	Unrecovered Purchased Gas Costs	-	-	-	-	-
	Total	2,731,033	4,881,539	4,919,391	8,551,020	8,249,767
	Grand Total	\$ 21,221,340	\$ 22,682,766	\$ 24,378,664	\$ 30,320,962	\$30,201,264

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2005, 2006, 2007, 2008 AND JUNE 30, 2009
(Thousands of Dollars)

Exhibit __ (AP-1)
Schedule 1
Page 2 of 2

ACCOUNT NO.	LIABILITIES AND OTHER CREDITS	December 31,				June 30,
		2005	2006	2007	2008	2009
PROPRIETARY CAPITAL						
	Capital Stock					
201	Common Stock Issued	\$ 588,720	\$ 588,720	\$ 588,720	\$ 588,720	\$ 588,720
204	Preferred Stock Issued	212,563	212,563	212,563	212,563	212,563
	Other Paid-In Capital					
207	Premium on Capital Stock	879,678	879,678	879,678	879,678	879,678
210	Gain on Resale/Cancel. of Reacquired Capital Stock	13,943	13,943	13,943	13,943	13,943
211	Misc. Paid-In Capital, Accumulated OCI	909,238	1,359,247	2,018,583	2,770,375	2,770,375
214	Capital Stock Expense	(54,437)	(58,118)	(60,033)	(60,033)	(60,033)
216	Unappropriated Retained Earnings	5,072,424	5,318,333	5,613,643	5,778,156	5,784,730
216.1	Unappropriated Undistributed Subsidiary Earnings	834	941	1,968	2,188	2,438
217	Reacquired Capital Stock	(962,092)	(962,092)	(962,092)	(962,092)	(962,092)
219	Accumulated Other Comprehensive Income	(11,102)	(8,704)	(8,657)	(19,496)	(18,916)
	Total	6,649,769	7,344,511	8,298,316	9,204,002	9,211,406
LONG-TERM DEBT						
221	Bonds	-	-	-	-	-
224	Other Long-Term Debt	6,072,783	7,273,224	7,471,867	8,990,900	9,465,900
225	Unamortized Premium on Debt	-	-	-	-	-
226	Unamortized Discount on Debt	(17,585)	(18,514)	(19,678)	(22,368)	(22,286)
	Total	6,055,198	7,254,710	7,452,189	8,968,532	9,443,614
OTHER NONCURRENT LIABILITIES						
227	Obligations Under Capital Leases - Noncurrent	29,757	26,237	21,655	16,621	13,914
228.2	Accumulated Prov. for Injuries and Damages Reserve	160,350	148,395	154,200	162,828	167,540
228.3	Accumulated Prov. for Pensions and Benefits Reserve	121,802	441,903	634,768	4,107,625	3,897,638
228.4	Accumulated Miscellaneous Operating Provisions	-	-	-	831	3,733
229	Accumulated Provision for Rate Refunds	-	-	-	-	-
	Total	311,909	616,535	810,623	4,287,905	4,082,825
CURRENT AND ACCRUED LIABILITIES						
231	Notes Payable	520,000	-	555,000	253,000	-
232	Accounts Payable	633,129	483,260	483,476	494,310	366,201
234	Accounts Payable to Associated Companies	245,380	100,674	28,200	62,695	33,280
235	Customer Deposits	214,905	213,668	234,107	250,222	253,335
236	Taxes Accrued	53,024	31,621	47,469	64,728	55,045
237	Interest Accrued	86,836	120,555	133,725	130,844	143,747
238	Dividends Declared	2,831	2,831	2,831	2,831	2,831
239	Matured Long-Term Debt	-	-	-	-	-
240	Matured Interest	2	2	-	-	-
241	Tax Collections Payable	15,492	13,579	17,696	17,536	6,857
242	Miscellaneous Current And Accrued Liabilities	900,333	927,128	956,659	977,023	849,422
243	Obligations Under Capital Leases - Current	3,100	3,520	4,582	5,034	-
245	Derivative Instruments	12,102	192,951	80,168	116,771	116,451
	Total	2,687,134	2,089,789	2,543,913	2,374,994	1,827,169
DEFERRED CREDITS						
252	Customer Advances For Construction	3,670	3,866	3,750	4,311	4,226
253	Other Deferred Credits	31,350	22,480	76,052	38,067	39,135
254	Other Regulatory Liabilities	1,606,834	1,199,101	718,166	466,753	736,160
255	Accumulated Deferred Investment Tax Credits	86,867	80,862	74,956	69,165	66,278
	Total	1,728,721	1,306,309	872,924	578,296	845,799
ACCUMULATED DEFERRED INCOME TAXES						
281	Accelerated Amortization	-	-	-	-	-
282	Liberalized Depreciation	2,894,607	3,008,239	3,198,974	3,685,701	3,765,593
283	Other	894,002	1,062,673	1,201,725	1,221,532	1,224,856
	Total	3,788,609	4,070,912	4,400,699	4,907,233	4,990,449
	Grand Total	\$ 21,221,340	\$ 22,682,766	\$ 24,378,664	\$ 30,320,962	\$ 30,401,262

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

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

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

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

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

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

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

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

Account No.	Utility Operating Income	Electric	Gas	Steam	Total
400	Operating Revenues	\$ 7,948,135	\$ 1,843,509	\$ 781,461	\$ 10,573,105
	Operating Expenses				
401	Operation Expenses	4,754,382	1,194,423	506,333	6,455,138
402	Maintenance Expense	365,806	65,095	44,088	474,989
		5,120,188	1,259,518	550,421	6,930,127
403	Depreciation Expense	520,908	90,501	60,614	672,023
404	Amortization & Depletion of Natural Gas Land & Land Rights				0
405	Amortization of Other Utility Plant				0
407	Amortization of Property Losses	-	-	-	-
	Amortization - Miscellaneous				0
408.1	Taxes Other Than Income Taxes	1,036,992	187,109	80,351	1,304,452
	Income Taxes				
409.1	Income Taxes	(109,972)	93,347	(26,712)	(43,338)
410.1, .2	Provision for Deferred Income Taxes	1,320,838	264,149	113,572	1,698,559
411.1, .2	Provision for Deferred Income Taxes - Credit	(910,940)	(265,962)	(76,706)	(1,253,608)
411.4, .5	Investment Tax Credit Adjustment - Net	(4,772)	(759)	(260)	(5,791)
411.6	Gains from Disposition of Utility Plant	-	-	-	-
411.7	Losses from Disposition of Utility Plant	-	-	-	-
	Total Operating Expenses	6,973,242	1,627,903	701,280	9,302,424
	Total Utility Operating Income	\$ 974,893	\$ 215,606	\$ 80,181	\$ 1,270,680
	<u>Other Income</u>				
415,416	Income from Merchandising , Jobbing & Contract Work				-
417	Revenues from Nonutility Operations				7,955
417.1	Expenses from Nonutility Operations				(5,293)
418	Non-Operating Rental Income				357
418.1	Equity in Earnings of Subsidiary Companies				508
419	Interest and Dividend Income				28,958
419.1	Allowance for Equity Funds Used During Construction				7,205
421	Miscellaneous Non-Operating Income				(12,084)
	Total Other Income				27,606
	Total Income				1,298,286
	<u>Other Income Deductions</u>				
425	Miscellaneous Amortizations				19
426	Miscellaneous Income Deductions				9,749
	Total Other Income Deductions				9,768
	<u>Taxes - Other Income & Deductions</u>				
408.2	Taxes Other Than Income Taxes				2,056
409.2,410.2) 411.2)	Income Taxes				730
	Total Taxes - Other Income & Deductions				2,786
	Income Before Interest Charges				1,285,732
	<u>Interest Charges</u>				
427	Interest on Long Term Debt				457,952
428	Amortization of Debt Discount & Expense				15,336
429	Amortization of Premium on Debt - Credit				-
431	Other Interest Expense				25,244
432	Allowance for Borrowed Funds Used During Construction				(7,006)
	Total Interest Charges				491,526
	Net Income				\$ 794,206

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
INCOME STATEMENT
TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

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

Account No.	Utility Operating Income	Electric	Gas	Steam	Total
400	Operating Revenues	\$ 8,015,541	\$ 1,839,616	\$ 813,942	\$ 10,669,099
401	Operating Expenses				
402	Operation Expenses	4,757,932	1,140,357	513,525	6,411,814
402	Maintenance Expense	357,188	67,584	46,298	471,070
		5,115,120	1,207,941	559,823	6,882,884
403	Depreciation Expense	559,358	94,446	58,879	712,682
404	Amortization & Depletion of Natural Gas Land & Land Rights				-
405	Amortization of Other Utility Plant				-
407	Amortization of Property Losses				-
	Amortization - Miscellaneous				-
408.1	Taxes Other Than Income Taxes	1,080,559	192,340	83,991	1,356,890
	Income Taxes				-
409.1	Income Taxes	1,184	21,812	(20,011)	2,985
410.1, 2	Provision for Deferred Income Taxes	1,229,131	308,605	128,824	1,666,560
411.1, 2	Provision for Deferred Income Taxes - Credit	(929,805)	(224,005)	(91,715)	(1,245,525)
411.4, 5	Investment Tax Credit Adjustment - Net	(4,760)	(757)	(262)	(5,779)
411.6	Gains from Disposition of Utility Plant	-	-	-	-
411.7	Losses from Disposition of Utility Plant	-	-	-	-
	Total Operating Expenses	7,050,786	1,600,382	719,529	9,370,696
	Total Utility Operating Income	\$ 964,755	\$ 239,234	\$ 94,414	\$ 1,298,403
	<u>Other Income</u>				
415,416	Income from Merchandising , Jobbing & Contract Work				-
417	Revenues from Nonutility Operations				9,355
417.1	Expenses from Nonutility Operations				(7,133)
418	Non-Operating Rental Income				842
418.1	Equity in Earnings of Subsidiary Companies				436
419	Interest and Dividend Income				27,454
419.1	Allowance for Equity Funds Used During Construction				7,939
421	Miscellaneous Non-Operating Income				(8,931)
	Total Other Income				29,961
	Total Income				1,328,365
	<u>Other Income Deductions</u>				
425	Miscellaneous Amortizations				0
426	Miscellaneous Income Deductions				8,719
	Total Other Income Deductions				8,719
	<u>Taxes - Other Income & Deductions</u>				
408.2	Taxes Other Than Income Taxes				2,742
409.2, 410.2)					
411.2)	Income Taxes				1,691
	Total Taxes - Other Income & Deductions				4,433
	Income Before Interest Charges				1,315,213
	<u>Interest Charges</u>				
427	Interest on Long Term Debt				495,834
428	Amortization of Debt Discount & Expense				15,671
429	Amortization of Premium on Debt - Credit				0
431	Other Interest Expense				22,544
432	Allowance for Borrowed Funds Used During Construction				(5,567)
	Total Interest Charges				528,482
	Net Income				\$ 786,730

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STATEMENT OF UNAPPROPRIATED RETAINED EARNINGS
YEARS 2005, 2006, 2007, 2008 AND TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

Account No.		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>June 30, 2009</u>
216, 216.1	Unappropriated Retained Earnings Beginning of Period	\$ 4,748,082	\$ 5,073,258	\$ 5,319,274	\$ 5,615,611	\$ 5,780,344
433	Balance Transferred from Income	705,238	697,611	854,860	794,206	338,486
439	Adjustments to Retained Earnings	-	-	-	-	-
		5,453,320	5,770,869	6,174,134	6,409,817	6,118,830
437	Dividends Declared - Preferred Stock	11,323	11,323	11,323	11,323	5,662
438	Dividends Declared - Common Stock	368,739	440,272	547,200	618,150	326,000
	Total	380,062	451,595	558,523	629,473	331,662
216, 216.1	Unappropriated Retained Earnings End of Period	<u>\$ 5,073,258</u>	<u>\$ 5,319,274</u>	<u>\$ 5,615,611</u>	<u>\$ 5,780,344</u>	<u>\$ 5,787,168</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
UTILITY OPERATING INCOME - GAS
IN AMOUNT AND EQUIVALENT CENTS PER M DEKATHERM
(BEFORE AND AFTER INCOME TAXES)
YEARS 2006 TO 2008 INCLUSIVE AND
TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

	2006		2007		2008		Twelve Months Ended June 30, 2009	
	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm
Operating Revenues	<u>\$1,616,945</u>	<u>694.03</u>	<u>\$1,763,978</u>	<u>670.72</u>	<u>\$1,843,509</u>	<u>698.42</u>	<u>\$1,839,616</u>	<u>708.35</u>
Operation and Maintenance								
Production Expenses	904,963	388.43	981,671	373.26	1,003,110	380.03	946,581	364.49
Transmission Expenses	18,208	7.82	14,529	5.52	18,161	6.88	15,645	6.02
Distribution Expenses	95,963	41.19	97,267	36.98	115,649	43.81	120,546	46.42
Customer Accounts Expenses	39,941	17.14	39,801	15.13	43,654	16.54	45,370	17.47
Customer Service Expenses	5,171	2.22	5,856	2.23	5,248	1.99	3,502	1.35
Sales Promotion Expenses	1,992	0.86	1,495	0.57	2,378	0.90	2,378	0.92
Administrative and General Expenses	<u>48,803</u>	<u>20.95</u>	<u>59,342</u>	<u>22.56</u>	<u>71,319</u>	<u>27.02</u>	<u>73,919</u>	<u>28.46</u>
Total Operation and Maintenance	<u>1,115,041</u>	<u>478.61</u>	<u>1,199,961</u>	<u>456.25</u>	<u>1,259,519</u>	<u>477.17</u>	<u>1,207,941</u>	<u>465.13</u>
Depreciation	80,461	34.54	85,137	32.37	90,500	34.29	94,444	36.37
Amortization and Depletion of Natural Gas Land and Land Rights	-	-	-	-	-	-	-	-
Taxes Other Than Income Taxes	<u>154,654</u>	<u>66.38</u>	<u>166,576</u>	<u>63.34</u>	<u>187,109</u>	<u>70.89</u>	<u>192,340</u>	<u>74.06</u>
Total Operating Expenses Before Income Taxes	<u>1,350,156</u>	<u>579.53</u>	<u>1,451,674</u>	<u>551.96</u>	<u>1,537,128</u>	<u>582.35</u>	<u>1,494,725</u>	<u>575.56</u>
Operating Income Before Income Taxes	<u>266,789</u>	<u>114.50</u>	<u>312,304</u>	<u>118.76</u>	<u>306,381</u>	<u>116.07</u>	<u>344,891</u>	<u>132.79</u>
Income Taxes	26,083	11.20	59,131	22.48	93,347	35.36	21,812	8.40
Provision for Deferred Income Taxes	200,941	86.25	220,678	83.91	264,149	100.07	308,605	118.83
Provision for Deferred Income Taxes - Credit	(145,468)	(62.44)	(185,008)	(70.35)	(265,962)	(100.76)	(224,005)	(86.25)
Investment Tax Credit Adjustments - Net	(764)	(0.33)	(764)	(0.29)	(759)	(0.29)	(757)	(0.29)
Gains from Disposition of Utility Plant	-	-	-	-	-	-	-	-
Losses from Disposition of Utility Plant	-	-	-	-	-	-	-	-
	<u>80,792</u>	<u>34.68</u>	<u>94,037</u>	<u>35.75</u>	<u>90,775</u>	<u>34.38</u>	<u>105,655</u>	<u>40.69</u>
Operating Income After Income Taxes	<u>\$185,997</u>	<u>79.82</u>	<u>\$218,267</u>	<u>83.01</u>	<u>\$215,606</u>	<u>81.69</u>	<u>\$239,236</u>	<u>92.10</u>
 Sales/Transportation of Gas - M. Dekatherm	 <u>232,978</u>		 <u>262,998</u>		 <u>263,956</u>		 <u>259,703</u>	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
OPERATING REVENUES - GAS
YEARS 2006, 2007, 2008 AND TWELVE MONTHS ENDED JUNE 30, 2009
(THOUSANDS OF DOLLARS)

EXHIBIT __ (AP - 1)
SCHEDULE 5

Account No.	2006		2007		2008		Twelve Months Ended June 30, 2009	
	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm
Sales of Gas								
480 Residential Sales	\$833,994	357.97	\$915,981	348.28	\$945,162	358.08	\$925,358	350.57
481 Commercial and Industrial Sales	541,889	232.59	591,953	225.08	623,163	236.09	666,927	252.67
482 Other Sales to Public Authorities	140,780	60.43	137,492	52.28	133,076	50.42	157,928	59.83
483 Sales for Resale	5,422	2.33	17,258	6.56	1,488	0.56	1,531	0.58
489 Transportation of Gas to Others	50,379	21.62	55,385	21.06	58,533	22.18	45,307	17.16
486 Stabilization Clause Revenues								
Interest on GAC Refund/Surcharge	(233)	(0.10)	(1,674)	(0.64)	(1,190)	(0.45)	424	0.16
Winter Bundled Sales Demand	-	-	-	-	5,341	2.02	5,341	2.02
Interruptible Sales Credit	(13,541)	(5.81)	(22,725)	(8.64)	2,709	1.03	1,590	0.60
Total Sales of Gas (A)	1,558,690	669.03	1,693,670	644	1,768,283	670	1,804,407	684
Other Operating Revenues								
488 Miscellaneous Service Revenues	703	0.30	1,025	0.39	1,120	0.42	1,023	0.39
493 Rent from Gas Property	6,266	2.69	6,288	2.39	6,554	2.48	7,002	2.70
494 Interdepartmental Rents	4,048	1.74	4,620	1.76	5,098	1.93	5,142	1.98
495 Other Gas Revenues								
Other Than Main Extension Surcharge	(59)	(0.03)	113	0.04	159	0.06	159	0.06
Transportation Imbalance Penalties	83	0.04	260	0.10	439	0.17	(1,577)	(0.61)
Gas Service Fees/ Loans of Gas	124	0.05	9	0.00	805	0.31	406	0.16
Marketers-Bill. Charges-Cubs	366	0.16	500	0.19	799	0.30	876	0.34
Late Payment Charges	4,243	1.82	4,799	1.82	4,888	1.85	4,964	1.91
Transportation of Gas to Others - Misc. Serv. Rev.	(1,430)	(0.61)	559	0.21	578	0.22	494	0.19
R&D Ventures	9	0.00	-	0.00	41	0.02	82	0.03
BUG Reimbursement, Governor's Island	(83)	(0.04)	(75)	(0.03)	(106)	(0.04)	(59)	(0.02)
Property Tax Reconciliation-Amortization 03-G-187	(2,203)	(0.95)	(14,337)	(5.45)	(3,036)	(1.15)	(163)	(0.06)
Gas in Storage Reconciliation 06-1332	-	0.00	2,158	0.82	4,314	1.63	470	0.18
Gas RDM Reconciliation 06-G-1332	-	0.00	12,672	4.82	6,359	2.41	23,740	9.14
R&D True-up Deferral	-	0.00	-	0.00	(302)	(0.11)	(302)	(0.12)
Irving Place Auditorium	0	0.00	0	0.00	1	0.00	0	0.00
Gas Purchased From Transportation Customers	(74)	(0.03)	(152)	(0.06)	30	0.01	30	0.01
Winter Bundle Sales	2,433	1.04	1,939.00	0.74	-	0.00	0	0.00
Instatate- Service Fee, Gas Loaned to Others	-	0.00	-	0.00	-	0.00	-	0.00
Van Nest/The Learning Center Services	133	0.06	133	0.05	131	0.05	98	0.04
Pipeline Integrity Deferral	-	0.00	(289)	(0.11)	(203)	(0.08)	(1,153)	(0.44)
Rev Cash Point/Loss	2,301	0.99	-	0.00	-	0.00	-	0.00
Gas Penalties - Off Peak/Interruptible	(968)	(0.42)	(1,262)	(0.48)	(1,165)	(0.44)	(3,746)	(1.44)
Bounced Check Credits	-	0.00	0.001	0.00	-	0.00	0	0.00
OPS PERF MECH 03-G-1671	300	0.13	-	0.00	-	0.00	0	0.00
NYC Dept of Corrections-Rikers Island	678	0.29	115	0.04	106	0.04	0	0.00
GHP Interest Accrual	-	0.00	(946)	(0.36)	(397)	(0.15)	(1,313)	(0.51)
Gas Rate Case Deferral 03-G-1671	4,337	1.86	21,374	8.13	23,767	9.00	(243)	(0.09)
Plant Addition Deferral	-	0.00	160	0.06	1,322	0.50	3,845	1.48
Gas 03-G-1871 Earnings Adjustment	-	0.00	(10,000)	(3.80)	4,066	1.54	4,066	1.57
Parkchester	477	0.20	-	0.00	450	0.17	(0)	0.00
Incremental Facilities East River 1,2	855	0.37	855	0.33	855	0.32	855	0.33
Incremental O&M East River 1,2	360	0.15	360	0.14	360	0.14	360	0.14
Retention of Property Tax Incentive	3	-	10	0.00	67	0.03	80	0.03
Transmission System Reinforcement Recoveries	(1,406)	(0.60)	-	0.00	-	0.00	-	0.00
Property Tax Reconciliation-Amortization	(6)	-	-	0.00	-	0.00	-	0.00
Cost of Money Winter Bundle Sales	326	0.14	249	0.09	-	0.00	-	0.00
Regulatory Accounting								
Competitive Retail Choice Credit Reimbursemen	5,283	2.27	4,720	1.79	(303)	(0.11)	-	0.00
Gas Interference Cost Sharing	6,022	2.58	5,874	2.23	4,501	1.71	4,501	1.73
NYS Tax Law Changes	4,611	1.98	3,552	1.35	3,477	1.32	3,988	1.54
R&D GAC Surcharge	1,455	0.62	2,719	1.03	1,901	0.72	1,927	0.74
R&D Surcharge Deferral	(1,653)	(0.71)	(1,936)	(0.74)	(1,951)	(0.74)	(2,021)	(0.78)
Migration Incentive	158	0.07	1,621	0.62	(1,061)	(0.40)	(125)	(0.05)
Amortization of Deferred Costs Case 03-G-1671	13,751	5.90	11,842	4.50	6,116	2.32	6,116	2.35
Gas Earnings Adj. 03-G-1671	-	-	-	0.00	-	0.00	0	0.00
Unbilled Gas Revenue	-	-	-	0.00	-	0.00	(28,485)	(10.97)
Gas Energy Efficiency Program	(1,059)	(0.45)	(1,617)	(0.61)	281	0.11	0	0.00
Gas Efficiency PGM & Study Surcharge	1,748	0.75	1,311	0.50	-	0.00	0	0.00
One-Time Settlement Charge	6,510	2.79	9,902	3.77	-	0.00	0	0.00
Gas Interference Per Rate Agreement	-	0.00	-	0.00	-	0.00	(279)	(0.11)
Medicare Tx Tax Savings	(1,923)	(0.83)	(1,378)	(0.52)	-	0.00	0	0.00
POR Discount	1,290	0.55	2,519	0.96	4,568	1.73	4,264	1.64
Interest Deferred POR Program Costs	76	0.03	40	0.02	3	0.00	3	0.00
Asset Management Rev	-	0.00	-	0.00	-	0.00	56	0.02
Miscellaneous	171	0.07	2	0.00	597	0.23	126	0.05
Total Other Operating Revenues	58,256	24.97	70,308	26.73	75,227	28.52	35,208	13.55
Total Operating Revenues	\$1,616,945	694.00	\$1,763,978	670.71	\$1,843,510	698.45	\$1,839,615	697.14
(A) Includes Purchased Gas Adjustment	(\$777,161)	(333.58)	(\$886,517)	(337.08)	(\$838,138)	(317.53)	(782,719)	(305.24)
Sales / Transportation of Gas - M Dekatherm	232,978		262,998		263,956		259,703	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STATEMENT SHOWING BY CLASSIFICATION OF SERVICE
M DEKATHERM OF GAS SUPPLIED AND REVENUE REALIZED THEREFROM
YEARS 2006 TO 2008, INCLUSIVE AND
TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

S.C. No.	2006			2007			2008			TWELVE MONTHS ENDED June 30, 2009		
	M Dekatherm Sold	Revenue	Revenue Per Dekatherm	M Dekatherm Sold	Revenue	Revenue Per Dekatherm	M Dekatherm Sold	Revenue	Revenue Per Dekatherm	M Dekatherm Sold	Revenue	Revenue Per Dekatherm
<u>Residential Sales</u>												
1 Residential and Religious	4,343	\$ 159,388	3,670.00	4,229	\$ 162,425	3,840.74	4,269	\$ 172,205	4,033.85	4,048	\$ 173,245	4,279.77
3 Residential and Religious - Heating	36,188	620,727	1,715.28	38,251	678,601	1,774.07	36,082	677,814	1,878.54	36,875	691,580	1,875.47
13 Residential and Religious - Seasonal Off Peak	58	723	1,246.55	58	827	1,425.86	57	868	1,522.81	62	931	1,501.61
3A Residential and Religious - Air Conditioning	-	-	-	-	-	-	-	-	-	-	-	-
Residential and Religious-Unbilled Revenue	-	-	-	160	1,593	995.63	62	512	826	2,184	(63,918)	(2,927)
9 Residential and Religious Transportation	8,728	53,155	609.02	12,354	72,535	587.14	14,286	94,114	658.78	15,380	101,577	660.45
Total Residential Sales	49,317	833,994	1,691.09	55,052	915,981	1,663.85	54,756	945,513	1,726.78	58,549	903,415	1,543.01
<u>Commercial and Industrial Sales</u>												
2 General	25,349	385,592	1,521.13	25,946	418,221	1,611.89	24,666	418,334	1,695.99	24,456	407,846	1,667.67
2A Breakdown, Reserve & Auxiliary	-	-	-	-	-	0.00	-	-	-	-	-	-
9 Transportation - Customer Owned Gas Priority Service	18,058	58,952	326.46	22,985	78,464	341.37	26,220	91,706	349.76	26,216	98,982	377.56
99 NYPA Sales - Poletti	1,000	8,024	802.40	1,196	9,785	818.14	794	8,632	1,087.15	728	4,941	678.71
12 Dual Fuel - Interruptible Service	14,099	66,128	469.03	14,215	60,066	422.55	17,840	78,870	442.10	15,702	65,897	419.67
14 CNG Vehicle Service	3	61	2,033.33	4	75	1,875.00	3	72	2,400.00	2	53	2,650.00
16 Off Peak - Firm	-	-	-	-	-	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	(72)	(202)	281	2,154	81,342	3,776
19 Individually Negotiated Contracts	1,938	18,414	950.15	608	5,682	934.54	(224)	(3,219)	1,437.05	(151)	(2,157)	1,428.48
98 Out of State Sales	-	-	-	-	-	-	-	-	-	-	-	-
20 Marketers	462	4,718	1,021.21	2,043	19,661	962.36	2,955	31,378	1,061.86	2,774	22,228	801.30
22 Multi - Dwelling Water Heating - Off Peak	-	-	-	-	-	-	-	-	-	-	-	-
Total Commercial and Industrial Sales	60,909	541,889	889.67	66,997	591,953	883.55	72,182	625,571	866.66	71,881	679,132	944.80
<u>Other Sales to Public Authorities</u>												
1 Residential and Religious	-	2	-	-	2	-	-	-	-	-	-	-
2 General	3,910	56,358	1,441.38	4,081	62,997	1,543.67	3,999	63,403	1,585.47	3,942	61,574	1,562.00
2A Breakdown, Reserve & Auxiliary	-	-	-	-	-	-	-	-	-	-	-	-
3 Housing Authorities	1,565	23,774	1,519.11	788	12,629	1,602.66	72	1,197	1,662.50	164	2,581	1,573.78
9 Transportation - Customer Owned Gas Priority Service	2,254	10,966	486.51	8,894	34,503	387.94	8,996	37,449	416.29	11,041	51,762	468.82
12 Dual Fuel - Interruptible Service	8,256	44,346	537.14	2,427	21,932	903.67	2,333	24,837	1,064.59	1,845	16,112	873.28
SP Governor's Island/Coast Guard	-	-	-	-	-	-	-	-	-	-	-	-
14 CNG Vehicle Service	11	200	1,818.18	8	142	1,775.00	8	189	2,362.50	7	166	2,371.43
13 Seasonal Off Peak Service	2	20	1,000	2	23	1,150	2	24	1,200.00	1	15	1,500.00
19 Individually Negotiated Contracts	430	5,113	1,189	398	5,265	1,322.86	224	3,219	1,437.05	605	5,698	941.82
Unbilled and Unbilled Metered	-	-	-	-	-	-	-	-	-	537	29,756	5,541
Total Other Sales to Public Authorities	16,428	140,780	856.95	16,598	137,492	828.36	15,634	130,318	833.56	18,142	167,664	924.18
Transportation of Gas to Others	-	50,379	-	-	55,385	-	-	58,533	-	-	45,307	-
Sales for Resale	691	5,422	784.66	2,325	17,258	742.28	154	1,488	966	-	1,531	-
Interest on Stabilization Clause Refund/Surcharge	-	(233)	-	-	(1,674)	-	-	(1,190)	-	-	424	-
Gas Efficiency Program Surcharge	-	-	-	-	-	-	-	5,341	-	-	5,341	-
Interruptible Sales Credit	-	(13,541)	-	-	(22,725)	-	-	2,709	-	-	1,590	-
Total Gas Sales	127,345	\$ 1,558,690	1,223.99	140,972	\$ 1,693,670	1,201.42	142,726	\$ 1,768,283	1,238.94	148,572	\$ 1,804,404	1,214.50

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF OPERATION AND MAINTENANCE EXPENSES - GAS
YEARS 2006, 2007, 2008 AND TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

	2006		2007		2008		Twelve Months Ended June 30, 2009	
	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm
Production Expenses	\$904,963	388.43	\$981,671	373.26	\$1,003,110	380.03	\$946,578	364.48
Transmission Expenses	18,207	7.81	14,529	5.52	18,161	6.88	15,646	6.02
Distribution Expenses	95,963	41.19	97,267	36.98	115,649	43.81	120,546	46.42
Customer Accounts Expenses	39,941	17.14	39,801	15.13	43,655	16.54	45,373	17.47
Customer Service Expenses	5,171	2.22	5,856	2.23	5,248	1.99	4,536	1.75
Sales Promotion Expenses	1,992	0.66	1,495	0.57	2,378	0.90	1,343	0.52
Administrative and General Expenses	48,803	20.95	59,342	22.56	71,318	27.02	73,919	28.46
Total	<u>\$1,115,039</u>	<u>478.60</u>	<u>\$1,199,962</u>	<u>456.26</u>	<u>\$1,259,519</u>	<u>477.17</u>	<u>\$1,207,942</u>	<u>465.12</u>
 Sales / Transportation of Gas - M. Dekatherm	 <u>232,978</u>		 <u>262,998</u>		 <u>263,956</u>		 <u>259,703</u>	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
PRODUCTION EXPENSES - GAS
YEARS 2006, 2007, 2008 AND TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

		2006		2007		2008		Twelve Months Ended June 30, 2009	
Account No.		Cents Per Dekatherm Sendout		Cents Per Dekatherm Sendout		Cents Per Dekatherm Sendout		Cents Per Dekatherm Sendout	
		Amount		Amount		Amount		Amount	
<u>NATURAL GAS PRODUCTION EXPENSES</u>									
<u>Operation</u>									
752	Gas Wells Expenses	\$ -	-	\$ -	-	\$ -	-	\$ -	-
<u>OTHER GAS SUPPLY EXPENSES</u>									
<u>Operation</u>									
804	Natural Gas - City gate Purchases	1,194,603	1,455.68	1,204,158	1,377.30	1,561,132	2,004.07	1,108,045	1,373.98
807	Purchased Gas Expenses	60,264	73.43	109,612	125.37	29,078	37.33	159,111	197.30
808	Gas Withdrawn From Storage - Debit	163,714	199.49	245,324	280.60	199,029	255.50	263,989	327.35
809	Gas Delivered to Storage - Credit	(187,196)	(228.11)	(222,131)	(254.07)	(326,872)	(419.62)	(229,197)	(284.20)
812	Gas Used for Other Utility Operations - Credit	(1,679)	(2.05)	(1,821)	(2.08)	(1,320)	(1.69)	(980)	(1.22)
813	Other Gas Supply Expenses - Other	-	-	-	-	-	-	-	-
Total Other Gas Supply Expenses		1,229,706	1,498.45	1,335,142	1,527.12	1,461,047	1,875.59	1,300,968	1,613.21
<u>JOINT EXPENSES</u>									
813.2	Joint Expenses - Credit	(329,359)	(401.34)	(358,805)	(410.40)	(463,501)	(595.01)	(359,649)	(445.97)
<u>OTHER STORAGE EXPENSES</u>									
<u>Operation</u>									
840	Supervision and Engineering	514	0.63	481	0.55	558	0.72	524	0.65
841	Labor and Expenses	876	1.07	1,105	1.26	1,017	1.31	981	1.22
842.1	Fuel	1,353	1.65	1,720	1.97	1,195	1.53	847	1.05
842.2	Power	686	0.84	617	0.71	593	0.76	629	0.78
842.3	Gas Losses	-	-	-	-	-	-	-	-
-	Accrued Wages	-	-	-	-	-	-	2	-
Total Operation		3,429	4.19	3,923	4.49	3,363	4.32	2,983	3.70
<u>Maintenance</u>									
843.1	Supervision and Engineering	189	0.23	348	0.40	318	0.41	315	0.39
843.4	Purification Equipment	46	0.06	5	0.01	53	0.07	53	0.07
843.5	Liquefaction Equipment	159	0.19	232	0.27	261	0.34	212	0.26
843.6	Vaporizing Equipment	138	0.17	111	0.13	107	0.14	117	0.15
843.7	Compressor Equipment	127	0.15	169	0.19	93	0.12	83	0.10
843.8	Measuring and Regulating Equipment	17	0.02	20	0.02	49	0.06	30	0.04
843.9	Other Equipment	230	0.28	268	0.31	190	0.24	133	0.16
-	Accrued Wages	-	0.00	-	0.00	-	-	2	0.00
Other Maintenance		1,189	1.45	1,410	1.62	2,200	2.83	2,275	2.82
Total Other Storage Expenses		4,618	5.64	5,333	6.11	5,563	7.15	5,258	6.52
Total Production Expenses		\$904,963	1,102.75	\$981,671	1,122.83	\$1,003,110	1,287.73	\$946,578	1,173.76
Total M Dekatherm Gas Sent Out		82,065		87,429		77,898		80,645	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
TRANSMISSION EXPENSES - GAS
YEARS 2006, 2007, 2008 AND TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

Account No.	Operation	2006		2007		2008		Twelve Months Ended June 30, 2009	
		Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm
850	Supervision and Engineering	\$647	0.28	\$416	0.16	\$631	0.24	\$551	0.21
851	System Control and Load Dispatching	1,504	0.65	1,432	0.54	1,450	0.55	1,501	0.58
853	Compressor Station Labor and Expenses	56	0.02	74	0.03	180	0.07	144	0.06
856	Mains and Services Expenses	5,453	2.34	2,834	1.08	2,300	0.87	1,888	0.73
857	Measuring and Regulating Station Expenses	567	0.24	897	0.34	955	0.36	943	0.36
859	Other Expenses	(809)	(0.35)	(1,209)	(0.46)	(44)	(0.02)	(1,564)	(0.60)
-	Accrued Wages	-	0.00	-	-	-	0.00	-	0.00
	Sub-Total	7,418	3.18	4,444	1.69	5,472	2.07	3,463	1.33
860	Rents	6,085	2.61	5,628	2.14	6,667	2.53	5,939	1.88
	Total	13,503	5.79	10,072	3.83	12,139	4.60	9,402	3.21
<u>Maintenance</u>									
861	Supervision and Engineering	600	0.26	643	0.24	704	0.27	737	0.28
862	Structures	166	0.07	159	0.06	344	0.13	476	0.18
863	Mains	2,200	0.94	2,085	0.79	2,760	1.05	3,050	1.17
864	Compressor Station Equipment	372	0.16	276	0.10	355	0.13	322	0.12
865	Measuring and Regulating Station Equipment	1,366	0.59	1,294	0.49	1,859	0.70	1,659	0.64
866	Communication Equipment	-	-	-	-	-	-	-	-
867	Other Equipment	-	-	-	-	-	-	-	-
-	Accrued Wages	-	-	-	-	-	-	-	-
	Total	4,704	2.02	4,457	1.69	6,022	2.28	6,244	2.40
	Total Transmission Expenses	<u>\$18,207</u>	<u>7.82</u>	<u>\$14,529</u>	<u>5.52</u>	<u>\$18,161</u>	<u>6.88</u>	<u>\$15,646</u>	<u>5.61</u>
	Sales / Transportation of Gas - M. Dekatherm	<u>232,978</u>		<u>262,998</u>		<u>263,956</u>		<u>259,703</u>	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
DISTRIBUTION EXPENSES - GAS
YEARS 2006, 2007, 2008 AND TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

Account No.	Operation	2006		2007		2008		Twelve Months Ended June 30, 2009	
		Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm
870	Supervision and Engineering	\$14,129	6.06	\$14,104	5.36	\$15,450	5.85	\$15,749	6.06
871	Distribution and Load Dispatching	-	-	-	-	-	-	-	-
872	Compressor Station Labor and Expenses	-	-	-	-	-	-	-	-
874	Mains and Services Expenses	12,145	5.21	15,067	5.73	13,479	5.11	13,808	5.32
875	Measuring and Regulating Station Expenses	-	-	-	-	-	-	-	-
878	Meter and House Regulator Expenses	1,354	0.58	1,569	0.60	1,682	0.64	1,690	0.65
879	Customer Installation Expenses	7,038	3.02	7,539	2.87	8,111	3.07	8,824	3.40
880	Other Expenses	9,590	4.12	10,944	4.16	20,022	7.59	21,174	8.15
-	Accrued Wages	-	-	-	-	-	-	72	0.03
	Sub-Total	44,256	18.99	49,223	18.72	58,744	22.26	61,317	23.61
881	Rents	143	0.06	69	0.03	34	0.01	166	0.06
	Total	44,399	19.05	49,292	18.75	58,778	22.27	61,483	23.67
Maintenance									
885	Supervision and Engineering	2,285	0.98	2,930	1.11	3,508	1.33	3,774	1.45
886	Structures	0.2	-	2	-	1	-	1	-
887	Mains	41,758	17.92	39,108	14.87	44,587	16.89	47,171	18.16
888	Compressor Station Equipment	-	0.00	-	-	-	-	0	-
889	Measuring and Regulating Station Equipment	1,176	0.50	1,155	0.44	1,461	0.55	1,144	0.44
892	Services	5,787	2.48	4,441	1.69	6,858	2.60	6,300	2.43
893	Meters and House Regulators	558	0.24	339	0.13	456	0.17	624	0.24
-	Accrued Wages	-	-	-	-	-	-	49	0.02
	Total	51,564	22.12	47,975	18.24	56,871	21.54	59,063	22.74
895.1	Joint Expenses - Debit	-	-	-	-	-	-	-	-
895.2	Joint Expenses - Credit	-	-	-	-	-	-	-	-
	Total Distribution Expenses	\$95,963	41.19	\$97,267	36.98	\$115,649	43.80	\$120,546	46.40
	Sales / Transportation of Gas - M. Dekatherm	232,978		262,998		263,956		259,703	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CUSTOMER ACCOUNTS EXPENSES - GAS
YEARS 2006, 2007, 2008 AND TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

Account No.	2006		2007		2008		Twelve Months Ended June 30, 2009	
	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm
901 Supervision	\$1,079	0.46	\$1,371	0.52	\$1,326	0.50	\$1,460	0.56
902 Meter Reading	6,871	2.95	6,608	2.52	6,606	2.51	6,714	2.60
903 Customer Records and Collection Expenses	23,851	10.25	23,613	8.99	25,031	9.49	25,260	9.74
905 Miscellaneous Expenses	95	0.04	82	0.03	76	0.03	1,266	0.49
- Accrued Wages	-	-	-	-	-	-	2	-
Sub-total	31,896	13.70	31,674	12.06	33,039	12.53	34,702	13.39
904 Uncollectible Accounts	8,045	3.45	8,127	3.09	10,616	4.02	10,671	4.11
Total	<u>\$39,941</u>	<u>17.14</u>	<u>\$39,801</u>	<u>15.13</u>	<u>\$43,655</u>	<u>16.53</u>	<u>\$45,373</u>	<u>17.48</u>
Sales / Transportation of Gas - M. Dekatherm	<u>232,978</u>		<u>262,998</u>		<u>263,956</u>		<u>259,703</u>	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CUSTOMER SERVICE - GAS
YEARS 2006, 2007, 2008 AND TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

Account No.	2006		2007		2008		Twelve Months Ended June 30, 2009	
	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm
907 Supervision	\$16	0.01	\$29	0.01	\$30	0.01	\$37	0.01
908 Customer Assistance	509	0.22	584	0.22	829	0.31	878	0.34
909 Informational Advertising	1,719	0.74	3,481	1.32	1,731	0.66	1,081	0.42
910 Miscellaneous Customer Service	2,927	1.26	1,762	0.67	2,658	1.01	2,536	0.98
- Accrued Wages	-	-	-	-	-	-	4	-
Total	<u>\$5,171</u>	<u>2.22</u>	<u>\$5,856</u>	<u>2.23</u>	<u>\$5,248</u>	<u>2.00</u>	<u>\$4,536</u>	<u>1.76</u>
Sales / Transportation of Gas - M. Dekatherm	<u>232,978</u>		<u>262,998</u>		<u>263,956</u>		<u>259,703</u>	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SALES PROMOTION EXPENSES - GAS
YEARS 2006, 2007, 2008 AND TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

Account No.		2006		2007		2008		Twelve Months Ended June 30, 2009	
		Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm
911	Supervision	\$ -	-	\$ -	-	\$ -	-	\$ -	-
912	Demonstrating & Selling	1,090	0.47	717	0.27	1,583	0.60	390	0.15
913	Promotional Advertising	-	-	-	-	-	-	-	-
916	Miscellaneous	902	0.39	778	0.30	795	0.30	953	0.37
-	Accrued Wages	-	-	-	-	-	-	-	-
	Total	<u>\$1,992</u>	<u>0.86</u>	<u>\$1,495</u>	<u>0.57</u>	<u>\$2,378</u>	<u>0.90</u>	<u>\$1,343</u>	<u>0.52</u>
	 Sales / Transportation of Gas - M. Dekatherm	 <u>232,978</u>		 <u>262,998</u>		 <u>263,956</u>		 <u>259,703</u>	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ADMINISTRATIVE AND GENERAL EXPENSES - GAS
YEARS 2006, 2007, 2008 AND TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

		2006		2007		2008		Twelve Months Ended June 30, 2009	
Account No.		Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm
920	Administrative and General Salaries	\$16,760	7.19	\$16,070	6.11	\$16,907	6.41	\$17,582	6.77
921	Office Supplies and Expenses	4,189	1.80	4,014	1.53	5,455	2.07	5,810	2.24
923	Outside Services Employed	569	0.24	960	0.37	981	0.37	987	0.38
924	Property Insurance	220	0.09	208	0.08	214	0.08	196	0.08
925	Injuries and Damages	14,556	6.25	16,960	6.45	21,453	8.13	22,910	8.82
926.1	Employees Pensions	(4,506)	(1.93)	2,050	0.78	11,349	4.30	10,593	4.08
926.2	Employees Welfare Expenses	24,075	10.33	25,514	9.70	22,706	8.60	24,637	9.49
926.3	Pension and Welfare Administration	-	-	-	-	-	-	-	-
928	Regulatory Commission Expenses	6,335	2.72	7,208	2.74	7,500	2.84	7,678	2.96
929	Duplicate Charges - Credit	(964)	(0.41)	(1,301)	(0.49)	(829)	(0.31)	(988)	(0.38)
930.1	General Advertising Expenses	125	0.05	139	0.05	139	0.05	151	0.06
930.2	Miscellaneous General Expenses	3,928	1.69	4,005	1.52	4,053	1.54	3,744	1.44
931.2	Expenses of Data Processing Equipment	508	0.22	493	0.19	541	0.20	1,123	0.43
-	Accrued Wages	-	-	-	-	-	-	-	-
	Total	65,795	28.24	76,320	29.03	90,469	34.28	94,422	36.37
922	Administrative Expenses Transferred - Credit	(16,992)	(7.29)	(16,978)	(6.46)	(19,148)	(7.25)	(20,503)	(7.89)
926.1	Pensions Transferred to Construction - Credit	-	-	-	-	-	-	-	-
	Total	<u>\$48,803</u>	<u>20.95</u>	<u>\$59,342</u>	<u>22.56</u>	<u>\$71,318</u>	<u>27.02</u>	<u>\$73,919</u>	<u>28.47</u>
	Sales / Transportation of Gas - M. Dekatherm	<u>232,978</u>		<u>262,998</u>		<u>263,956</u>		<u>259,703</u>	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
TAXES OTHER THAN INCOME TAXES - GAS
YEARS 2006, 2007, 2008 AND TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

EXHIBIT __ (AP - 1)
SCHEDULE 8

	2006		2007		2008		Twelve Months Ended June 30, 2009	
	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm	Amount	Equivalent Cents Per Dekatherm
<u>Local Taxes</u>								
Real Estate - NYC	\$86,939	37.32	\$93,766	35.65	\$96,890	36.71	\$102,071	39.30
- Other	28,879	12.40	31,000	11.79	32,496	12.31	33,219	12.79
Property Tax Reconciliation Deferral	(14,540)	(6.24)	(13,346)	(5.07)	74	0.03	(2,669)	(1.03)
Receipts Taxes - Special Franchise	442	0.19	493	0.19	525	0.20	508	0.20
Public Utilities Excise	31,498	13.52	34,178	13.00	36,110	13.68	36,348	14.00
Sales and Use	29	0.01	(26)	(0.01)	133	0.05	142	0.05
Miscellaneous	-	-	-	-	-	-	0	0.00
Motor Vehicle	83	0.04	85	0.03	92	0.04	95	0.04
Subsidiary Capital Tax	636	0.27	871	0.33	825	0.31	838	0.32
Other	-	-	-	-	-	-	-	-
Total - Local Taxes	133,966	57.51	147,021	55.91	167,145	63.33	170,554	65.67
<u>State Taxes</u>								
Franchise	-	-	-	-	-	-	-	-
Capital	-	-	132	0.05	-	-	-	-
Public Utilities Gross Income	13,401	5.75	12,074	4.59	12,848	4.87	15,044	5.79
Unemployment Insurance	150	0.06	109	0.04	106	0.04	116	0.04
MTA Mobility Tax	-	-	-	-	-	-	105	0.04
Gasoline	1	-	-	-	-	0.00	-	0.00
Vehicle Registration and Highway Use	107	0.05	106	0.04	114	0.04	119	0.05
Disability Benefits Contributions	-	-	-	-	-	-	-	-
Sales and Use	(2)	-	(34)	(0.01)	74	0.03	98	0.04
Insurance Premium Tax	36	0.02	18	0.01	15	0.01	15	0.01
Corporate Franchise Tax	342	0.15	487	0.19	281	0.11	291	0.11
Total - State Taxes	14,035	6.03	12,892	4.86	13,438	5.10	15,787	6.08
<u>Federal Taxes</u>								
Unemployment	71	0.03	65	0.02	63	0.02	58	0.02
Insurance Contributions	6,539	2.81	6,524	2.48	6,551	2.48	5,913	2.28
Other	42	0.02	74	0.03	(88)	(0.03)	28	0.01
Total - Federal Taxes	6,652	2.86	6,663	2.53	6,526	2.47	5,999	2.31
Grand Total	\$154,654	66.40	\$166,576	63.30	\$187,109	70.90	\$192,340	74.06
Sales / Transportation of Gas - M. Dekatherm	232,978		262,998		263,956		259,703	

EXHIBIT __ (AP- 2)

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

CONSOLIDATED EDISON OF COMPANY OF NEW YORK, INC.
CALCULATION OF FEDERAL INCOME TAXES - GAS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2009

	<u>Amount</u>
OPERATING REVENUES PER BOOKS	1,839,446,073
OPERATING EXPENSES PER BOOKS	1,517,049,743
INTEREST CHARGES	79,969,436
BOOK INCOME BEFORE FIT	<u>242,426,894</u>

SECTION I - FLOW THROUGH ITEMS

ADDITIONS

Book Depreciation	93,453,989
Hudson Farragut Amortization - per books	13,272
Capitalized interest (Section 263A)	194,156
Injuries & Damages Reserve	1,332,501
Excess of Book Provision Over Direct W/O - Bad Debts	1,881,965
Officers Compensation in Excess of \$1M (Restricted Stock)	255,000
TOTAL	<u>97,130,884</u>

DEDUCTIONS

Statutory Depreciation Deduction - Flow Through	62,641,000
Removal Costs - Flow Through	6,769,303
Amortization of Capitalized Interest - Flow Through	74,293
Westchester Property Tax Adjustment	(33,720)
Deduction for Dividends Paid on \$5 Cumulative Pref. Stk.	388,000
Medicare Part D Subsidy - Post Employment Benefits	3,186,967
TOTAL	<u>73,025,843</u>

PRETAX INCOME 266,531,935

SECTION II - NORMALIZED ITEMS

ADDITIONS

Fuel Cost Deferred - Prior Period	2,598,555
Contributions in Aid of Construction	450,691
Interruptible Sales Credit	(13,645,552)
MTA Business Tax Surcharge	(1,524,206)
Deferred Income Plan	(1,472,032)
Retiree Health VEBA - Funding v. Expense	3,430,870
Retiree Group Life - Funding v. Expense	687,114
Advance Refunding Long Term Debt - Net	1,459,807
Excess Earnings Reconciliation	(10,000,000)
System Benefit Charges	3,564,033
Vacation Pay Accrual	(276,000)
Capitalized Interest per Tax - Normalized	(301,780)
Gas Penalties - Off Peak/ Interruptible	3,745,838
Restricted Stock Plan Performance Based	1,429
Deferred State Income Tax Not deducted on Federal Return	16,958,000
Odd W.T.C Incident Sys. Restor.	5,657,845
Medicare Rx Legislative Savings	(33,547)
Property Tax Reconciliation	(4,876,119)
Gas Hedge Realized and Deferred Gain	(10,921,149)
Gas Rate Case Deferral 03-g-1671 (Pens/Opeb)	(253,726)
Rate Increase Deferral- gas 03-g-1671	(503,000)
Gas Rate Case Pipe Deferred -03-g-1671	695,675
Rate Case Plant additions/expenditures	(440,348)
Amortization Deferred Costs Electric and Gas only	(13,946,004)
Customers' Portion of Shared Earnings	(4,500,000)
Stock Plans	1,279,083
Transco Expansion Gas Settlement	(6,060,410)
NYC Property Tax Discount	147,361
Unbilled - Fuel Expense	16,118,000
Steam Incident Plant Disallowance	729,203
TOTAL	<u>(11,230,367)</u>

CONSOLIDATED EDISON OF COMPANY OF NEW YORK, INC.
CALCULATION OF FEDERAL INCOME TAXES - GAS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2009

DEDUCTIONS

Tax Depreciation - Norm. - MACRS	95,226,800
Tax Depreciation - Norm. - ADR	3,000
Provision for Deferred Compensation	475,183
Fuel Cost Deferred - Current Period	(22,760,006)
Property Tax Savings	(195,422)
Loss on MACRS Retirement	6,797,000
Additional Pension Deduction (Add back)	888,594
Executive Incentive Plan	93,537
Amortization of Capitalized Interest - Normalized	131,662
Change of Accounting Section 263A	(872,000)
Pension Deferral (182.30)	(11,959,310)
Int on Audit Adj NYS Inc	22,416
Computer Software Capitalized on Book	10,653,000
Computer Software Book Amortization	(991,021)
Gas Migration Incent. - 03-g-1671	(684,669)
Deferred MTA - All Years	(1,411,992)
R&D Reconciliation -06-g-1332	(1,100,000)
Gas in Storage Reconcil-06-g-1332	166,892
Gas T&D Reconciliation-06-g-1332	2,385,615
Gas RDM Reconciliation-06-g-1332	22,635,566
PSC Management Audit	2,437
Oil to Gas Conversion	(2,796)
Gas Fuel Use Tax for NUGS	1,176,525
Supply Related Charge Def.	838,350
TOTAL	<u>222,632,360</u>
TAXABLE INCOME	<u>32,669,207</u>

CONSOLIDATED EDISON OF COMPANY OF NEW YORK, INC.
CALCULATION OF FEDERAL INCOME TAXES - GAS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2009

	<u>Amount</u>
CURRENT FEDERAL INCOME EXPENSE	
Current Federal Income Tax @ 35%	11,433,000
Rounding	
TOTAL CURRENT FIT ACCOUNT 409	11,433,000
DEFERRED FEDERAL INCOME TAX	
Fuel Cost Deferred - Prior Period	(909,000)
Contributions in Aid of Construction	(158,000)
Interruptible Sales Credit	4,777,000
MTA Business Tax Surcharge	534,000
Deferred Income Plan	516,000
Retiree Health VEBA - Funding v. Expense	(1,201,000)
Retiree Group Life - Funding v. Expense	(240,000)
Advance Refunding Long Term Debt - Net	(511,000)
Excess Earnings Reconciliation	3,500,000
System Benefit Charges	(1,248,000)
Vacation Pay Accrual	96,000
Capitalized Interest per Tax - Normalized	106,000
Gas Penalties - Off Peak/ Interruptible	(1,311,000)
Provision for Deferred Compensation	167,000
Restricted Stock Plan Performance Based	-
Deferred State Income Tax Not deducted on Federal Return	(5,936,000)
Odd W.T.C Incident Sys. Restor.	(1,980,000)
Medicare Rx Legislative Savings	12,000
Property Tax Reconciliation	1,707,000
Gas Hedge Realized and Deferred Gain	3,822,000
Gas Rate Case Deferral 03-g-1671 (Pens/Opeb)	89,000
Rate Increase Deferral- gas 03-g-1671	175,000
Gas Rate Case Pipe Deferred -03-g-1671	(244,000)
Rate Case Plant additions/expenditures	154,000
Amortization Deferred Costs Electric and Gas only	4,881,000
Customers' Portion of Shared Earnings	1,575,000
Stock Plans	(447,000)
Transco Expansion Gas Settlement	2,121,000
NYC Property Tax Discount	(52,000)
Steam Incident Plant Disallowance	(255,000)
Unbilled - Fuel Expense	(5,641,000)
Tax Depreciation - Norm. - MACRS	33,329,000
Tax Depreciation - Norm. - ADR	1,000
Fuel Cost Deferred - Current Period	(7,967,000)
Unbilled Revenue	39,197,000
Property Tax Savings	(68,000)
Loss on MACRS Retirement	2,380,000
Additional Pension Deduction (Add back)	311,000
Executive Incentive Plan	33,000
Amortization of Capitalized Interest - Normalized	46,000
Change of Accounting Section 283A	2,888,000
Pension Deferral (182.30)	(4,185,000)
Int on Audit Adj NYS Inc	8,000
Computer Software Capitalized on Book	3,729,000
Computer Software Book Amortization	(347,000)
Gas Migration Incent. - 03-g-1671	(239,000)
Deferred MTA - All Years	(494,000)
R&D Reconciliation-06-g-1332	(385,000)
Gas in Storage Reconcil-06-g-1332	58,000
Gas T&D Reconciliation-06-g-1332	835,000
Gas RDM Reconciliation-06-g-1332	7,922,000
PSC Management Audit	1,000
Oil to Gas Conversion	(1,000)
Gas Fuel Use Tax for NUGS	412,000
Supply Related Charge Def.	293,000
	81,856,000

CONSOLIDATED EDISON OF COMPANY OF NEW YORK, INC.
CALCULATION OF FEDERAL INCOME TAXES - GAS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2009

AMORTIZATION OF DEFERRED FIT

Def. FIT - ACRS	(2,209,000.00)
Def. FIT - MACRS	(2,732,000.00)
Def. FIT - ADR	(1,712,000.00)
Capitalized Overheads Section 263A (SSCM)	(2,596,000.00)
Loss on MACRS Retirements	(383,000.00)
Debt Expense - Advance Refunding Mortgage Bonds	-
	<u>(9,632,000)</u>

ADJUSTMENTS

Journalization of Year End Topside Entry - 409 (Folio: 5-2046)	(5,027,000)
Journalization of Year End Topside Entry - 411 (Folio: 5-2046)	5,027,000
Reversal of estimated Over/Under Accrual (Folio 5-2434)	215,000
Tax Reserve for Revenue from Disputed Bills (Folio 5-2590)	7,849,588
Accrual to Return - 409 (Folio 5-2435)	6,592,000
Accrual to Return - 410 (Folio 5-2435)	(14,515,000)
Accrual to Return - 411 (Folio 5-2435)	-
	<u>141,588</u>

NET DEF. FIT ACCOUNT 410 & 411 71,608,588

AMORTIZATION OF ITC

(757,000)

TOTAL FEDERAL INCOME TAX EXPENSE 83,041,588

CONSOLIDATED EDISON OF COMPANY OF NEW YORK, INC.
CALCULATION OF STATE INCOME TAXES - GAS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2009

	<u>Amount</u>
BOOK INCOME BEFORE FIT	242,426,894
STATE INCOME TAX	22,492,521
BOOK INCOME BEFORE SIT	<u>264,919,415</u>
<u>PERM. DIFFERENCES</u>	
Medicare Part D Subsidy - Post Employment Benefits	(4,880,520)
Officers Compensation in Excess of \$1M	305,000
TOTAL	<u>(4,575,520)</u>
PRETAX INCOME	260,343,895
<u>ADDITIONS</u>	
Book Depreciation	137,558,499
Capitalized interest (Section 263A)	153,384
Injuries & Damages Reserve	2,726,735
Excess of Book Provision Over Direct W/O - Bad Debts	2,587,619
Fuel Cost Deferred - Prior Period	100,268,750
Contributions in Aid of Construction	492,023
Interruptible Sales Credit	(14,225,969)
MTA Business Tax Surcharge	(3,551,082)
Deferred Income Plan	(1,584,222)
Retiree Health VEBA - Funding v. Expense	8,065,355
Retiree Group Life - Funding v. Expense	1,414,737
Excess Earnings Reconciliation	(10,000,000)
System Benefit Charges	3,564,033
Vacation Pay Accrual	(101,000)
Capitalized Interest per Tax - Normalized	122,690
Gas Penalties - Off Peak/ Interruptible	3,745,838
Restricted Stock Plan	(130,648)
Odd W.T.C Incident Sys. Restor.	6,187,468
Medicare Rx Legislative Savings	316,644
Property Tax Reconciliation	678,172
Gas Hedge Realized and Deferred Gain	(1,945,542)
Gas Rate Case Deferral 03-g-1671 (Pens/Opeb)	(836,485)
Rate Increase Deferral- gas 03-g-1671	(21,293,000)
Gas Rate Case Pipe Deferred -03-g-1671	695,675
Amortization Deferred Costs Electric and Gas only	(20,919,006)
Stock Plans	1,378,793
NYC Property Tax Discount	147,361
Steam Incident Plant Disallowance	729,203
Unbilled - Fuel Expense	16,118,000
TOTAL	<u>212,364,026</u>

CONSOLIDATED EDISON OF COMPANY OF NEW YORK, INC.
CALCULATION OF STATE INCOME TAXES - GAS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2009

<u>DEDUCTIONS</u>	<u>Amount</u>
NYS Depreciation	192,846,000
Removal Costs - Flow Through	11,139,691
Amortization of Capitalized Interest - Flow Through	154,080
Westchester Property Tax Adjustment	8,280
Provision for Deferred Compensation	393,675
Fuel Cost Deferred - Current Period	(54,361,180)
Unbilled Revenue	111,990,000
Property Tax Savings	(195,422)
Loss on MACRS Retirement	15,011,000
Additional Pension Deduction	(7,757)
Executive Incentive Plan	708,442
Amortization of Capitalized Interest - Normalized	194,594
Gas Programs Rate Case 00-G-1456	216,035
Change of Accounting Section 263A	17,515,000
Pension Deferral (182.30)	(10,168,438)
Int on Audit Adj NYS Inc.	22,416
Computer Software Capitalized on Book	13,216,000
Computer Software Book Amortization	(1,256,337)
Gas Migration Incent. 03-g-1671	(1,620,950)
Deferred MTA - All Years	(396,992)
R&D Reconciliation 06-g-1332	(1,100,000)
Gas in Storage Reconcil-06-g-1332	(1,756,571)
Gas T&D Reconciliation-06-g-1332	2,805,450
Gas RDM Reconciliation-06-g-1332	23,461,214
PSC Management Audit	2,437
Oil to Gas Conversion	(2,796)
Gas Fuel Use Tax for NUGS	1,176,525
Supply Related Charge Def.	838,350
	<u>320,832,745.48</u>
 TAXABLE INCOME OR (LOSS)	 <u>151,875,175.49</u>
 <u>CURRENT STATE INCOME TAX</u>	
Current State Income Tax	<u>13,107,000.00</u>
	<u>13,107,000.00</u>
 Net State Deductions Normalized	 <u>(108,468,719.38)</u>
 <u>DEFERRED STATE INCOME TAX</u>	
Deferred State Income Tax	<u>9,361,000.00</u>
	<u>9,361,000.00</u>
 <u>TOTAL CURRENT AND DEFERRED STATE INCOME TAX</u>	 <u>22,468,000.00</u>
 <u>Adjustments</u>	
Settlement of NYS Audit 2003 - 2005 Folio 5-2374 (8/08)	1,902
Accrual to Return	(47,381)
 Total State Income Tax	 <u>22,422,521</u>

EXHIBIT __ (AP- 3)

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

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
BOOK COST OF UTILITY PLANT - GAS
AS OF DECEMBER 31, 2005, 2006, 2007, 2008 AND JUNE 30, 2009
(Thousands of Dollars)

Account No.	December 31,				June 30, 2009
	2005	2006	2007	2008	
101 <u>Gas Plant in Service</u>					
<u>Natural Gas Storage Plant</u>					
360 Land and Land Rights	244	244	244	245	244
361 Structures and Improvements	7,270	7,303	8,228	8,408	8,408
362 Gas Holders	14,957	15,191	15,218	15,320	15,320
363 Purification Equipment	1,191	1,191	1,191	1,190	1,190
363.1 Liquefaction Equipment	1,021	1,022	1,022	1,021	1,022
363.2 Vaporizing Equipment	2,195	2,195	4,007	4,007	4,007
363.3 Compressor Equipment	3,104	3,104	3,104	3,104	3,104
363.4 Measuring and Regulating Equipment	2,096	1,575	1,895	1,895	1,895
363.5 Other Equipment	9,322	9,423	9,500	9,500	9,500
Total	41,400	41,248	44,409	44,690	44,690
<u>Transmission Plant</u>					
365.1 Land and Land Rights	420	420	420	420	420
366 Structures and Improvements	5,514	5,971	6,326	6,326	6,326
367 Mains	263,008	270,606	281,222	339,529	353,005
368 Compressor Station Equipment	5,158	5,158	5,174	5,174	5,174
369 Measuring and Regulating Station Equipment	70,072	73,875	76,037	79,107	80,551
Total	344,172	356,030	369,179	430,556	445,476
<u>Distribution Plant</u>					
374 Land and Land Rights	-	-	-	-	-
375 Structures and Improvements	-	-	-	-	-
376 Mains	957,661	1,034,848	1,093,985	1,220,190	1,297,555
377 Compressor Station Equipment	-	-	-	-	-
378 Measuring and Regulating Station Equipment	-	-	-	-	-
380 Services	1,118,766	1,179,250	1,239,117	1,311,886	1,346,426
381 Meters	101,366	105,972	108,072	111,198	112,879
382 Meter Installations	99,970	109,844	120,963	130,538	136,624
383 House Regulators	7,869	8,275	8,462	8,461	8,712
384 House Regulators Installations	7,223	7,242	7,253	7,260	7,261
Capitalized Software Distr. PL	-	1,022	1,022	1,021	1,022
Total	2,292,855	2,446,453	2,578,874	2,790,554	2,910,479
Total Gas Plant in Service	2,678,427	2,843,732	2,992,462	3,265,800	3,400,645

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
BOOK COST OF UTILITY PLANT - GAS
AS OF DECEMBER 31, 2005, 2006, 2007, 2008 AND JUNE 30, 2009
(Thousands of Dollars)

Account No.	December 31,				June 30, 2009
	2005	2006	2007	2008	
118.1 <u>Common Utility Plant in Service*</u>					
<u>General Plant</u>					
389 Land and Land Rights	4,589	4,589	4,598	4,590	4,655
390 Structures and Improvements	82,944	109,148	100,548	104,645	106,501
391 Office Furniture and Equipment	62,994	69,845	65,380	60,625	58,240
392 Transportation Equipment	30,596	33,564	37,450	41,007	43,943
393 Stores Equipment	1,865	1,753	1,732	1,688	1,610
394 Tools, Shop and Garage Equipment	11,029	11,661	11,935	12,556	12,549
395 Laboratory Equipment	12,391	13,298	14,680	15,131	15,402
396 Power Operated Equipment	1,612	1,249	1,048	692	581
397 Communication Equipment	27,142	24,624	28,230	29,474	30,318
398 Miscellaneous Equipment	5,261	5,394	5,652	6,083	5,892
Total	<u>240,423</u>	<u>275,124</u>	<u>271,253</u>	<u>276,491</u>	<u>279,691</u>
<u>Construction Work in Progress</u>					
107 Gas	70,902	83,188	115,213	126,601	115,544
118.1 Common*	<u>20,572</u>	<u>24,003</u>	<u>21,017</u>	<u>32,632</u>	<u>26,359</u>
Total	<u>91,474</u>	<u>107,191</u>	<u>136,230</u>	<u>159,233</u>	<u>141,903</u>
Grand Total	<u><u>3,010,324</u></u>	<u><u>3,226,047</u></u>	<u><u>3,399,944</u></u>	<u><u>3,701,524</u></u>	<u><u>3,822,239</u></u>

* Common Utility Plant applicable to Gas Operations - 17%

EXHIBIT __ (AP- 4)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ACCUMULATED DEPRECIATION-GAS

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 ACCUMULATED PROVISION FOR DEPRECIATION OF GAS PLANT IN SERVICE
 AS OF DECEMBER 31, 2005, 2006, 2007, 2008 AND JUNE 30, 2009
 (Thousands of Dollars)

P.S.C. Account No.	December 31,				June 30,
	2005	2006	2007	2008	2009
108 <u>Gas Plant in Service</u>					
<u>Other Storage Plant</u>					
Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -
Structures And Improvements	3,009	3,006	2,980	3,128	3,252
Gas Holders	15,734	16,252	16,810	17,371	17,651
Purification Equipment	995	1,047	1,100	1,152	1,178
Liquefaction Equipment	1,019	1,065	1,109	1,154	1,177
Vaporizing Equipment	2,112	2,152	1,960	2,136	2,222
Compressor Equipment	2,907	3,043	3,180	3,317	3,385
Measuring And Regulating Equipment	1,404	777	710	793	835
Other Equipment	7,982	8,203	8,573	8,992	9,199
Total	35,162	35,545	36,422	38,043	38,899
<u>Transmission Plant</u>					
Land and Land Rights	-	-	-	-	-
Structures And Improvements	2,583	2,775	2,982	3,196	3,302
Mains	92,747	96,237	98,294	103,455	106,756
Compressor Station Equipment	5,908	6,286	6,610	6,989	7,178
Measuring And Regulating Equipment	15,521	16,249	17,438	18,235	18,913
Total	116,759	121,547	125,324	131,875	136,149
<u>Distribution Plant</u>					
Mains	238,097	255,236	271,987	287,984	296,612
Services	259,225	279,553	298,153	317,067	328,324
Meters	32,499	33,818	34,271	33,680	33,916
Meter Installations	19,932	22,500	25,016	26,049	26,744
House Regulators	(12,858)	(12,538)	(12,209)	(11,873)	(11,703)
House Regulators Installations	1,029	1,266	1,507	1,748	1,869
Capitalized Software-Distr Plant	-	68	272	477	579
Total	537,924	579,903	618,997	655,132	676,341
Total Gas Plant in Service	689,845	736,995	780,743	825,050	851,389
119.1 <u>Common Utility Plant in Service*</u>					
<u>General Plant</u>					
Structures and Improvements	14,224	14,446	15,357	16,997	18,010
Software Capitalization	-	69	336	670	1,286
Office Furniture and Equipment					
Electronic Data Processing Equipment	20,838	25,315	22,122	21,407	19,727
Other Office Furniture And Equipment	4,676	4,839	5,006	5,125	5,240
Transportation Equipment	8,794	9,924	11,918	12,198	12,517
Stores Equipment	868	818	864	847	825
Tools, Shop and Garage Equipment	4,523	4,633	4,882	5,127	5,208
Laboratory Equipment	4,828	5,280	5,801	6,133	6,325
Power Operated Equipment	1,093	846	743	514	434
Communication Equipment	12,917	10,297	12,063	13,961	14,959
Miscellaneous Equipment	2,319	2,433	2,695	2,890	2,706
Total	75,080	78,899	81,788	85,870	87,238
Total	\$ 764,925	\$ 815,894	\$ 862,531	\$ 910,920	\$ 938,627

* Common Utility Plant applicable to Gas Operations: 17%

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

Schedule No.		Number of Pages
1	Statement of Gas Operating Income by Component - for the Years Ended June 2009 and September 2011, Other Operating Revenues, Operation and Maintenance Expenses, Depreciation and Amortization and Taxes Other than Income Taxes - Twelve Months Ended June 30, 2009 Adjusted to the Twelve Months Ending September 30, 2011	6
2	Computation of Labor Factor to Bring the Twelve Months Ended June 30, 2009 to the Rate Year	4
3	Staffing Levels from June 2009 to September 2011	1
4	Summary of Gas Cost Elements - Twelve Months Ended June 30, 2009; Twelve Months Ending September 30, 2011; and Twelve Months Ending September 30, 2011 vs. Twelve Months Ended June 30, 2009	3
5	Gas Cost Elements by Major Account Group - Twelve Months Ended June 30, 2009	9
6	Gas Cost Elements - Summary of Activities by Major Account Group - Twelve Months Ended June 30, 2009 and Twelve Months Ending September 30, 2011	1
7	Summary of Gas Normalizing Adjustments by Elements of Expense in the Rate Year	2
8	Summary of Gas Program Changes by Element of Expense in the Rate Year	3
9	Summary of Gas Cost Elements Subject to General Escalation	1
10	Witness and Planned Update	1

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STATEMENT OF GAS OPERATING INCOME BY COMPONENT
FOR THE YEARS ENDED JUNE 2009 AND SEPTEMBER 2011
(Thousands of Dollars)

LINE NO.		12 MONTHS ENDED JUNE 30, 2009 (Col. 1)	ADJUSTMENT TO NORMALIZE TEST YEAR & REFLECT CONDITIONS IN THE RATE YEAR (Col. 2)	12 MONTHS ENDED SEPTEMBER 30, 2011 (Col. 3)	LINE NO.
	<u>Operating Revenues</u>				
1	Sales Revenues	\$ 1,804,407	\$ (293,324)	\$ 1,511,083	1
2	Other Operating Revenues (Page 2)	35,208	(9,872)	25,336	2
3	Total Operating Revenues	<u>1,839,615</u>	<u>(303,196)</u>	<u>1,536,419</u>	3
	<u>Operating & Maintenance Expenses</u>				
4	Fuel	942,300	(320,901)	621,399	4
5	Admin & General Exps Capitalized	(6,862)	(604)	(7,466)	5
6	Bank Collection Fees	36	1	37	6
7	Building Service/Facilities	668	1,693	2,361	7
8	Collection Agency Fees	584	19	603	8
9	Communication - Telephone	1,321	34	1,355	9
10	Company Labor	110,474	6,707	117,181	10
11	Consultants	2,847	120	2,967	11
12	Contract Labor	2,355	76	2,431	12
13	Disposal of Obsolete M&S	10	13	23	13
14	Duplicate Misc Charges	(986)	(85)	(1,071)	14
15	EDP Equipment Rentals & Maintenance	846	28	874	15
16	Electric and Gas Used	1,191	131	1,322	16
17	Employee Pensions/OPEBs - Net	19,487	24,423	43,910	17
18	Employee Welfare Expense - Net	13,483	2,632	16,115	18
19	Environmental Affairs	672	21	693	19
20	Other Compensation	1,722	(1,261)	461	20
21	Executive Incentive Plan	903	(904)	(1)	21
22	Financial Services	1,013	615	1,628	22
23	Gas Leaks	9,055	291	9,346	23
24	Gas Sales	1,218	247	1,465	24
25	Security	170	5	175	25
26	Informational Advertising	1,081	641	1,722	26
27	Information Resources	3,235	535	3,770	27
27	Injuries and Damages	12,083	(3,449)	8,634	27
28	Institutional Dues and Subscriptions	631	20	651	28
29	Insurance Premiums	4,563	1,767	6,330	29
30	Interference	12,230	10,913	23,143	30
31	Manhour Expense	11,097	357	11,454	31
32	Marshall's Fees	258	8	266	32
33	Materials and Supplies	803	36	839	33
34	MGP / Superfund	5,684	(5,684)	-	34
35	New York Facilities	6,796	218	7,014	35
36	Outside Legal Services	126	4	130	36
37	Paving	1,303	41	1,344	37
38	Postage	3,154	245	3,399	38
39	Gas Efficiency Program/SBC	15,043	(1,038)	14,005	39
40	General Outreach and Education	1,827	-	1,827	40
41	Other (nuclear)	-	-	-	41
42	Steam Incident Settlement	729	(729)	-	42
43	RCA - Pipeline Integrity Costs	-	-	-	43
44	RCA - Interference	439	(439)	-	44
45	RCA - Pensions / OPEBs	(8,894)	8,894	-	45
46	Real Estate Expenses	353	11	364	46
47	Regulatory Commission Expenses	7,677	477	8,154	47
48	Rents	603	19	622	48
49	Rents - Interdepartmental	4	-	4	49
50	Research and Development	3,605	169	3,774	50
51	Corporate Fiscal Expense	663	-	663	51
52	Shared Services	(2,134)	(69)	(2,203)	52
53	Trenching	1,390	44	1,434	53
54	SBC/RPS	-	4,282	4,282	54
55	Uncollectibles	11,805	3,281	15,086	55
56	Other	9,280	320	9,600	56
57	Operating & Maintenance Expenses (Page 3)	<u>1,207,941</u>	<u>(265,825)</u>	<u>942,116</u>	57
58	Total Operating Revenues less Total Operation and Maintenance Expenses	<u>631,674</u>	<u>(37,371)</u>	<u>594,303</u>	58
	<u>Other Operating Income Deductions</u>				
59	Depreciation and Amortization (Page 4)	94,446	13,799	108,245	59
60	Taxes Other Than Income Taxes (Page 5)	192,340	35,602	227,942	60
61	Total Other Operating Income Deductions	<u>286,786</u>	<u>49,401</u>	<u>336,187</u>	61
62	Operating Income Before Income Taxes	<u>\$ 344,888</u>	<u>\$ (86,772)</u>	<u>\$ 258,116</u>	62

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
OTHER OPERATING REVENUES - GAS
12 MONTHS ENDED JUNE 30, 2009
ADJUSTED TO THE 12 MONTHS ENDING SEPTEMBER 30, 2011
(Thousands of Dollars)

Line No.	Item	Actual 12 Months Ended 6/30/09	Changes to Reflect Conditions in Rate Year	Forecast 12 Months Ended 9/30/11	Line No.
1	Miscellaneous Service Revenues	\$ 1,023	\$ 33	\$ 1,056	1
2	Interdepartmental Rents	5,142	370	5,512	2
	Rent From Gas Property				
3	New York Facilities	6,348	(385)	5,963	3
4	Real Estate Rents	406	(82)	324	4
5	Gas Tunnels - NYC	248	(61)	187	5
	Transmission System Reinforcement Recoveries				
6	NYPA Variable and Maintenance	566	(25)	541	6
7	Steam Department - ERRP Incremental Charges	1,215	-	1,215	7
8	Late Payment Charges	4,964	(809)	4,155	8
9	Reimbursement To KeySpan - Governor's Island	(59)	-	(59)	9
	Unbundled Retail Choice Service				
10	ESCOS/Marketers - Bill Charges (CUBS)	876	(876)	-	10
11	POR Discount (Revenues from ESCO)	4,264	-	4,264	11
	Non Firm Revenues (MRA)				
12	Gas Purchased From Transportation Customers	(1,909)	1,909	-	12
13	Gas Penalties - Off Peak/Interruptible	(3,746)	3,746	-	13
14	Transportation Imbalance Penalties	339	(339)	-	14
15	Exchange Sales	406	(406)	-	15
	Regulatory Accounting				
16	Gas Interference Cost Sharing	6,655	(6,655)	-	16
17	Gas Interference Reconciliation	(2,452)	2,452	-	17
18	Deferred MTA Surcharge on SIT	3,988	(3,988)	-	18
19	Interest on Purchase of Receivables Program	3	(3)	-	19
20	Research and Development Surcharge Deferral	(2,021)	2,021	-	20
21	Research and Development GAC Surcharge	1,927	28	1,955	21
22	Amortization of Deferrals	6,116	(6,116)	-	22
23	Section 263A Rate Base Reduction Reconciliation	73	(73)	-	23
24	Rate Increase Deferred	503	(503)	-	24
25	Gas Rdm Reconciliation-06-g-1332	22,088	(22,088)	-	25
26	R&D True-up Deferral - 06-g-1332	(1,100)	1,100	-	26
27	Por C&c Rev Def 06-g-1332	(41)	41	-	27
28	Earnings Adjustment-06-g-1332	8,566	(8,566)	-	28
29	Gas In Storage Reconc.- 06-g-1332	470	(470)	-	29
30	Net Unbilled Revenue - Gas	(28,485)	28,485	-	30
31	Gas Sbc Rev. Def. 10/08 - 12/11	(3,564)	3,564	-	31
32	GRT on Winter Bundled Sales	277	(277)	-	32
33	Distribution Plant Carrying Charges	3,845	(3,845)	-	33
34	Pipeline Integrity Deferral	(1,153)	1,153	-	34
35	Gas Migration Incentive	(125)	125	-	35
36	Interest on Gas Hedging Program	(1,313)	1,313	-	36
37	Interest Rev.- Gas Case Deferrals	361	(361)	-	37
38	Retention Of Prop. Tax Incentive	80	(80)	-	38
39	Prior Gas Supplr Intrst Refund	230	(230)	-	39
40	Prop. Tax Amortization	(163)	163	-	40
41	Asset Management Revenue	56	(56)	-	41
	All Other				
42	R&D Ventures	82	(82)	-	42
43	Learning Center Revenues	96	-	96	43
44	Miscellaneous	126	-	126	44
45	Total Other Operating Revenues	\$ 35,208	\$ (9,872)	\$ 25,336	45

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
GAS OPERATION AND MAINTENANCE EXPENSES
FOR THE YEARS ENDED JUNE 2009 AND SEPTEMBER 2011
(Thousands of Dollars)

LINE NO.		12 MONTHS ENDED JUNE 30, 2009	NORMALIZING ADJMTS	PROGRAM CHANGES	5.76% LABOR ESCAL	GENERAL ESCAL	ADJUSTMENTS	12 MONTHS ENDED SEPTEMBER 30, 2011	LINE NO.
1	Fuel	\$ 942,300	\$ -	\$ (320,901)	\$ -	\$ -	\$ (320,901)	\$ 621,399	1
2	Admin & General Exps Capitalized	(6,862)	-	(603)	-	-	(603)	(7,465)	2
3	Bank Collection Fees	36	-	-	-	1	1	37	3
4	Building Service/Facilities	668	-	1,620	-	73	1,693	2,361	4
5	Collection Agency Fees	584	-	-	-	19	19	603	5
6	Communication - Telephone	1,321	(10)	1	-	42	33	1,354	6
7	Company Labor	110,474	(262)	566	6,403	-	6,707	117,181	7
8	Consultants	2,847	-	28	-	92	120	2,967	8
9	Contract Labor	2,355	-	-	-	76	76	2,431	9
10	Disposal of Obsolete M&S	10	-	12	-	1	13	23	10
11	Duplicate Misc Charges	(988)	-	(52)	-	(33)	(85)	(1,071)	11
12	EDP Equipment Rentals & Maintenance	846	-	-	-	27	27	873	12
13	Electric and Gas Used	1,191	-	89	-	41	130	1,321	13
14	Employee Pensions/OPEBs - Net	19,487	-	24,423	-	-	24,423	43,910	14
15	Employee Welfare Expense - Net	13,483	1,323	1,309	-	-	2,632	16,115	15
16	Environmental Affairs	672	-	0	-	22	22	694	16
17	Other Compensation	1,722	(1,261)	-	-	-	(1,261)	461	17
18	Executive Incentive Plan	903	(904)	-	-	-	(904)	(1)	18
19	Financial Services	1,013	-	615	-	-	615	1,628	19
20	Gas Leaks	9,055	-	-	-	291	291	9,346	20
21	Gas Sales	1,218	-	247	-	-	247	1,465	21
22	Security	170	-	-	-	5	5	175	22
23	Informational Advertising	1,081	-	641	-	-	641	1,722	23
24	Information Resources	3,235	-	418	-	117	535	3,770	24
25	Injuries and Damages	12,063	-	(3,719)	-	269	(3,450)	8,633	25
26	Institutional Dues and Subscriptions	631	-	-	-	20	20	651	26
27	Insurance Premiums	4,563	-	1,767	-	-	1,767	6,330	27
28	Interference	12,230	-	10,913	-	-	10,913	23,143	28
29	Manhour Expense	11,067	-	-	-	357	357	11,454	29
30	Marshall's Fees	258	-	-	-	8	8	266	30
31	Materials and Supplies	803	-	10	-	26	36	839	31
32	MGP / Superfund	5,684	(5,684)	-	-	-	(5,684)	-	32
33	New York Facilities	6,796	-	-	-	218	218	7,014	33
34	Outside Legal Services	126	-	-	-	4	4	130	34
35	Paving	1,303	-	-	-	42	42	1,345	35
36	Postage	3,154	-	245	-	-	245	3,399	36
37	Gas Efficiency Program/SBC	15,043	-	(1,038)	-	-	(1,038)	14,005	37
38	General Outreach and Education	1,827	-	-	-	-	-	1,827	38
39	Other (nuclear)	-	-	-	-	-	-	-	39
40	Steam Incident Settlement	729	(729)	-	-	-	(729)	-	40
41	RCA - Pipeline Integrity Costs	-	-	-	-	-	-	-	41
42	RCA - Interference	439	(439)	-	-	-	(439)	-	42
43	RCA - Pensions / OPEBs	(8,894)	8,894	-	-	-	8,894	-	43
44	Real Estate Expenses	353	-	-	-	11	11	364	44
45	Regulatory Commission Expenses	7,677	-	223	-	254	477	8,154	45
46	Rents	603	-	-	-	19	19	622	46
47	Rents - Interdepartmental	4	-	-	-	-	-	4	47
48	Research and Development	3,605	-	52	-	117	169	3,774	48
49	Corporate Fiscal Expense	663	-	-	-	-	-	663	49
50	Shared Services	(2,134)	-	-	-	(69)	(69)	(2,203)	50
51	Trenching	1,390	-	-	-	45	45	1,435	51
52	SBC/RPS	-	-	4,282	-	-	4,282	4,282	52
53	Uncollectibles	11,805	-	3,281	-	-	3,281	15,086	53
54	Other	9,280	(22)	42	-	300	320	9,600	54
55	Total Operation & Maintenance Expenses	\$ 1,207,941	\$ 906	\$ (275,530)	\$ 6,403	\$ 2,395	\$ (265,826)	\$ 942,115	55

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
GAS DEPRECIATION AND AMORTIZATION EXPENSE
JULY 2009 - SEPTEMBER 2010
(Thousands of Dollars)

	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Gas Plant Balance																
Gas Distribution	\$ 3,337,633	\$ 3,357,096	\$ 3,376,057	\$ 3,396,441	\$ 3,420,807	\$ 3,447,886	\$ 3,504,172	\$ 3,519,616	\$ 3,536,236	\$ 3,554,633	\$ 3,574,925	\$ 3,593,631	\$ 3,616,173	\$ 3,635,164	\$ 3,655,094	\$ 3,680,001
LNG	44,446	44,410	44,356	44,301	44,247	44,193	46,895	46,849	46,813	49,524	49,468	49,451	52,162	52,108	52,054	54,746
Total Gas Plant	3,382,079	3,401,506	3,420,413	3,440,742	3,465,054	3,492,078	3,551,057	3,566,465	3,583,049	3,604,157	3,624,412	3,643,082	3,668,335	3,687,272	3,707,147	3,734,747
Composite Depreciation Rates																
Gas Distribution (2.236% annual)	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%
LNG (3.887% annual)	0.3239%	0.3239%	0.3239%	0.3239%	0.3239%	0.3239%	0.3239%	0.3239%	0.3239%	0.3239%	0.3239%	0.3239%	0.3239%	0.3239%	0.3239%	0.3239%
Gas Depreciation Expense																
Gas Distribution	6,218	6,254	6,290	6,328	6,373	6,423	6,528	6,557	6,588	6,622	6,660	6,695	6,737	6,772	6,809	
LNG	144	144	144	143	143	143	152	152	152	160	160	160	169	169	169	
Interruptible	123	123	123	123	-	-	-	-	-	-	-	-	-	-	-	
Total Gas Depreciation	6,485	6,521	6,557	6,471	6,516	6,566	6,680	6,709	6,740	6,782	6,820	6,855	6,906	6,941	6,978	
Common Plant Balance																
Building & Yards	611,149	611,985	612,643	613,559	616,896	628,800	639,176	638,994	638,830	638,653	642,756	642,675	642,588	642,414	642,231	642,076
Vehicles	258,491	258,641	259,034	260,990	262,739	263,752	269,538	269,370	268,639	269,406	269,375	269,619	269,879	270,033	270,431	272,395
Office Furniture	40,566	40,349	40,146	40,036	39,914	39,748	39,866	39,832	39,364	39,187	38,961	38,752	38,544	38,330	38,131	38,026
Computer	283,569	280,498	277,760	276,535	274,589	272,200	274,762	271,321	267,692	264,797	261,567	258,864	257,241	254,209	251,313	249,369
Communications - Subject to Depreciation	178,343	178,631	178,952	179,479	179,979	180,382	181,416	181,560	181,661	181,877	182,032	182,208	182,386	182,565	182,743	183,053
- Embedded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stores Equipment	6,429	6,384	6,343	6,332	6,316	6,287	6,346	6,292	6,228	6,190	6,138	6,091	6,044	5,995	5,951	5,932
Lab Equipment	67,789	67,865	67,980	68,347	68,680	68,895	69,877	69,887	69,812	69,965	69,997	70,070	70,146	70,206	70,303	70,640
Power Equipment	3,419	3,706	4,038	4,654	5,232	5,676	6,990	7,232	7,367	7,785	8,052	8,372	8,694	8,996	9,345	9,989
Shop Equipment	57,768	57,380	56,993	56,614	56,234	55,850	55,489	55,100	54,708	54,323	53,934	53,546	53,159	52,771	52,384	52,005
Misc. Equipment	24,196	23,981	23,780	23,671	23,551	23,386	23,504	23,262	22,989	22,798	22,563	22,344	22,125	21,901	21,690	21,564
Software Amortization	58,081	59,200	61,116	65,644	67,744	69,693	80,947	81,252	82,055	82,474	83,322	85,666	92,296	93,525	94,755	96,328
Total Common Plant	1,589,800	1,588,620	1,588,786	1,595,860	1,601,874	1,614,669	1,647,911	1,643,902	1,639,344	1,637,454	1,638,698	1,638,208	1,643,102	1,640,936	1,639,276	1,641,377
Composite Depreciation Rates																
Building & Yards (3.2% annual)	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%
Vehicles (11.25% annual)	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%
Office Furniture (5.56% annual)	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%
Computer (11.78% annual)	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%
Communications (6.67% annual)	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%
Stores Equipment (4.75% annual)	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%
Lab Equipment (5.0% annual)	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%
Power Equipment (7.5% annual)	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%
Shop Equipment (5.28% annual)	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%
Misc. Equipment 5.0% annual)	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%
Software Amortization (10.23% annual)	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%
Common Depreciation Expense																
Building & Yards	1,630	1,632	1,634	1,636	1,645	1,677	1,705	1,704	1,704	1,704	1,703	1,714	1,714	1,714	1,713	1,713
Vehicles	2,423	2,425	2,428	2,447	2,463	2,473	2,527	2,525	2,518	2,526	2,525	2,528	2,528	2,530	2,532	2,535
Office Furniture - Normal Depreciation	188	187	186	185	185	184	185	184	182	182	181	180	179	178	177	
- Amortization Ltd Plant	274	274	274	274	274	274	274	274	274	274	274	274	274	274	274	
Computer	2,785	2,754	2,728	2,716	2,696	2,673	2,698	2,664	2,629	2,600	2,569	2,542	2,526	2,496	2,468	
Communications	991	993	995	998	1,000	1,003	1,008	1,009	1,010	1,011	1,012	1,013	1,014	1,015	1,016	
Stores Equipment - Normal Depreciation	25	25	25	25	25	25	25	25	25	24	24	24	24	24	24	
- Amortization Ltd Pit	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	
Lab Equipment - Normal Depreciation	282	283	283	285	286	287	291	291	291	292	292	292	292	293	293	
- Amortization Ltd Plant	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	
Power Equipment	21	23	25	29	33	35	44	45	46	49	50	52	54	56	58	
Shop Equipment - Normal Depreciation	254	252	251	249	247	246	244	242	241	239	237	236	234	232	230	
- Amortization Ltd Pit	226	226	226	226	226	226	226	226	226	226	226	226	226	226	226	
Misc. Equipment - Normal Depreciation	101	100	99	99	98	97	98	97	96	95	94	93	92	91	90	
- Amortization Ltd Pit	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	
Software Amortization	495	505	521	560	578	594	690	693	700	703	710	730	787	797	808	
Total Common Depreciation	9,983	9,967	9,963	10,017	10,044	10,082	10,303	10,267	10,230	10,212	10,196	10,154	10,196	10,177	10,162	
Common Allocation to Gas (17%)	1,697	1,694	1,694	1,703	1,707	1,714	1,752	1,745	1,739	1,736	1,733	1,726	1,733	1,730	1,728	
Depreciation on Gas Plant Above	6,485	6,521	6,557	6,471	6,516	6,566	6,680	6,709	6,740	6,782	6,820	6,855	6,906	6,941	6,978	
Total Gas Depreciation	8,182	8,215	8,251	8,174	8,223	8,280	8,432	8,454	8,479	8,518	8,553	8,581	8,639	8,671	8,706	
Less: Depreciation on Interruptible Plant	(123)	(123)	(123)	(123)	-	-	-	-	-	-	-	-	-	-	-	
Net Gas Depreciation Expense	\$ 8,059	\$ 8,092	\$ 8,128	\$ 8,174	\$ 8,223	\$ 8,280	\$ 8,432	\$ 8,454	\$ 8,479	\$ 8,518	\$ 8,553	\$ 8,581	\$ 8,639	\$ 8,671	\$ 8,706	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
GAS DEPRECIATION AND AMORTIZATION EXPENSE
OCTOBER 2010 - SEPTEMBER 2011
(Thousands of Dollars)

	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Total
Gas Plant Balance	\$3,706,880	\$3,756,696	\$3,808,651	\$3,824,226	\$3,840,985	\$3,859,535	\$3,879,764	\$3,898,618	\$3,921,337	\$3,940,482	\$3,960,319	\$3,988,753	\$46,386,246
Gas Distribution	54,692	54,638	58,782	58,746	58,710	58,674	58,638	58,601	58,565	58,511	58,457	58,402	695,415
LNG	3,761,572	3,811,334	3,867,434	3,882,972	3,899,695	3,916,209	3,932,401	3,948,417	3,964,210	3,979,902	3,995,492	4,011,175	47,081,661
Composite Depreciation Rates													
Gas Distribution (2.236% annual)	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	0.1863%	
LNG (3.863% annual)	0.3236%	0.3236%	0.3236%	0.3236%	0.3236%	0.3236%	0.3236%	0.3236%	0.3236%	0.3236%	0.3236%	0.3236%	
Gas Depreciation Expense													
Gas Distribution	6,856	6,906	6,999	7,096	7,125	7,156	7,190	7,228	7,263	7,305	7,341	7,378	85,843
LNG	177	177	177	190	190	190	190	190	190	190	189	189	2,239
Interruptible	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Gas Depreciation	7,033	7,083	7,176	7,286	7,315	7,346	7,380	7,418	7,453	7,495	7,530	7,567	88,082
Common Plant Balance													
Building & Yards	641,948	641,831	687,756	687,709	687,899	687,907	688,118	688,285	688,432	688,514	688,565	688,709	8,165,674
Vehicles	274,152	275,171	280,972	280,729	279,938	280,588	280,470	280,617	280,780	280,840	281,136	282,936	3,359,330
Office Furniture	37,910	37,748	37,877	37,798	37,689	37,667	37,599	37,546	37,495	37,438	37,394	37,442	451,602
Computer	247,359	244,973	246,312	244,884	243,261	242,396	241,183	240,371	239,544	238,524	237,618	237,678	2,904,101
Communications - Subject to Depreciation	183,346	183,683	184,189	183,510	182,771	182,189	181,524	180,887	180,253	179,607	178,986	178,530	2,179,375
- Embedded	-	-	-	-	-	-	-	-	-	-	-	-	-
Stores Equipment	5,910	5,876	5,922	5,888	5,846	5,830	5,800	5,775	5,750	5,723	5,701	5,704	69,727
Lab Equipment	70,945	71,138	72,062	71,914	71,678	71,669	71,540	71,452	71,366	71,265	71,200	71,374	857,602
Power Equipment	10,594	11,059	12,428	12,647	12,761	13,158	13,404	13,702	14,003	14,284	14,611	15,232	157,882
Shop Equipment	51,625	51,241	50,860	50,478	50,072	49,674	49,272	48,872	48,472	48,071	47,671	47,280	593,609
Misc. Equipment	21,427	21,250	21,355	21,361	21,354	21,351	21,463	21,511	21,559	21,601	21,658	21,801	257,752
Software Amortization	98,090	99,987	106,181	106,481	107,271	107,684	108,520	110,336	112,056	113,242	114,333	115,722	1,299,902
Total Common Plant	1,643,305	1,643,957	1,705,914	1,703,397	1,700,541	1,700,193	1,698,993	1,699,354	1,699,710	1,699,109	1,698,874	1,702,409	20,295,557
Composite Depreciation Rates													
Building & Yards (3.2% annual)	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	0.26670%	
Vehicles (11.25% annual)	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	0.93750%	
Office Furniture (5.56% annual)	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	0.46330%	
Computer (11.78% annual)	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	0.98200%	
Communications (6.67% annual)	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	0.55580%	
Stores Equipment (4.75% annual)	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	0.39580%	
Lab Equipment (5.0% annual)	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	
Power Equipment (7.5% annual)	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	0.62500%	
Shop Equipment (5.28% annual)	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	0.44000%	
Misc. Equipment (5.0% annual)	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	0.41670%	
Software Amortization (10.23% annual)	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	0.85270%	
Common Depreciation Expense													
Building & Yards	1,712	1,712	1,712	1,834	1,834	1,835	1,835	1,835	1,836	1,836	1,836	1,836	21,653
Vehicles	2,554	2,570	2,580	2,634	2,632	2,624	2,631	2,629	2,631	2,632	2,633	2,636	31,386
Office Furniture - Normal Depreciation	176	176	175	175	175	175	175	174	174	174	173	173	2,095
- Amortization Ltd Plant	274	249	2406	2,419	2,405	2,389	2,380	2,368	2,360	2,352	2,342	2,333	274
Computer	1,017	1,019	1,020	1,024	1,020	1,016	1,013	1,009	1,005	1,002	998	995	12,138
Communications	23	23	23	23	23	23	23	23	23	23	23	23	276
Stores Equipment - Normal Depreciation	294	296	296	300	300	299	299	298	298	297	297	297	3,571
- Amortization Ltd Pit	185	185	185	185	185	185	185	185	185	185	185	185	2,222
Lab Equipment - Normal Depreciation	62	66	69	78	79	80	82	84	86	88	89	91	954
Power Equipment	229	227	225	224	222	220	219	217	215	213	212	210	2,633
Shop Equipment - Normal Depreciation	90	89	89	89	89	89	89	89	90	90	90	90	1,073
- Amortization Ltd Pit	65	65	65	65	65	65	65	65	65	65	65	65	781
Misc. Equipment - Normal Depreciation	821	836	853	905	908	915	918	925	941	955	966	975	10,918
- Amortization Ltd Pit	951	953	958	955	937	915	914	901	909	912	909	909	11,607
Software Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Common Depreciation	1,692	1,648	1,649	1,692	1,689	1,686	1,685	1,683	1,685	1,685	1,685	1,685	20,163
Common Allocation to Gas (17%)	7,033	7,083	7,176	7,286	7,315	7,346	7,380	7,418	7,453	7,495	7,530	7,567	88,082
Depreciation on Gas Plant Above	8,725	8,731	8,825	8,978	9,004	9,032	9,065	9,101	9,138	9,180	9,215	9,252	108,245
Total Gas Depreciation	15,758	15,824	15,825	16,264	16,303	16,318	16,445	16,519	16,591	16,670	16,745	16,837	209,128
Less: Depreciation on Interruptible Plant	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Gas Depreciation Expense at Current Rates	15,758	15,824	15,825	16,264	16,303	16,318	16,445	16,519	16,591	16,670	16,745	16,837	209,128

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
TAXES OTHER THAN INCOME TAXES - GAS
12 MONTHS ENDED JUNE 30, 2009
ADJUSTED TO THE 12 MONTHS ENDING SEPTEMBER 30, 2011
(Thousands of Dollars)

Line No.	Item	12 Months Ended 6/30/09	Changes to Reflect Conditions in Rate Year	12 Months Ended 9/30/11	Line No.
	Property Taxes				
1	New York City	\$ 102,071	\$ 35,479	\$ 137,550	1
2	Westchester and All Other	33,219	2,836	36,055	2
3	Property Tax Reconciliation Deferral	(2,669)	2,669	-	3
	Total Property Taxes	132,622	40,983	173,605	
4	Revenue Taxes	51,392	(7,130)	44,262	4
5	Payroll Taxes	6,086	1,701	7,788	5
6	MTA Mobility Tax	105	293	398	6
7	Sales & Compensating Use Tax	240	(240)	-	7
8	Subsidiary Capital Tax	838	27	866	8
9	Corporate Franchise Tax	291	(12)	279	9
10	Receipts Tax	508	35	543	10
11	All Other Taxes	258	(56)	202	11
12	Total Taxes Other	\$ 192,340	\$ 35,602	\$ 227,942	12

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
COMPUTATION OF LABOR FACTOR TO BRING
THE TWELVE MONTHS ENDED JUNE 30, 2009 TO THE RATE YEAR
(Thousands of Dollars)

	Twelve Months Ended June 30, 2009	Twelve Months Ending September 30, 2011			
		Without Productivity Savings		With Productivity Savings	Productivity Savings
<u>Union Wages</u>					
Straight Time	\$ 572,533	\$ 611,554		\$ 600,904	\$ 10,650
Premium Time	30,206	31,997		31,277	720
Overtime	<u>133,231</u>	<u>141,132</u>		<u>137,957</u>	<u>3,175</u>
Total Union	735,970	784,683	6.6%	770,138	4.6% 14,545
<u>Management Salaries</u>					
Straight Time	529,311	579,293		569,283	10,010
Compensatory Time	<u>37,331</u>	<u>39,313</u>		<u>38,428</u>	<u>885</u>
Total Management	566,642	618,606	9.2%	607,711	7.3% 10,895
Total Salaries and Wages	<u>\$ 1,302,612</u>	<u>\$ 1,403,289</u>		<u>\$ 1,377,849</u>	<u>\$ 25,440</u>
Percentage Increase - Rate Year Over Twelve Months Ended June 30, 2009		<u>7.73%</u>		<u>5.78%</u>	

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

	<u>Weekly</u>	<u>Without Productivity Management</u>	<u>Total</u>	<u>Weekly</u>	<u>With Productivity Management</u>	<u>Total</u>
<u>Number of Employees</u>						
Actual on Roll with Pay for June 2009	9,476	4,977	14,453	9,476	4,977	14,453
Estimated Average Number of Employees on Roll with Pay during the Rate Year	9,476	4,977	14,453	9,311	4,891	14,202
Average Weekly Straight Time Wages and Monthly Management Salary During Rate Year	\$ 1,257 /Week \$ 1,227 /Week without progression	\$ 9,150 /Month		\$ 1,257 /Week \$ 1,227 /Week without progression	\$ 9,150 /Month	
<u>Rate Year Straight Time Wages and Salaries (Thousands of Dollars)</u>						
<u>Weekly</u>	<u>With Progression</u>	<u>Without Progression</u>	<u>Local 3</u>	<u>With Progression</u>	<u>Without Progression</u>	<u>Local 3</u>
Average Weekly Straight Time Wages	\$ 1,257	\$ 1,227	1,210	\$ 1,257	\$ 1,227	1,210
(X) 52 Weeks	52	52	52	52	52	52
	65,340	63,794	62,909	65,340	63,794	62,909
(X) No. of Employees	4,738	4,418	320	4,656	4,341	315
Total Weekly Straight Time Wages	\$ 309,581	\$ 281,842	\$ 20,131	\$ 304,190	\$ 276,898	\$ 19,816
sub-total			611,554			600,904
<u>Management</u>						
Average Monthly Straight Time Wages		\$ 9,150			\$ 9,150	
(X) 12 Months		12			12	
		109,806			109,806	
Variable pay 6.0%		6,588			6,588	
		116,394			116,394	
(X) No. of Employees Employees		4,977			4,891	
Total Management Salaries			579,293			569,283
Total Straight Time Wages and Salaries			\$ 1,190,847			\$ 1,170,187

Note:

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

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

(Thousands of Dollars)

Weekly

Premium Time

Actual Twelve Months Ended June 30, 2009	\$ 30,206	
(X) Rate Year Factor	<u>105.93%</u>	
Rate Year Amount - without productivity savings		<u>\$ 31,997</u>
Rate Year Amount - with productivity savings		<u>\$ 31,277</u>

Overtime

Actual Twelve Months Ended June 30, 2009	\$ 133,231	
(X) Rate Year Factor	<u>105.93%</u>	
Rate Year Amount - without productivity savings		<u>\$ 141,132</u>
Rate Year Amount - with productivity savings		<u>\$ 137,957</u>

Management

Compensatory Time

Actual Twelve Months Ended June 30, 2009	\$ 37,331	
(X) Rate Year Factor	<u>105.31%</u>	
Rate Year Amount - without productivity savings		<u>\$ 39,313</u>
Rate Year Amount - with productivity savings		<u>\$ 38,428</u>

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

<u>Weekly Employees</u>	<u>Per Week With progression</u>	<u>Per Week Without progression</u>	<u>Per Week Local 3</u>
Straight Time Average June 2009	\$ 1,171.65	\$ 1,171.65	\$ 1,171.65
Est. average for June 2010	1,184.21	1,175.07	1,173.11
Estimated Average Straight Time for the Rate Year			
October-10 @ .7% progression	1,237.07	1,212.66	1,189.22
November-10	1,237.07	1,212.66	1,189.22
December-10	1,237.07	1,212.66	1,189.22
January-11	1,237.07	1,212.66	1,195.17
February-11 @ .6% progression	1,244.50	1,212.66	1,195.17
March-11	1,244.50	1,212.66	1,195.17
April-11	1,244.50	1,212.66	1,195.17
May-11	1,244.50	1,212.66	1,195.17
June-11 @ 3.5% wage award	1,288.05	1,255.10	1,243.46
July-11	1,288.05	1,255.10	1,243.46
August-11	1,288.05	1,255.10	1,243.46
September-11	1,288.05	1,255.10	1,243.46
Rate Year Straight Time Average	1,256.54	1,226.81	1,209.78
<u>Labor Factor</u>			
Rate Year Average less June 2009	\$ 84.89	\$ 55.16	\$ 38.13
divided by June 2009	7.25%	4.71%	3.25%
Weighted Average			5.93%
<u>Management Employees</u>			
	<u>Per Month</u>		
Straight Time Average for June 2009	\$ 8,689.00		
Estimated April 2010 - 3.5% merit	8,993.12		
Estimated Average Straight Time for the Rate Year			
October-10	8,993.12		
November-10	8,993.12		
December-10	8,993.12		
January-11	8,993.12		
February-11	8,993.12		
March-11	8,993.12		
April-11 @ 3.5% merit	9,307.87		
May-11	9,307.87		
June-11	9,307.87		
July-11	9,307.87		
August-11	9,307.87		
September-11	9,307.87		
Rate Year Straight Time Average	9,150.49		
<u>Labor Factor</u>			
Rate Year Average less June 2009	\$ 461.49		
divided by June 2009	5.31%		

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STAFFING LEVELS FROM JUNE 2009 TO SEPTMEBER 2011

	<u>%</u>	<u>Weekly</u>		<u>Management</u>	<u>Total</u>
		Local 1-2	Local 3		
Average with pay at June 2009		9,156	320	4,977	14,453
Forecast of Productivity - July to June 2010	1.00%	<u>(92)</u>	<u>(3)</u>	<u>(50)</u>	<u>(145)</u>
Average with pay at June 2010		9,064	317	4,927	14,308
Forecast of Productivity - July to Septmber 2010	0.25%	<u>(23)</u>	<u>(1)</u>	<u>(12)</u>	<u>(36)</u>
Average with pay at September 2010		9,041	316	4,915	14,272
Forecast of Productivity - October to September 2011	1.00%	<u>(90)</u>	<u>(3)</u>	<u>(49)</u>	<u>(142)</u>
Average with pay at September 2011		8,951	313	4,866	14,130
Average September 2010 and September 2011		<u>8,996</u>	<u>315</u>	<u>4,891</u>	<u>14,202</u>

EXHIBIT __ (AP-5)
SCHEDULE 3

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STATEMENT OF GAS COST ELEMENTS
TWELVE MONTHS ENDED JUNE 30, 2009
(Thousands of Dollars)

LINE NO.		(41) PRODUCTION		(37) TRANSMISSION		(45) DISTRIBUTION		(47) CUSTOMER		(48)	(49) ADMIN	TOTAL	LINE NO.
		OPERATION	MAINTENANCE	OPERATION	MAINTENANCE	OPERATION	MAINTENANCE	ACCOUNTING		SERVICE	AND GENERAL		
1	Admin & General Exps Capitalized	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(6,862)	(6,862)	1
2	Bank Collection Fees	-	-	-	-	-	-	36	-	-	-	36	2
3	Building Service/Facilities	-	8	-	18	322	69	262	18	(29)	-	668	3
4	Collection Agency Fees	-	-	-	-	-	-	584	-	-	-	584	4
5	Communication - Telephone	-	-	85	(5)	185	24	781	35	-	216	1,321	5
6	Company Labor	1,208	860	3,627	2,570	35,054	24,020	24,586	1,610	18,339	-	110,474	6
7	Consultants	10	9	1	24	85	88	25	120	2,485	-	2,847	7
8	Contract Labor	10	472	-	169	352	1,251	21	1	79	-	2,355	8
9	Disposal of Obsolete M&S	-	-	-	-	-	3	-	-	7	-	10	9
10	Duplicate Misc Charges	2	-	-	-	-	-	-	-	(988)	(986)	-	10
11	EDP Equipment Rentals & Maintenance	3	-	1	3	243	122	113	28	333	-	846	11
12	Electric and Gas Used	496	-	-	3	-	-	146	-	546	-	1,191	12
13	Employee Pensions/OPEBs - Net	-	-	-	-	-	-	-	-	19,487	-	19,487	13
14	Employee Welfare Expense - Net	-	-	-	-	-	-	-	-	13,483	-	13,483	14
15	Environmental Affairs	4	26	2	2	588	13	11	-	26	-	672	15
16	Other Compensation	-	-	-	-	-	-	-	-	1,722	-	1,722	16
17	Executive Incentive Plan	-	-	-	-	-	-	-	-	903	-	903	17
18	Financial Services	-	-	-	-	-	-	-	-	1,013	-	1,013	18
19	Gas Leaks	-	-	-	-	-	9,055	-	-	-	-	9,055	19
20	Gas Sales	-	-	-	-	-	-	-	1,218	-	-	1,218	20
21	Security	14	-	-	-	4	-	80	-	72	-	170	21
22	Informational Advertising	-	-	-	-	-	-	-	1,081	-	-	1,081	22
23	Information Resources	-	-	-	-	607	-	226	239	2,163	-	3,235	23
24	Injuries and Damages	-	-	-	-	-	-	-	-	12,083	-	12,083	24
25	Institutional Dues and Subscriptions	-	-	-	-	499	-	-	-	132	-	631	25
26	Insurance Premiums	-	-	-	-	-	-	-	-	4,563	-	4,563	26
27	Interference	-	-	-	102	602	11,526	-	-	-	-	12,230	27
28	Manhour Expense	1	68	499	521	4,981	5,011	24	1	(9)	-	11,097	28
29	Marshall's Fees	-	-	-	-	-	-	258	-	-	-	258	29
30	Materials and Supplies	7	96	70	43	90	456	101	2	(62)	-	803	30
31	MGP / Superfund	-	-	-	-	-	-	-	-	5,684	-	5,684	31
32	New York Facilities	-	-	4,761	1,852	-	183	-	-	-	-	6,796	32
33	Outside Legal Services	-	-	-	-	-	-	-	-	126	-	126	33
34	Paving	3	-	2	4	105	1,177	12	-	-	-	1,303	34
35	Postage	-	-	-	-	2	-	3,115	15	22	-	3,154	35
36	Gas Efficiency Program/SBC	-	-	-	-	15,043	-	-	-	-	-	15,043	36
37	General Outreach and Education	-	-	-	-	-	-	-	1,827	-	-	1,827	37
38	Other (nuclear)	-	-	-	-	-	-	-	-	-	-	-	38
39	Steam Incident Settlement	-	-	-	-	-	729	-	-	-	-	729	39
40	RCA - Pipeline Integrity Costs	-	-	-	-	-	-	-	-	-	-	-	40
41	RCA - Interference	-	-	-	-	-	-	439	-	-	-	439	41
42	RCA - Pensions / OPEBs	-	-	-	-	-	-	-	-	(8,894)	-	(8,894)	42
43	Real Estate Expenses	-	-	-	-	-	-	-	-	353	-	353	43
44	Regulatory Commission Expenses	-	-	-	-	-	-	-	-	7,677	-	7,677	44
45	Rents	-	-	-	-	163	7	373	1	59	-	603	45
46	Rents - Interdepartmental	-	-	-	-	4	-	-	-	-	-	4	46
47	Research and Development	-	-	-	-	3,254	-	-	-	351	-	3,605	47
48	Corporate Fiscal Expense	-	-	-	-	-	-	-	-	663	-	663	48
49	Shared Services	-	-	-	-	-	-	376	-	(2,510)	-	(2,134)	49
50	Trenching	-	1	23	255	129	979	3	-	-	-	1,390	50
51	SBC/RPS	-	-	-	-	-	-	-	-	-	-	-	51
52	Uncollectibles	-	-	-	-	-	-	11,805	-	-	-	11,805	52
53	Other	246	737	330	682	(826)	3,311	2,432	(316)	2,686	-	9,280	53
Total Operation & Maintenance Expenses		\$ 2,004	\$ 2,277	\$ 9,401	\$ 6,243	\$ 61,484	\$ 59,063	\$ 45,370	\$ 5,880	\$ 73,919	\$ 265,641		

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STATEMENT OF GAS COST ELEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(Thousands of Dollars)

LINE NO.		(41) PRODUCTION (51)		(37) TRANSMISSION (57)		(45) DISTRIBUTION (55)		(47) CUSTOMER (48)		(49) ADMIN	TOTAL	LINE NO.
		OPERATION	MAINTENANCE	OPERATION	MAINTENANCE	OPERATION	MAINTENANCE	ACCOUNTING	SERVICE	AND GENERAL		
1	Admin & General Exps Capitalized	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,466)	\$ (7,466)	1
2	Bank Collection Fees	-	-	-	-	-	-	37	-	-	37	2
3	Building Service/Facilities	-	8	-	19	332	71	270	19	1,642	2,361	3
4	Collection Agency Fees	-	-	-	-	-	-	603	-	-	603	4
5	Communication - Telephone	-	-	88	(5)	191	25	796	36	224	1,355	5
6	Company Labor	1,275	907	3,825	2,712	37,064	25,985	26,084	1,700	17,629	117,181	6
7	Consultants	10	9	1	25	99	91	27	124	2,581	2,967	7
8	Contract Labor	10	487	-	174	363	1,282	22	1	82	2,431	8
9	Disposal of Obsolete M&S	-	-	-	-	-	3	-	-	20	23	9
10	Duplicate Misc Charges	2	-	-	-	-	-	-	-	(1,073)	(1,071)	10
11	EDP Equipment Rentals & Maintenance	3	-	1	3	251	126	117	29	344	874	11
12	Electric and Gas Used	513	-	-	3	-	-	151	-	655	1,322	12
13	Employee Pensions/OPEBs - Net	-	-	-	-	-	-	-	-	43,910	43,910	13
14	Employee Welfare Expense - Net	-	-	-	-	-	-	-	-	16,115	16,115	14
15	Environmental Affairs	4	27	2	2	607	13	11	-	27	693	15
16	Other Compensation	-	-	-	-	-	-	-	-	461	461	16
17	Executive Incentive Plan	-	-	-	-	-	-	-	-	(1)	(1)	17
18	Financial Services	-	-	-	-	-	-	-	-	1,628	1,628	18
19	Gas Leaks	-	-	-	-	-	9,346	-	-	-	9,346	19
20	Gas Sales	-	-	-	-	-	-	-	1,405	-	1,405	20
21	Security	14	-	-	-	4	-	83	-	74	175	21
22	Informational Advertising	-	-	-	-	-	-	-	1,722	-	1,722	22
23	Information Resources	-	-	-	-	626	-	322	247	2,575	3,770	23
24	Injuries and Damages	-	-	-	-	-	-	-	-	8,634	8,634	24
25	Institutional Dues and Subscriptions	-	-	-	-	515	-	-	-	136	651	25
26	Insurance Premiums	-	-	-	-	-	-	-	-	6,330	6,330	26
27	Interference	-	-	-	102	602	22,439	-	-	-	23,143	27
28	Manhour Expense	1	70	515	538	5,141	5,172	25	1	(9)	11,454	28
29	Marshall's Fees	-	-	-	-	-	-	266	-	-	266	29
30	Materials and Supplies	7	99	72	44	93	471	115	2	(64)	839	30
31	MGP / Superfund	-	-	-	-	-	-	-	-	-	-	31
32	New York Facilities	-	-	4,914	1,911	-	189	-	-	-	7,014	32
33	Outside Legal Services	-	-	-	-	-	-	-	-	130	130	33
34	Paving	3	-	2	4	108	1,215	12	-	-	1,344	34
35	Postage	-	-	-	-	2	-	3,115	15	267	3,399	35
36	Gas Efficiency Program/SBC	-	-	-	-	14,005	-	-	-	-	14,005	36
37	General Outreach and Education	-	-	-	-	-	-	-	1,827	-	1,827	37
38	Other (nuclear)	-	-	-	-	-	-	-	-	-	-	38
40	RCA - Pipeline Integrity Costs	-	-	-	-	-	-	-	-	-	-	40
41	RCA - Interference	-	-	-	-	-	-	-	-	-	-	41
42	RCA - Pensions / OPEBs	-	-	-	-	-	-	-	-	-	-	42
43	Real Estate Expenses	-	-	-	-	-	-	-	-	364	364	43
44	Regulatory Commission Expenses	-	-	-	-	-	-	-	-	8,154	8,154	44
45	Rents	-	-	-	-	168	7	385	1	61	622	45
46	Rents - Interdepartmental	-	-	-	-	4	-	-	-	-	4	46
47	Research and Development	-	-	-	-	3,412	-	-	-	362	3,774	47
49	Shared Services	-	-	-	-	-	-	388	-	(2,591)	(2,203)	49
50	Trenching	-	1	24	263	133	1,010	3	-	-	1,434	50
51	SBC/RPS	-	-	-	-	-	-	-	4,282	-	4,282	51
52	Uncollectibles	-	-	-	-	-	-	15,086	-	-	15,086	52
53	Other	254	761	341	704	(855)	3,417	2,510	(326)	2,793	9,599	53
Total Operation & Maintenance Expenses		\$ 2,096	\$ 2,369	\$ 9,785	\$ 6,499	\$ 62,865	\$ 70,872	\$ 50,428	\$ 11,145	\$ 104,657	\$ 320,716	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STATEMENT OF GAS COST ELEMENTS
VARIATION TWELVE MONTHS ENDED SEPTEMBER 2011 VS TWELVE MONTHS ENDED JUNE 2009
(Thousands of Dollars)

LINE NO.		(41) PRODUCTION		(37) TRANSMISSION		(45) DISTRIBUTION		(47) CUSTOMER		(49) ADMIN	TOTAL	LINE NO.
		OPERATION	MAINTENANCE	OPERATION	MAINTENANCE	OPERATION	MAINTENANCE	ACCOUNTING	SERVICE	AND GENERAL		
1	Admin & General Exps Capitalized	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (604)	\$ (604)	1
2	Bank Collection Fees	-	-	-	-	-	-	1	-	-	1	2
3	Building Service/Facilities	-	-	-	1	10	2	8	1	1,671	1,693	3
4	Collection Agency Fees	-	-	-	-	-	-	19	-	-	19	4
5	Communication - Telephone	-	-	3	-	6	1	15	1	8	34	5
6	Company Labor	67	47	198	142	2,010	1,365	1,498	90	1,290	6,707	6
7	Consultants	-	-	-	1	14	3	2	4	96	120	7
8	Contract Labor	-	15	-	5	11	41	1	-	3	76	8
9	Disposal of Obsolete M&S	-	-	-	-	-	-	-	-	13	13	9
10	Duplicate Misc Charges	-	-	-	-	-	-	-	-	(85)	(85)	10
11	EDP Equipment Rentals & Maintenance	-	-	-	-	8	4	4	1	11	28	11
12	Electric and Gas Used	17	-	-	-	-	-	5	-	109	131	12
13	Employee Pensions/OPEBs - Net	-	-	-	-	-	-	-	-	24,423	24,423	13
14	Employee Welfare Expense - Net	-	-	-	-	-	-	-	-	2,632	2,632	14
15	Environmental Affairs	-	1	-	-	19	-	-	-	1	21	15
16	Other Compensation	-	-	-	-	-	-	-	-	(1,261)	(1,261)	16
17	Executive Incentive Plan	-	-	-	-	-	-	-	-	(904)	(904)	17
18	Financial Services	-	-	-	-	-	-	-	-	615	615	18
19	Gas Leaks	-	-	-	-	-	291	-	-	-	291	19
20	Gas Sales	-	-	-	-	-	-	-	247	-	247	20
21	Security	-	-	-	-	-	-	3	-	2	5	21
22	Informational Advertising	-	-	-	-	-	-	-	641	-	641	22
23	Information Resources	-	-	-	-	19	-	96	8	412	535	23
24	Injuries and Damages	-	-	-	-	-	-	-	-	(3,449)	(3,449)	24
25	Institutional Dues and Subscriptions	-	-	-	-	16	-	-	-	4	20	25
26	Insurance Premiums	-	-	-	-	-	-	-	-	1,767	1,767	26
27	Interference	-	-	-	-	-	10,913	-	-	-	10,913	27
28	Manhour Expense	-	2	16	17	160	161	1	-	-	357	28
29	Marshall's Fees	-	-	-	-	-	-	8	-	-	8	29
30	Materials and Supplies	-	3	2	1	3	15	14	-	(2)	36	30
31	MGP / Superfund	-	-	-	-	-	-	-	-	(5,684)	(5,684)	31
32	New York Facilities	-	-	153	59	-	6	-	-	-	218	32
33	Outside Legal Services	-	-	-	-	-	-	-	-	4	4	33
34	Paving	-	-	-	-	3	38	-	-	-	41	34
35	Postage	-	-	-	-	-	-	-	-	245	245	35
36	Gas Efficiency Program/SBC	-	-	-	-	(1,038)	-	-	-	-	(1,038)	36
37	General Outreach and Education	-	-	-	-	-	-	-	-	-	-	37
38	Other (nuclear)	-	-	-	-	-	-	-	-	-	-	38
39	Steam Incident Settlement	-	-	-	-	-	(729)	-	-	-	(729)	39
40	RCA - Pipeline Integrity Costs	-	-	-	-	-	-	-	-	-	-	40
41	RCA - Interference	-	-	-	-	-	(439)	-	-	-	(439)	41
42	RCA - Pensions / OPEBs	-	-	-	-	-	-	-	-	8,894	8,894	42
43	Real Estate Expenses	-	-	-	-	-	-	-	-	11	11	43
44	Regulatory Commission Expenses	-	-	-	-	-	-	-	-	477	477	44
45	Rents	-	-	-	-	5	-	12	-	2	19	45
46	Rents - Interdepartmental	-	-	-	-	-	-	-	-	-	-	46
47	Research and Development	-	-	-	-	158	-	-	-	11	169	47
48	Corporate Fiscal Expense	-	-	-	-	-	-	-	-	-	-	48
49	Shared Services	-	-	-	-	-	-	12	-	(81)	(69)	49
50	Trenching	-	-	1	8	4	31	-	-	-	44	50
51	SBC/RPS	-	-	-	-	-	-	-	4,282	-	4,282	51
52	Uncollectibles	-	-	-	-	-	-	3,281	-	-	3,281	52
53	Other	8	24	11	22	(27)	106	78	(10)	107	320	53
	Total Operation & Maintenance Expenses	\$ 92	\$ 92	\$ 384	\$ 256	\$ 1,381	\$ 11,809	\$ 5,058	\$ 5,265	\$ 30,738	\$ 55,075	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED JUNE 30, 2009 ACTUAL - GAS COST ELEMENTS
PRODUCTION OPERATIONS - (41)
 (Thousands of Dollars)

LINE NO.		ACCRUED WAGES (230.07)	PURCHASED GAS EXPENSES (807)	GAS USED FOR OTHER UTILITY OPS CREDIT (812)	OTHER GAS SUPPLY EXPENSES (813)	OPERATION SUPERVISION AND ENGINEERING (840)	OPERATION LABOR AND EXPENSES (841)	FUEL (842.1)	POWER (842.2)	OPERATION OF COMPRESSOR EQUIPMENT (842.3)	TOTAL	LINE NO.
1	Admin & General Exps Capitalized	\$									\$ -	1
2	Bank Collection Fees										-	2
3	Building Service/Facilities										-	3
4	Collection Agency Fees										-	4
5	Communication - Telephone										-	5
6	Company Labor	2				522	684				1,208	6
7	Consultants						10				10	7
8	Contract Labor						10				10	8
9	Disposal of Obsolete M&S										-	9
10	Duplicate Misc Charges			(980)				847	135		2	10
11	EDP Equipment Rentals & Maintenance						3				3	11
12	Electric and Gas Used						1		495		496	12
13	Employee Pensions/OPEBs - Net										-	13
14	Employee Welfare Expense - Net										-	14
15	Environmental Affairs						4				4	15
16	Other Compensation										-	16
17	Executive Incentive Plan										-	17
18	Financial Services										-	18
19	Gas Leaks										-	19
20	Gas Sales										-	20
21	Security						14				14	21
22	Informational Advertising										-	22
23	Information Resources										-	23
24	Injuries and Damages										-	24
25	Institutional Dues and Subscriptions										-	25
26	Insurance Premiums										-	26
27	Interference										-	27
28	Manhour Expense						1				1	28
29	Marshall's Fees										-	29
30	Materials and Supplies						7				7	30
31	MGP / Superfund										-	31
32	New York Facilities										-	32
33	Outside Legal Services										-	33
34	Paving						3				3	34
35	Postage										-	35
36	Gas Efficiency Program/SBC										-	36
37	General Outreach and Education										-	37
38	Other (nuclear)										-	38
39	Steam Incident Settlement										-	39
40	RCA - Pipeline Integrity Costs										-	40
41	RCA - Interference										-	41
42	RCA - Pensions / OPEBs										-	42
43	Real Estate Expenses										-	43
44	Regulatory Commission Expenses										-	44
45	Rents										-	45
46	Rents - Interdepartmental										-	46
47	Research and Development										-	47
48	Corporate Fiscal Expense										-	48
49	Shared Services										-	49
50	Trenching										-	50
51	SBC/RPS										-	51
52	Uncollectibles										-	52
53	Other										-	53
						2	244				246	
54	Total	\$ 2	\$ -	\$ (980)	\$ -	\$ 524	\$ 981	\$ 847	\$ 630	\$ -	\$ 2,004	54

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
TWELVE MONTHS ENDED JUNE 30, 2000 ACTUAL - GAS COST ELEMENTS
PRODUCTION MAINTENANCE - (61)
(Thousands of Dollars)

LINE NO.		ACCURUED WAGES (231.07)	ACCURUED WAGES (272.07)	MAINTENANCE SUPERVISION AND ENGINEERING (843)	MAINTENANCE OF STRUCTURES (844)	MAINTENANCE OF GAS HOLDERS (845)	MAINTENANCE OF PURIFICATION EQUIPMENT (846)	MAINTENANCE OF LIQUIDIFICATION EQUIPMENT (847)	MAINTENANCE OF VAPORIZING EQUIPMENT (848)	MAINTENANCE OF COMPRESSOR EQUIPMENT (848.1)	MAINTENANCE OF MEASURING AND REGULATING EQUIPMENT (848.2)	MAINTENANCE OF COMPRESSOR EQUIPMENT (848.3)	TOTAL	LINE NO.
1	Admin & General Exps Capitalized	\$											\$	1
2	Bank Collection Fees												-	2
3	Building Service/Facilities											8	8	3
4	Collection Agency Fees												-	4
5	Communication - Telephone												-	5
6	Company Labor		2	316	239	5	0	102	62	44	21	63	860	6
7	Consultants				1	7						1	9	7
8	Contract Labor				468	2		2					472	8
9	Disposal of Obsolete M&S												-	9
10	Duplicate Misc Charges												-	10
11	EDP Equipment Rentals & Maintenance												-	11
12	Electric and Gas Used												-	12
13	Employee Pensions/OPEBs - Net												-	13
14	Employee Welfare Expense - Net												-	14
15	Environmental Affairs				18			5				3	26	15
16	Other Compensation												-	16
17	Executive Incentive Plan												-	17
18	Financial Services												-	18
19	Gas Leaks												-	19
20	Gas Sales												-	20
21	Security												-	21
22	Informational Advertising												-	22
23	Information Resources												-	23
24	Injuries and Damages												-	24
25	Institutional Dues and Subscriptions												-	25
26	Insurance Premiums												-	26
27	Interference												-	27
28	Manhour Expense				48			3	8	2	5	2	88	28
29	Marshall's Fees												-	29
30	Materials and Supplies				14			43	0	20		0	95	30
31	MGP / Superfund												-	31
32	New York Facilities												-	32
33	Outside Legal Services												-	33
34	Paving												-	34
35	Postage												-	35
36	Gas Efficiency Program/SBC												-	36
37	General Outreach and Education												-	37
38	Other (nuclear)												-	38
39	Steam Incident Settlement												-	39
40	RCA - Pipeline Integrity Costs												-	40
41	RCA - Interference												-	41
42	RCA - Pensions / OPEBs												-	42
43	Real Estate Expenses												-	43
44	Regulatory Commission Expenses												-	44
45	Rents												-	45
46	Rents - Interdepartmental												-	46
47	Research and Development												-	47
48	Corporate Fiscal Expense												-	48
49	Shared Services												-	49
50	Trenching								1				1	50
51	SBC/RPS												-	51
52	Uncollectibles				518	10	40	58	38	17	3	47	737	52
53	Other												-	53
54	Total	\$	\$ 2	\$ 316	\$ 1,309	\$ 24	\$ 53	\$ 213	\$ 118	\$ 83	\$ 29	\$ 133	\$ 2,277	54

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED JUNE 30, 2009 ACTUAL - GAS COST ELEMENTS
TRANSMISSION OPERATION - (37)
 (Thousands of Dollars)

LINE NO.		OPERATION SUPERVISION AND ENGINEERING (850)	LOAD DISPATCHING (851)	COMPRESSOR STATION LABOR & EXPENSES (853)	MAINS AND SERVICES EXPENSES (856)	MEASURING & REGULATING STATION EXPENSES (857)	RENTS (860)	JOINT EXPENSE - DR (868.1)	JOINT EXPENSE - CR (868.2)	TOTAL	LINE NO.
1	Admin & General Exps Capitalized	\$							\$	-	1
2	Bank Collection Fees									-	2
3	Building Service/Facilities									-	3
4	Collection Agency Fees									-	4
5	Communication - Telephone		54	22	9					85	5
6	Company Labor	408	1,390	83	1,182	564				3,627	6
7	Consultants	1								1	7
8	Contract Labor									-	8
9	Disposal of Obsolete M&S									-	9
10	Duplicate Misc Charges									-	10
11	EDP Equipment Rentals & Maintenance	1								1	11
12	Electric and Gas Used									-	12
13	Employee Pensions/OPEBs - Net									-	13
14	Employee Welfare Expense - Net									-	14
15	Environmental Affairs				2					2	15
16	Other Compensation									-	16
17	Executive Incentive Plan									-	17
18	Financial Services									-	18
19	Gas Leaks									-	19
20	Gas Sales									-	20
21	Security									-	21
22	Informational Advertising									-	22
23	Information Resources									-	23
24	Injuries and Damages									-	24
25	Institutional Dues and Subscriptions									-	25
26	Insurance Premiums									-	26
27	Interference									-	27
28	Manhour Expense	1		1	338	159				499	28
29	Marshall's Fees									-	29
30	Materials and Supplies	3			9	58				70	30
31	MGP / Superfund									-	31
32	New York Facilities			38	348		5,939	2,057	(3,621)	4,761	32
33	Outside Legal Services									-	33
34	Paving	2								2	34
35	Postage									-	35
36	Gas Efficiency Program/SBC									-	36
37	General Outreach and Education									-	37
38	Other (nuclear)									-	38
40	RCA - Pipeline Integrity Costs									-	40
41	RCA - Interference									-	41
42	RCA - Pensions / OPEBs									-	42
43	Real Estate Expenses									-	43
44	Regulatory Commission Expenses									-	44
45	Rents									-	45
46	Rents - Interdepartmental									-	46
47	Research and Development									-	47
49	Shared Services									-	49
50	Trenching	23								23	50
51	SBC/RPS									-	51
52	Uncollectibles									-	52
53	Other	112	57		1	160				330	53
54	Total	\$ 551	\$ 1,501	\$ 144	\$ 1,889	\$ 941	\$ 5,939	\$ 2,057	\$ (3,621)	\$ 9,401	54

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED JUNE 30, 2009 ACTUAL - GAS COST ELEMENTS
TRANSMISSION MAINTENANCE - (57)
 (Thousands of Dollars)

LINE NO.		MAINTENANCE SUPERVISION AND ENGINEERING (861)	MAINTENANCE OF STRUCTURES (862)	MAINTENANCE OF MAINS (863)	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT (864)	MAINTENANCE OF MEASURING AND REGULATING STATION EQUIPMENT (865)	TOTAL	LINE NO.
1	Admin & General Exps Capitalized	\$					\$ -	1
2	Bank Collection Fees						-	2
3	Building Service/Facilities		16		2		18	3
4	Collection Agency Fees						-	4
5	Communication - Telephone			(5)			(5)	5
6	Company Labor	605	136	810	158	861	2,570	6
7	Consultants		10	4		10	24	7
8	Contract Labor		152	11		6	169	8
9	Disposal of Obsolete M&S						-	9
10	Duplicate Misc Charges						-	10
11	EDP Equipment Rentals & Maintenance	2	1				3	11
12	Electric and Gas Used			3			3	12
13	Employee Pensions/OPEBs - Net						-	13
14	Employee Welfare Expense - Net						-	14
15	Environmental Affairs	1				1	2	15
16	Other Compensation						-	16
17	Executive Incentive Plan						-	17
18	Financial Services						-	18
19	Gas Leaks						-	19
20	Gas Sales						-	20
21	Security						-	21
22	Informational Advertising						-	22
23	Information Resources						-	23
24	Injuries and Damages						-	24
25	Institutional Dues and Subscriptions						-	25
26	Insurance Premiums						-	26
27	Interference			102			102	27
28	Manhour Expense	2	46	238	5	230	521	28
29	Marshall's Fees						-	29
30	Materials and Supplies	4	10	8		21	43	30
31	MGP / Superfund						-	31
32	New York Facilities			1,694	157	1	1,852	32
33	Outside Legal Services						-	33
34	Paving	4					4	34
35	Postage						-	35
36	Gas Efficiency Program/SBC						-	36
37	General Outreach and Education						-	37
38	Other (nuclear)						-	38
40	RCA - Pipeline Integrity Costs						-	40
41	RCA - Interference						-	41
42	RCA - Pensions / OPEBs						-	42
43	Real Estate Expenses						-	43
44	Regulatory Commission Expenses						-	44
45	Rents						-	45
46	Rents - Interdepartmental						-	46
47	Research and Development						-	47
49	Shared Services						-	49
50	Trenching	45				210	255	50
51	SBC/RPS						-	51
52	Uncollectibles						-	52
53	Other	76	104	184		318	682	53
54	Total	\$ 739	\$ 475	\$ 3,049	\$ 322	\$ 1,658	\$ 6,243	54

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED JUNE 30, 2009 ACTUAL - GAS COST ELEMENTS
 DISTRIBUTION OPERATIONS - (45)
 (Thousands of Dollars)

LINE NO.		ACCRUED WAGES (351.07)	OPERATION SUPERVISION AND ENGINEERING (870)	LOAD DISPATCHING (871)	COMPRESSOR STATION LABOR & EXPENSES (872)	MAINS AND SERVICES EXPENSES (874)	MEASURING & REGULATING STATION EXPENSES (875)	METER & HOUSE REGULATOR EXPENSES (878)	CUSTOMER INSTALL EXPENSES (879)	OTHER EXPENSES (880)	RENTS (881)	JOINT EXPENSE - DR (895.1)	JOINT EXPENSE - CR (895.2)	TOTAL	LINE NO.
1	Admin & General Exps Capitalized	\$												\$	1
2	Bank Collection Fees													-	2
3	Building Service/Facilities		309						13					322	3
4	Collection Agency Fees		171			4			10					185	4
5	Communication - Telephone	72	13,228			9,735		1,407	7,369	3,253				35,054	5
6	Company Labor		55			11			19					85	6
7	Consultants		63			158		1	130					352	7
8	Contract Labor													-	8
9	Disposal of Obsolete M&S													-	9
10	Duplicate Misc Charges													-	10
11	EDP Equipment Rentals & Maintenance		232			9		1	1					243	11
12	Electric and Gas Used													-	12
13	Employee Pensions/OPEBs - Net													-	13
14	Employee Welfare Expense - Net					46		1	1					568	14
15	Environmental Affairs		540											-	15
16	Other Compensation													-	16
17	Executive Incentive Plan													-	17
18	Financial Services													-	18
19	Gas Leaks													-	19
20	Gas Sales													-	20
21	Security					4								4	21
22	Informational Advertising													-	22
23	Information Resources									607				607	23
24	Injuries and Damages													-	24
25	Institutional Dues and Subscriptions									499				499	25
26	Insurance Premiums													-	26
27	Interference									602				602	27
28	Manhour Expense		20			2,832		229	1,900					4,981	28
29	Marshall's Fees													-	29
30	Materials and Supplies		58			10		(1)	22	1				90	30
31	MGP / Superfund													-	31
32	New York Facilities													-	32
33	Outside Legal Services													-	33
34	Paving		1			63			41					105	34
35	Postage		1						1					2	35
36	Gas Efficiency Program/SBC									15,043				15,043	36
37	General Outreach and Education													-	37
38	Other (nuclear)													-	38
39	Steam Incident Settlement													-	39
40	RCA - Pipeline Integrity Costs													-	40
41	RCA - Interference													-	41
42	RCA - Pensions / OPEBs													-	42
43	Real Estate Expenses													-	43
44	Regulatory Commission Expenses													-	44
45	Rents		1						1		161			163	45
46	Rents - Interdepartmental										4			4	46
47	Research and Development									3,254				3,254	47
48	Corporate Fiscal Expense													-	48
49	Shared Services													-	49
50	Trenching		1			55			73					129	50
51	SG&RPS													-	51
52	Uncollectible													-	52
53	Other		1,070			879		54	(747)	(2,084)				(828)	53
54	Total	\$ 72	\$ 15,750	\$ -	\$ -	\$ 13,800	\$ -	\$ 1,692	\$ 8,824	\$ 21,175	\$ 165	\$ -	\$ -	\$ 61,484	54

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED JUNE 30, 2009 ACTUAL - GAS COST ELEMENTS
DISTRIBUTION MAINTENANCE - (55)
 (Thousands of Dollars)

LINE NO.		ACCRUED WAGES (361.07)	MAINTENANCE SUPERVISION AND ENGINEERING (885)	MAINTENANCE OF STRUCTURES (886)	MAINTENANCE OF MAINS (887)	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT (888)	MAINTENANCE OF MEASURING AND REGULATING STATION EQUIPMENT (889)	MAINTENANCE OF SERVICES (892)	MAINTENANCE OF METERS AND HOUSE REGULATORS (893)	TOTAL	LINE NO.
1	Admin & General Exps Capitalized	\$								\$ -	1
2	Bank Collection Fees									-	2
3	Building Service/Facilities		69							69	3
4	Collection Agency Fees									-	4
5	Communication - Telephone		24							24	5
6	Company Labor	49	2,728	1	17,905		639	2,956	342	24,620	6
7	Consultants		62					26		88	7
8	Contract Labor		122		923			206		1,251	8
9	Disposal of Obsolete M&S				3					3	9
10	Duplicate Misc Charges									-	10
11	EDP Equipment Rentals & Maintenance		108		4		5		5	122	11
12	Electric and Gas Used									-	12
13	Employee Pensions/OPEBs - Net									-	13
14	Employee Welfare Expense - Net									-	14
15	Environmental Affairs		1		7		4		1	13	15
16	Other Compensation									-	16
17	Executive Incentive Plan									-	17
18	Financial Services									-	18
19	Gas Leaks				8,681			374		9,055	19
20	Gas Sales									-	20
21	Security									-	21
22	Informational Advertising									-	22
23	Information Resources									-	23
24	Injuries and Damages									-	24
25	Institutional Dues and Subscriptions									-	25
26	Insurance Premiums									-	26
27	Interference				10,812			714		11,526	27
28	Manhour Expense		7		3,927		189	794	94	5,011	28
29	Marshall's Fees									-	29
30	Materials and Supplies		10		307			74	65	456	30
31	MGP / Superfund									-	31
32	New York Facilities				183					183	32
33	Outside Legal Services									-	33
34	Paving		2		885		13	277		1,177	34
35	Postage									-	35
36	Gas Efficiency Program/SBC									-	36
37	General Outreach and Education									-	37
38	Other (nuclear)									-	38
39	Steam Incident Settlement				729					729	39
40	RCA - Pipeline Integrity Costs									-	40
41	RCA - Interference				439					439	41
42	RCA - Pensions / OPEBs									-	42
43	Real Estate Expenses									-	43
44	Regulatory Commission Expenses									-	44
45	Rents		7							7	45
46	Rents - Interdepartmental									-	46
47	Research and Development									-	47
48	Corporate Fiscal Expense									-	48
49	Shared Services									-	49
50	Trenching		9		220		2	748		979	50
51	SBC/RPS									-	51
52	Uncollectibles									-	52
53	Other		623		2,148		290	132	118	3,311	53
54	Total	\$ 49	\$ 3,772	\$ 1	\$ 47,173	\$ -	\$ 1,142	\$ 6,301	\$ 625	\$ 59,063	54

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED JUNE 30, 2009 ACTUAL - GAS COST ELEMENTS
CUSTOMER ACCOUNTS - (47)
 (Thousands of Dollars)

LINE NO.		ACCRUED WAGES (383.07)	SUPERVISION (901)	METER READING EXPENSES (902)	CUSTOMER RECORDS AND COLLECTION EXPENSES (903)	UNCOLLECTIBLE ACCOUNTS (904)	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES (905)	TOTAL	LINE NO.
1	Admin & General Exps Capitalized	\$						\$ -	1
2	Bank Collection Fees				36			36	2
3	Building Service/Facilities		118	13	131			262	3
4	Collection Agency Fees				584			584	4
5	Communication - Telephone		12	53	716			781	5
6	Company Labor	55	1,179	6,002	17,292		58	24,586	6
7	Consultants		5		20			25	7
8	Contract Labor		1	4	16			21	8
9	Disposal of Obsolete M&S							-	9
10	Duplicate Misc Charges							-	10
11	EDP Equipment Rentals & Maintenance		8	3	101		1	113	11
12	Electric and Gas Used		2	10	134			146	12
13	Employee Pensions/OPEBs - Net							-	13
14	Employee Welfare Expense - Net							-	14
15	Environmental Affairs		9	1	1			11	15
16	Other Compensation							-	16
17	Executive Incentive Plan							-	17
18	Financial Services							-	18
19	Gas Leaks							-	19
20	Gas Sales							-	20
21	Security		1	2	77			80	21
22	Informational Advertising							-	22
23	Information Resources				218		8	226	23
24	Injuries and Damages							-	24
25	Institutional Dues and Subscriptions							-	25
26	Insurance Premiums							-	26
27	Interference							-	27
28	Manhour Expense			18	6			24	28
29	Marshall's Fees				258			258	29
30	Materials and Supplies			28	73			101	30
31	MGP / Superfund							-	31
32	New York Facilities							-	32
33	Outside Legal Services							-	33
34	Paving				12			12	34
35	Postage				3,115			3,115	35
36	Gas Efficiency Program/SBC							-	36
37	General Outreach and Education							-	37
38	Other (nuclear)							-	38
40	RCA - Pipeline Integrity Costs							-	40
41	RCA - Interference							-	41
42	RCA - Pensions / OPEBs							-	42
43	Real Estate Expenses							-	43
44	Regulatory Commission Expenses							-	44
45	Rents		8	76	289			373	45
46	Rents - Interdepartmental							-	46
47	Research and Development							-	47
49	Shared Services				376			376	49
50	Trenching			2	1			3	50
51	SBC/RPS							-	51
52	Uncollectibles					11,805		11,805	52
53	Other		116	501	1,805		10	2,432	53
54	Total	\$ 55	\$ 1,459	\$ 6,713	\$ 25,261	\$ 11,805	\$ 77	\$ 45,370	54

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED JUNE 30, 2009 ACTUAL - GAS COST ELEMENTS
CUSTOMER SERVICE - (48)
 (Thousands of Dollars)

LINE NO.		ACCRUED WAGES (391.07)	SUPERVISION (909)	CUSTOMER ASSISTANCE EXPENSES (910)	INFORMATIONAL ADVERTISING EXPENSES (911)	MISCELLANEOUS CUSTOMER SERVICE EXPENSES (912)	SALES PROMOTION EXPENSES SUPERVISION (915)	DEMONSTRATING AND SELLING EXPENSES (916)	PROMOTIONAL ADVERTISING EXPENSES (917)	MISCELLANEOUS SALES PROMOTION EXPENSES (918)	TOTAL	LINE NO.
1	Admin & General Exps Capitalized	\$									\$	1
2	Bank Collection Fees										-	2
3	Building Service/Facilities			12		6					18	3
4	Collection Agency Fees										-	4
5	Communication - Telephone			13		7				15	35	5
6	Company Labor	4	35	652		335				584	1,610	6
7	Consultants			17		7				96	120	7
8	Contract Labor			1							1	8
9	Disposal of Obsolete M&S										-	9
10	Duplicate Misc Charges										-	10
11	EDP Equipment Rentals & Maintenance			10		6				12	28	11
12	Electric and Gas Used										-	12
13	Employee Pensions/OPEBs - Net										-	13
14	Employee Welfare Expense - Net										-	14
15	Environmental Affairs										-	15
16	Other Compensation										-	16
17	Executive Incentive Plan										-	17
18	Financial Services										-	18
19	Gas Leaks										-	19
20	Gas Sales							1,218			1,218	20
21	Security										-	21
22	Informational Advertising				1,081						1,081	22
23	Information Resources					239					239	23
24	Injuries and Damages										-	24
25	Institutional Dues and Subscriptions										-	25
26	Insurance Premiums										-	26
27	Interference										-	27
28	Manhour Expense			1							1	28
29	Marshall's Fees										-	29
30	Materials and Supplies			2							2	30
31	MGP / Superfund										-	31
32	New York Facilities										-	32
33	Outside Legal Services										-	33
34	Paving										-	34
35	Postage			14						1	15	35
36	Gas Efficiency Program/SBC										-	36
37	General Outreach and Education					1,827					1,827	37
38	Other (nuclear)										-	38
39	Steam Incident Settlement										-	39
40	RCA - Pipeline Integrity Costs										-	40
41	RCA - Interference										-	41
42	RCA - Pensions / OPEBs										-	42
43	Real Estate Expenses										-	43
44	Regulatory Commission Expenses										-	44
45	Rents			1							1	45
46	Rents - Interdepartmental										-	46
47	Research and Development										-	47
48	Corporate Fiscal Expense										-	48
49	Shared Services										-	49
50	Trenching										-	50
51	SBC/RPS										-	51
52	Uncollectibles										-	52
53	Other			155		110		(827)		246	(316)	53
54	Total	\$ 4	\$ 35	\$ 878	\$ 1,081	\$ 2,537	\$ -	\$ 391	\$ -	\$ 954	\$ 5,880	54

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
TWELVE MONTHS ENDED JUNE 30, 2009 ACTUAL - GAS COST ELEMENTS
ADMINISTRATIVE AND GENERAL - (49)
(Thousands of Dollars)

LINE NO.		ADMINISTRATIVE AND GENERAL SALARIES (620)	OFFICE SUPPLIES AND EXPENSES (621)	ADMINISTRATIVE EXPENSES TRANSFERRED CREDIT (622)	OUTSIDE SERVICES EMPLOYED (623)	PROPERTY INSURANCE (624)	INJURIES AND DAMAGES (625)	EMPLOYEES' PENSIONS (626.1)	EMPLOYEES' WELFARE PENSIONS (626.2)	REGULATORY COMMISSION EXPENSES (628)	DUPLICATE CHARGES (629)	ADMINISTRATIVE AND GENERAL (630.1)	MISCELLANEOUS GENERAL EXPENSES (630.2)	EXPENSES OF DATA PROCESSING EQUIPMENT (631.2)	TOTAL	LINE NO.
1	Admin & General Exps Capitalized	\$		(6,862)											\$ (6,862)	1
2	Bank Collection Fees														-	2
3	Building Services/Facilities		(268)		5								234		(29)	3
4	Collection Agency Fees														-	4
5	Communication - Telephone		207				3			1			5		216	5
6	Company Labor	14,577	1,005				430						327		10,339	6
7	Consultants		312		655		1,170						148		2,466	7
8	Contract Labor		78				1								79	8
9	Disposal of Obsolete M&S		7												7	9
10	Duplicate Misc Charge										(988)				(988)	10
11	EDP Equipment Rentals & Maintenance		328										5		333	11
12	Electric and Gas Used		546												546	12
13	Employee Pensions/OPEBs - Net			(11,130)				19,487	24,613						19,487	13
14	Employee Welfare Expense - Net														13,483	14
15	Environmental Affairs		24										2		28	15
16	Other Compensation	1,722													1,722	16
17	Executive Incentive Plan												903		903	17
18	Financial Services		105										908		1,013	18
19	Gas Leaks														-	19
20	Gas Sales														-	20
21	Security		72												72	21
22	Informational Advertising														-	22
23	Information Resources	1,007	33				12,083							1,123	2,163	23
24	Injuries and Damages														12,083	24
25	Institutional Dues and Subscriptions												132		132	25
26	Insurance Premiums		9			193	4,361								4,563	26
27	Interference												1		-	27
28	Manhour Expense		(10)												(9)	28
29	Marshall's Fees														-	29
30	Materials and Supplies		14										(78)		(62)	30
31	MGP / Superfund						5,684								5,684	31
32	New York Facilities				128										-	32
33	Outside Legal Services														128	33
34	Paving														-	34
35	Postage		22												22	35
36	Gas Efficiency Program/SGC														-	36
37	General Outreach and Education														-	37
38	Other (miscellaneous)														-	38
39	Steam Incident Settlement														-	39
40	RCA - Pipeline Integrity Costs														-	40
41	RCA - Interference														-	41
42	RCA - Penalties / OPEBs							(8,894)							(8,894)	42
43	Real Estate Expense												353		353	43
44	Regulatory Commission Expenses									7,677					7,677	44
45	Rents		53										8		59	45
46	Rents - Interdepartmental														-	46
47	Research and Development	275	44												351	47
48	Corporate Fiscal Expense			(2,492)											683	48
49	Shared Services												(18)		(2,510)	49
50	Trenching														-	50
51	SGC/RPS														-	51
52	Uncollectibles														-	52
53	Other		3,229		1	3	(821)		23			151	100		2,688	53
54	Total	\$ 17,581	\$ 5,810	\$ (20,484)	\$ 997	\$ 199	\$ 22,911	\$ 10,593	\$ 24,636	\$ 7,678	\$ (988)	\$ 161	\$ 3,725	\$ 1,123	\$ 73,910	54

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
GAS COST ELEMENT
SUMMARY OF ACTIVITIES BY MAG

(Thousands of Dollars)

<u>LINE NO.</u>	<u>MAG</u>	<u>DESCRIPTION</u>	<u>TWELVE MONTHS ENDED 6/30/2009</u>	<u>NORMALIZING ADJUSTMENTS</u>	<u>PROGRAM CHANGES</u>	<u>LABOR ESCALATION</u>	<u>GENERAL ESCALATION</u>	<u>TWELVE MONTHS ENDED 9/30/2011</u>	<u>LINE NO.</u>
		PRODUCTION EXPENSE							
1	41	OPERATION	\$2,004	(\$3)	\$0	\$70	\$25	\$2,096	1
2	51	MAINTENANCE	2,277	(3)	-	50	45	2,369	2
		TRANSMISSION EXPENSE							
3	37	OPERATION	9,401	(11)	-	209	186	9,785	3
4	57	MAINTENANCE	6,243	(6)	-	148	114	6,499	4
		DISTRIBUTION EXPENSE							
5	45	OPERATION	61,484	(84)	(906)	2,025	346	62,865	5
6	55	MAINTENANCE	59,063	(1,223)	10,913	1,420	699	70,872	6
7	47	CUSTOMER ACCOUNTING	45,370	(92)	3,533	1,425	191	50,428	7
8	48	CUSTOMER SERVICE	5,880	(3)	5,170	93	5	11,145	8
9	49	ADMINISTRATIVE & GENERAL	73,919	2,331	26,661	963	783	104,657	9
10		TOTAL EXCL. FUEL	\$265,641	\$906	\$45,371	\$6,403	\$2,394	\$320,716	10

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

LINE NO.	MAJOR ACCOUNT GROUP	COMMUN ICATION TELEPHONE	COMPANY LABOR	EMPLOYEE WELFARE EXPENSES	EXECUTIVE INCENTIVE PLAN	RCA INTERFERENCE	RCA PENSIONS OPEBS	LINE NO.
1	41 PRODUCTION OPERATION							1
2	VARIABLE PAY		(3)	-	-	-	-	2
	SUB-TOTAL	-	(3)	-	-	-	-	
3	51 PRODUCTION MAINTENANCE							3
4	VARIABLE PAY		(3)	-	-	-	-	4
	SUB-TOTAL	-	(3)	-	-	-	-	
5	37 TRANSMISSION OPERATION							5
6	VARIABLE PAY		(11)	-	-	-	-	6
	SUB-TOTAL	-	(11)	-	-	-	-	
7	57 TRANSMISSION MAINTENANCE							7
8	VARIABLE PAY		(6)	-	-	-	-	8
	SUB-TOTAL	-	(6)	-	-	-	-	
9	45 DISTRIBUTION OPERATION							9
10	VARIABLE PAY		(84)	-	-	-	-	10
	SUB-TOTAL	-	(84)	-	-	-	-	
11	55 DISTRIBUTION MAINTENANCE							11
12	STEAM INCIDENT							12
13	VARIABLE PAY		(55)	-	-	(439)	-	13
14	INTERFERENCE					(439)	-	14
	SUB-TOTAL	-	(55)	-	-	(439)	-	
15	47 CUSTOMER ACCOUNTS							15
16	VARIABLE PAY		(60)	-	-	-	-	16
17	AMR - SATURATION	(10)		-	-	-	-	17
	SUB-TOTAL	(10)	(60)	-	-	-	-	
18	48 CUSTOMER SERVICE							18
19	VARIABLE PAY		(3)	-	-	-	-	19
	SUB-TOTAL	-	(3)	-	-	-	-	
20	49 ADMINISTRATIVE & GENERAL							20
21	INCENTIVE PLAN				(904)			21
22	MGP/SUPERFUND							22
23	OTHER COMPENSATION							23
24	VARIABLE PAY		(37)					24
25	PENSIONS / OPEBS						8,894	25
26	DEFERRED INCOME PLAN			1,242				26
27	EMPLOYEE WELFARE EXPENSE			81				27
	SUB-TOTAL	-	(37)	1,323	(904)	-	8,894	
28	TOTAL	\$ (10)	\$ (262)	\$ 1,323	\$ (904)	\$ (439)	\$ 8,894	28
29	SUMMARY							29
30	41 PRODUCTION OPERATION	\$ -	\$ (3)	\$ -	\$ -	\$ -	\$ -	30
31	51 PRODUCTION MAINTENANCE	-	(3)	-	-	-	-	31
32	37 TRANSMISSION OPERATION	-	(11)	-	-	-	-	32
33	57 TRANSMISSION MAINTENANCE	-	(6)	-	-	-	-	33
34	45 DISTRIBUTION OPERATION	-	(84)	-	-	-	-	34
35	55 DISTRIBUTION MAINTENANCE	-	(55)	-	-	(439)	-	35
36	47 CUSTOMER ACCOUNTS	(10)	(60)	-	-	-	-	36
37	48 CUSTOMER SERVICE	-	(3)	-	-	-	-	37
	49 ADMINISTRATIVE & GENERAL	-	(37)	1,323	(904)	-	8,894	
38	TOTAL	\$ (10)	\$ (262)	\$ 1,323	\$ (904)	\$ (439)	\$ 8,894	38

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

LINE NO.	MAJOR ACCOUNT GROUP	MGP SUPER FUND	STEAM INCIDENT	OTHER COMPENSATION	OTHER	TOTAL	LINE NO.
41	<u>PRODUCTION OPERATION</u>						
1	VARIABLE PAY					\$ (3)	1
2	SUB-TOTAL	-	-	-	-	(3)	2
51	<u>PRODUCTION MAINTENANCE</u>						
3	VARIABLE PAY					(3)	3
4	SUB-TOTAL	-	-	-	-	(3)	4
37	<u>TRANSMISSION OPERATION</u>						
5	VARIABLE PAY				-	(11)	5
6	SUB-TOTAL	-	-	-	-	(11)	6
57	<u>TRANSMISSION MAINTENANCE</u>						
7	VARIABLE PAY					(6)	7
8	SUB-TOTAL	-	-	-	-	(6)	8
45	<u>DISTRIBUTION OPERATION</u>						
9	VARIABLE PAY					(84)	9
10	SUB-TOTAL	-	-	-	-	(84)	10
55	<u>DISTRIBUTION MAINTENANCE</u>						
11	STEAM INCIDENT		(729)			(729)	11
12	VARIABLE PAY					(55)	12
13	INTERFERENCE					(439)	13
14	SUB-TOTAL	-	(729)	-	-	(1,223)	14
47	<u>CUSTOMER ACCOUNTS</u>						
15	VARIABLE PAY					(60)	15
16	AMR -SATURATION				(22)	(32)	16
17	SUB-TOTAL	-	-	-	(22)	(92)	17
48	<u>CUSTOMER SERVICE</u>						
18	VARIABLE PAY					(3)	18
19	SUB-TOTAL	-	-	-	-	(3)	19
49	<u>ADMINISTRATIVE & GENERAL</u>						
20	INCENTIVE PLAN					(904)	20
21	MGP/SUPERFUND	(5,684)				(5,684)	21
22	OTHER COMPENSATION			(1,261)		(1,261)	22
23	VARIABLE PAY					(37)	23
24	PENSIONS / OPEBS					8,894	24
25	DEFERRED INCOME PLAN					1,242	25
26	EMPLOYEE WELFARE EXPENSE					81	26
27	SUB-TOTAL	(5,684)	-	(1,261)	-	2,331	27
28	TOTAL	\$ (5,684)	\$ (729)	\$ (1,261)	\$ (22)	\$ 906	28
29	<u>SUMMARY</u>						
29	41 PRODUCTION OPERATION	\$ -	\$ -	\$ -	\$ -	(3)	29
30	51 PRODUCTION MAINTENANCE	-	-	-	-	(3)	30
31	37 TRANSMISSION OPERATION	-	-	-	-	(11)	31
32	57 TRANSMISSION MAINTENANCE	-	-	-	-	(6)	32
33	45 DISTRIBUTION OPERATION	-	-	-	-	(84)	33
34	55 DISTRIBUTION MAINTENANCE	-	(729)	-	-	(1,223)	34
35	47 CUSTOMER ACCOUNTS	-	-	-	(22)	(92)	35
36	48 CUSTOMER SERVICE	-	-	-	-	(3)	36
37	49 ADMINISTRATIVE & GENERAL	(5,684)	-	(1,261)	-	2,331	37
38	TOTAL	\$ (5,684)	\$ (729)	\$ (1,261)	\$ (22)	\$ 906	38

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

LINE NO.	MAJOR ACCOUNT GROUP	FUEL	A&G EXPENSE CAP.	BUILDING SVC FACILITIES	COMMUN ICATION/ TELEPHONE	COMPANY LABOR	CONSULTANTS	DISPOSAL OF OBSOLETE M&S	DUPLICATE MISC. CHARGES	ELEC & GAS USED	EMPLOYEE PENSIONS	EMPLOYEE WELFARE EXPENSES	LINE NO.
41	PRODUCTION OPERATION												1
1	FUEL	(320,901)											1
2	SUB-TOTAL	(320,901)											2
51	PRODUCTION MAINTENANCE												3
3	SUB-TOTAL												3
37	TRANSMISSION OPERATION												4
4	SUB-TOTAL												4
57	TRANSMISSION MAINTENANCE												5
5	SUB-TOTAL												5
45	DISTRIBUTION OPERATION												6
6	GAS EFFICIENCY												6
7	RESEARCH AND DEVELOPMENT												7
8	ENVIRONMENTAL, HEALTH & SAFETY					69	11						8
9	SUB-TOTAL					69	11						9
55	DISTRIBUTION MAINTENANCE												10
10	INTERFERENCE												10
11	SUB-TOTAL												11
47	CUSTOMER ACCOUNTS												12
12	UNCOLLECTIBLES												12
13	CUSTOMER OPERATIONS					128							13
14	ENVIRONMENTAL, HEALTH & SAFETY					5	1						14
15	SUB-TOTAL					133	1						15
48	CUSTOMER SERVICE												16
16	OIL TO GAS PROGRAM												16
17	SYSTEM BENEFITS/PORTFOLIO STANDARD												17
18	INFORMATIONAL ADVERTISING												18
19	SUB-TOTAL												19
49	ADMINISTRATIVE & GENERAL												20
20	SECURITY					26							20
21	FACILITIES PROGRAMS			1,620									21
22	A&S TRANSFER CREDIT		(603)										22
23	IR PROGRAMS												23
24	AUDITING					153							24
25	CONSULTANTS						11						25
26	DUPLICATE MISCELLANEOUS CHARGES								(52)				26
27	ELECTRIC AND GAS USED									89			27
28	EMPLOYEE WELFARE EXPENSES											1,309	28
29	FINANCIAL SERVICES												29
30	INJURIES & DAMAGES												30
31	INSURANCE												31
32	LAW DEPARTMENT STAFFING					181							32
33	FINANCE - SUPPLY CHAIN PROJECT												33
34	PENSIONS & OPEBS										24,423		34
35	POSTAGE												35
36	DISPOSAL OF OBSOLETE M&S							12					36
37	STRIKE CONTINGENCY					1	4	5					37
38	REGULATORY COMMISSION												38
39	SUB-TOTAL		(603)	1,620	1	364	16	12	(52)	89	24,423	1,309	39
40	TOTAL	\$ (320,901)	\$ (603)	\$ 1,620	\$ 1	\$ 566	\$ 28	\$ 12	\$ (52)	\$ 89	\$ 24,423	\$ 1,309	40
	SUMMARY												
41	41 PRODUCTION OPERATION	\$ (320,901)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	41
42	51 PRODUCTION MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	42
43	37 TRANSMISSION OPERATION	-	-	-	-	-	-	-	-	-	-	-	43
44	57 TRANSMISSION MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	44
45	45 DISTRIBUTION OPERATION	-	-	-	-	69	11	-	-	-	-	-	45
46	55 DISTRIBUTION MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	46
47	47 CUSTOMER ACCOUNTS	-	-	-	-	133	1	-	-	-	-	-	47
48	48 CUSTOMER SERVICE	-	-	-	-	-	-	-	-	-	-	-	48
49	49 ADMINISTRATIVE & GENERAL	-	(603)	1,620	1	364	16	12	(52)	89	24,423	1,309	49
50	TOTAL	\$ (320,901)	\$ (603)	\$ 1,620	\$ 1	\$ 566	\$ 28	\$ 12	\$ (52)	\$ 89	\$ 24,423	\$ 1,309	50

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

LINE NO.	MAJOR ACCOUNT GROUP	FINANCIAL SERVICES	GAS SALES	INFO ADVERTISING	INFO RESOURCES	INJURIES AND DAMAGES	INSURANCE PREMIUMS	INTER FERENCE	LINE NO.
1	41 PRODUCTION OPERATION								1
2	FUEL								2
	SUB-TOTAL	-	-	-	-	-	-	-	
3	51 PRODUCTION MAINTENANCE								3
	SUB-TOTAL	-	-	-	-	-	-	-	
4	37 TRANSMISSION OPERATION								4
	SUB-TOTAL	-	-	-	-	-	-	-	
5	57 TRANSMISSION MAINTENANCE								5
	SUB-TOTAL	-	-	-	-	-	-	-	
6	45 DISTRIBUTION OPERATION								6
7	GAS EFFICIENCY								7
8	RESEARCH AND DEVELOPMENT								8
9	ENVIRONMENTAL, HEALTH & SAFETY								9
	SUB-TOTAL	-	-	-	-	-	-	-	
10	55 DISTRIBUTION MAINTENANCE								10
	INTERFERENCE							10,913	10
11	SUB-TOTAL	-	-	-	-	-	-	10,913	11
12	47 CUSTOMER ACCOUNTS								12
13	UNCOLLECTIBLES								13
14	CUSTOMER OPERATIONS				86				14
15	ENVIRONMENTAL, HEALTH & SAFETY								15
	SUB-TOTAL	-	-	-	86	-	-	-	
16	48 CUSTOMER SERVICE								16
17	OIL TO GAS PROGRAM		247						17
18	SYSTEM BENEFITS/PORTFOLIO STANDARD								18
19	INFORMATIONAL ADVERTISING			641					19
	SUB-TOTAL	-	247	641	-	-	-	-	
20	49 ADMINISTRATIVE & GENERAL								20
21	SECURITY								21
22	FACILITIES PROGRAMS								22
23	A&G TRANSFER CREDIT								23
24	IR PROGRAMS				310				24
25	AUDITING				12				25
26	CONSULTANTS								26
27	DUPLICATE CHARGES								27
28	ELECTRIC AND GAS USED								28
29	EMPLOYEE WELFARE EXPENSES								29
30	FINANCIAL SERVICES	615							30
31	INJURIES & DAMAGES					(3,719)			31
32	INSURANCE						1,767		32
33	LAW DEPARTMENT STAFFING								33
34	FINANCE - SUPPLY CHAIN PROJECT				9				34
35	PENSIONS & OPEBs								35
36	POSTAGE								36
37	DISPOSAL OF OBSOLETE M&S								37
38	STRIKE CONTINGENCY				1				38
39	REGULATORY COMMISSION								39
	SUB-TOTAL	615	-	-	332	(3,719)	1,767	-	
40	TOTAL	\$ 615	\$ 247	\$ 641	\$ 418	\$ (3,719)	\$ 1,767	\$ 10,913	40
41	SUMMARY								
42	41 PRODUCTION OPERATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	41
43	51 PRODUCTION MAINTENANCE	-	-	-	-	-	-	-	42
44	37 TRANSMISSION OPERATION	-	-	-	-	-	-	-	43
45	57 TRANSMISSION MAINTENANCE	-	-	-	-	-	-	-	44
46	45 DISTRIBUTION OPERATION	-	-	-	-	-	-	-	45
47	55 DISTRIBUTION MAINTENANCE	-	-	-	-	-	-	10,913	46
48	47 CUSTOMER ACCOUNTS	-	-	-	86	-	-	-	47
49	48 CUSTOMER SERVICE	-	247	641	-	-	-	-	48
	49 ADMINISTRATIVE & GENERAL	615	-	-	332	(3,719)	1,767	-	49
50	TOTAL	\$ 615	\$ 247	\$ 641	\$ 418	\$ (3,719)	\$ 1,767	\$ 10,913	50

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

LINE NO.	MAJOR ACCOUNT GROUP	M&S	POST AGE	GAS EFFICIENCY PROGRAM/SBC	REGUL- ATORY	R&D	SBC/RPS	UNCOLL- ECTIBLES	OTHER	TOTAL	LINE NO.
1	41 PRODUCTION OPERATION										1
2	FUEL									\$ (320,901)	1
2	SUB-TOTAL	-	-	-	-	-	-	-	-	(320,901)	2
3	51 PRODUCTION MAINTENANCE										3
3	SUB-TOTAL	-	-	-	-	-	-	-	-	-	3
4	37 TRANSMISSION OPERATION										4
4	SUB-TOTAL	-	-	-	-	-	-	-	-	-	4
5	57 TRANSMISSION MAINTENANCE										5
5	SUB-TOTAL	-	-	-	-	-	-	-	-	-	5
6	45 DISTRIBUTION OPERATION										6
6	GAS EFFICIENCY			(1,038)						(1,038)	6
7	RESEARCH AND DEVELOPMENT					52				52	7
8	ENVIRONMENTAL, HEALTH & SAFETY									80	8
9	SUB-TOTAL	-	-	(1,038)	-	52	-	-	-	(906)	9
10	55 DISTRIBUTION MAINTENANCE										10
10	INTERFERENCE									10,913	10
11	SUB-TOTAL	-	-	-	-	-	-	-	-	10,913	11
12	47 CUSTOMER ACCOUNTS										12
12	UNCOLLECTIBLES							3,281		3,281	12
13	CUSTOMER OPERATIONS	10							22	246	13
14	ENVIRONMENTAL, HEALTH & SAFETY									8	14
15	SUB-TOTAL	10	-	-	-	-	-	3,281	22	3,533	15
16	48 CUSTOMER SERVICE										16
16	OIL TO GAS PROGRAM									247	16
17	SYSTEM BENEFITS/PORTFOLIO STANDARD						4,282			4,282	17
18	INFORMATIONAL ADVERTISING									641	18
19	SUB-TOTAL	-	-	-	-	-	4,282	-	-	5,170	19
20	49 ADMINISTRATIVE & GENERAL										20
20	SECURITY									26	20
21	FACILITIES PROGRAMS									1,620	21
22	A&G TRANSFER CREDIT									(603)	22
23	IR PROGRAMS									310	23
24	AUDITING									164	24
25	CONSULTANTS									11	25
26	DUPLICATE CHARGES									(52)	26
27	ELECTRIC AND GAS USED									89	27
28	EMPLOYEE WELFARE EXPENSES									1,309	28
29	FINANCIAL SERVICES									615	29
30	INJURIES & DAMAGES									(3,719)	30
31	INSURANCE									1,767	31
32	LAW DEPARTMENT STAFFING									181	32
33	FINANCE - SUPPLY CHAIN PROJECT									9	33
34	PENSIONS & OPEBs									24,423	34
35	POSTAGE	245								245	35
36	DISPOSAL OF OBSOLETE M&S									12	36
37	STRIKE CONTINGENCY								20	31	37
38	REGULATORY COMMISSION				223					223	38
39	SUB-TOTAL	-	245	-	223	-	-	-	20	26,661	39
40	TOTAL	\$ 10	\$ 245	\$ (1,038)	\$ 223	\$ 52	\$ 4,282	\$ 3,281	\$ 42	\$ (275,530)	40
41	SUMMARY										
41	41 PRODUCTION OPERATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (320,901)	41
42	51 PRODUCTION MAINTENANCE	-	-	-	-	-	-	-	-	-	42
43	37 TRANSMISSION OPERATION	-	-	-	-	-	-	-	-	-	43
44	57 TRANSMISSION MAINTENANCE	-	-	-	-	-	-	-	-	-	44
45	45 DISTRIBUTION OPERATION	-	-	(1,038)	-	52	-	-	-	(906)	45
46	55 DISTRIBUTION MAINTENANCE	-	-	-	-	-	-	-	-	10,913	46
47	47 CUSTOMER ACCOUNTS	10	-	-	-	-	-	3,281	22	3,533	47
48	48 CUSTOMER SERVICE	-	-	-	-	-	4,282	-	-	5,170	48
49	49 ADMINISTRATIVE & GENERAL	-	245	-	223	-	-	-	20	26,661	49
50	TOTAL	\$ 10	\$ 245	\$ (1,038)	\$ 223	\$ 52	\$ 4,282	\$ 3,281	\$ 42	\$ (275,530)	50

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

LINE NO.		BASE	3.21% ESCALATION RATE	LINE NO.
1	Admin & General Exps Capitalized	\$ (NA)	\$ (NA)	1
2	Bank Collection Fees	36	1	2
3	Building Service/Facilities	2,288	73	3
4	Collection Agency Fees	584	19	4
5	Communication - Telephone	1,312	42	5
6	Company Labor	(NA)	(NA)	6
7	Consultants	2,875	92	7
8	Contract Labor	2,355	76	8
9	Disposal of Obsolete M&S	22	1	9
10	Duplicate Misc Charges	(1,038)	(33)	10
11	EDP Equipment Rentals & Maintenance	846	27	11
12	Electric and Gas Used	1,280	41	12
13	Employee Pensions/OPEBs - Net	(NA)	(NA)	13
14	Employee Welfare Expense - Net	(NA)	(NA)	14
15	Environmental Affairs	672	22	15
16	Other Compensation	(NA)	(NA)	16
17	Executive Incentive Plan	(NA)	(NA)	17
18	Financial Services	(NA)	(NA)	18
19	Gas Leaks	9,055	291	19
20	Gas Sales	(NA)	(NA)	20
21	Security	170	5	21
22	Informational Advertising	(NA)	(NA)	22
23	Information Resources	3,653	117	23
24	Injuries and Damages	8,364	269	24
25	Institutional Dues and Subscriptions	631	20	25
26	Insurance Premiums	(NA)	(NA)	26
27	Interference	(NA)	(NA)	27
28	Manhour Expense	11,097	357	28
29	Marshall's Fees	258	8	29
30	Materials and Supplies	813	26	30
31	MGP / Superfund	(NA)	(NA)	31
32	New York Facilities	6,796	218	32
33	Outside Legal Services	126	4	33
34	Paving	1,303	42	34
35	Postage	(NA)	(NA)	35
36	Gas Efficiency Program/SBC	(NA)	(NA)	36
37	General Outreach and Education	(NA)	(NA)	37
38	Other (nuclear)	(NA)	(NA)	38
39	Steam Incident Settlement	(NA)	(NA)	39
40	RCA - Pipeline Integrity Costs	(NA)	(NA)	40
41	RCA - Interference	(NA)	(NA)	41
42	RCA - Pensions / OPEBs	(NA)	(NA)	42
43	Real Estate Expenses	353	11	43
44	Regulatory Commission Expenses	7,900	254	44
45	Rents	803	19	45
46	Rents - Interdepartmental	(NA)	(NA)	46
47	Research and Development	3,657	117	47
48	Corporate Fiscal Expense	(NA)	(NA)	48
49	Shared Services	(2,134)	(69)	49
50	Trenching	1,390	45	50
51	SBC/RPS	(NA)	(NA)	51
52	Uncollectibles	(NA)	(NA)	52
53	Other	9,300	300	53
Total Operation & Maintenance Expenses		\$ 74,567	\$ 2,395	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF GAS COST ELEMENTS
WITNESS AND PLANNED UPDATE

<u>Line No.</u>		<u>Witness</u>	<u>Planned Update</u>
1	Fuel	(NA)	
2	Admin & General Exps Capitalized	(NA)	
3	Bank Collection Fees	(NA)	
4	Building Service/Facilities	(NA)	
5	Collection Agency Fees	(NA)	
6	Communication - Telephone	(NA)	
7	Company Labor	Accounting Panel	Y
8	Consultants	(NA)	
9	Contract Labor	(NA)	
10	Disposal of Obsolete M&S	(NA)	
11	Duplicate Misc Charges	(NA)	
12	EDP Equipment Rentals & Maintenance	(NA)	
13	Electric and Gas Used	(NA)	
14	Employee Pensions/OPEBs - Net	Accounting Panel	Y
15	Employee Welfare Expense - Net	Reyes	Y
16	Enviromental Affairs	(NA)	Y
17	Other Compensation	(NA)	
18	Executive Incentive Plan	(NA)	
19	Financial Services	(NA)	
20	Gas Leaks	(NA)	
21	Gas Sales	(NA)	
22	Security	(NA)	
23	Informational Advertising	(NA)	
24	Information Resources	(NA)	
25	Injuries and Damages	Accounting Panel	Y
26	Institutional Dues and Subscriptions	(NA)	
27	Insurance Premiums	Accounting Panel	Y
28	Interference	MISP	Y
29	Manhour Expense	(NA)	
30	Marshall's Fees	(NA)	
31	Materials and Supplies	(NA)	
32	MGP / Superfund	Price	Y
33	New York Facilities	(NA)	
34	Outside Legal Services	(NA)	
35	Paving	(NA)	
36	Postage	(NA)	
37	Gas Efficiency Program/SBC	(NA)	
38	General Outreach and Education	(NA)	
39	Other (nuclear)	(NA)	
40	Steam Incident Settlement	(NA)	
41	RCA - Pipeline Integrity Costs	(NA)	
42	RCA - Interference	(NA)	
43	RCA - Pensions / OPEBs	(NA)	
44	Real Estate Expenses	(NA)	
45	Regulatory Commission Expenses	Accounting Panel	Y
46	Rents	(NA)	
47	Rents - Interdepartmental	Accounting Panel	Y
48	Research and Development	Ecock	Y
49	Corporate Fiscal Expense	(NA)	
50	Shared Services	Accounting Panel	Y
51	Trenching	(NA)	
52	SBC/RPS	(NA)	
53	Uncollectibles	Accounting Panel	Y
54	Other	(NA)	
55	Depreciation	Hutcheson	Y
56	Property Taxes	Hutcheson	Y
57	Payroll Taxes	Accounting Panel	Y
58	Rate Case Reconciliations	Accounting Panel	Y

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED NET PLANT
INDEX TO SCHEDULES

<u>Schedule No.</u>		<u>Number of Pages</u>
1	Estimated Net Plant	2
2	Construction Work in Process	2

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED NET PLANT - GAS ** at CURRENT RATES
TWELVE MONTH AVERAGE ENDING SEPTEMBER 30, 2011
(\$000s)

	<u>BOOK COST OF PLANT</u>	<u>ACCRUED DEPRECIATION</u>	<u>NET PLANT</u>
SEPTEMBER 30, 2010 *	\$ 2,024,529	\$ 507,747	\$ 1,516,781
OCTOBER 31, 2010	4,076,210	1,020,547	3,055,663
NOVEMBER 30, 2010	4,126,066	1,025,605	3,100,461
DECEMBER 31, 2010	4,192,715	1,030,756	3,161,959
JANUARY 31, 2011	4,207,826	1,037,045	3,170,781
FEBRUARY 29, 2011	4,224,063	1,043,360	3,180,703
MARCH 31, 2011	4,242,518	1,049,702	3,192,816
APRIL 30, 2011	4,262,489	1,056,078	3,206,411
MAY 31, 2011	4,281,386	1,062,490	3,218,896
JUNE 30, 2011	4,304,129	1,068,938	3,235,191
JULY 31, 2011	4,323,117	1,074,660	3,248,457
AUGUST 31, 2011	4,342,860	1,080,416	3,262,444
SEPTEMBER 30, 2011 *	2,185,920	543,105	1,642,816
TOTAL	50,793,827	12,600,446	38,193,382
AVERAGE	\$ 4,232,819	\$ 1,050,037	\$ 3,182,782

* ONE HALF OF ENDING BALANCE
**INCLUDES COMMON ALLOCATED

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED NET PLANT - GAS ** at CURRENT RATES
JUNE 30, 2009 - SEPTEMBER 30, 2010
(\$000s)

	<u>BOOK COST OF PLANT</u>	<u>ACCRUED DEPRECIATION</u>	<u>NET PLANT</u>
JUNE 30, 2009	\$ 3,687,605	\$ 938,627	\$ 2,748,978
JULY 31, 2009	3,706,831	943,751	2,763,080
AUGUST 31, 2009	3,725,783	948,389	2,777,393
SEPTEMBER 30, 2009	3,747,314	953,046	2,794,268
OCTOBER 31, 2009	3,772,649	957,626	2,815,023
NOVEMBER 30, 2009	3,801,848	962,255	2,839,593
DECEMBER 31, 2009	3,866,478	966,941	2,899,537
JANUARY 31, 2010	3,881,205	972,463	2,908,742
FEBRUARY 28, 2010	3,897,014	978,007	2,919,006
MARCH 31, 2010	3,917,800	983,576	2,934,224
APRIL 30, 2010	3,938,267	989,184	2,949,083
MAY 31, 2010	3,956,854	994,827	2,962,027
JUNE 30, 2010	3,982,939	1,000,499	2,982,440
JULY 31, 2010	4,001,507	1,005,465	2,996,042
AUGUST 31, 2010	4,021,100	1,010,463	3,010,637
SEPTEMBER 30, 2010	\$ 4,049,057	\$ 1,015,495	\$ 3,033,563

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED CONSTRUCTION WORK IN PROGRESS - GAS**
TWELVE MONTH AVERAGE ENDING SEPTEMBER 30, 2011
(\$000s)

	<u>TOTAL</u>	<u>INTEREST BEARING</u>	<u>NON-INTEREST BEARING</u>
SEPTEMBER 30, 2010 *	\$ 86,915	\$ 5,909	\$ 81,005
OCTOBER 31, 2010	176,470	13,341	163,129
NOVEMBER 30, 2010	159,565	14,980	144,585
DECEMBER 31, 2010	126,490	13,328	113,161
JANUARY 31, 2011	130,770	13,695	117,075
FEBRUARY 29, 2011	136,215	14,663	121,553
MARCH 31, 2011	141,372	15,168	126,205
APRIL 30, 2011	147,680	16,189	131,491
MAY 31, 2011	153,282	16,928	136,355
JUNE 30, 2011	159,691	17,748	141,944
JULY 31, 2011	165,649	18,640	147,008
AUGUST 31, 2011	171,656	19,461	152,195
SEPTEMBER 30, 2011 *	86,695	10,253	76,443
TOTAL	1,842,451	190,302	1,652,150
AVERAGE	153,538	15,858	137,679

* ONE HALF OF ENDING BALANCE

**INCLUDES COMMON ALLOCATED

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED CONSTRUCTION WORK IN PROGRESS - GAS**
JUNE 30, 2009 - SEPTEMBER 30, 2010
(\$000s)

	<u>TOTAL</u>	<u>INTEREST BEARING</u>	<u>NON-INTEREST BEARING</u>
JUNE 30, 2009	\$ 129,739	\$ 1,247	\$ 128,492
JULY 31, 2009	137,607	3,221	134,386
AUGUST 31, 2009	145,221	3,511	141,709
SEPTEMBER 30, 2009	151,121	4,072	147,049
OCTOBER 31, 2009	153,422	4,464	148,959
NOVEMBER 30, 2009	151,719	3,828	147,891
DECEMBER 31, 2009	124,901	4,248	120,653
JANUARY 31, 2010	129,923	4,683	125,240
FEBRUARY 28, 2010	136,361	5,830	130,531
MARCH 31, 2010	139,670	6,429	133,242
APRIL 30, 2010	146,164	7,096	139,068
MAY 31, 2010	152,685	8,163	144,521
JUNE 30, 2010	156,459	8,459	148,001
JULY 31, 2010	163,475	9,546	153,930
AUGUST 31, 2010	170,270	10,545	159,725
SEPTEMBER 30, 2010	173,829	11,818	162,011

EXHIBIT __ (AP- 7)

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED COMMON CAPITAL PROJECTS-FINANCE/LAW**

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CAPITAL PROJECTS - FINANCE
2010-2014

2009 Budget Submittal for 5 Year Capital Projects (2010 - 2014)

		(\$000's)					
Finance Capital Software Projects Non XM Items	Section	Proposed 2010	Proposed 2011	Proposed 2012	Proposed 2013	Proposed 2014	Total 5 yr Review
<u>Enterprise Resource Planning System</u>							
Financial & Supply Chain System (aka General Ledger) - CECONY ONLY	Corporate Accounting	\$ 73,927	\$ 56,654	\$ 9,303	\$ -	\$ -	\$ 139,884
<u>Finance - CECONY</u>							
Property Record Power Plant System	Property Records	900	-	-	-	-	900
Sabrix Use Tax Calculation	Tax	-	-	-	825	-	825
Corporate Tax Accrual System (Power Tax)	Tax	100	-	-	-	-	100
Dashboard/Oracle Reporting Solution	Payroll	250	-	-	-	-	250
PeopleSoft Job Scheduling Solution	Payroll	250	-	-	-	-	250
Mandatory Hourly Pricing - Rate Panel (Electric)	Rate Engineering	320	-	-	-	-	320
Customer Usage System - Rate Panel (Electric)	Rate Engineering	300	400	-	-	-	700
Allocation and Demand Analysis - Rate Panel (Electric)	Rate Engineering	300	100	-	-	-	400
Gas Rate Design and Analysis System	Rate Engineering	75	528	501	-	-	1,104
Steam Rate Design and Analysis System	Rate Engineering	52	420	442	-	-	914
Total Finance - Common Capital Projects		2,547	1,448	943	825	-	5,763
Finance Total for Capital Software Projects		\$ 76,474	\$ 58,102	\$ 10,246	\$ 825	\$ -	\$ 145,647
XM Items Total		277	295	356	289	286	1,503
Grand Total for Finance		\$ 76,751	\$ 58,397	\$ 10,602	\$ 1,114	\$ 286	\$ 147,150
Gas - Including Allocation of Common @ 17%		\$ 12,898	\$ 10,159	\$ 2,083	\$ 140	\$ -	\$ 25,280

EXHIBIT __ (AP- 8)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
RATE BASE

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC
RATE BASE - GAS
AVERAGE TWELVE MONTHS ENDED JUNE 30, 2009 AND
AVERAGE TWELVE MONTHS ENDING SEPTEMBER 30, 2011
(Thousands of Dollars)

Line No.	Average Actual Twelve Months Ended June 30, 2009 (Column 1)	Adjustments To Reflect Conditions In The Rate Year (Column 2)	Average Twelve Months Ending September 30, 2011 (Column 3)	Adjustments To Rate Base Twelve Months Ending September 30, 2011 (Column 4)	Rate Year Rate Base Fully Adjusted For Proposed Rate Increase (Column 5)
<u>Utility Plant:</u>					
1 Book Cost of Plant	\$ 3,537,709	\$ 695,110	\$ 4,232,819	\$ -	\$ 4,232,819
2 Accumulated Reserve for Depreciation	(908,291)	(141,746)	(1,050,037)	(468)	(1,050,505)
3 Net Plant	2,629,418	553,364	3,182,782	(468)	3,182,314
4 Non-Interest Bearing CWIP	132,922	4,757	137,679	-	137,679
5 Gas Stored Underground- Non- Current	1,239	-	1,239	-	1,239
6 Preferred Stock Expense	483	40	523	-	523
7 Unamortized Debt Discount/Premium/Expense	26,542	(888)	25,654	-	25,654
8 Customer Advances for Construction	(1,823)	(59)	(1,882)	-	(1,882)
9 MTA Surtax - Net of Income Taxes	2,425	(88)	2,337	-	2,337
10 Working Capital	287,782	(205,201)	82,581	-	82,581
11 Excess Rate Base Over Capitalization	158,122	-	158,122	(16,201)	141,921
12 Accrual of Unbilled Revenues	35,497	-	35,497	-	35,497
13 Honeoye Storage Corporation	2,458	1,112	3,570	-	3,570
14 Interference Cost Sharing Agreement- Net of Tax	(6,195)	1,330	(4,865)	-	(4,865)
15 Divested Stations - Unauthorized Gas Use - Net of Tax	(435)	(14)	(449)	-	(449)
16 WTC Deferred Expense Recovered - Net of Tax	8,909	-	8,909	7,390	16,299
17 NYC Property Tax Discount - Net of Tax	(173)	173	-	-	-
18 Gas Fuel Use Tax for NUGs	1,033	(1,033)	-	-	-
19 Credit and Collection Related Charges	77	(77)	-	-	-
20 Supply Related Charges	193	(193)	-	-	-
21 Recoverable Fuel Charge Deferred	(353)	353	-	-	-
22 Retail Choice Credit	(415)	415	-	-	-
23 Expiring Amortization of Deferred Costs - Net of Tax	(15,864)	15,864	-	-	-
<u>Rate Case Reconciliations - Net of Income Taxes</u>					
24 MGP/Superfund with Interest	-	22,153	22,153	(3,692)	18,461
25 Undercollection of Property Taxes	-	3,468	3,468	(578)	2,890
26 Interest on 263A Deferred Tax	-	90	90	(15)	75
27 Interest on Rate Case Deferrals	-	580	580	(97)	483
28 T&D Reconciliation	-	2,375	2,375	(396)	1,979
29 Refund of Medicare Rx Legislation Savings	-	(415)	(415)	69	(346)
<u>Accumulated Deferred Income Taxes:</u>					
30 ADR / ACRS / MACRS Deductions	(362,602)	(83,465)	(446,067)	22	(446,045)
31 Change of Accounting Section 263 A	(68,834)	(8,860)	(77,694)	-	(77,694)
32 Amortization of Computer Software	(7,387)	(3,933)	(11,320)	-	(11,320)
33 Prepaid Insurance Expenses	(612)	(13)	(625)	-	(625)
34 Deferred MTA	(2,842)	(1,823)	(4,665)	-	(4,665)
35 Vested Vacation	1,811	(8)	1,803	-	1,803
36 Unbilled Revenues	21,491	-	21,491	-	21,491
37 Contributions In Aid of Construction	1,357	83	1,440	-	1,440
38 Capitalized Interest	297	(125)	172	-	172
39 FIN 48 - Disallowed SSCM	(15,702)	15,702	-	-	-
40 Call Premium	(1,828)	1,182	(646)	-	(646)
41 Excess Deferred Taxes	(17,642)	-	(17,642)	-	(17,642)
42 Excess Deferred SIT (2000/2001)	(571)	-	(571)	-	(571)
43 Deferred S.I.T.	(14,079)	(4,240)	(18,319)	-	(18,319)
44 Total Rate Base	\$ 2,794,699	\$ 312,605	\$ 3,107,304	\$ (13,966)	\$ 3,093,338

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC
WORKING CAPITAL - GAS
AVERAGE TWELVE MONTHS ENDED JUNE 30, 2009 AND
AVERAGE TWELVE MONTHS ENDING SEPTEMBER 30, 2011
(Thousands of Dollars)

Line No.	Average Actual Twelve Months Ended June 30, 2009 (Column 1)	Adjustments To Reflect Conditions In The Rate Year (Column 2)	Average Twelve Months Ending September 30, 2011 (Column 3)	Adjustments To Rate Base Twelve Months Ending September 30, 2011 (Column 4)	Rate Year Rate Base Fully Adjusted For Proposed Rate Increase (Column 5)
<u>Materials and Supplies</u>					
1. Average Balance of Gas Stored Underground Current and LNG in Storage	\$ 193,957	\$ (193,957)	\$ -	\$ -	\$ -
Average Balance of Materials & Supplies					
2. Excluding Gas in Storage	9,642	310	9,952	-	9,952
3. Total Materials and Supplies	<u>203,599</u>	<u>(193,647)</u>	<u>9,952</u>	<u>-</u>	<u>9,952</u>
<u>PREPAYMENTS</u>					
4. Insurance	1,794	(22)	1,772	-	1,772
5. Property Taxes	46,272	(17,380)	28,892	-	28,892
6. PSC Assessment	1,927	(698)	1,229	-	1,229
7. Other	2,455	79	2,534	-	2,534
8. Total Prepayments	<u>52,448</u>	<u>(18,021)</u>	<u>34,427</u>	<u>-</u>	<u>34,427</u>
<u>CASH WORKING CAPITAL</u>					
9. Total Operation & Maintenance Expenses	1,207,938	(265,823)	942,115	(620,607)	321,508
10. Less: Purchased Gas Expenses	942,300	(320,901)	621,399	(620,607)	792
11. Interdepartmental Rents	4	-	4	-	4
12. Uncollectibles	11,805	3,281	15,086	-	15,086
13. Net	<u>253,829</u>	<u>51,797</u>	<u>305,626</u>	<u>-</u>	<u>305,626</u>
14. Cash Working Capital @ 1/8th	31,735	6,467	38,202	-	38,202
15. Total Cash Working Capital	<u>31,735</u>	<u>6,467</u>	<u>38,202</u>	<u>-</u>	<u>38,202</u>
16. TOTAL WORKING CAPITAL	<u>\$ 287,782</u>	<u>\$ (205,201)</u>	<u>\$ 82,581</u>	<u>\$ -</u>	<u>\$ 82,581</u>

EXHIBIT __ (AP- 8)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
RATE BASE

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC
RATE BASE - GAS
AVERAGE TWELVE MONTHS ENDED JUNE 30, 2009 AND
AVERAGE TWELVE MONTHS ENDING SEPTEMBER 30, 2011
(Thousands of Dollars)

Line No.	Average Actual Twelve Months Ended June 30, 2009 (Column 1)	Adjustments To Reflect Conditions In The Rate Year (Column 2)	Average Twelve Months Ending September 30, 2011 (Column 3)	Adjustments To Rate Base Twelve Months Ending September 30, 2011 (Column 4)	Rate Year Rate Base Fully Adjusted For Proposed Rate Increase (Column 5)
<u>Utility Plant:</u>					
1 Book Cost of Plant	\$ 3,537,709	\$ 695,110	\$ 4,232,819	\$ -	\$ 4,232,819
2 Accumulated Reserve for Depreciation	(908,291)	(141,746)	(1,050,037)	(468)	(1,050,505)
3 Net Plant	2,629,418	553,364	3,182,782	(468)	3,182,314
4 Non-Interest Bearing CWIP	132,922	4,757	137,679	-	137,679
5 Gas Stored Underground- Non- Current	1,239	-	1,239	-	1,239
6 Preferred Stock Expense	483	40	523	-	523
7 Unamortized Debt Discount/Premium/Expense	26,542	(888)	25,654	-	25,654
8 Customer Advances for Construction	(1,823)	(59)	(1,882)	-	(1,882)
9 MTA Surtax - Net of Income Taxes	2,425	(88)	2,337	-	2,337
10 Working Capital	287,782	(205,201)	82,581	-	82,581
11 Excess Rate Base Over Capitalization	158,122	-	158,122	(16,201)	141,921
12 Accrual of Unbilled Revenues	35,497	-	35,497	-	35,497
13 Honeoye Storage Corporation	2,458	1,112	3,570	-	3,570
14 Interference Cost Sharing Agreement- Net of Tax	(6,195)	1,330	(4,865)	-	(4,865)
15 Divested Stations - Unauthorized Gas Use - Net of Tax	(435)	(14)	(449)	-	(449)
16 WTC Deferred Expense Recovered - Net of Tax	8,909	-	8,909	7,390	16,299
17 NYC Property Tax Discount - Net of Tax	(173)	173	-	-	-
18 Gas Fuel Use Tax for NUGs	1,033	(1,033)	-	-	-
19 Credit and Collection Related Charges	77	(77)	-	-	-
20 Supply Related Charges	193	(193)	-	-	-
21 Recoverable Fuel Charge Deferred	(353)	353	-	-	-
22 Retail Choice Credit	(415)	415	-	-	-
23 Expiring Amortization of Deferred Costs - Net of Tax	(15,864)	15,864	-	-	-
<u>Rate Case Reconciliations - Net of Income Taxes</u>					
24 MGP/Superfund with Interest	-	22,153	22,153	(3,692)	18,461
25 Undercollection of Property Taxes	-	3,468	3,468	(578)	2,890
26 Interest on 263A Deferred Tax	-	90	90	(15)	75
27 Interest on Rate Case Deferrals	-	580	580	(97)	483
28 T&D Reconciliation	-	2,375	2,375	(396)	1,979
29 Refund of Medicare Rx Legislation Savings	-	(415)	(415)	69	(346)
<u>Accumulated Deferred Income Taxes:</u>					
30 ADR / ACRS / MACRS Deductions	(362,602)	(83,465)	(446,067)	22	(446,045)
31 Change of Accounting Section 263 A	(68,834)	(8,860)	(77,694)	-	(77,694)
32 Amortization of Computer Software	(7,387)	(3,933)	(11,320)	-	(11,320)
33 Prepaid Insurance Expenses	(612)	(13)	(625)	-	(625)
34 Deferred MTA	(2,842)	(1,823)	(4,665)	-	(4,665)
35 Vested Vacation	1,811	(8)	1,803	-	1,803
36 Unbilled Revenues	21,491	-	21,491	-	21,491
37 Contributions In Aid of Construction	1,357	83	1,440	-	1,440
38 Capitalized Interest	297	(125)	172	-	172
39 FIN 48 - Disallowed SSCM	(15,702)	15,702	-	-	-
40 Call Premium	(1,828)	1,182	(646)	-	(646)
41 Excess Deferred Taxes	(17,642)	-	(17,642)	-	(17,642)
42 Excess Deferred SIT (2000/2001)	(571)	-	(571)	-	(571)
43 Deferred S.I.T.	(14,079)	(4,240)	(18,319)	-	(18,319)
44 Total Rate Base	\$ 2,794,699	\$ 312,605	\$ 3,107,304	\$ (13,966)	\$ 3,093,338

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC
WORKING CAPITAL - GAS
AVERAGE TWELVE MONTHS ENDED JUNE 30, 2009 AND
AVERAGE TWELVE MONTHS ENDING SEPTEMBER 30, 2011
(Thousands of Dollars)

Line No.	Average Actual Twelve Months Ended June 30, 2009 (Column 1)	Adjustments To Reflect Conditions In The Rate Year (Column 2)	Average Twelve Months Ending September 30, 2011 (Column 3)	Adjustments To Rate Base Twelve Months Ending September 30, 2011 (Column 4)	Rate Year Rate Base Fully Adjusted For Proposed Rate Increase (Column 5)
<u>Materials and Supplies</u>					
1. Average Balance of Gas Stored Underground Current and LNG in Storage	\$ 193,957	\$ (193,957)	\$ -	\$ -	\$ -
Average Balance of Materials & Supplies					
2. Excluding Gas in Storage	9,642	310	9,952	-	9,952
3. Total Materials and Supplies	<u>203,599</u>	<u>(193,647)</u>	<u>9,952</u>	<u>-</u>	<u>9,952</u>
<u>PREPAYMENTS</u>					
4. Insurance	1,794	(22)	1,772	-	1,772
5. Property Taxes	46,272	(17,380)	28,892	-	28,892
6. PSC Assessment	1,927	(698)	1,229	-	1,229
7. Other	2,455	79	2,534	-	2,534
8. Total Prepayments	<u>52,448</u>	<u>(18,021)</u>	<u>34,427</u>	<u>-</u>	<u>34,427</u>
<u>CASH WORKING CAPITAL</u>					
9. Total Operation & Maintenance Expenses	1,207,938	(265,823)	942,115	(620,607)	321,508
10. Less: Purchased Gas Expenses	942,300	(320,901)	621,399	(620,607)	792
11. Interdepartmental Rents	4	-	4	-	4
12. Uncollectibles	11,805	3,281	15,086	-	15,086
13. Net	<u>253,829</u>	<u>51,797</u>	<u>305,626</u>	<u>-</u>	<u>305,626</u>
14. Cash Working Capital @ 1/8th	31,735	6,467	38,202	-	38,202
15. Total Cash Working Capital	<u>31,735</u>	<u>6,467</u>	<u>38,202</u>	<u>-</u>	<u>38,202</u>
16. TOTAL WORKING CAPITAL	<u>\$ 287,782</u>	<u>\$ (205,201)</u>	<u>\$ 82,581</u>	<u>\$ -</u>	<u>\$ 82,581</u>

EXHIBIT __ (AP-9)

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
REVENUE REQUIREMENT**

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

OPERATING INCOME, RATE BASE AND RATE OF RETURN FOR GAS OPERATIONS
SHOWING THE EFFECT OF THE PROPOSED INCREASE IN RATES
TWELVE MONTHS ENDING SEPTEMBER 30, 2011
(Thousands of Dollars)

	Twelve Months Ending September 30, 2011 As Reflected in Exhibit (AP-5) (Column 1)	Rate Case Adjustments (Schedule 3) (Column 2)	Rate Year As Adjusted (Column 3)	Proposed Rate Increase (Column 4)	Rate Year As Adjusted For Proposed Rate Increase (Column 5)
<u>OPERATING REVENUES</u>					
SALES REVENUES	\$1,511,083	(\$665,175)	\$845,908	\$160,822	\$1,006,730
OTHER OPERATING REVENUES	<u>25,336</u>	<u>(30,493)</u>	<u>(5,157)</u>	<u>262</u>	<u>(4,895)</u>
TOTAL OPERATING REVENUES	<u>1,536,419</u>	<u>(695,668)</u>	<u>840,751</u>	<u>161,084</u>	<u>1,001,835</u>
<u>OPERATING REVENUE DEDUCTIONS</u>					
FUEL	621,399	(620,607)	792	0	792
OTHER OPERATION AND MAINTENANCE	320,717	0	320,717	1,432	322,149
DEPRECIATION AND AMORTIZATION	108,245	949	109,194	0	109,194
TAXES OTHER THAN INCOME TAXES	227,942	(14,824)	213,118	4,680	217,798
GAINS FROM DISPOSITION OF UTILITY PLANT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OPERATING REVENUE DEDUCTIONS	<u>1,278,303</u>	<u>(634,482)</u>	<u>643,821</u>	<u>6,112</u>	<u>649,933</u>
OPERATING INCOME BEFORE INCOME TAXES	258,116	(61,186)	196,930	154,972	351,902
NEW YORK STATE INCOME TAX (Schedule 2, Page 1)	11,746	(4,344)	7,402	11,003	18,405
FEDERAL INCOME TAX (Schedule 2, Page 2)	<u>51,226</u>	<u>(19,606)</u>	<u>31,620</u>	<u>50,389</u>	<u>82,009</u>
OPERATING INCOME AFTER INCOME TAXES	<u>\$195,144</u>	<u>(\$37,236)</u>	<u>\$157,908</u>	<u>\$93,580</u>	<u>\$251,488</u>
AVERAGE RATE BASE (Exhibit (AP-8))	<u>\$3,107,304</u>	<u>(\$13,966)</u>	<u>\$3,093,338</u>		<u>\$3,093,338</u>
RATE OF RETURN	<u>6.28%</u>		<u>5.10%</u>		<u>8.13%</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

NEW YORK STATE INCOME TAX - GAS
TWELVE MONTHS ENDING SEPTEMBER 30, 2011
(Thousands of Dollars)

Line No.		Twelve Months Ending September 30, 2011 As Reflected in Exhibit (AP-5) (Column 1)	Rate Case Adjustments (Schedule 3) (Column 2)	Rate Year As Adjusted (Column 3)	Proposed Rate Increase (Column 4)	Rate Year As Adjusted For Proposed Rate Increase (Column 5)
1	Book Operating Income Before Income Taxes	<u>\$258,116</u>	<u>(\$61,186)</u>	<u>\$196,930</u>	<u>\$154,972</u>	<u>\$351,902</u>
	<u>FLOW THROUGH ITEMS</u>					
	<u>Deduct: Non-Taxable Income and Additional Deductions</u>					
2	Interest Expense	89,234	0	89,234	0	89,234
3	Medicare Part D Subsidy - Post-Employment Benefits	<u>3,445</u>	<u>0</u>	<u>3,445</u>	<u>0</u>	<u>3,445</u>
4	Total Deductions	<u>92,679</u>	<u>0</u>	<u>92,679</u>	<u>0</u>	<u>92,679</u>
	<u>NORMALIZED ITEMS</u>					
	<u>Add: Additional Income and Unallowable Deductions</u>					
5	Book Depreciation	108,245	949	109,194	0	109,194
6	Contributions in Aid of Construction	217	0	217	0	217
7	Capitalized Interest	440	0	440	0	440
8	Pension / OPEB Expenses - Rate Year	<u>55,725</u>	<u>0</u>	<u>55,725</u>	<u>0</u>	<u>55,725</u>
9	Total Additions	<u>164,627</u>	<u>949</u>	<u>165,576</u>	<u>0</u>	<u>165,576</u>
	<u>Deduct: Non-Taxable Income and Additional Deductions</u>					
10	NYS Depreciation	151,123	0	151,123	0	151,123
11	Removal Costs	6,673	0	6,673	0	6,673
12	Amortization of Capitalized Interest	185	0	185	0	185
13	Westchester Property Tax Adjustment	79	0	79	0	79
14	Pension / OPEB Funding - Rate Year	105,948	0	105,948	0	105,948
15	World Trade Center Incident	0	(3,083)	(3,083)	0	(3,083)
16	MGP / Superfund	0	(11,688)	(11,688)	0	(11,688)
17	MGP / Superfund - Interest	0	(541)	(541)	0	(541)
18	Pensions / OPEBs	0	(11,815)	(11,815)	0	(11,815)
19	Property Taxes	0	(1,914)	(1,914)	0	(1,914)
20	Interest on 263A Deferred Tax	0	(50)	(50)	0	(50)
21	Interest on Rate Case Deferrals	0	(320)	(320)	0	(320)
22	T&D Reconciliation	0	(1,311)	(1,311)	0	(1,311)
23	Interest on Revenue Accrual	0	0	0	0	0
24	Medicare Rx Legislation Savings	<u>0</u>	<u>229</u>	<u>229</u>	<u>0</u>	<u>229</u>
25	Total Deductions	<u>264,008</u>	<u>(30,493)</u>	<u>233,515</u>	<u>0</u>	<u>233,515</u>
26	Taxable Income - New York State	<u>\$66,056</u>	<u>(\$29,744)</u>	<u>\$36,312</u>	<u>\$154,972</u>	<u>\$191,284</u>
	<u>Tax Computation</u>					
27	Current New York State Income Tax @ 7.10%	\$4,690	(\$2,112)	\$2,578	\$11,003	\$13,581
28	Deferred New York State Income Tax @ 7.10%	<u>7,056</u>	<u>(2,232)</u>	<u>4,824</u>	<u>0</u>	<u>4,824</u>
29	Total New York State Income Tax	<u>\$11,746</u>	<u>(\$4,344)</u>	<u>\$7,402</u>	<u>\$11,003</u>	<u>\$18,405</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

FEDERAL INCOME TAX - GAS
TWELVE MONTHS ENDING SEPTEMBER 30, 2011
(Thousands of Dollars)

Line No.		Twelve Months Ending September 30, 2011 As Reflected in Exhibit (AP-5) (Column 1)	Rate Case Adjustments (Schedule 3) (Column 2)	Rate Year As Adjusted (Column 3)	Proposed Rate Increase (Column 4)	Rate Year As Adjusted For Proposed Rate Increase (Column 5)
1	Book Operating Income Before Income Taxes	\$258,116	(\$61,186)	\$196,930	\$154,972	\$351,902
2	New York State Income Tax, excluding amortizations	11,746	(4,344)	7,402	11,003	18,405
3	Book Operating Income Before Federal Income Tax	246,370	(56,842)	189,528	143,969	333,497
FLOW THROUGH ITEMS						
<u>Add: Additional Income and Unallowable Deductions</u>						
4	Book Depreciation	108,245	949	109,194	0	109,194
5	Capitalized Interest	440	0	440	0	440
6	Total Additions	108,685	949	109,634	0	109,634
<u>Deduct: Non-Taxable Income and Additional Deductions</u>						
7	Interest Expense	89,234	0	89,234	0	89,234
8	Statutory Depreciation	70,945	96	71,041	0	71,041
9	Removal Costs	6,673	0	6,673	0	6,673
10	Amortization of Capitalized Interest	0	0	0	0	0
11	Medicare Part D Subsidy - Post-Employment Benefits	3,445	0	3,445	0	3,445
12	Westchester Property Tax Adjustment	79	0	79	0	79
13	Dividends Paid on \$5 Cumulative Preferred Stock	388	0	388	0	388
14	Total Deductions	170,764	96	170,860	0	170,860
NORMALIZED ITEMS						
<u>Add: Additional Income and Unallowable Deductions</u>						
15	Contributions in Aid of Construction	217	0	217	0	217
16	Pension / OPEB Expenses - Rate Year	55,725	0	55,725	0	55,725
17	Deferred State Income Tax	7,056	(2,232)	4,824	0	4,824
18	Total Additions	62,998	(2,232)	60,766	0	60,766
<u>Deduct: Non-Taxable Income and Additional Deductions</u>						
19	Depreciation - ADR / ACRS / MACRS	79,862	(96)	79,766	0	79,766
20	263A Capitalized Overheads	19,444	0	19,444	0	19,444
21	Loss on ACRS/MACRS Retirements	2,201	0	2,201	0	2,201
22	Amortization of Capitalized Interest	185	0	185	0	185
23	Pension / OPEB Funding - Rate Year	105,948	0	105,948	0	105,948
24	World Trade Center Incident	0	(3,083)	(3,083)	0	(3,083)
25	MGP / Superfund	0	(11,688)	(11,688)	0	(11,688)
26	MGP / Superfund - interest	0	(541)	(541)	0	(541)
27	Pensions / OPEBs	0	(11,815)	(11,815)	0	(11,815)
28	Property Taxes	0	(1,914)	(1,914)	0	(1,914)
29	Interest on 263A Deferred Tax	0	(50)	(50)	0	(50)
30	Interest on Rate Case Deferrals	0	(320)	(320)	0	(320)
31	T&D Reconciliation	0	(1,311)	(1,311)	0	(1,311)
32	Interest on Revenue Accrual	0	0	0	0	0
33	Medicare Rx Legislation Savings	0	229	229	0	229
34	Total Deductions	207,640	(30,589)	177,051	0	177,051
35	Taxable Income - Federal	\$39,649	(\$27,632)	\$12,017	\$143,969	\$155,986
Tax Computation						
36	Current Federal Income Tax @ 35%	\$13,877	(\$9,671)	\$4,206	\$50,389	\$54,595
37	Deferred Federal Income Tax @ 35%	50,625	(9,925)	40,700	0	40,700
Amortization of Previously Deferred Federal Income Tax						
38	Depreciation / Loss on Retirements	(12,515)	(10)	(12,525)	0	(12,525)
39	Investment Tax Credit	(761)	0	(761)	0	(761)
40	Total Federal Income Tax	\$51,226	(\$19,606)	\$31,620	\$50,389	\$82,009

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

ADJUSTMENTS TO OPERATING INCOME - GAS
TWELVE MONTHS ENDING SEPTEMBER 30, 2011
(Thousands of Dollars)

	<u>Amount</u>
<u>SALES REVENUES</u>	
1. To eliminate sales revenues, the profits from which are not retained by the Company, and fuel revenues	(\$665,175)
Total Adjustments to Sales Revenues	(\$665,175)
<u>OTHER OPERATING REVENUES</u>	
1. Recovery over a five-year period deferred O&M costs over a 28 year period deferred Capital costs associated with the World Trade Center (WTC) Incident	(3,083)
2. Recovery over a three-year period of MGP / Superfund	(11,688)
3. Recovery over a three-year period of interest on MGP / Superfund	(541)
4. Recovery over a three-year period of the undercollection of Pension/OPEB Costs	(11,815)
5. Recovery over a three-year period of the undercollection of Property Tax expenses	(1,914)
6. Recovery over a three-year period of the interest on 263A Deferred Tax	(50)
7. Recovery over a three-year period of interest on Rate Case Deferrals	(320)
8. Recovery over a three-year period of T&D Reconciliation	(1,311)
9. Refund over a three-year period deferred Medicare Rx Legislation Savings	229
Total Adjustments to Other Operating Revenues	(\$30,493)
<u>FUEL</u>	
1. To eliminate all fuel expenses other than fuel used for Company purposes	(\$620,607)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

ADJUSTMENTS TO OPERATING INCOME - GAS
TWELVE MONTHS ENDING SEPTEMBER 30, 2011
(Thousands of Dollars)

	<u>Amount</u>
<u>DEPRECIATION AND AMORTIZATION EXPENSES</u>	
1. Increase in depreciation expense resulting from proposed changes in gas depreciation rates	<u>\$949</u>
Total Adjustments to Depreciation and Amortization Expenses	<u>\$949</u>
<u>TAXES OTHER THAN INCOME TAXES</u>	
1. Adjustments to revenue taxes related to adjustments to sales revenues	
- Eliminate sales revenues not retained and fuel expenses	<u>(\$14,824)</u>
Total Adjustments to Taxes Other Than Income Taxes	<u>(\$14,824)</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

CUSTOMER DEBITS AND CREDITS - GAS
(Thousands of Dollars)

		<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>	<u>Total</u>
<u>Customer Debits</u>					
	<u>Regulatory Assets</u>				
1	WTC Incident Costs	\$3,083	\$3,083	\$3,083	\$9,249
2	MGP / Superfund Costs - Pricipal	11,688	11,688	11,688	35,064
3	MGP / Superfund Costs - Interest	541	541	541	1,623
4	Pension / OPEB Costs	11,815	11,815	11,815	35,445
5	Property Taxes	1,914	1,914	1,914	5,742
6	Interest on 263A Deferred Tax	50	50	50	150
7	Interest on Rate Case Deferrals	320	320	320	960
8	T&D Reconciliation	<u>1,311</u>	<u>1,311</u>	<u>1,311</u>	<u>3,933</u>
	Total	<u>\$30,722</u>	<u>\$30,722</u>	<u>\$30,722</u>	<u>\$92,166</u>

Customer Credits

	<u>Regulatory Liabilities</u>				
1	Medicare Rx Legislation Savings	<u>\$229</u>	<u>\$229</u>	<u>\$229</u>	<u>\$687</u>
	Total	<u>\$229</u>	<u>\$229</u>	<u>\$229</u>	<u>\$687</u>

EXHIBIT __ (AP- 10)

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CAPITAL STRUCTURE AND COST OF CAPITAL**

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
RATE OF RETURN REQUIRED FOR THE RATE YEAR
TWELVE MONTHS ENDING SEPTEMBER 30, 2011
(Thousands of Dollars)

	Actual Capital Structure June 30, 2009	Adjustments to Reflect Conditions in Rate Year	Average Capital Structure at September 30, 2011		Cost Rate	Cost of Capital
			Amount	Percent		
Long Term Debt	\$ 9,740,900	\$ 421,133	\$ 10,162,033 (1)	49.53%	5.74% (1)	2.84%
Preferred Stock	212,563	-	212,563 (2)	1.04%	5.34% (2)	0.06%
Customer Deposits	253,335	10,862	264,197	1.28%	2.45%	0.03%
Subtotal	10,206,798	431,996	10,638,794	51.85%		2.93%
Common Equity	8,998,844	878,890	9,877,734	48.15%	10.8%	5.20%
Total	\$ 19,205,642	\$ 1,310,886	\$ 20,516,528	100.00%		8.13%

(1) Per Schedule 2

(2) Per Schedule 3

EXHIBIT ____ (AP-10)
SCHEDULE 1

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
AVERAGE COST OF LONG TERM DEBT
September 30, 2011
(Thousands of Dollars)

Type of Issue	Due	Debt Outstanding 9/30/2011	Cost Rate	Average Balance 9/30/2011	Average Cost Annualized	Effective Cost Rate
<u>Debentures</u>						
1998 Series A	02/01/08	\$ -	6.2500%	\$ -	\$ -	
1998 Series B	02/01/28	105,000	7.1000%	105,000	7,455	
1998 Series D	10/01/28	75,000	6.9000%	75,000	5,175	
2000 Series A	05/01/10	-	8.1250%	-	-	
2000 Series B	09/01/10	-	7.5000%	-	-	
2002 Series A	07/01/12	300,000	5.6250%	300,000	16,875	
2002 Series B	02/01/13	500,000	4.8750%	500,000	24,375	
2003 Series A	04/01/33	175,000	5.8750%	175,000	10,281	
2003 Series B	06/15/13	200,000	3.8500%	200,000	7,700	
2003 Series C	06/15/33	200,000	5.1000%	200,000	10,200	
2004 Series A	02/01/14	200,000	4.7000%	200,000	9,400	
2004 Series B	02/01/34	200,000	5.7000%	200,000	11,400	
2005 Series A	03/01/35	350,000	5.3000%	350,000	18,550	
2005 Series B	07/01/35	125,000	5.2500%	125,000	6,563	
2005 Series C	12/01/15	350,000	5.3750%	350,000	18,813	
2006 Series A	03/15/36	400,000	5.8500%	400,000	23,400	
2006 Series B	06/15/36	400,000	6.2050%	400,000	24,820	
2006 Series C	09/15/16	400,000	5.5000%	400,000	22,000	
2006 Series D	12/01/16	250,000	5.3000%	250,000	13,250	
2006 Series E	12/01/36	250,000	5.7000%	250,000	14,250	
2007 Series A	08/15/37	525,000	6.3000%	525,000	33,075	
2008 Series A	04/01/18	600,000	5.8500%	600,000	35,100	
2008 Series B	04/01/38	600,000	6.7500%	600,000	40,500	
2008 Series C	12/01/18	600,000	7.1250%	600,000	42,750	
2009 Series A	04/01/14	275,000	5.5500%	275,000	15,263	
2009 Series B	04/01/19	475,000	6.6500%	475,000	31,588	
2009 Series C	12/01/39	310,000	5.8400%	310,000	18,104	
2010 Series A	05/01/20	300,000	5.3500%	300,000	16,050	
2010 Series B	05/01/40	300,000	6.1400%	300,000	18,420	
2010 Series C	09/01/20	370,000	5.3500%	354,583	18,970	
2010 Series D	12/01/40	250,000	6.1400%	177,083	10,873	
2011 Series A	07/01/21	350,000	5.9800%	43,750	2,616	
2011 Series B	09/01/41	300,000	6.3400%	-	-	
<u>Tax Exempt Debt Issue through New York State</u>						
1999 Series A	05/01/34	292,700	VAR (A)	292,700	11,532	
2001 Series A	06/01/36	224,600	VAR (A)	224,600	10,556	
2001 Series B	10/01/36	98,000	VAR (A)	98,000	3,861	
2004 Series A	01/01/39	98,325	VAR (A)	98,325	3,874	
2004 Series B1	05/01/32	127,225	VAR (A)	127,225	5,013	
2004 Series B2	10/01/35	19,750	VAR (A)	19,750	778	
2004 Series C	11/01/39	99,000	VAR (A)	99,000	2,228	
2005 Series A	05/01/39	126,300	VAR (A)	126,300	2,842	
Subtotal		10,820,900		\$ 10,126,317	\$ 568,498	
Amortization of Debt Discount & Expense					15,089	
Ending Balance of Unamortized Premium (Discount)				35,716		
TOTAL				\$ 10,162,033	\$ 583,588	5.74%

(A) Average variable rate

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
AVERAGE COST OF PREFERRED STOCK
30-Sep-11
(Thousands of Dollars)

<u>Issue</u>	<u>Cost Rate</u>	<u>Average Amount Outstanding</u>	<u>Average Dividends Annualized</u>	<u>Effective Cost Rate</u>
Cumulative Preferred Stock				
\$5	(A)	\$ 175,000	\$ 9,577	
Series C	4.650%	15,330	713	
Series D	4.650%	<u>22,233</u>	<u>1,034</u>	
Subtotal		\$ 212,563	\$ 11,324	5.33%
Amortization of Expenses				
Refunding of Series A & B			<u>20</u>	
Total		<u>\$ 212,563</u>	<u>\$ 11,344</u>	<u>5.34%</u>

Note: (A) \$5 per share on 1,915,319 outstanding shares

EXHIBIT __ (AP- 11)

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
FUND REQUIREMENTS AND SOURCES**

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 FUND REQUIREMENTS AND SOURCES
 TWELVE MONTHS ENDING SEPTEMBER 30, 2011
 (Millions of Dollars)

CAPITAL FUNDS REQUIRED

Construction Expenditures	\$ 2,345
Rate Cast Amortizations/Accruals	(18)
Working Capital	(34)
TOTAL FUNDS REQUIRED	<u>2,293</u>

INTERNAL SOURCE OF FUNDS

Retained Earnings	367
Depreciation	822
Deferred Tax Accruals	199
AFUDC	(23)
Other	-
TOTAL INTERNAL SOURCES OF FUNDS	<u>1,365</u>

INTERNAL FUNDS AVAILABLE/(REQUIRED) (928)

EXTERNAL SOURCES OF FUNDS

Net Equity Issuance	-
Commercial Paper	28
Bond Proceeds	900
TOTAL EXTERNAL SOURCES OF FUNDS	<u>928</u>

CAPITAL FUNDS REQUIRED LESS
 SOURCES OF FUNDS

-

TEMPORARY CASH INVESTMENTS AT 09/30/10

\$ 10

TEMPORARY CASH INVESTMENTS AT 09/30/11

\$ 10

EXHIBIT __ (AP- 12)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
INTEREST COVERAGE

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
INTEREST COVERAGE
S.E.C. BASIS - PER BOOKS
(Millions of Dollars)

	2004 ACTUAL	2005 ACTUAL	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	12 MONTHS ENDING SEPTEMBER 2011 ESTIMATE
NET INCOME	\$ 518	\$ 694	\$ 686	\$ 844	\$ 783	\$ 1,049
PREFERRED STOCK DIVIDEND	11	11	11	11	11	11
(INCOME) OR LOSS FROM EQUITY INVESTEEES	-	-	-	(2)	-	-
FEDERAL INCOME TAX	278	330	349	392	397	567
PRE-TAX INCOME FROM CONTINUING OPERATIONS	807	1,035	1,046	1,245	1,191	1,627
ADD: FIXED CHARGES						
Interest on long-term debt	317	333	370	411	458	571
Amortization of debt discount & expense	15	17	16	17	16	15
Other interest	34	21	65	39	25	15
Interest component of rentals	21	21	21	20	21	21
TOTAL FIXED CHARGES	387	392	472	487	520	622
EARNINGS AVAILABLE	\$ 1,194	\$ 1,427	\$ 1,518	\$ 1,732	\$ 1,711	\$ 2,249
INTEREST COVERAGE (TIMES)	3.09	3.64	3.22	3.56	3.29	3.62

EXHIBIT __ (AP-12)

EXHIBIT __ (AP- 13)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
PERSONNEL REQUESTED FOR LAW DEPARTMENT

PERSONNEL REQUESTED FOR THE LAW DEPARTMENT

A. RECORD RETENTION GROUP

The two requested employees (**Sr. Specialist** and **Paralegal**) will help form a records management team to develop and manage a records management program to enable the Company to comply with all records retention obligations and legal hold obligations. The records management team and the records management program represent a new Company initiative. This initiative will manage the Company's records retention obligations and manage compliance with the Company's legal hold obligations in a consistent and defensible manner. Our current program requires strengthening to address the increasing risks presented by the recently enacted Federal E-Discovery Rules and the evolving case law in the area. There is now a heightened attention among our legal adversaries to exploit any deficiencies in the legal hold process.

In recent years, companies have been fined millions of dollars and received numerous types of evidentiary sanctions (such as default judgments, witness preclusion, adverse inference instructions to the jury) because of failures in records retention and meeting legal hold obligations. The litigation

landscape is now scarred with cases involving companies that have suffered substantial evidentiary and financial sanctions because of records retention failures and failures in complying with legal hold and discovery requirements.

The **Senior Specialist** will provide critical assistance to the Sr. Staff Attorney in establishing, updating, and monitoring records retention policies as well as in managing, executing, and monitoring legal holds and e-discovery productions in support of training.

Additional key responsibilities include the identification of relevant custodians and electronic databases that may have information subject to legal holds and the use of vendor applications to preserve and collect the electronic information subject to legal holds. The Sr. Specialist will also be responsible to support ongoing training efforts communicating records management policies and procedures as well as planning Company records strategy through periodic audits and oversight of records transfers. Currently, our Sr. Staff Attorney is reviewing candidates to fill this important position.

The **Paralegal** position will be used to provide direct and ongoing assistance to Company attorneys on specific cases where there are complex or difficult issues with respect to the identification, preservation, review, and collection of electronic information subject to legal holds. The preservation and collection of potentially relevant electronic information presents some of the most formidable e-discovery challenges confronting attorneys. This position will also provide attorney support for the processing and managing of legal holds through the Company's new legal hold software system, which was recently purchased and installed.

B. OFFICE OF THE SECRETARY

The Department is in the process of hiring an Executive Secretary to be shared jointly by the Executive Vice President and the Corporate Secretary's Office. The Executive Vice President has overall responsibility for the Law Department, Regulatory Services, Energy Efficiency Programs and Energy Policy and Regulatory Affairs. The Corporate Secretary is responsible for handling all matters relating to the Board of Trustees, including preparing agendas as well as the proxy statement and various SEC filings. Since

neither office currently has a secretary, the department has decided to share the position to reduce costs.

The Executive Vice President and the Corporate Secretary require this position to provide secretarial and administrative support to both officers. This would include answering calls from outside stakeholders, Board members and stockholders, maintaining the calendar for the Executive Vice President and the Corporate Secretary, and performing general secretarial and administrative tasks such as preparing, drafting and typing letters, memoranda, forms and reports; scheduling meetings and appointments; maintaining calendars and files; and performing other administrative responsibilities.

The Corporate Secretary's office is responsible for all matters involving the Board of Trustees of the Company, including planning and conducting Board meetings, preparing minutes of Board meetings, complying with state and federal corporate and securities laws (including New York Stock Exchange and Securities and Exchange Commission), drafting and distributing the Company's proxy statement, planning the Company's annual stockholders' meeting, and

supplying information to the Company's independent auditors. The Corporate Secretary's office is also responsible for all communications with Board members and stockholders. Most recently, the Corporate Secretary's office was responsible for supplying documentation and witnesses relating to Board matters in response to requests concerning the management audit conducted of the Company. All of the matters handled by the Corporate Secretary's office require the utmost discretion due to the confidential nature of the information. Currently, these secretarial/administrative tasks have been performed by members of the Corporate Secretary's office. To manage all responsibilities of the Corporate Secretary's office, the staff members were required to perform other tasks related to preparation of Board materials and necessary legal documents for the Stock Exchange and the SEC on uncompensated overtime. Hiring a secretary to support Executive Vice President and the Office of the Secretary would allow secretarial/administrative tasks to be performed at a lower cost to the Company, and free up time of the lawyers and specialists to handle more complex legal matters.

The department has posted the position and expects to fill the position January 2010.

C. GENERAL LITIGATION GROUP

The General Litigation group is responsible for defending the Company in all claims and lawsuits related to personal injury and property damage, as well as pursuing claims or filing lawsuits where the Company suffers property damage caused by another entity. General Litigation's program change is for three employees, two of whom have already been hired. These employees are two investigators and a Litigation Support Manager.

As of December 31, 2008, approximately 2,600 lawsuits and 875 claims have been filed against the Company and are pending resolution. The Company receives approximately 1,000 new lawsuits and 1,600 new claims each year. There are substantial challenges posed in managing the pending caseload and addressing new matters. This includes processing and resolving claims in a fair and equitable manner and preparation to properly defend litigation against the Company. For example, extensive pre-trial discovery, coupled with the developing issues in electronic discovery continue to require timely and efficient response.

Two **investigators** were added in January 2009. Each investigator is assigned approximately 150-200 cases. Their responsibilities include reviewing legal documents, securing and researching internal and external records, conducting site inspections, securing photographs, preparing sketches, evaluating accident scenes, and indentifying and interviewing Company and outside witnesses. In addition, investigators prepare and serve subpoenas, prepare and schedule witnesses, and assist our attorneys at trial. This important position requires a full complement of employees so that the Company can be properly represented in these legal proceedings. By quickly filling vacant positions, we avoid interim measures to help us address immediate requirements and require that we postpone less urgent tasks in the short-term. Funding is not being requested at this time since contract employees were used during the time the positions were vacant.

A **Litigation Support Manager** is needed to assist with the implementation and on-going support of a new Litigation Management System. The Litigation Management System will provide the department with the ability to image and store pleadings, medical records,

site inspection documents and other related litigation documents for retrieval and efficient response to discovery requests. The Litigation Support Manager's responsibilities will include developing processes to combine a wide-range of disparate manual tasks currently used to gather and store documents and necessary information. Storage, retrieval and management of claim and litigation documents are critical to a quick and successful resolution of these matters. The Litigation Management System will enable a more thorough and complete document search than is currently possible using manual methods. This system is another tool the Company will use to ensure proper representation in its personal injury and property damage lawsuits. This position is expected to be filled by no later than the first quarter of 2011.

D. COMMERCIAL TRANSACTIONS

The Commercial Transactions, Corporate and Finance Group requests two positions: one **Associate Counsel** and one **Staff Attorney** position. Aside from its work related to SEC filings and compliance and debt and equity financings, this group negotiates, drafts, reviews, interprets and renders legal advice on a large variety and volume of contractual documents and

issues, and reviews and advises on procurement and commercial laws and regulations affecting the Company. We are requesting an **Associate Counsel** to replace the Associate General Counsel - Commercial Transactions who was promoted in September 2008. The Associate Counsel will handle hands-on work in the commercial transactions area in order to continue to meet the legal needs of the Company. This work includes, among other things, negotiating, drafting, and advising Company management on a variety of contractual matters and issues, including material and complex commercial transactions. Some examples of the work include work on purchase and sale agreements, energy efficiency agreements, and service and equipment contracts. The work also includes some tasks of the nature specified in the position immediately below. We have posted for this position and expect to make an offer of employment to a candidate in the near future.

A **Staff Attorney/Senior Staff Attorney** in this group is needed to replace an attorney who transferred to a non-legal position in a different department in the Company in September 2008. The work handled by this position involves both commercial transactional work and real estate matters, including negotiating,

drafting, reviewing and advising on licenses, leases, condemnation matters, the sale of property, work on utility facilities, arrangements between the Company and private customers, and credit support instruments. This attorney also was responsible for researching and advising on legal issues in the commercial and real estate areas. We have posted to fill the position with a person with a Staff Attorney title and will continue reviewing resumes.

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

E. COMMERCIAL LITIGATION

The Commercial Litigation group is requesting one **Senior Staff Attorney**. This group represents the Company before state and federal courts and arbitration forums in disputes that arise out of commercial relationships. This work generally includes disputes relating to the purchase of good and services, construction projects, or real property ownership.

Many of the group's cases are complex, involve extensive discovery (including electronic discovery), and expedited trial schedules. Electronic discovery has dramatically increased the complexity of the discovery process and volume of documents that must be reviewed to prepare a case for summary judgment or trial. In one pending case, for example, there are approximately one million pages of discovery and there will likely be over thirty depositions. The addition of a Senior Staff Attorney will improve the group's ability to thoroughly prepare its cases and will also allow the more senior attorneys in the group to better utilize their time towards developing litigation strategy, preparing for depositions, and drafting motions. The group's attorneys are already working extended hours to keep up with their work loads. The group has relied upon a combination of temporary lawyers, outside counsel and uncompensated overtime by our in-house staff. Although temporary lawyers are suited for certain tasks, it takes time to train temporary lawyers and they may leave before the project has been completed. Certain sensitive activities like creating privileged logs (often involving thousands of documents) are best done by

lawyers familiar with the Company. Outside counsel support is better than temporary lawyers but tends to be expensive. And, in either situation, substantial direction and assistance from in-house counsel is usually required. Accordingly, while temporary lawyers and outside counsel are good mitigation measures that will continue to be used in appropriate circumstances, they are not a substitute for a reliable, well-trained, in-house lawyer who is versed in Con Edison's business and familiar with its people and procedures.

Finally, hiring a Senior Staff Attorney is consistent with the Company's succession planning. The group's experience has been that an attorney's knowledge of the Company and familiarity with the key operating managers improves the Company's chances of litigation success. A Senior Staff Attorney would be in a position to develop that skill set (which takes a few years) while working with more senior colleagues that have successfully developed these skills.

The Commercial Litigation group has extended an offer to an attorney which has been accepted. The start date is expected to be mid-November.

F. REGULATORY SERVICES

This group is responsible for the various filings and proceedings before the FERC, the PSC, and the DEC/DEP, among others. This group is requesting three positions - two **Associate Counsel** positions and one **paralegal** position. These three positions are all driven by increases in the number and complexity of the filings and proceedings before the FERC and the PSC.

The Companies have also experienced an increase in the workload related to the interconnection of generation and transmission projects: currently we are processing 25 and 9 requests for interconnections to the transmission and distribution systems, respectively (the distribution interconnections are by large projects in addition to the SIR projects). This compares to 9 transmission interconnections and zero large-generator distribution interconnections in 2006. The Companies are expanding their FERC compliance program, through substantial support by Regulatory Affairs. Regulatory Affairs is also devoting increased resources to the Companies' efforts to comply with NERC reliability standards, which became mandatory in 2008 and which are subjecting the

Companies to an increasing number of compliance audits. Regulatory Affairs is also increasingly devoting time to transmission siting matters that are arising under the Energy Policy Act of 2005 and to pending federal legislation relating to energy conservation and transmission siting.

The Company also requires additional attorneys to meet the increasing demands of regulatory practice before the New York Commission. The increased regulatory workload is driven by a trend away from multi-year rate plans for the Company's electric service, and the need to file and prosecute annual rate requests; in addition, the nature and complexity of these annual rate filings has been steadily increasing, with requests for ever-increasing detail in support of the Company's projected costs and expenses. In addition, there is increased need for regulatory support for new and ongoing proceedings relating to energy efficiency, demand response, renewables, mandatory hourly pricing, solar energy, and advanced metering infrastructure, as well as the integration of project funding through federal government stimulus payments; consideration of new service classifications (e.g., shore power); new approaches to submetering; and the proper integration

of FERC policies with New York regulatory programs (e.g., retail access and capacity release). There are also increasing demands from the New Jersey Board of Public Utilities in similar respects, which places demands on the regulatory attorney staff. Note - a portion of Regulatory Services costs and expenses are allocated to O&R to reflect the services provided that are specific to O&R's regulatory requirements.

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

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

We have posted the two attorney positions and the paralegal position. Our plan is to have all three

positions filled as soon as possible but no later than the first quarter of 2011.

G. OPERATIONS

The Operations group is requesting one **Senior Specialist** position and a Legal Secretary for the department. This group is responsible for the overall administrative activities of the department, including the coordination and recruitment of staff. The group also plans, prepares and administers personnel functions, wage and salary administration, capital, O&M and human resources budgets and performance evaluations; develops and coordinates new computer systems and applications; monitors and reports on the cost effectiveness of in-house legal services; and is responsible for the Law Library, administrative support staff, and information technology support.

A Senior Specialist is required to provide assistance to the Department Manager with budget, administrative and HR support to the Law Department, Office of the Secretary, Regulatory Services, Energy Efficiency Programs and Energy Policy and Regulatory Affairs.

The Law Department's Department Manager is currently responsible for a number of items, including among others, human resources and technology initiatives,

secretarial and administrative support, and budgeting for the Law Department, Office of the Secretary and Regulatory Services. Effective 2/1/09, Energy Efficiency Programs and Energy Policy and Regulatory Affairs were transferred into the Executive Vice President's organization and now fall under the responsibility of the Department Manager. The budget function also has increased dramatically, going from \$28 million to \$38 million. This new position is required to effectively manage the newly restructured organizations and to allow the Department Manager to focus on other responsibilities, including the management and administration of the departments' overall daily operations, its human resources and technology efforts. Currently, the work is being handled through uncompensated overtime of the department manager. We are posting for this position in the near future and expect to have the position filled by February 2010.

We are also requesting a Legal Secretary to provide support to the Law Department and Regulatory Services legal staff. The position is required to provide secretarial and administrative support to several attorneys who currently do not have assigned support.

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