

ACCOUNTING PANEL -- STEAM

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.
4 Our business address is Consolidated Edison Company of
5 New York, Inc. ("Con Edison" or the "Company"), 4
6 Irving 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
18 Operations. From 1978 to 1993, I worked in Plant
19 Accounting in increasing levels of responsibility up
20 to and including Assistant Manager. In 1994, I worked
21 in Accounting Research and Procedures ("ARP") and was
22 promoted to Manager of Payroll in 1998. In 2000, I
23 became a Section Manager in Energy Services and in

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1 2001, I worked in Corporate Planning. I was promoted
2 to Department Manager of ARP in 2003 and was promoted
3 to Assistant Controller in 2004 responsible for
4 General Accounts, ARP and Financial Reporting. In
5 2006, I assumed the responsibilities of Revenue and
6 Volume Forecasting, and Regulatory Accounting and
7 Filings and retained responsibility for ARP. In 2008,
8 I retained responsibility for Revenue and Volume
9 forecasting and ARP and was given the responsibility
10 of Property Records. In March 2008, I also assumed
11 responsibility for a newly created section, Commodity
12 and Derivative Accounting. In December 2008,
13 Corporate Accounting was reorganized. In this
14 reorganization, I retained the Revenue and Volume
15 Forecasting section and assumed the responsibility of
16 the Regulatory Accounting and Filings, Financial
17 Forecasting and a newly formed section, Cost
18 Accounting. For several years, I have been an active
19 member of both the EEI and AGA committees on
20 accounting principles.

21 (Lee) I graduated from Bernard M. Baruch College in
22 June 1970 with a degree in Bachelor of Business
23 Administration. From June 1970 to August 1984, I

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

22 (Kane) In May 1976, I received a Bachelor of Science
23 degree in Accounting from Manhattan College. I worked

1 for Con Edison from August 1976 until January 1978 as
2 a staff accountant. I then joined Orange & Rockland
3 Utilities, Inc ("O&R") and became Supervisor -
4 Facility Accounting. In 1980, I became Manager -
5 Budgets. In 1989, I became Manager - General
6 Accounting and in 1996, the Accounts Payable Section
7 was added to my responsibilities. As a result of
8 O&R's merger with Con Edison, the two Accounting
9 Departments were combined. After the merger, I
10 continued to be responsible for overseeing O&R's
11 General Accounting Section and Financial Reporting
12 area until March 2003. At that time, I assumed my
13 current position as Department Manager of Regulatory
14 Filings. The primary responsibility of the section is
15 to coordinate as well as participate in rate filings
16 before regulatory agencies.

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

20 A. Yes, we have previously submitted testimony or
21 testified in various cases.

22 **PURPOSE OF TESTIMONY**

23 Q. Please summarize your testimony.

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- 1 A. The Accounting Panel primarily explains and details:
- 2 • Historic financial statements and statistical
3 data, including balance sheets, income statements
4 and unappropriated retained earnings (Exhibit __
5 (AP-1) to Exhibit __ (AP-5));
 - 6 • Revenues, Operation and Maintenance expenses and
7 Other Operating Deductions from the twelve months
8 ended June 30, 2009 to the rate year, the twelve
9 months ending September 30, 2011, are presented
10 in Exhibit __ (AP-6); a summary of normalizing
11 adjustments to the historic test year, as well
12 as, various program changes is also presented in
13 Exhibit __ (AP-6);
 - 14 • The average rate base for the twelve months ended
15 June 30, 2009 to the rate year, the twelve months
16 ending September 30, 2011, including
17 normalization adjustments is presented in Exhibit
18 __ (AP-8). The book cost of utility plant, the
19 accrued depreciation reserve and the construction
20 work in progress for electric utility plant for
21 the twelve months ended June 30, 2009 to the rate

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1 year, the twelve months ending September 30,
2 2011, are presented in Exhibit ____ (AP-7);

- 3 • Various accounting changes, adjustments,
4 amortizations of deferred charges and the
5 resultant revenue requirement, which provides for
6 in sum a revenue requirement of \$128.768 million,
7 based upon an overall rate of return of 8.13
8 percent at proposed rates is presented in Exhibit
9 ____ (AP-9);

- 10 • The overall rate of return of 8.13 percent and
11 the capital structure for the rate year ending
12 September 30, 2011 presented in (Exhibit ____
13 (AP-10);

- 14 • Fund requirements and sources of funds for the
15 rate year ending September 30, 2011 (Exhibit ____
16 (AP-11); and

- 17 • Actual interest coverage on the SEC basis for the
18 calendar years 2005 through 2008, forecast for
19 2009 and the rate year ending September 30, 2011
20 (Exhibit ____ (AP-12).

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HISTORIC FINANCIAL AND STATISTICAL DATA

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Q. To the best of your knowledge and belief, has the Company maintained its books and accounts in accordance with the Uniform System of Accounts prescribed by the Commission and with accounting orders of the Commission?

A. Yes, it has.

Q. Has the Panel prepared historic financial and statistical data for the steam department?

A. Yes.

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), prepared under your direction and supervision?

A. Yes, it was.

MARK FOR IDENTIFICATION AS EXHIBIT ___ (AP-1)

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

A. The Exhibit consists of an index and eight separate schedules containing financial data and the results of operations. The balance sheets are shown as of December 31 for the years 2005 through 2008, and as of June 30, 2009, while details of the income accounts are shown for the years 2006 through 2008 and the

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1 twelve months ended June 30, 2009. The arrangement of
2 the schedules is as follows:

- 3 ▪ Balance Sheets are shown on Schedule 1.
- 4 ▪ Income Statements are shown on Schedule 2.
- 5 ▪ Unappropriated Retained Earnings are shown on
6 Schedule 3.
- 7 ▪ Steam Utility Operating Income, before and after
8 income taxes, is presented in Schedule 4.
- 9 ▪ Steam Operating Revenues by account classification
10 with revenues shown in dollar amounts and in
11 equivalent cents per MLBS sold are shown on Schedule
12 5.
- 13 ▪ MMLBS of steam supplied by Service Classification
14 and the revenues realized therefrom are shown on
15 Schedule 6. This schedule also reflects revenue in
16 equivalent cents per MLBS sold.
- 17 ▪ Steam Operation and Maintenance Expenses consisting
18 of eight pages are shown on Schedule 7. Page 1 is a
19 summary statement, which shows the operation and
20 maintenance expenses on a functional basis, both in
21 dollar amounts and equivalent cents per MLBS sold.
22 Pages 2 to 8 show the details of the various

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1 functional groups by account number, in dollar
2 amounts and in equivalent cents per MLBS sold,
3 except for pages 2 and 3, which show steam
4 production expenses in equivalent cents per MLBS
5 produced.

6 ■ Taxes Other Than Income Taxes - Steam is shown on
7 Schedule 8.

8 All of the information in Exhibit ___ (AP-1) comes
9 from the books and records of the Company; where
10 revenues or expenses are stated in cents per MLBS sold
11 or produced, these figures have been computed.

12 Q. Turning to Exhibit ___ (AP-1), Schedule 7, page 2,
13 Production Expenses - Steam, are generating stations
14 classified as electric plant also used in the
15 production of steam for delivery to the Company's
16 steam customers?

17 A. Yes. Steam was produced at East River.

18 Q. Please explain the accounting for electric production
19 expenses chargeable to steam operations.

20 A. The production of steam at this electric generating
21 station involves charges for the fuel used to produce
22 this steam, plus processing charges for water, labor,

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1 and chemicals. The charges for the fuel used to
2 produce steam are made directly to steam production
3 expense and are included in Account 703, Fuel, whereas
4 the processing charges for such steam are charged to
5 Steam Production Expenses, Station Supplies and
6 Expenses, Account 705.2, and credited to Electric
7 Production Expenses.

8 Q. How are the charges to the steam department determined
9 for steam produced at these electric stations?

10 A. Company witness Catuogno discusses in his testimony
11 the computations of quantities of fuel used to produce
12 steam for steam operations.

13 Q. Have you prepared an exhibit, which shows the
14 breakdown of steam production costs by station for the
15 twelve months ended June 30, 2009?

16 A. Yes. It is the document entitled "CONSOLIDATED EDISON
17 COMPANY OF NEW YORK, INC. - PRODUCTION EXPENSES -
18 STEAM - (INDIVIDUAL STATIONS) - TWELVE MONTHS ENDED
19 JUNE 30, 2009", set forth as Exhibit ____ (AP-2).

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

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

22 A. This exhibit consists of two pages and shows the
23 allocation by station of steam production expenses in

1 the historic year, the twelve months ended June 30,
2 2009. The total amount of production expenses is also
3 shown on Exhibit ____ (AP-1), Schedule 7, page 2.

4 Included on the second page of Exhibit ____ (AP-2) are
5 the production costs as shown on page 1 expressed in
6 terms of equivalent cents per MLBS produced.

7 Q. Was the document entitled "CONSOLIDATED EDISON
8 COMPANY OF NEW YORK, INC. - CALCULATION OF FEDERAL AND
9 STATE INCOME TAXES - STEAM -FOR THE TWELVE MONTHS
10 ENDED JUNE 30, 2009" consisting of six pages, set
11 forth as Exhibit ____ (AP-3), prepared under your
12 direction and supervision?

13 A. Yes, it was.

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

15 Q. Please describe Exhibit ____ (AP-3).

16 A. Pages 1 through 4 set forth the calculation of Federal
17 income tax for steam operations, including accruals,
18 deferrals and amortizations of deferrals. Pages 5 and
19 6 show the calculation of New York State income tax
20 for steam operations. These amounts are also included
21 on Exhibit ____ (AP-1), Schedule 2, page 4.

22 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
23 OF NEW YORK, INC. - BOOK COST OF UTILITY PLANT - STEAM

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1 - AS OF DECEMBER 31, 2005, 2006, 2007, 2008 AND JUNE
2 30, 2009", set forth as Exhibit ____ (AP-4), prepared
3 under your direction and supervision?

4 A. Yes, it was.

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

6 Q. What is shown on Exhibit ____ (AP-4)?

7 A. This exhibit shows the book cost of Utility Plant -
8 Steam - by utility plant account at December 31, 2005,
9 2006, 2007, 2008 and June 30, 2009. The amounts shown
10 for Steam Plant in Service and Construction Work in
11 Progress are taken directly from the books and records
12 of the Company.

13 Q. Do the figures shown for steam plant in service on
14 Exhibit ____ (AP-4) represent the original cost of
15 existing property, which is used and useful as of the
16 dates indicated?

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

22 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
23 OF NEW YORK, INC. - ACCUMULATED PROVISION FOR

1 DEPRECIATION OF STEAM PLANT IN SERVICE AS OF DECEMBER
2 31, 2005, 2006, 2007, 2008 AND JUNE 30, 2009", set
3 forth as Exhibit ____ (AP-5), prepared under your
4 direction and supervision?

5 A. Yes, it was.

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

7 Q. Please describe this exhibit.

8 A. This exhibit shows the accumulated provision for
9 depreciation of Steam Plant in Service as of December
10 31, 2005, 2006, 2007, 2008 and June 30, 2009. The
11 amounts shown on this exhibit are taken from the books
12 and records of the Company. Company witness Hutcheson
13 addresses the accumulated provision for depreciation.

14 REVENUES AND OPERATING EXPENSE DATA

15 Q. I show you a document entitled "CONSOLIDATED EDISON
16 COMPANY OF NEW YORK, INC. - REVENUES AND OPERATING
17 EXPENSE DATA", set forth as Exhibit ____ (AP-6), and I
18 ask you if it was prepared under the Panel's direction
19 and supervision?

20 A. Yes, it was. The first page contains an index of the
21 10 schedules included in the exhibit.

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

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

1 A. Schedule 1, page 1 is a statement of Steam Operating
2 Income before income taxes by component for the
3 historic year ended June 30, 2009, and for the rate
4 year ending September 30, 2011. Column 1 shows the
5 data as recorded on the Company's books of account for
6 the 12 months ended June 30, 2009. Column 2 reflects
7 the changes made to normalize the historic year costs
8 and to provide for increased or decreased costs and
9 activity levels or other linkage to arrive at the rate
10 year estimate shown in column 3. The historic year
11 revenues and costs were developed from various
12 schedules from Exhibit ___ (AP-1). Total steam
13 operating revenues are shown on Exhibit ___ (AP-1)
14 whereas operation and maintenance expenses by cost
15 element as summarized on page 1 of Schedule 1, are
16 detailed in this exhibit on Schedule 1, page 3 and
17 were developed from various other schedules in the
18 exhibits we are presenting.

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

21 A. The Company's Forecasting Panel provided the sales
22 forecast. The changes from the historic year to the
23 rate year are explained in their testimony. Incurred

1 fuel costs were developed by Company witness Catuogno
2 and fuel costs were then adjusted to an accounting
3 basis.

4 Q. How were Other Operating Revenues, and Other Operating
5 Income Deductions, as shown on line 2 and lines 6 - 8
6 of Schedule 1 determined?

7 A. The historic year levels were developed from Exhibit
8 ____ (AP-1). We provided the forecasts for Other
9 Operating Revenues and Taxes Other than Income Taxes.
10 They are shown on Schedule 1, pages 2 and 4,
11 respectively. Company witness Hutcheson developed the
12 rate year level for Depreciation and Amortization
13 expense.

14 Q. Please explain the derivation of the operation and
15 maintenance expenses for the rate year shown on page 3
16 of Schedule 1.

17 A. Page 3 shows the derivation of the projected costs in
18 the rate year from the historic year costs. Various
19 Company witnesses, including this Panel, explain
20 normalizing adjustments and program changes. In
21 addition, we will explain labor escalation and general
22 escalation. The development of the labor escalation
23 is included in Exhibit ____ (AP-6) as Schedules 2 and

1 3. Schedule 4 summarizes the historic and rate year's
2 operation and maintenance expenses by Major Account
3 Group (MAG) function and the changes between the two
4 periods. Schedule 5 shows the historic year elements
5 of expense by MAG.

6 Q. Please continue with Schedule 6.

7 A. Schedule 6 shows a summary by function of the
8 operating and maintenance expenses for the historic
9 year and the changes in the forecast to the rate year
10 ending September 30, 2011. The normalizations and
11 program changes are also reflected in Schedules 7 and
12 8, respectively, by cost element. When a normalizing
13 adjustment or program change affects an individual
14 element of expense, this is shown as an addition or
15 subtraction from the historic year, at the historic
16 year price level.

17 Q. Please describe Schedules 9 and 10 of Exhibit ____ (AP-
18 6).

19 A. Schedule 9 shows the Company's steam operating and
20 maintenance expenses subject to escalation. Schedule
21 10 lists expenses the Company may update later in this
22 proceeding and the witnesses that we anticipate would
23 sponsor the updates. There may be others, and if so,

1 the Company will provide notification at the
2 appropriate time.

3 OTHER OPERATING REVENUES

4 Q. What does Exhibit ___ (AP-6), Schedule 1, page 2 show?

5 A. This schedule shows the details of Other Operating
6 Revenues both in the historic and rate years. The
7 historic year level of \$89,229,000 is forecasted to
8 decrease by \$4,340,000, for a rate year level of
9 \$84,889,000.

10 Q. How were lines 1 and 2, Interdepartmental Rents
11 revenue from the East River Repowering Project
12 ("ERRP") and other assets for the rate year developed?

13 A. These revenues represent carrying charges that the
14 steam department charges the electric department for
15 facilities it uses jointly with steam. Carrying
16 charges on shared facilities include components for
17 rate of return, depreciation and taxes. The carrying
18 charges are applied to the book cost of the facility.
19 For the rate year, revenue includes a \$73,435,000
20 charge to the electric department for the ERRP out of
21 the total annual carrying charges for the rate year of
22 \$110,503,000. Per the proceeding in Case 09-S-0029,
23 the issue of the allocation of ERRP project costs,

1 along with other steam issues, is being addressed.

2 However, in this filing our assumption on the
3 allocation to electric has not changed and is at two-
4 thirds of the total. Interdepartmental rent revenue
5 for the historic year for the joint usage of the
6 Hudson Avenue Tunnel continues in the rate year at an
7 increased level of \$0.4 million, which equates to a
8 rate year level of \$2.3 million.

9 Q. Please explain line 3, Revenue Offset Re: 74/59 St.
10 Transfer from Electric.

11 A. The 74/59th Street Stations are steam plants. Under
12 the 2006 rate plan, the operating costs of the two
13 stations were transferred to the steam department,
14 except for a portion of the operating costs that are
15 remaining with electric. However, as both stations
16 are used by the electric department in that they house
17 gas turbines used to support local electric networks
18 and that the Company intends to build a new electric
19 substation in an unused portion of the 74th Street
20 station to support networks in the vicinity of the
21 station, carrying charges are allocable to electric
22 operations. The projected total cost is estimated at

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1 \$14.3 million of which \$6.5 million is allocated to
2 electric operations.

3 Q. Please continue with line 4.

4 A. Line 4 represents revenues received related to the
5 Fuel Management Program allocated to steam. The rate
6 year forecast of \$230,000 was provided by Company
7 witness Catuogno and is discussed in his testimony.

8 Q. Please continue.

9 A. Late Payment Charges, line 5, are estimated at \$1.4
10 million for the rate year and are based on the
11 historic period relationship between late payment
12 charges and sales revenues. We divided the historic
13 period late payment charges by the historic period
14 sales revenues to arrive at a factor. The factor is
15 applied to the rate year sales revenues to arrive at
16 the rate year level of late payment charges. Line 6,
17 Special Services Repair Program, represents the
18 current steam repair program and other special
19 services, such as investigations of leaks and turn-
20 ons/turn-offs. The Company estimates the rate year
21 level for such activity at \$509,000 based on a
22 historic three-year average. Line 7, Gas Hedging
23 Program ("GHP") Interest, represents the

1 reclassification of interest related to the Company's
2 hedging program from Other Operating Revenues to
3 interest income. To mitigate gas price volatility,
4 the Company hedges gas purchased to generate steam and
5 electricity. The Company assesses and charges
6 interest on funds advanced for hedges. The Company
7 bills the steam portion to its steam customers through
8 the FAC. The Company normalized the \$188,000 of Gas
9 Hedging Program interest revenues because they are
10 collected through the FAC. Line 8, Rents represents
11 rental income from Verizon Wireless related to the
12 lease of a cell tower at 506 East 75th Street. The
13 agreement is set to expire on April 30, 2010. We will
14 update rent income later in this proceeding if
15 necessary.

16 Q. Please continue with line 9.

17 A. Line 9 represents revenues received related to
18 reconnection fees. The Company's witnesses Badali and
19 the Steam Rate Panel propose to amend the Special
20 Services at Stipulated Rates provision of the tariffs
21 and charge customers for each temporary disconnection
22 of service performed by the Company at the customer's
23 request. The rate year forecast of \$250,000 is

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1 calculated using a projection of 400 customers at the
2 charge of \$315 per disconnection and reconnection.

3 Q. Please describe the items included in the grouping
4 entitled Regulatory Accounting, lines 10 - 21.

5 A. These items reflect the accounting impacts of various
6 Commission decisions and legislative actions and with
7 the exception of SO2 allowances these items would not
8 be applicable to the rate year. The first, line 10,
9 Deferred MTA Surcharges on SIT represents the deferred
10 MTA Surcharge on deferred State Income Taxes that will
11 be recovered in the future as the timing differences
12 generating the deferred surcharges are reversed.

13 Q. Please continue with line 11.

14 A. The Company has five issues of auction rate tax exempt
15 debt (i.e., Series 1999A, Series 2001B, Series 2004A,
16 Series 2004B1, and Series 2004B2,) ("Auction Rate
17 Debt") totaling approximately \$636 million that were
18 used to finance utility infrastructure projects. The
19 debt is insured by Ambac Assurance Corporation and XL
20 Capital Assurance Inc. The sub-prime mortgage crisis
21 has resulted in increased scrutiny for bond insurers
22 and had caused the auction rate debt market to be very
23 unsettled at the time that parties were negotiating

1 the 2008 Rate Plan. Per the 2008 Rate Plan, the
2 Company is allowed to true-up its actual interest
3 costs related to the Auction Rate Debt to the amount
4 reflected in rates. Line 11 represents the accounting
5 entries related to this reconciliation. Line 12, Net
6 Unbilled Revenue - Steam represents accounting entries
7 related to the booking of unbilled T&D steam revenues.
8 As a result of the PSC's Order in Case 08-M-1150, the
9 Commission approved the Company's petition to adopt
10 the accrual method of revenue recognition for
11 accounting and regulatory purposes. The order became
12 effective March 2009. The net margin on unbilled
13 revenues is deferred for the future benefit of
14 customers.

15 Q. What is the accounting related to the Steam Incident
16 on line 13?

17 A. The Company established a reserve on its books of
18 account in the amount of \$4 million. This reserve is
19 in lieu of a penalty action and is to be used for
20 ratepayer benefit, with the disposition of such
21 regulatory liability to be subject to the Commission's
22 discretion in a steam rate proceeding, such as in a
23 manner that mitigates the rate impact of O&M and/or

1 capital expenditures made by Con Edison to implement
2 safety-enhancing actions required by the Action Plan
3 Order. The Action Plan Order is the Commission's
4 Order Directing the Company to Implement Staff
5 Recommendations or Show Cause, issued February 13,
6 2008 in Case 07-S-0984. The reserve was booked in
7 September 2008. This is not applicable to the rate
8 year.

9 With respect to line 14, SO2 Allowances, under the
10 current rate plan customers are receiving the benefit
11 of SO2 credits. For the rate year ending September
12 30, 2011, the Company proposes to continue to credit
13 customers for estimated proceeds from these sales of
14 SO2 allowances in the amount of \$281,000 as explained
15 by Company witness Price.

16 Q. Continuing with Regulatory Accounting, please explain
17 lines 15 through 21.

18 A. The 2006 Rate Plan, in effect October 2006 through
19 September 2008, provided for no overall change in
20 rates, except the shift for recovery of certain costs
21 between base rates and the Fuel Adjustment Clause
22 beginning in RY2, October 2007. The revenue
23 requirement calculation for RY1 provided for a

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1 decrease of \$3.8 million and a corresponding increase
2 in RY2 of \$3.8 million, resulting in a zero impact
3 over the two years. The historic period ended June
4 30, 2009 includes the last three months of the expired
5 Rate Plan, i.e., July through September 2008. Line 15
6 represents the accounting entries for this period
7 related to the \$3.8 million of revenues.

8 Q. Please continue with line 16.

9 A. Under the 2008 Rate Plan, the Company is allowed to
10 defer \$4.9 million of Local Law 11 costs to be
11 incurred during RY1. The cost is to be amortized to
12 expense over three rate years, or \$1.633 million per
13 rate year. On its books, the Company defers the
14 revenue monthly (at \$136,111) and sets up a liability
15 to customers by debiting Other Operating Revenues and
16 crediting a Regulatory Liability account. When costs
17 are incurred the liability account is reduced and an
18 offsetting credit is made to Other Operating Revenues.
19 The debit of \$1.224 million in Other Operating
20 Revenues as of June 30, 2009 reflects the deferral of
21 revenues. The Steam Operations Panel anticipates that
22 the Local Law 11 costs will be incurred by the end of
23 the 2008 Rate Plan. Expenditures have recently begun

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1 as in the period July through September 2009 some
2 \$422,000 were spent.

3 Q. Line 17 is entitled Steam Action Plan. Please
4 describe the item.

5 A. As a result of the July 17, 2007 steam pipe incident,
6 the Company instituted programs to implement its
7 December 17, 2007 Recommendations and Action Plan and
8 Staff recommendations pursuant to the Commission's
9 February 13, 2008 Order Directing The Company To
10 Implement Staff Recommendations Or Show Cause in Case
11 07-S-0894. Base rates established under the 2008 Rate
12 Plan in Case 07-S-1315 reflected \$3 million of steam
13 incident-related O&M expenses per year as a
14 placeholder for RYs 1 and 2 of the 2008 Rate Plan.
15 During the term of the 2008 Rate Plan, the Company is
16 reconciling actual costs of steam incident-related
17 programs to the \$3 million placeholder and line 16
18 represents the accounting entries related to that
19 reconciliation. In RY1, the Company had actual
20 expenditures of \$2,812,105, or \$187,895 less than the
21 \$3 million target.

22 We next discuss Line 18, Capital Expenditure
23 Reconciliation. The 2008 Rate Plan also established

1 capital targets of \$5.9 million in RY1, and \$10.7
2 million in RY2 for average net plant balances for
3 steam incident-related programs. Line 18 represents
4 the accounting entries for the carrying charges on the
5 reconciliation. Line 19, Rate Case Amortizations,
6 represents the amortization of various previously
7 deferred amounts that were to be amortized over the
8 term of the 2007 and 2008 Rate Plans. Line 20, Steam
9 Interest Collection, reflects interest collected from
10 customers on the under-collection of reconcilable
11 deferred fuel items such as the steam variance, water
12 and water chemicals which are recoverable through the
13 FAC for the period October 2007 through September
14 2008. Line 21 reflects the accounting entries booked
15 to reconcile actual steam interference expenses,
16 excluding labor, with the targets established in the
17 2006 and 2007 Steam Rate Plans.

18 DEPRECIATION AND AMORTIZATION

- 19 Q. Please explain Depreciation and Amortization shown on
20 Exhibit __ (AP-6), Schedule 1, page 1, 4a and 4b.
- 21 A. Depreciation expense using existing rates in effect is
22 projected for the rate year to be \$64,991,000. This
23 was provided to us by Company witness Hutcheson and is

1 fully discussed in his testimony. Page 4a shows the
2 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 4, Taxes Other than Income Taxes.

9 A. The first item is Property Taxes consisting of New
10 York City real estate and special franchise for the
11 historic year applicable to steam operations of
12 \$67,869,000. The rate year forecast totaling
13 \$84,909,000 was provided to us by Company witness
14 Hutcheson and is described in his testimony. Line 2
15 represents the reconciliation of actual property taxes
16 as of June 30, 2009 to the levels established in base
17 rates in Case 07-S-1315 for the rate year ended
18 September 30, 2009 and for the period July 2008
19 through September 2008 pursuant to Case 05-S-1376.
20 The line item is not applicable to the rate year.

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

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- 1 A. Revenue taxes consist of taxes derived from base and
2 fuel rider revenues as well as other operating
3 revenues. Revenue taxes for the rate year are
4 projected to be \$14.738 million, which is comprised of
5 \$14.703 million from sales revenues, as provided by
6 the Forecasting Panel, and \$35,000 associated with
7 other operating revenues, i.e., late payment charges
8 and the special services repair program.
- 9 Q. Please describe the increase of \$890,000 in Payroll
10 Taxes, line 4.
- 11 A. The increase in payroll taxes is due principally to
12 the increase in base wages subject to FICA. Payroll
13 taxes of \$402,000 relating to additional human
14 resources requested in this filing is also included.
15 The Company will revise payroll taxes for known
16 changes, if any, in the FICA rate and base in the
17 update stage of this proceeding. Any change in
18 payroll taxes resulting from tax legislation in any
19 jurisdiction as well as any revisions for additional
20 human resources will also be reflected later in the
21 update stage of this proceeding.
- 22 Q. Please explain the MTA Mobility Tax, line 6.

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1 A. As a result of New York State's and the nation's
2 economy, the budget passed by the state government in
3 2009 included a new Metropolitan Commuter
4 Transportation tax effective March 1, 2009. According
5 to Article 23 of the Ravitch MTA bailout plan, 0.34
6 percent of payroll expense for every employer doing
7 business within the metropolitan commuter
8 transportation district will be taxed. The estimated
9 MTA Mobility tax for steam for the rate year ending
10 September 30, 2011, is \$216,000 using this
11 methodology. This item will be updated later in the
12 proceeding.

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

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

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

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

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

1 capital from 2004 through 2008, and the allocation to
2 steam operations is \$359,000.

3 Q. Please describe All Other Taxes, line 9.

4 A. All other taxes represent minor taxes such as motor
5 vehicle taxes, state gasoline tax, state highway use
6 tax, Federal diesel and gasoline taxes, the New York
7 State tax on insurance premiums and hazardous waste.
8 The rate year was forecast is based on the historic
9 three year average for the twelve months ended June
10 30, 2007 through 2009.

11 NORMALIZING ADJUSTMENTS

12 Q. In Exhibit ___ (AP-6), Schedule 7, please describe
13 your normalizing adjustments.

14 A. With the exception of line 17, Employee Welfare
15 Expense, we will testify to all of the normalizations.
16 We begin with our normalization of Company labor for
17 the variable pay as shown on lines 2, 4, 6, 9, and 13.
18 The normalization as allocated to steam is \$148,000.
19 This amount was included in the historic period and
20 was based upon the Company achieving 110% of their
21 target award fund under the variable pay plan. The
22 rate year ending September 30, 2011 is to be based on
23 100% achievement of the target award fund. Company

1 witness de la Bastide discusses the Company's variable
2 pay plan.

3 Q. The next normalization on line 8 is entitled Steam
4 Incident. Please continue with your adjustments.

5 A. Line 8, Steam Incident, normalizes out of the historic
6 period \$6.889 million of expenses related to the July
7 2007 steam incident. The entries made were to remove
8 from steam plant in service costs associated with the
9 steam incident which were then expensed. This item is
10 not to be borne by customers. Line 12, Other
11 Compensation for Officers of \$539,000, includes Long-
12 Term Incentive Plan ("LTIP") compensation expense for
13 the Company's officers. In order to mitigate this
14 rate increase request, we are not seeking recovery of
15 LTIP for officers in this proceeding, without
16 prejudice to seeking the recovery of such costs in
17 future rate proceedings. Line 14, Executive Incentive
18 Plan, of \$386,000 removes from steam operating
19 expenses the cost of the Company's executive incentive
20 plan as the Company elected to not seek recovery of
21 these costs, without prejudice to seeking the recovery
22 of such costs in future rate proceedings.

1 Company witness Reyes addresses the Company's
2 executive compensation program.

3 Q. Please explain Line 18, Deferred Income Plan.

4 A. Deferred Income Plan reflects a normalization of
5 \$391,000. We are normalizing out of historic
6 expenses, the administrative fee related to the
7 administrative costs and losses on participants'
8 accounts under the Deferred Income Plan, as shown on
9 Company witness Reyes' Exhibit ___ (HJR-1). In the
10 historic year, the plan had a loss in earnings of some
11 \$8.4 million due to the global financial turmoil.
12 Assets of these plans are held in trust funds and are
13 being invested. The rate year costs to administer
14 these programs are projected to be offset by the
15 investment gains generated by the trust funds. For
16 purposes of forecasting the revenue requirement the
17 Company assumes no costs for the deferred income plan.
18 In the Company's current electric proceeding, the
19 Company also normalized out the loss in the historic
20 year and in Case 08-E-0539, a gain in the historic
21 year was similarly normalized in projecting the rate
22 year cost.

23 Q. Please continue with MGP/Superfund on line 15.

1 A. This reflects the normalization from the historic year
2 \$2.033 million of MGP/superfund costs from our O&M
3 expenses as we have a proposal that we will discuss
4 later in our testimony in our section regarding the
5 revenue requirement. There, after reviewing Company
6 witness Price's forecast of site investigation and
7 remediation costs, and taking into consideration the
8 rate year allowances from the 2008 Order and the
9 deferred balance as of September 30, 2009, we propose
10 to recover from customers over a three year period
11 \$9.037 million, or \$1.807 million per rate year.

12 Q. There are three items in the category of Rate Case
13 Accounting on lines 1, 10 and 16. Please continue.

14 A. Line 1, Rate Case Accounting - Water Treatment
15 represents the accounting entries recorded on the
16 Company's books relating to the reconciliation of
17 water treatment expense. Per the 2008 Steam Order the
18 Company was allowed \$2.46 million for water treatment
19 expenses. The amount is to be amortized over four
20 years, or \$615,000 per rate year. As such, the
21 Company has been reconciling actual costs to the
22 amount allowed under the Order on a levelized basis.
23 To date, the Company has incurred the total cost of

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1 the program by the second quarter of 2009. Entries
2 were made deferring expenses in O&M and crediting a
3 Regulatory Asset account for the undercollection of
4 the cost. Entries will continue on the books with
5 reductions to the Regulatory Asset account and charges
6 to O&M expense to account for the annual amortization
7 of \$615,000 through September 30, 2012.

8 Line 10, Rate Case Accounting - Interference of \$1.166
9 million in the historic year represents the accounting
10 entries to true-up actual interference expense with
11 the targets established in the 2006 and the 2008 Rate
12 Plans for the rate years ended September 30, 2008 and
13 September 30, 2009, respectively. Entries were booked
14 September 2008 through February 2009, all in the
15 historic year. The \$1.166 million reconciliation
16 entry is primarily due to the final entry related to
17 the second rate year ended September 30, 2008 under
18 the 2006 Rate Plan which reflected an undercollection
19 of \$1.299 million, of which 90 percent was deferred
20 under the 2006 Rate Plan. These true-up entries are
21 not applicable to the rate year ending September 30,
22 2011.

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1 Q. Please continue with your last normalizing adjustment
2 on line 16 entitled Rate Case Accounting -
3 Pensions/OPEBs.

4 A. This item reflects the undercollection of
5 pension/OPEBs costs in the amount of \$10.943 million
6 pursuant to the true-up provision of the 2006 and 2008
7 Rate Plans. Offsetting this was \$14,000 reflecting
8 the deferral of the tax benefit related to the
9 Medicare Subsidy, for a net normalization of \$10.929
10 million. This reconciliation is not necessary in the
11 rate year.

12 PROGRAM CHANGES

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

14 A. We will discuss various program changes as shown on
15 our Exhibit ___ (AP-5), Schedule 8.

16 Q. Company witness Price discusses program changes for
17 Environment, Health and Safety. Do you have any
18 further comments to add?

19 A. With regards to lines 1 and 13, Environmental, Health
20 and Safety, we provided the allocation to steam
21 operations of Company witness Price's program changes
22 for staffing and arboreal services.

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1 Q. Please discuss your first program change on Schedule 8
2 of Exhibit __ (AP-6).

3 A. We will start with Interdepartmental Rent expense,
4 lines 3, 12 and 34. The \$706,000 increase shown for
5 Interdepartmental Rents is due to a \$61,000 increase
6 in the carrying costs resulting from increases in
7 property taxes and slight increases in capital
8 investment at East River Station and the Ravenswood
9 tunnel. Per line 34, MAG 49 - Administrative and
10 General Expense \$645,000 is attributable the increased
11 cost for common capital expenditures for such items as
12 computers, mobile equipment, communication equipment,
13 etc.

14 Q. Please discuss the program change for Uncollectibles,
15 line 19, under MAG 47.

16 A. In August 2009, the Company booked over \$3 million of
17 uncollectibles resulting from the bankruptcy of a
18 steam customer. Due to the current economic
19 conditions, we are proposing to set up a reserve of \$1
20 million for the duration of the Company's proposed
21 three year rate plan. The Company deems it necessary
22 to set up the reserve in the event more of such
23 bankruptcies occur.

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1 Q. Under MAG 49, Administrative and General there are
2 several program changes. Please describe those you
3 are sponsoring.

4 A. We will address several program changes under MAG 49,
5 Administrative and General, from line 27 through line
6 39. We begin with line 27, Consultants. The increase
7 is steam department's allocation for services provided
8 by PricewaterhouseCoopers ("PwC"), such as auditing,
9 research, and accounting advice. The forecast for the
10 rate year included an increase for PwC audit fees and
11 was based on a 3.5 percent increase from the 2010
12 proposed audit fees, which have been approved by the
13 Board of Directors. This rate of increase was
14 projected forward for the rate year.

15 The rate year for line 28, Disposal of Obsolete M&S,
16 was forecasted based on a three-year historic average.
17 The rate year forecast is a decrease of \$711 from the
18 historical amount, plus general escalation of \$69.

19 Q. Please continue.

20 A. Our next program change, line 30, Finance - Supply
21 Chain Project represents costs relating to contractor
22 and maintenance and support of this new system. The
23 allocation to steam is \$4,000.

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1 The program changes on lines 29 and 31 represent an
2 allocation to steam of \$53,000 and \$57,000 for
3 incremental employee positions in the Auditing and Law
4 Departments, respectively.

5 Q. Please begin continue with the Auditing Department's
6 request.

7 A. The program change for Auditing represents an
8 allocation to steam of \$48,000 to address the hiring
9 of nine additional personnel and integration of
10 technologies for the Auditing Department. This amount
11 was obtained by applying an adjustment to the total
12 program change of \$1.147 million for affiliate work of
13 7.1 percent for O&R and 3 percent for non-utility
14 affiliates. To date, Auditing has hired one manager
15 and two auditors out of the nine open positions. The
16 balance of employees is expected to be hired by year
17 end 2009.

18 Q. Please continue.

19 A. As a result of a recent review of its operation,
20 Auditing has developed a reorganization plan to
21 address core audit functions and the risks and
22 compliance issues facing the Company, including the
23 recent arrests of Construction personnel and upcoming

1 compliance commitments to NERC and FERC, including the
2 NERC Critical Infrastructure Panel ("CIP") and the
3 FERC Electric Reliability Standards. The
4 reorganization entails:

- 5 1) The addition of nine incremental employee positions
6 in Auditing. These positions are expected to be
7 filled by the end of the fourth quarter of 2009; and
- 8 2) Integration of technologies including a new data
9 analytics tool, ACL Audit Exchange, to automate and
10 support the forensic analysis of data and an
11 upgraded version of the current audit management
12 system, TeamMate, that will be used to standardize
13 audit report templates and track audit activities
14 and follow-ups.

15 Q. What is the current structure and function of the
16 Auditing Department?

17 A. Auditing is responsible for conducting a comprehensive
18 program of internal audits in order to provide an
19 independent assessment of the adequacy and
20 effectiveness of the system of internal control that
21 governs the operations of CEI and its subsidiaries.
22 In addition, Auditing provides guidance and training
23 for business ethics and various compliance initiatives

1 including FERC compliance standards. Auditing is
2 comprised of five major sections:

- 3 1) Customer Operations, Finance and Procurement
4 Audits;
- 5 2) Environmental, Health and Safety ("EH&S"),
6 Operations and Information Technology Audits;
- 7 3) Business Ethics and Corporate Policy;
- 8 4) Ethics and Compliance Training; and
- 9 5) Orange and Rockland Office.

10 Q. What is the proposed new organization structure?

11 A. A new organization will be established by year end
12 2009 in Auditing and will be responsible for
13 investigations, ethics, compliance program development
14 and training, EH&S audits and Corporate policy. This
15 organization will be led by a Director. In addition,
16 three analysts will be hired to support the
17 integration of new technologies and compliance program
18 development and management. This organization will
19 develop and manage all FERC/NERC and Ethics compliance
20 programs and will maintain new audit technologies that
21 will allow auditors to analyze data and identify
22 anomalies and potential fraudulent activities. In
23 addition, they will conduct investigations into

1 misconduct and other violations, audit environmental
2 health and safety programs and maintain Corporate
3 Policy documents. Five new audit resources will be
4 devoted to these activities (three analysts and two
5 auditors).

6 Q. Please continue.

7 A. A new audit group focusing on construction projects,
8 contractor activity and Energy Services has also been
9 established. This group is led by a manager and
10 staffed by four auditors. This organization will
11 audit large-scale construction projects, contractor
12 service agreements and Energy Services projects. To
13 date we have hired one manager and two auditors.
14 Offers will go out shortly for a Director position and
15 two additional auditors with the remaining to be
16 completed by year end 2009.

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

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

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

1 help Auditing expand its focus to identify potential
2 misconduct in these areas and protect ratepayers.
3 The additional staffing will allow Auditing to
4 address these areas while maintaining a focus on
5 core audit functions in Finance, Operations and
6 Environmental Health and Safety;

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

9 3) Address and manage investigations;

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

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

14 Q. The Law Department has a request for new positions.
15 Please explain this item.

16 A. The Law Department requests funding for twelve new
17 positions. The allocation to steam operations is
18 \$57,000. We will discuss the needs of the Law
19 Department in terms of:

- 20 • Record Retention (2);
- 21 • Office of the Secretary (1);
- 22 • General Litigation (1);

- 1 • Commercial Transactions, Corporate and Finance
- 2 (2);
- 3 • Commercial Litigation (1);
- 4 • Regulatory Services (3);
- 5 • Operations (1); and
- 6 • Legal Secretary (1).

7 These positions are all described and discussed in our
8 Exhibit ___ (AP-13), entitled, "Personnel Requested
9 for the Law Department."

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

11 Q. Has the Law Department hired any of these twelve
12 requested personnel?

13 A. The Law Department has recently filled the Commercial
14 Litigation attorney position. We are currently
15 reviewing resume for the two Regulatory attorney
16 positions and the Labor & Employment Sr. Specialist
17 position and expect to fill all three positions before
18 the end of the year.

19 Q. What is the increase of \$264,000 on line 32, Financial
20 Services?

21 A. The increase of \$264,000 represents the steam portion
22 of an increase in miscellaneous financing costs, fees

1 and services for the Company's expected increase in
2 financing needs to support its increased capital and
3 operating costs as testified to by various witnesses
4 in this proceeding, as well as various fees paid to
5 the rating agencies.

6 Q. Please continue with line 35, Injuries and Damages.

7 A. In accordance with prior Commission practice, the rate
8 year level of injuries and damages is equivalent to
9 the annual average of all claim disbursements for a
10 recent three-year period. For this filing, we used
11 July 2006 to June 2009, the three-year period ending
12 with the historic year. The allocation to steam is a
13 decrease of \$1,171,000. This three-year average will
14 be updated during the course of the proceeding to
15 reflect more recent actual experience.

16 The increase of \$479,000 on line 36, Insurance,
17 represents primarily increases in premiums for
18 property and a Workers Compensation Board assessment
19 charge. The information regarding actual premiums was
20 provided to us by the Company's insurance department.
21 Where the premium expires, we used general escalation
22 factors of 1.4 percent for 2010 and 1.7 percent for

1 2011 to project insurance costs for the rate year.
2 When we developed the forecasted amount, we also took
3 into consideration the allowed amounts that the
4 Company can recover from ratepayers for excess
5 liability insurance premiums resulting from a
6 provision in the Joint Proposal relating to the steam
7 incident adopted by the Commission in Case 08-S-0153
8 regarding excess liability insurance. Under that
9 provision, the Company can not seek recovery from
10 ratepayers for insurance premiums for excess liability
11 insurance premiums in excess of \$11,259,798 annually
12 (the premium in effect prior to the steam incident)
13 for policies covering the period beginning April 28,
14 2008 and ending April 27, 2010. In addition, the
15 Company can not seek recovery from ratepayers \$2
16 million of excess liability insurance premiums for
17 policies covering the period beginning April 28, 2010
18 and ending April 27, 2012.
19 To the extent necessary and appropriate, the Company
20 will update for the latest insurance premiums at the
21 appropriate point in this proceeding.
22 Q. Please discuss Pensions & OPEBs on line 37.

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- 1 A. The estimated increase of \$12.333 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
7 2008 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 steam.
- 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 steam for the
18 historic year is \$10.189 million. The rate year
19 allocation is \$22.522 million, reflecting an increase
20 of \$12.333 million.
- 21 Q. Please continue with your next adjustment on line 38.
- 22 A. A&S Transfer Credit relates to capitalization of the
23 administrative function in the Company as it relates

1 to capital spending described throughout this filing.
2 This filing reflects the Company's plans to spend some
3 \$85.8 million more in the rate year than is reflected
4 in the historic year and, as a result, more of the
5 administrative function, primarily salary related,
6 will be capitalized. This is estimated as a credit of
7 \$1.513 million.

8 Q. Please describe your change to Regulatory Commission
9 Expense, line 39.

10 A. The program change to Regulatory Commission Expense
11 consists of two parts. The first adjustment was to
12 reflect the annual PSC assessment. The rate year was
13 forecasted based on the latest PSC Assessment letter,
14 dated August 10, 2009, for the 2009-10 state fiscal
15 year ending March 31, 2010. The PSC's calculation of
16 the assessment is based on intrastate revenue from the
17 calendar year 2008 and the 2009-10 Enacted State
18 Budget for the Public Service Department. This
19 portion of the forecast for the rate year is a
20 decrease of \$662,000 from the historic year.

21 The second part of our program change for regulatory
22 commission expense is the use of a three-year average
23 of historic costs for all other costs. This portion

1 of the forecast for the rate year is an additional
2 decrease of \$24,000 from the historic year. The total
3 program change for Regulatory Commission Expense is
4 thus (\$686,000). The forecast does not include an
5 amount for the temporary PSL 18a Assessment effective
6 April 1, 2009 to March 31, 2014 in Regulatory
7 Commission Expense. Sales revenues and revenue taxes
8 also do not include the collection of this expense.
9 The Company did not reflect the large assessment in
10 the filing as it does not impact the revenue
11 requirement. The PSL 18a Assessment, excluding GRT,
12 can be found in the Forecasting Panel's sales revenues
13 in their Exhibit ____ (FP-2).

14 **GENERAL ESCALATION**

- 15 Q. Please describe the general escalation rate used.
- 16 A. The general escalation rate reflects cost increases
17 anticipated to occur as the result of inflation. The
18 general escalation factor is based on the projected
19 increase in the Gross Domestic Product ("GDP") price
20 deflator as forecast by Blue Chip.
- 21 Q. What are the forecasted rates of increase in the GDP
22 price deflator that were used to develop the general

1 escalation factor, what are their sources, and when
2 were they published?

3 A. The actual GDP deflator used was published as of
4 August 27, 2009 by the U.S. Department of Commerce and
5 the forecasts were from the Blue Chip Economic
6 Indicators, dated August 10, 2009. The quarter ending
7 September 30, 2011 was derived from the Blue Chip
8 quarterly rate forecast which was projected at 1.43
9 percent annually from the second quarter of 2009 to
10 the third quarter of 2011. Utilizing these forecasts,
11 we calculated the increase from the average of the
12 historic year through the average of the rate year to
13 be 3.21 percent. As with past practice in the
14 Company's rate cases, we will update the inflation
15 factors to reflect the latest available inflation
16 forecasts later in this proceeding.

17 LABOR ESCALATION

18 Q. Please explain the derivation of the 5.78 percent
19 labor factor used to escalate the historic year labor
20 expense level to the rate year.

21 A. As shown on Exhibit __ (AP-6), Schedule 2, page 1,
22 column 1, total Company salaries and wages for the

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1 twelve months ended June 30, 2009 amounted to
2 \$1,302,612,000. Straight-time union labor includes
3 temporary summer employees. For the rate year, total
4 Company salaries and wages, as shown in column 3,
5 amount to \$1,377,849,000. The increase of \$75,237,000
6 in total Company labor dollars from the historic year
7 level to the rate year level represents a 5.78 percent
8 increase. Thus, we assumed the same factor to
9 escalate the historic Company labor amount for steam
10 operations to arrive at the rate year amount.

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

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

19 Q. Please continue.

20 A. Schedule 2, page 4, shows the computation of the
21 average wages and salaries in the rate year for Weekly
22 and Management employees. For Weekly employees, we
23 assumed a general wage increase of 3.5 percent in June

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1 2010 and June 2011 and the effect of the semi-annual
2 progression increases of 0.7 percent in October 2010
3 and 0.6 percent in February 2011 were also applied to
4 50 percent of total weekly employees. These rates are
5 all pursuant to the labor agreements with the unions
6 representing the weekly employees. For Management
7 employees, we assumed a 3.5 percent merit increase in
8 April 2010 and April 2011.

9 Q. Please continue.

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

14 Q. Please explain Schedule 2, page 3.

15 A. Page 3 shows the calculation of salaries and wages
16 other than straight-time payrolls. In the historic
17 year, actual weekly premium time and overtime payrolls
18 were \$30,206,000 and \$133,231,000, respectively. We
19 then increased these historical year payrolls by the
20 estimated contractual wage awards. Management
21 compensatory time is determined by starting with the
22 historic year level of \$37,331,000 and then applying

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1 the average rate of increase, as previously
2 determined, to arrive at the rate year amount.

3 AVERAGE RATE BASE - PLANT

4 Q. Has the Accounting Panel prepared projections of plant
5 balances for the twelve months ending September 30,
6 2010 and September 30, 2011 appraising the impact of
7 the current construction and retirement programs on
8 the steam department's average rate base?

9 A. Yes, we have two schedules relating to plant that
10 affects average rate base.

11 Q. Was the four page tabulation, the first schedule
12 entitled "ESTIMATED NET PLANT - STEAM - TWELVE MONTH
13 AVERAGE ENDING SEPTEMBER 30, 2011," with a second page
14 entitled "ESTIMATED NET PLANT - STEAM - JUNE 30, 2009
15 - SEPTEMBER 30, 2010," prepared under your supervision
16 and direction?

17 A. Yes, it was.

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

19 Q. What does this exhibit show?

20 A. The first two pages relate to the average net plant in
21 rate base. The next two pages relate to the average
22 construction work in progress balance in rate base.

23 Q. Please continue and describe the exhibit.

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

14 Q. Please describe the development of the projections
15 contained in the exhibit.

16 A. Using estimated capital expenditures provided to us by
17 the various witnesses in this proceeding and the
18 Company's books and records for construction work in
19 progress balances through June 30, 2009, we developed
20 estimated transfers to plant in service, and
21 construction work in progress balances. We then added
22 the estimated transfer to plant in service to the
23 actual plant in service account balances at June 30,

1 2009 and deducted the book cost of plant for
2 retirement. In addition, we calculated the
3 accumulated provision for depreciation in order to
4 develop net plant balances. Included in this
5 calculation is the forecasted depreciation accruals
6 based on the depreciation rates using current rates,
7 and net removal costs provided by Company witness
8 Hutcheson. The details of the average net plant
9 balances are included in the first four lines of the
10 average rate base, Exhibit __ (AP-8), page 1, columns
11 1 through 3, for the rate year. The forecast used for
12 the projections were based on the Company's
13 preliminary Five Year Capital Budget. We will update
14 for the final Board-approved budget later in this
15 proceeding.

16 **AVERAGE RATE BASE**

17 Q. Turning to the average rate base, was the document
18 entitled, "CONSOLIDATED EDISON COMPANY OF NEW YORK,
19 INC. - RATE BASE - STEAM - AVERAGE TWELVE MONTHS ENDED
20 JUNE 30, 2009 AND AVERAGE TWELVE MONTHS ENDING
21 SEPTEMBER 30, 2011," consisting of two pages prepared
22 under your direction and supervision?

23 A. Yes, it was.

1 MARK YOUR IDENTIFICATION AS EXHIBIT __ (AP-8)

2 Q. Please describe this exhibit.

3 A. Page 1 shows the average rate base for the actual
4 twelve months ended June 30, 2009 in column 1; the
5 adjustment to the historic year to reflect conditions
6 in the rate year absent a rate filing in column 2; the
7 average rate base for the rate year absent a rate
8 filing in column 3; the adjustments to the average
9 rate base in rate year as a result of this filing in
10 column 4; and the fully adjusted average rate base for
11 the rate year upon which the proposed rate increase is
12 based in column 5. Page 2 details the items in
13 working capital as shown on page 1, line 10.

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

17 A. Lines 1 through 3 show the average book cost at \$2.062
18 billion, accumulated provision for depreciation at
19 \$440 million and net plant balance at \$1.622 billion.
20 Line 4 shows the average balance for NIB-CWIP,
21 forecasted at \$48.1 million. Historic year levels on
22 lines 1 through 4 were developed from the books and
23 records of the Company. The rate year levels were

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1 previously discussed. Lines 5 and 6 reflect the steam
2 portion of preferred stock expense and the unamortized
3 balance of debt discount, premium and expense as
4 additions to rate base with the rate year levels
5 forecasted at \$485,000 and \$14.3 million,
6 respectively. This rate base treatment was directed
7 by the Commission's Order on Rehearing in Electric
8 Case 27353. Line 7, Deferred Fuel, forecasted at \$5
9 million, represents the average balance of deferred
10 fuel, net of federal income tax. This amount
11 represents 30 days of recoverable fuel costs.
12 Deferred fuel is the amount of fuel, above the base
13 cost of fuel that will be recovered in the following
14 month.

15 Q. Please continue with your explanation of lines 8 and
16 9.

17 A. Line 8 shows the balance of customer advances for
18 construction in the negative amount of \$1.95 million.
19 These are funds provided by customers for the
20 construction of utility services on their premises.
21 Line 9, of (\$332,000), represents the average balance
22 of the Metropolitan Transportation Authority ("MTA")

1 surcharge paid but not yet collected from customers,
2 net of income taxes.

3 Q. Please continue with line 10.

4 A. Line 10 shows the level of working capital included in
5 rate base. We will explain the details of working
6 capital later in our testimony. Line 11, of \$69
7 million, reflects the required adjustment to bring
8 rate base equal to capitalization. The Company's
9 adjustment is currently a positive adjustment. This
10 is potentially due to several factors, such as the
11 Company's high accounts receivables due to the current
12 economic conditions, including fluctuating energy
13 costs, and the use of the FERC one-eighth formula as a
14 proxy for working capital in lieu of performing a
15 "lead lag study." The Commission in its 2009 Order in
16 Case 08-E-0539 upheld the Company's use of the FERC
17 formula.

18 Q. You previously indicated that line 11 of the Rate Base
19 Exhibit reflects a requirement to make rate base equal
20 to capitalization. Would this represent the Earnings
21 Base Capitalization or "EB/Cap" Adjustment the
22 Commission has adopted in numerous prior rate
23 proceedings?

1 A. Yes. This adjustment has been required by the
2 Commission to synchronize the total capitalization of
3 a utility with rate base and produce what is often
4 referred to as the "Earnings Base."

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

6 A. Lines 12 through 20 represent various steam deferrals
7 from prior rate cases: Deferred Storage and Handling,
8 Amortizations Prior to the 2000 Rate Settlement, Steam
9 Business Development, Steam Production Study, and ERRP
10 Esplanade, Steam Conversion and Fuel Switching, SO2
11 Credits, NYC Property Tax Discount, and NYC Gas
12 Utility Excise Tax. In general, these balances are
13 assumed to be zero in the rate year. Regarding
14 Amortizations made Prior to 2000 Rate Settlement the
15 balance represents the remaining balance of various
16 items previously deferred that have not been disposed
17 of in prior rate proceedings. We will discuss the
18 disposition of the balance later in our testimony on
19 revenue requirement. Line 13 reflects various items,
20 such as deferred NYC property taxes, SO2 allowances,
21 gain on sale of First Avenue Properties and WTC
22 expense that are being amortized pursuant to the 2006
23 and 2008 rate plans. These items are currently being

1 amortized or will be amortized before the rate year in
2 this proceeding and as a result, there will be no
3 balance remaining for these items in the rate year.

4 Q. Please explain the next grouping on lines 21 through
5 44, Rate Case Reconciliations - Net of Income Taxes.

6 A. In general, these items represent the estimated
7 average rate base impacts of the various
8 reconciliation provisions of the 2006 and 2008 Rate
9 Plans and any remaining balances from prior rate plans
10 that were not reflected in the 2006 Rate Plan. The
11 derivation and disposition of these items, as well as
12 the rate treatment for these items, are discussed
13 later in of our testimony.

14 Q. Please continue.

15 A. Lines 45 to 59 reflect the accumulated deferred
16 Federal and State income taxes for various items.
17 Line 45, of a negative \$191 million, represents the
18 taxes resulting from the normalization of Federal tax
19 depreciation. The average balance of accumulated
20 deferred taxes for the rate year was developed by
21 starting with the August 31, 2009 actual balance and
22 was increased each month, through the rate year, to
23 the extent of tax depreciation normalized for book

1 purposes offset in part by the flow-back of tax
2 depreciation previously deferred.

3 Q. Please continue with line 46.

4 A. Lines 46 and 47 reflect the amount of accumulated
5 deferred Federal income taxes on Prepaid Insurance
6 Expenses, with a forecasted amount of (\$263,000), and
7 Vested Vacation, of \$677,000. Line 48 represents
8 amortization of computer software with the rate year
9 forecast of (\$2.886) million; line 49 is the deferred
10 MTA taxes with a forecast of (\$1.966) million; line 50
11 represents customer deposits that will remain and is
12 forecasted at the historical level of \$763,000.

13 Q. Regarding line 51, Unbilled Revenues, in the amount of
14 \$5.329 million, please explain why taxes paid on
15 unbilled revenues are included in rate base.

16 A. The Commission, in its Statement of Policy on
17 Accounting and Ratemaking Procedures to Implement
18 Requirements of the Tax Reform Act of 1986 ("TRA-86"),
19 issued July 8, 1989 in Case 29465, directed utilities
20 to normalize the effect of unbilled revenues in
21 taxable income. In addition, per the Commission's
22 approval in Case 08-M-1150, the Company was authorized
23 to adopt the accrual method of revenue recognition for

1 accounting and regulatory purposes. The Order was
2 effective March 17, 2009. This enhancement to
3 earnings was deferred and we discuss the benefit to
4 customers later in our testimony on revenue
5 requirement.

6 Q. Please continue.

7 A. Line 52 reflects the accumulated deferred Federal
8 income taxes associated with Contribution in Aid of
9 Construction, of \$2 million, which are reflected in
10 taxable income and for which the Commission also
11 mandated tax normalization since TRA-86. Line 53
12 reports the deferred Federal income taxes of
13 Capitalized Interest in the amount of \$4.5 million.
14 The Commission, also in Case 29456, concluded that
15 utilities should normalize the income tax expense for
16 additional interest required to be capitalized for tax
17 purposes under TRA-86. Line 54, in the amount of
18 \$2.044 million, is the accumulated deferred Federal
19 tax related to the reclassification of capitalized
20 major maintenance projects during the years 1998
21 through 2002 as a result of an IRS audit.

22 Q. Please continue with your explanation of line 55.

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- 1 A. Line 55, of a negative \$37.781 million, relates to
2 capitalized overheads (Section 263A of the IRS Code).
3 Line 56, of \$285,000, is the deferred Federal income
4 tax effect resulting from the payment of Call Premiums
5 when redeeming long-term debt issues prior to their
6 maturity dates. Call Premiums paid are a current
7 deduction for Federal income tax purposes, but
8 amortized over the remaining lives of the redeemed
9 issues, in accordance with prior Commission policy.
10 Line 59 is the accumulated deferred Federal income tax
11 related to the accelerated deduction of plant in
12 service costs computed under the Simplified Service
13 Cost Method for the years 2002 through 2005. It is
14 expected that there will not be any remaining balance
15 for the rate year.
- 16 Q. Please explain the last three items of the rate base.
- 17 A. Line 57, is the accumulated deferred Federal income
18 tax relating to the accelerated deduction of plant
19 service costs computed under the Simplified Service
20 Cost Method for the years 2002 through 2005. It is
21 expected that the balance will be zero for the rate
22 year. Line 58, Excess Deferred SIT, represents the
23 excess accumulated deferred State income tax balance

1 that was established at the statutory rate of 9.03
2 percent as compared to the current rate of 8.63
3 percent. It also includes a balance of the previously
4 accrued excess deferred SIT taxes from years 2000 and
5 2001, which were established under the statutory rate
6 of 10.3 percent vs. 9.53 percent. It is projected
7 that there will be a zero balance for this item in the
8 rate year.

9 Line 59 reflects the deferred balance of New York
10 State income taxes on various items, the forecast for
11 the rate year is (\$29.657) million.

12 Q. Please turn to page 2 of Exhibit __ (AP-9) and explain
13 the items of Working Capital.

14 A. Working capital is comprised of materials and
15 supplies, including liquid fuel inventory, prepayments
16 and cash working capital.

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

20 A. The information to calculate the rate year forecast of
21 the average balance of liquid fuel inventory was
22 provided to us by Company witness Catuogno. The
23 forecasted cost of residual fuel oil was allocated to

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1 Electric and Steam based upon the oil burn budget.

2 The average balance of liquid fuel allocated to steam
3 is then reduced to the extent that the balance is
4 financed by amounts owed by the Company to fuel
5 vendors. Based on the historic year, we determined
6 that 29.16 percent or (\$6,764,000) is financed by
7 accounts payable, leaving \$16,432,000 to be included
8 in rate base.

9 Q. Please continue with the materials and supplies
10 inventory.

11 A. To develop the rate year level for materials and
12 supplies, excluding fuel, we took the average balance
13 at June 30, 2009 and escalated it by the general
14 escalation rate of 3.21 percent, which we discussed
15 previously, to arrive at the total increase of
16 \$1,109,000 as shown in column 2.

17 Q. Please continue with an explanation and description of
18 the components in Prepayments.

19 A. Steam prepayments, lines 4 to 7, consists of the steam
20 department's allocation of insurance premiums,
21 property taxes, the PSC assessment, and other
22 miscellaneous items.

1 Q. How did you develop the level of prepaid insurance and
2 property taxes?

3 A. Prepaid insurance for the rate year was forecasted by
4 assuming that 23 percent of the insurance premiums are
5 prepaid based on historic year data. We then applied
6 this factor to our estimate for steam insurance
7 premiums in the rate year of \$3.3 million to arrive at
8 the rate year level for insurance prepayments of
9 \$759,000. This treatment is consistent with the
10 Commission's determination in the Company's prior rate
11 cases. Prepayment for New York City taxes was based
12 on the Company's actual level of steam property taxes
13 for fiscal year 2009/2010 and the estimated level for
14 fiscal year 2010/2011. Based on the forecast level of
15 expense and semi-annual payment in January and July,
16 prepayment for New York City taxes in the rate year is
17 estimated to be \$18,829,000.

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

20 A. We developed the amount for the PSC assessment, line
21 6, by taking the latest known PSC assessment of
22 \$1,620,000 for the fiscal year ending September 2009
23 with escalation to the rate year and reflected

1 payments on a semi-annual basis in March and
2 September. As indicated above, if a revised
3 assessment is received during the course of this
4 proceeding, we will update the prepayment balance, as
5 appropriate.

6 Q. Please explain the last item of prepayment.

7 A. To develop prepayment applicable to "other"
8 miscellaneous items on line 7, we took the average
9 balance for the historic year of \$1,049,000 and
10 escalated this amount by the general escalation of
11 3.21 percent to arrive at the rate year level of
12 \$1,083,000.

13 Q. Please explain the next item of cash working capital.

14 A. The next item of working capital, line 18, is the
15 allowance for cash working capital. The historic year
16 calculation was described earlier in our testimony.
17 For the rate year, we started with operation and
18 maintenance expense of \$537,837,000. Based on the
19 methodology we previously described, the total cash
20 working capital allowance is \$51,904,000 as shown in
21 column 3, line 18.

1 Q. Please describe the adjustments to the average rate
2 base for the rate year as reflected on Exhibit __ (AP-
3 9), page 1, column 4.

4 A. The first adjustment of (\$20.107) million on line 11
5 for Excess Rate Base Over Capitalization reflects the
6 removal of non-cash prepaid pension expense. Lines 21
7 to 44 reflect the effect on average rate base of
8 amortizing over a three-year period the balances of
9 previously deferred items and reconciliations. Again,
10 these items and reconciliations will be discussed in
11 greater detail in the following section of our
12 testimony, wherein we discuss the basis for the
13 revenue requirement.

14 REVENUE REQUIREMENT AND ACCOUNTING ADJUSTMENTS

15 Q. Please describe the basis for the revenue requirement
16 in this case.

17 A. The rate year is the twelve months ending September
18 30, 2011, which is the first twelve months that rates
19 set in this proceeding will be in effect. The revenue
20 requirement is based upon our forecast of steam
21 operations for the twelve months ending September 30,
22 2011, and an overall rate of return requirement of
23 8.13 percent. The increase in the Company's revenue

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1 requirement is \$128,768,000, inclusive of gross
2 receipts taxes.

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

4 A. Yes, we have.

5 Q. I show you a document, the first page of which is
6 entitled "OPERATING INCOME, RATE BASE AND RATE OF
7 RETURN FOR STEAM OPERATIONS SHOWING THE EFFECT OF THE
8 PROPOSED INCREASE IN RATES - TWELVE MONTHS ENDING
9 SEPTEMBER 30, 2011" and ask if it was prepared under
10 your direction and supervision?

11 A. Yes, it was.

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

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

14 A. Yes. Exhibit ____ (AP-9) consists of four schedules.
15 Schedule 1 summarizes the development of operating
16 income, average rate base and rate of return for the
17 rate year as adjusted for the rate increase. Column 1
18 shows operating income and rate of return unadjusted,
19 or as it would be reflected in the books of account,
20 for the rate year. The operating income before income
21 taxes is as shown on Exhibit (AP-6), Schedule 1, page
22 1, column 3. The New York State and Federal income
23 tax computations in this column are detailed on

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1 Schedule 2, pages 1 and 2, respectively, and the
2 average rate base in this column is as reflected on
3 Exhibit (AP-8). Column 2 summarizes certain
4 adjustments to operating income that are detailed on
5 Schedule 3. The adjustments to average rate base in
6 this column are as reflected on Exhibit (AP-8), pages
7 1 and 2. Column 3 is the summation of columns 1 and
8 2. Column 4 shows the effect of the \$128,768,000 rate
9 increase. Column 5, which is a summation of columns 3
10 and 4, shows operating income, average rate base and
11 rate of return for the rate year after factoring in
12 the rate increase.

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

14 A. The unadjusted rate of return in column 1 is 3.74
15 percent. After factoring in the adjustments to
16 operating income, rate base and the proposed rate
17 increase, the rate of return on average rate base is
18 8.13 percent.

19 Q. What was the Steam department's rate of return for the
20 actual twelve-month period ended June 30, 2009?

21 A. As shown on Exhibit (AP-1), Schedule 2, page 4, steam
22 operating income for the twelve-month period ended
23 June 30, 2009 was \$94,414,000. The steam department's

1 average rate base for the actual twelve-month period
2 ended June 30, 2009, as shown on Exhibit ___ (AP-8)
3 page 1, was \$1,528,600,000. Accordingly, the actual
4 rate of return for the historic year for steam was
5 6.18 percent, well under the allowed rate of return of
6 7.5 percent. As explained throughout this filing,
7 absent rate relief, the Company is projecting a much
8 lower return for the rate year.

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

10 A. Schedule 2, page 1 details the New York State income
11 tax computation for each of the 5 columns shown on
12 Schedule 1. Column 1 of Schedule 2, page 1 is the
13 calculation of New York State income tax expense for
14 steam operations. Starting with book operating income
15 before income taxes as shown on line 1, we then set
16 forth on lines 2-43 the various required tax
17 adjustments to book operating income to determine
18 taxable income as shown on line 44. We then compute
19 the amount of New York State income tax payable on
20 line 45 using the statutory rate applicable to such
21 taxable income. From the New York State income tax
22 payable so calculated, we reflect on lines 46-47
23 normalizations for certain items reflected as

1 adjustments to taxable income and the amortization of
2 previously deferred excess SIT to arrive at New York
3 State income tax expense as shown on line 48. The
4 items detailed on column 2 of this schedule, which
5 reflect rate case adjustments, are more fully detailed
6 on Schedule 3, pages 1 and 2 of our exhibit and are
7 discussed later. Column 3 is the sum of columns 1 and
8 2. Column 4 is the additional New York State income
9 tax to be paid as a result of the additional revenue
10 requirement and column 5 is the sum of columns 3 and
11 4.

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

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

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1 forth on lines 4-51 the various required tax
2 adjustments to book operating income to determine
3 taxable income as shown on line 52. We then compute
4 the amount of Federal income tax payable on line 53
5 using the statutory rate applicable to such taxable
6 income. From the Federal income tax payable so
7 calculated, we reflect on lines 54-56 normalizations
8 for certain items reflected as adjustments to taxable
9 income as well as amortizations for items normalized
10 in the rate year or in prior periods to arrive at
11 Federal income tax expense as shown on line 57. The
12 items detailed on column 2 of this schedule, which
13 reflect rate case adjustments, are more fully detailed
14 on Schedule 3, pages 1 and 2 of our exhibit and will
15 be discussed later. Column 3 is the sum of columns 1
16 and 2. Column 4 is the additional Federal income tax
17 to be paid as a result of the additional revenue
18 requirement and column 5 is the sum of columns 3 and
19 4.

20 Q. Please explain the adjustments to operating income as
21 shown on Schedule 3.

22 A. Schedule 3 details the adjustments to operating income
23 as shown on Schedule 1, column 2. In this section, we

1 are listing all of our proposals for recovery from or
2 refund to customers of regulatory assets and
3 liabilities. For adjustments 1 through 14, we are
4 requesting recovery of deferred assets. For
5 adjustments 15 through 27 we are refunding items to
6 customers. For convenience all of our proposals are
7 contained in the section Other Operating Revenues
8 rather than listing them under O&M. As such, these
9 adjustments (lines 1 - 14) show up as negative
10 amounts.

11 Q. Please describe the adjustments that you made to Other
12 Operating Revenues as shown on Schedule 3.

13 A. Our adjustments 3 through 14, inclusive, reflect items
14 for which there are deferred Regulatory Assets
15 pursuant to various rate plans on the books of account
16 that the Company is proposing to collect from
17 customers over a three-year period in the instant
18 proceeding. The first two items related to the World
19 Trade Center, where the Company is proposing longer
20 periods of collection are discussed below. Our
21 adjustments 15 through 27, inclusive, reflect items
22 for which there are deferred Regulatory Liabilities on
23 the books of account that the Company is proposing to

1 refund to customers over a three-year period in the
2 instant proceeding.

3 Q. Please discuss the items included in other operating
4 revenues that the Company is now proposing to collect
5 from customers.

6 A. Adjustment 1 of (\$3,459,000) relates to the collection
7 of \$20,032,000 of World Trade Center Incident
8 operation and maintenance expenditures deferred as of
9 August 31, 2009, (including interest through the
10 beginning of the new rate year in this proceeding less
11 recoveries authorized under the terms of the current
12 rate plan) netted against unbilled revenues of
13 \$2,736,000 and amortized over a five-year period. We
14 are proposing to net the request for these
15 expenditures with unbilled revenues and to extend the
16 current three-year amortization period to five years
17 in order to mitigate the rate increase.

18 Adjustment 2 of (\$433,000) relates to the collection
19 of \$12,112,000 of World Trade Center Incident capital
20 expenditures deferred as of August 31, 2009, over an
21 assumed 28-year recovery. Under the 2008 Rate Plan,
22 we are amortizing \$4,029,000 of World Trade Center
23 costs. So our proposal reflected in Adjustments 1 and

1 2 represent a decrease in the revenue requirement.
2 Regarding Adjustments 3-6, in the Company's last steam
3 Case 07-S-1315, the Company proposed the recovery of
4 various items over a three-year period. While these
5 items were approved for recovery in the 2008 Rate
6 Plan, the Plan only covered a two-year period. One-
7 third of these balances will remain to be recovered at
8 the end of the plan. Adjustments 3 through 6 relate
9 to these remaining balances and the Company proposes
10 to recover them over a three-year period in this
11 proceeding.

12 Q. Please continue.

13 A. Adjustment 7 relates to the recovery over a three-year
14 period of \$1,581,000 of previously deferred
15 Interference expenses. This amount consists of
16 \$277,000 representing the remaining one-third balance
17 due from customers from the 2008 Rate Plan, \$138,000
18 of deferred expense from RY1 of the 2006 Rate Plan,
19 and \$1,166,000 relating to the deferred under-
20 collection of expenses in RY2 of the 2006 Rate Plan.
21 Adjustment 8 relates to the recovery over a three-year
22 period of previously deferred New York City property
23 taxes. The actual undercollection of such property

1 taxes was \$3,231,000 during the first rate year of the
2 2006 Rate Plan, \$2,670,000 during the second rate year
3 of the 2006 Rate Plan, and \$5,602,000 for RY1 under
4 the 2008 Rate Plan. These amounts reflect the 90
5 percent/10 percent sharing between customers and
6 shareholders. Offsetting these undercollections, the
7 Company recovered \$3,162,000 under the 2008 rate plan,
8 resulting in a balance to recover of \$8,341,000. One-
9 fifth of this amount is equal to our adjustment of
10 (\$1,668,000).

11 Adjustment 9 in the amount of (\$1,816,000) relates to
12 the recovery over a three-year period of the estimated
13 level of deferred Pension/OPEB expenditures at
14 September 30, 2010 that are subject to reconciliation
15 under the Commission's Policy Statement.

16 Adjustment 10 of (\$91,000) relates to the recovery
17 over a three-year period of accrued interest income on
18 the deferral of MGP/Superfund Sites expenditures.

19 Adjustment 11 of (\$511,000) relates to the recovery of
20 So2 Allowances over three rate years. It includes
21 \$2,075,000 for RY1 of the current rate plan and
22 \$478,000 from prior years for a total balance of
23 \$2.553 million.

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1 Adjustment 12 of (\$2,000) relates to the recovery of
2 the remaining interest on a New York State income tax
3 audit adjustment. Per Case 07-S-1315, \$2,000 was to
4 be amortized leaving a balance of \$6,361 for
5 disposition in this filing and Adjustment 12 reflects
6 that recovery.

7 Adjustment 13 reflects the recovery of the estimated
8 level of deferred SIR costs at September 30, 2011. At
9 June 30, 2009, the actual shortfall of such costs
10 applicable to steam operations totaled \$6,535,000 and
11 is expected to increase to a total of \$9,037,000 by
12 September 30, 2011, net of recoveries in rates. We
13 are assuming a five-year recovery of this amount, or
14 \$1,807,000 per year, to help mitigate the rate
15 increase.

16 In the 2006 rate plan, an investment grade analysis
17 was ordered to be performed at Hudson Avenue. The
18 allowed amount was \$500,000. As of September 30,
19 2009, invoices totaling \$364,327 have been paid to the
20 independent engineering firm conducting the study.

21 Adjustment 14 of (\$121,000) represents the recovery of
22 these study costs over a three-year period.

1 Q. Please discuss the items included in other operating
2 revenues that the Company is now proposing to refund
3 to customers.

4 A. Adjustment 15 of \$57,000 relates to the refund of SIT
5 that resulted from the reduction in the level of gross
6 receipts taxes and the implementation of a New York
7 State income tax in the year 2000. Based upon a
8 letter dated November 5, 2007 from the PSC's office of
9 Accounting, Finance, and Economics, for the taxable
10 year ending December 31, 2006, the Company owed
11 customers \$244,000. Under the 2008 rate plan, the
12 Company refunded \$72,000. Therefore, the Company
13 needs to refund the remaining \$172,000 or \$57,000 over
14 three rate years.

15 In the Company's last steam case, Case 07-S-1315, the
16 Company proposed the refund of various items over a
17 three-year period. These items were approved for
18 refund in the 2008 Rate Plan. However, as the Plan
19 only covered a two-year period, one-third of these
20 balances remain to be refunded at the end of the plan.
21 Adjustments 16, 17, and 19 through 23 relate to these
22 remaining balances and the Company proposes to refund
23 them over a three-year period. Regarding Adjustment

1 19, in addition to the \$211,000 of Medicare Rx
2 Legislation savings remaining from the 2008 rate plan,
3 the Company has realized an additional \$19,000, for a
4 total of \$230,000 of savings that we propose to refund
5 over a three-year period.

6 Adjustment 18 regarding SO2 allowances also includes
7 the one-third portion remaining from the 2008 rate
8 plan amounting to \$1,147,00 for the principal and
9 \$124,000 for the interest. Additionally, the Company
10 has realized additional SO2 allowance proceeds to
11 return to customers of \$759,000. The Company has also
12 accrued an additional \$48,000 of interest due to
13 customers and estimates another \$46,000 of interest by
14 the start of the new rate plan on October 1, 2010. The
15 Company proposes to refund the total amount of
16 \$2,124,000 over a three-year period, or \$708,000 per
17 year.

18 Q. Please continue.

19 A. As discussed previously in our testimony on Other
20 Operating Revenues, the 2008 Rate Plan established
21 capital targets of \$5.9 million in RY1, and \$10.7
22 million in RY2 for average net plant balances for
23 steam incident-related programs. As of September 2009,

1 the Company underspent the target level and carrying
2 charges due customers were \$101,000. Adjustment 24
3 reflects the refund of \$101,000 over a three-year
4 period, or \$34,000 per year.

5 Adjustment 25 amounting to \$112,000 reflects the
6 refund of \$336,000 of interference underspending
7 during RY1 of the current rate plan over a three-year
8 period.

9 As discussed previously in our testimony on Other
10 Operating Revenues, per the 2008 Rate Plan, the
11 Company is allowed to true-up its actual interest
12 costs related to the Auction Rate Debt to the amount
13 reflected in rates. Adjustment 26 reflects the refund
14 of \$1,066,000 over a three-year period.

15 In 2004, the Company received a refund of \$8,887,538
16 from the IRS. In Case 05-M-0407, the PSC allowed the
17 Company to reduce the refund by the consultant's fee
18 of \$2,666,261 and to allocate the balance: 90%
19 customers/10% Company. The Commission further ordered
20 that the customers' share be allocated 80% to
21 Electric, 15% to Gas, and 5% to Steam. The total
22 amount apportioned to steam customers was \$280,000.

23 Under the 2006 rate plan, the steam customer received

1 \$148,000, leaving a balance of \$132,000. Adjustment
2 27 reflects the refund of \$132,000 over a three-year
3 period, or \$44,000 per year.

4 Q. Do you plan to update your adjustments related to
5 items subject to reconciliation during the term of the
6 current rate plan, at the appropriate point in this
7 proceeding?

8 A. Yes.

9 Q. Please continue and describe Schedule 4.

10 A. Schedule 4 summarizes by rate year and in total, those
11 items reflected on Schedules 2 and Schedule 3, and in
12 the calculation of the revenue requirement, that are
13 reflective of customer credits and debits.

14 Q. Please discuss the item, Deferred Excess New York
15 State Income Taxes under the heading "Customer Credits
16 - Deferred Tax Liabilities".

17 A. Deferred Excess New York State Income Taxes, reflects
18 an adjustment to reclassify excess deferred SIT
19 related to the New York State tax accrual necessitated
20 by the change in the statutory rate from 7.5% to 7.1%.
21 The total credit to Steam customers is \$49,000. The
22 amount of \$16,000 reflected on Schedule 2, page 1,

1 column 2, line 48, represents the annual credit to
2 customers.

3 RATE OF RETURN

4 Q. Has the Accounting Panel prepared a rate of return
5 required exhibit?

6 A. Yes. We will present the rate of return required in
7 the rate year and, in addition, the Fund Requirements
8 and Sources and Interest Coverage in the rate year.

9 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
10 OF NEW YORK, INC. - RATE OF RETURN REQUIRED FOR THE
11 RATE YEAR - TWELVE MONTHS ENDING SEPTEMBER 30, 2011,"
12 set forth as Exhibit ___ (AP-10), prepared under your
13 direction and supervision?

14 A. Yes, it was.

15 MARK FOR IDENTIFICATION AS EXHIBIT ___ (AP-10)

16 Q. Please describe Exhibit ___ (AP-10), Schedule 1.

17 A. This exhibit shows the projected average capital
18 structure for the rate year, the twelve months ending
19 September 30, 2011, the average cost rate for each
20 component of the capital structure, and the related
21 cost of capital. The Company's overall weighted cost
22 of capital for the rate year is projected to be 8.13
23 percent.

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

3 A. To derive the average long-term debt for the rate year
4 ending September 30, 2011, we determined the amount of
5 long-term debt outstanding at the end of each month
6 from September 2010 through September 2011. We then
7 utilized these amounts to calculate the average of
8 long-term debt outstanding.

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

11 A. We estimated changes in the outstanding amount of debt
12 from month to month during the linkage period from
13 June 30, 2009 to the beginning of the rate year based
14 on the funding requirements forecasted. This resulted
15 in the Company's forecasted issuances and scheduled
16 maturities as follows:

- 17 • The forecasted issuance of \$310 million 5.84 percent
18 Series 2009C debentures on December 1, 2009;
- 19 ▪ The forecasted issuance of \$300 million 5.35 percent
20 Series 2010A debentures on May 1, 2010;
- 21 ▪ The forecasted issuance of \$300 million 6.14 percent
22 Series 2010B debentures on May 1, 2010;

- 1 ▪ The forecasted issuance of \$370 million 5.35 percent
- 2 Series 2010C debentures on September 1, 2010;
- 3 ▪ The forecasted issuance of \$250 million 6.14 percent
- 4 Series 2010D debentures on December 1, 2010;
- 5 ▪ The forecasted issuance of \$350 million 5.88 percent
- 6 Series 2011A debentures on July 1, 2011;
- 7 ▪ The forecasted issuance of \$300 million 6.34 percent
- 8 Series 2011B debentures on September 1, 2011;
- 9 ▪ The maturity of the \$200 million 7.15 percent Series
- 10 1999B debentures on December 1, 2009;
- 11 ▪ The maturity of the \$325 million 8.125 percent
- 12 Series 2000A debentures on May 1, 2010; and
- 13 ▪ The maturity of the \$300 million 4.70 percent Series
- 14 2000B debentures on September 1, 2010.

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

19 Q. Please explain the cost rate assumed with respect to
20 the additional debt.

21 A. The additional debt is issued based on a combination
22 of 10-year and 30-year debentures. The 10-year

1 debentures are assumed to be issued at 5.35 percent
2 for 2010 and 5.88 percent for 2011. The 30-year
3 debentures are assumed to be issued at 5.84 percent
4 for 2009, 6.14 percent for 2010 and 6.34 percent for
5 2011, which reflect the current forecasted market
6 conditions for taxable debt issued for A-rated
7 utilities. This information on the forecasted
8 interest rates was provided to us by Company witness
9 Perkins and will be updated, if necessary, later in
10 this proceeding.

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

13 A. To determine the average amount of preferred stock for
14 the rate year ending September 30, 2011, we first
15 determined the amount of preferred stock outstanding
16 at the end of each month from September 2010 through
17 September 2011. We then utilized this amount to
18 calculate an average amount outstanding of \$213
19 million.

20 Q. Please explain how you derive the average customer
21 deposits, set forth on Exhibit ___ (AP-10), Schedule
22 1, for the rate year ending September 30, 2011.

1 A. With respect to customer deposits, we started with the
2 projected balance outstanding at September 30, 2010 of
3 \$268 million. The balance is expected to grow by
4 approximately 0.2% a month bringing the September 2011
5 balance to \$266 million. After determining the
6 monthly customer deposit balances during the rate
7 year, an average of \$264 million was calculated.

8 Q. Please explain the change in Common Equity during the
9 linkage period from June 30, 2009 to the beginning of
10 the rate year.

11 A. During the linkage period from June 30, 2009 to the
12 beginning of the rate year, Common Equity increased
13 \$502 million due to a net equity infusion of \$194
14 million as an investment by parent, net income for
15 common equity of \$1,133 million less common dividends
16 to parents during the linkage period of \$825 million.
17 This is done to maintain a 48 percent Equity Ratio.

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

20 A. CECONY's long-term debt is comprised of tax-exempt
21 debt issued through NYSERDA and debenture bonds. The
22 average annual cost rate of this debt is calculated by
23 dividing the average annual interest requirements for

1 all long-term debt issues, including the average
2 annual amortization of the net amount of any premiums
3 or discounts realized when the securities were sold
4 and the cost and expense of issuance, by the amount of
5 long-term debt outstanding. As shown on Schedule 2 of
6 Exhibit ___ (AP-10), the average cost of long-term
7 debt for the rate year is 5.74 percent, which is
8 determined by dividing the sum of the average annual
9 interest requirements and the amortization of debt
10 discount and expense, of \$583.6 million by the average
11 aggregate amount of long-term debt outstanding of
12 \$10,162 million.

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

15 A. On average, CECONY will have an estimated total of
16 approximately \$213 million in preferred stock
17 outstanding during the rate year. The average annual
18 cost of the preferred stock is calculated by dividing
19 the average annual dividend requirement of \$11.3
20 million, including the expense associated with the
21 amortization of expenses associated with the refunded
22 series, by the average amount of preferred stock
23 outstanding of \$213 million. As set forth on Schedule

1 3 of Exhibit ____ (AP-10), the average cost of
2 preferred stock for the rate year ending September 30,
3 2011 thus computed is 5.34 percent.

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

5 A. We expect the Commission will mandate a 2.45 percent
6 cost rate to be in effect January 2010. The
7 Commission reviews this rate annually and if the
8 actual rate varies from what was included in this
9 filing, we will update this rate at the appropriate
10 time.

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

13 A. We have utilized a return on common equity of 10.8
14 percent to calculate an overall rate of return of 8.13
15 percent, which we used in determining the revenue
16 requirement for the rate year. Company witness
17 Muccilo proposes a three year rate plan and in his
18 testimony he discusses a "stay out premium" for a
19 three year rate plan. Is it your decision or do you
20 participate in any decision making as to what CECONY's
21 dividend funding requirements to CEI will be?

22 A. No. The Board of Directors makes the dividend
23 decision for CEI. We are not members of the Board of

1 Directors nor are we participants in its meetings or
2 meetings of the Finance Committee of the Board.

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

6 A. That is correct.

7 FUND REQUIREMENTS AND SOURCES

8 Q. Was the document entitled "CONSOLIDATED EDISON COMPANY
9 OF NEW YORK, INC. - FUND REQUIREMENTS AND SOURCES -
10 TWELVE MONTHS ENDING SEPTEMBER 30, 2011," set forth as
11 Exhibit ___ (AP-11), prepared under your direction and
12 supervision?

13 A. Yes, it was.

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

15 Q. What does Exhibit ___ (AP-11) reflect?

16 A. This exhibit reflects the Company's forecast of
17 capital fund requirements and sources of capital
18 funds, as well as certain financial statistics, for
19 the 12 months ending September 30, 2011. Exhibit ___
20 (AP-11) shows that capital funds required during the
21 rate year will exceed internal sources by \$928
22 million.

ACCOUNTING PANEL -- STEAM

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

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

7 Q. Please continue.

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

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

16 A. The first item is retained earnings of \$367 million.
17 This estimate includes certain earnings and common
18 dividend assumptions. For the rate year, net income
19 for common stock is projected at \$1,049 million,
20 offset by projected common stock dividends of \$671
21 million and projected preferred stock dividend of \$11
22 million. The second item is depreciation. The third
23 item, deferred tax accruals, are funds provided

1 principally by the use of tax depreciation subject to
2 normalization. The fourth item, other expense,
3 includes AFUDC Debt and Equity from other operating
4 activities and other Operating Cash flow.

5 Q. Please describe the final section of Exhibit ____ (AP-
6 11).

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

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

12 A. The estimate for retained earnings described above is
13 sufficient to maintain a 48 percent equity ratio in
14 2011. Therefore there are no new equity issuances.

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

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

20 A. Yes, it was.

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

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

ACCOUNTING PANEL -- STEAM

- 1 A. No. As shown in Exhibit _____ (AP-12), the interest
2 coverage calculation also includes "other" interest.
- 3 Q. Please explain what is included in "other" interest.
- 4 A. "Other" interest is comprised of interest on the
5 following items: customer deposits, commercial paper,
6 customer overpayments and other miscellaneous items.
- 7 Q. Does the Company currently have lines of credit
8 available to it?
- 9 A. Yes. The Company, along with CEI and O&R, has
10 agreements with various banks for revolving credit
11 lines of \$2,250 million. However, assuming that CEI
12 and O&R have not used their assigned portions of this
13 credit, \$1,000 million and \$200 million, respectively,
14 the Company can utilize the entire \$2,250 million.
- 15 Q. Does this conclude the Accounting Panel's initial
16 testimony?
- 17 A. Yes, it does.

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

| <u>Tab No.</u> | <u>Exhibit No.</u> | | <u>Number of Pages</u> |
|--------------------|------------------------|---|----------------------------|
| 1 | AP-1 | Financial and Statistical Data | 19 |
| 2 | AP-2 | Procution Expenses | 2 |
| 3 | AP-3 | State & Federal Income Taxes | 6 |
| 4 | AP-4 | Book Cost of Utility Plant | 1 |
| 5 | AP-5 | Accumulated Provision for Depreciation - Steam Plant in Service | 1 |
| 6 | AP-6 | Revenues & Operating Expense Data | 26 |
| 7 | AP-7 | Estimated Net Plant | 4 |
| 8 | AP-8 | Rate Base | 2 |
| 9 | AP-9 | Rate Base & Rate of Return, Income Taxes, Adjustments to Income, and Customer Debits & Credits | 5 |
| 10 | AP-10 | Capital Structure and Cost of Capital | 3 |
| 11 | AP-11 | Fund Requirements and Sources | 1 |
| 12 | AP-12 | Interest Coverage | 1 |
| 13 | AP-13 | Personnel Requested for the Law Department | 18 |

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

| <u>Schedule No.</u> | | <u>Number of Pages</u> |
|-------------------------|--|----------------------------|
| 1 | Balance Sheet As of December 31, 2005, 2006, 2007, 2008 and June 30, 2009 | 2 |
| 2 | Income Statement Years 2006 to 2009 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 - Steam (Before and After Income Taxes) Years 2006 to 2008 Inclusive and Twelve Months Ended June 30, 2009 | 1 |
| 5 | Operating Revenues - Steam Years 2006 to 2008 Inclusive and Twelve Months Ended June 30, 2009 | 1 |
| 6 | Statement Showing by Classification of Service MM Pounds of Steam 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 - Steam Years 2006 to 2008 Inclusive and Twelve Months Ended June 30, 2009 | 8 |
| 8 | Taxes Other than Income Taxes - Steam 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 | December 31, | | | | June 30, |
|---------------------------------------|--|----------------------|----------------------|----------------------|----------------------|---------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 |
| UTILITY PLANT | | | | | | |
| 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 | <u>19,175,849</u> | <u>20,722,481</u> | <u>22,309,946</u> | <u>24,235,976</u> | <u>25,075,186</u> |
| 108 | Accumulated Provision For Depreciation of Plant In Service | (4,084,150) | (4,207,833) | (4,307,396) | (4,514,904) | (5,154,165) |
| 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) | - |
| | Net | <u>14,650,052</u> | <u>16,050,538</u> | <u>17,521,065</u> | <u>19,214,374</u> | <u>19,921,021</u> |
| 120, 120.5 | Nuclear Fuel Assemblies - Net | - | - | - | - | - |
| 117 | Gas Stored Underground - Non-Current | 1,239 | 1,239 | 1,239 | 1,239 | 1,239 |
| | Total | <u>14,651,291</u> | <u>16,051,777</u> | <u>17,522,304</u> | <u>19,215,613</u> | <u>19,922,260</u> |
| OTHER PROPERTY AND INVESTMENTS | | | | | | |
| 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 | 253,366 | 234,604 | 246,834 |
| | Total | <u>89,820</u> | <u>105,992</u> | <u>270,043</u> | <u>249,970</u> | <u>261,742</u> |
| CURRENT AND ACCRUED ASSETS | | | | | | |
| 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 | 173,729 | 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 | 1,485 | 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 | <u>3,749,196</u> | <u>1,643,458</u> | <u>1,666,926</u> | <u>2,304,359</u> | <u>1,967,495</u> |
| DEFERRED DEBITS | | | | | | |
| 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 | <u>2,731,033</u> | <u>4,881,539</u> | <u>4,919,391</u> | <u>8,551,020</u> | <u>8,249,767</u> |
| | Grand Total | <u>\$ 21,221,340</u> | <u>\$ 22,682,766</u> | <u>\$ 24,378,664</u> | <u>\$ 30,320,962</u> | <u>\$30,401,264</u> |

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. | <u>Utility Operating Income</u> | <u>Electric</u> | <u>Gas</u> | <u>Steam</u> | <u>Total</u> |
|---------------|--|-----------------|--------------|--------------|--------------|
| 400 | Operating Revenues | \$ 7,113,685 | \$ 1,616,945 | \$ 697,410 | \$ 9,428,040 |
| | Operating Expenses | | | | |
| 401 | Operation Expenses | 4,313,298 | 1,057,586 | 420,438 | 5,791,322 |
| 402 | Maintenance Expense | 353,685 | 57,455 | 32,594 | 443,734 |
| | | 4,666,983 | 1,115,041 | 453,032 | 6,235,056 |
| 403 | Depreciation Expense | 414,272 | 80,461 | 50,423 | 545,156 |
| 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) | Income Taxes | | | | (5,548) |
| 411.2) | | | | | |
| | 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. | <u>Utility Operating Income</u> | <u>Electric</u> | <u>Gas</u> | <u>Steam</u> | <u>Total</u> |
|----------------|--|-----------------|--------------|--------------|---------------|
| 400 | Operating Revenues | \$ 7,503,891 | \$ 1,763,978 | \$ 763,311 | \$ 10,031,180 |
| | Operating Expenses | | | | |
| 401 | Operation Expenses | 4,478,906 | 1,146,119 | 474,225 | 6,099,250 |
| 402 | Maintenance Expense | 320,911 | 53,842 | 32,056 | 406,809 |
| | | 4,799,817 | 1,199,961 | 506,281 | 6,506,059 |
| 403 | Depreciation Expense | 448,063 | 85,137 | 60,169 | 593,369 |
| 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) | Income Taxes | | | | 192 |
| 411.2) | | | | | 1,824 |
| | 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. | <u>Utility Operating Income</u> | <u>Electric</u> | <u>Gas</u> | <u>Steam</u> | <u>Total</u> |
|----------------|--|-----------------|--------------|--------------|---------------|
| 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 | | | | |
| 405 | Amortization of Other Utility Plant | | | | |
| 407 | Amortization of Property Losses | - | - | - | - |
| | Amortization - Miscellaneous | | | | |
| 408.1 | Taxes Other Than Income Taxes | 1,036,992 | 187,109 | 80,351 | 1,304,452 |
| | Income Taxes | | | | |
| 409.1, .11 | Income Taxes | (109,972) | 93,347 | (26,712) | (43,338) |
| 410.1, .11 | Provision for Deferred Income Taxes | 1,320,838 | 264,149 | 113,572 | 1,698,559 |
| 411.1, .11 | Provision for Deferred Income Taxes - Credit | (910,940) | (265,962) | (76,706) | (1,253,608) |
| 411.4 | 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) | Income Taxes | | | | 730 |
| 411.2) | | | | | 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. | <u>Utility Operating Income</u> | <u>Electric</u> | <u>Gas</u> | <u>Steam</u> | <u>Total</u> |
|----------------|--|-----------------|--------------|--------------|---------------|
| 400 | Operating Revenues | \$ 8,015,541 | \$ 1,839,616 | \$ 813,942 | \$ 10,669,099 |
| 401 | Operating Expenses | | | | |
| | 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) | Income Taxes | | | | 1,691 |
| 411.2) | | | | | 4,433 |
| | 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. | 2005 | 2006 | 2007 | 2008 | June 30, 2009 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| 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 | - | - | - | - | - |
| | <u>5,453,320</u> | <u>5,770,869</u> | <u>6,174,134</u> | <u>6,409,817</u> | <u>6,118,830</u> |
| 437 | | | | | |
| Dividends Declared - Preferred Stock | 11,323 | 11,323 | 11,323 | 11,323 | 5,662 |
| 438 | | | | | |
| Dividends Declared - Common Stock | <u>368,739</u> | <u>440,272</u> | <u>547,200</u> | <u>618,150</u> | <u>326,000</u> |
| 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 - STEAM
IN AMOUNT AND EQUIVALENT CENTS PER M. LBS.
SOLD (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 | |
|---|---------------|--|---------------|--|---------------|--|---|--|
| | <u>Amount</u> | <u>Equivalent Cents Per M. Lbs. Sold</u> | <u>Amount</u> | <u>Equivalent Cents Per M. Lbs. Sold</u> | <u>Amount</u> | <u>Equivalent Cents Per M. Lbs. Sold</u> | <u>Amount</u> | <u>Equivalent Cents Per M. Lbs. Sold</u> |
| Operating Revenues | \$697,410 | 2,999.61 | \$763,311 | 2,958.11 | \$781,461 | 3,259.35 | \$813,942 | 3,334.60 |
| Operation and Maintenance | | | | | | | | |
| Production Expenses | 396,157 | 1,703.90 | 437,013 | 1,693.59 | 471,404 | 1,966.15 | 480,191 | 1,967.27 |
| Distribution Expenses | 22,887 | 98.44 | 23,937 | 92.77 | 35,984 | 150.08 | 39,294 | 160.98 |
| Customer Accounts Expenses | 1,399 | 6.02 | 1,348 | 5.22 | 1,392 | 5.80 | 1,217 | 4.99 |
| Customer Service Expenses | 475 | 2.04 | 1,702 | 6.60 | 1,345 | 5.61 | 1,378 | 5.64 |
| Sales Promotion Expenses | - | 0.00 | - | 0.00 | - | 0.00 | - | 0.00 |
| Administrative and General Expenses | 32,114 | 138.12 | 42,280 | 163.85 | 40,296 | 168.07 | 37,743 | 154.63 |
| Total Operation and Maintenance | 453,032 | 1,948.52 | 506,281 | 1,962.03 | 550,421 | 2,295.71 | 559,823 | 2,293.51 |
| Depreciation | 50,423 | 216.87 | 60,169 | 233.18 | 60,614 | 252.81 | 58,879 | 241.22 |
| Amortization of Property Losses | 0 | 0.00 | - | 0.00 | - | 0.00 | - | 0.00 |
| Taxes Other Than Income Taxes | 68,710 | 295.53 | 77,902 | 301.90 | 80,351 | 335.13 | 83,991 | 344.10 |
| Total Operating Expenses Before Income Taxes | 572,165 | 2,460.92 | 644,351 | 2,497.11 | 691,386 | 2,883.65 | 702,693 | 2,878.83 |
| Operating Income Before Income Taxes | 125,245 | 538.69 | 118,960 | 461.00 | 90,075 | 375.70 | 111,250 | 455.77 |
| Income Taxes | 18,584 | 79.93 | 21,355 | 82.76 | (26,712) | (111.41) | (20,011) | (81.98) |
| Provision for Deferred Income Taxes | 131,474 | 565.48 | 72,023 | 279.12 | 113,572 | 473.69 | 128,824 | 527.77 |
| Provision for Deferred Income Taxes - Credit | (111,210) | (478.32) | (66,069) | (256.04) | (76,706) | (319.93) | (91,715) | (375.74) |
| Investment Tax Credit Adjustments - Net | (260) | (1.12) | (264) | (1.02) | (260) | (1.08) | (262) | (1.07) |
| Gains from Disposition of Utility Plant | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | - | 0.00 |
| Losses from Disposition of Utility Plant | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | - | 0.00 |
| Total Income Tax Expense | 38,588 | 165.97 | 27,045 | 104.82 | 9,894 | 41.27 | 16,836 | 68.98 |
| Operating Income After Income Taxes | \$86,657 | 372.72 | \$91,915 | 356.18 | \$80,181 | 334.43 | \$94,413 | 386.79 |
| Sales of Steam - MM. Lbs. | 23,250 | | 25,804 | | 23,976 | | 24,409 | |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 OPERATING REVENUES - STEAM
 YEARS 2006 TO 2008 INCLUSIVE 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 M. Lbs. Sold | Amount | Equivalent Cents Per M. Lbs. Sold | Amount | Equivalent Cents Per M. Lbs. Sold | Amount | Equivalent Cents Per M. Lbs. Sold | |
| Sales Revenues | | | | | | | | | |
| 601 | General Sales | \$ 532,572 | 2,290.63 | \$ 583,423 | 2,260.97 | \$ 603,400 | 2,516.69 | \$ 647,941 | 2,654.52 |
| 604 | Sales to Public Authorities | 63,520 | 273.20 | 68,291 | 264.65 | 70,994 | 296.10 | 74,633 | 305.76 |
| 607 | Interdepartmental Sales | 1,637 | 7.04 | 1,763 | 6.83 | 2,088 | 8.71 | 2,139 | 8.76 |
| | Total Sales of Steam | 597,729 | 2,570.87 * | 653,476 | 2,532.45 * | 676,482 | 2,821.50 * | 724,713 | 2,969.04 * |
| Miscellaneous Steam Revenues | | | | | | | | | |
| 611 | Interdepartmental Rents | 74,748 | 321.50 | 77,171 | 299.07 | 74,204 | 309.49 | 72,180 | 295.71 |
| 615 | Miscellaneous Steam Revenues | | | | | | | | |
| | Revenue Offset Re: 74/59th St. Transfer from Electric | 19,253 | 82.81 | 4,400 | 17.05 | 4,925 | 20.54 | 5,975 | 24.48 |
| | Late Payment Charges | 735 | 3.16 | 907 | 3.52 | 1,070 | 4.46 | 1,465 | 6.00 |
| | Steam Rev/Fuel Management Program | 1,369 | 5.89 | 1,412 | 5.47 | 1,029 | 4.29 | 1,217 | 4.98 |
| | Cablevision Lightpath, Inc. - Hudson Ave. Tunnel | 5 | 0.02 | - | 0.00 | - | 0.00 | - | 0.00 |
| | Special Services Repair Program | 515 | 2.22 | 409 | 1.58 | 492 | 2.05 | 528 | 2.16 |
| | Property Tax Prepayment | - | 0.00 | - | 0.00 | 358 | 1.49 | - | 0.00 |
| | Rent/Steam Prop - 506 E. 75th Street | - | 0.00 | 59 | 0.23 | 62 | 0.26 | 64 | 0.26 |
| | Regulatory Accounting | | | | | | | | |
| | Global Settlement Adjustment | 4,667 | 20.07 | - | 0.00 | - | 0.00 | - | 0.00 |
| | Accrued Rate Relief | (10,654) | (45.82) | (2,114) | (8.19) | 2,963 | 12.36 | 772 | 3.16 |
| | Rate Case Amortizations | 6,420 | 27.61 | 29,785 | 115.43 | 24,876 | 103.75 | 14,182 | 58.10 |
| | Water and Water and Chem Costs Deferred | - | 0.00 | 1,577 | 6.11 | 392 | 1.63 | (5) | (0.02) |
| | Local Law 11 & Steam Action Plan 07-S-1315 | - | 0.00 | - | 0.00 | (721) | (3.01) | (1,325) | (5.43) |
| | Medicare Tax Savings | (600) | (2.58) | - | 0.00 | - | 0.00 | - | 0.00 |
| | NYS Tax Law Changes | 108 | 0.46 | 1,140 | 4.42 | 706 | 2.95 | 993 | 4.07 |
| | GHP Interest Accrual Steam | - | 0.00 | (110) | (0.43) | (64) | (0.27) | (188) | (0.77) |
| | Carrying Charge - East River 10/20 | 1,026 | 4.41 | (5,672) | (21.98) | (1,273) | (5.31) | (495) | (2.03) |
| | Capital Expenditures Reconciliation | (640) | (2.75) | - | 0.00 | (41) | (0.17) | (41) | (0.17) |
| | Unbilled Revenue | - | 0.00 | - | 0.00 | - | 0.00 | (4,072) | (16.68) |
| | Other | 2,728 | 11.73 | 871 | 3.37 | (3,998) | (16.68) | (2,021) | (8.28) |
| | Total Miscellaneous Steam Revenues | 99,680 | 428.73 | 109,835 | 425.65 | 104,979 | 437.83 | 89,229 | 365.54 |
| | Total Operating Revenues | \$ 697,409 | 2,999.61 | \$ 763,311 | 2,958.11 | \$ 781,461 | 3,259.35 | \$ 813,942 | 3,334.60 |
| | *Includes Average Fuel Adjustment per MM. Lbs. Sold | | 1,007.08 | | 863.88 | | 801.63 | | 790.43 |
| | Sales of Steam - MM. lbs | 23,250 | | 25,804 | | 23,976 | | 24,409 | |

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

| ACCT NO. | S.C. NUMBER | 2006 | | | 2007 | | | 2008 | | | TWELVE MONTHS ENDED JUNE 30, 2009 | | |
|-------------|-----------------------------|----------------------|------------|--------------------------|--------------|------------|--------------------------|--------------|------------|--------------------------|--------------------------------------|------------|--------------------------|
| | | MM POUNDS | REVENUE | CENTS PER M POUNDS | MM POUNDS | REVENUE | CENTS PER M POUNDS | MM POUNDS | REVENUE | CENTS PER M POUNDS | MM POUNDS | REVENUE | CENTS PER M POUNDS |
| | | <u>GENERAL SALES</u> | | | | | | | | | | | |
| | 1 | 486 | \$ 17,544 | 3,610 | 557 | \$ 19,321 | 3,469 | 504 | \$ 20,985 | 4,164 | 542 | \$ 21,049 | 3,884 |
| | 2 | 13,882 | 350,390 | 2,524 | 15,401 | 385,152 | 2,501 | 14,433 | 406,078 | 2,814 | 15,021 | 438,848 | 2,922 |
| | 3 | 6,431 | 164,638 | 2,560 | 7,161 | 178,950 | 2,499 | 6,244 | 175,901 | 2,817 | 6,028 | 175,519 | 2,912 |
| 601 | TOTAL GENERAL SALES | 20,799 | 532,572 | 2,561 | 23,119 | 583,423 | 2,524 | 21,181 | 602,964 | 2,847 | 21,590 | 635,416 | 2,943 |
| 604 | SALES TO PUBLIC AUTHORITIES | 2,385 | 63,520 | 2,663 | 2,611 | 68,291 | 2,616 | 2,462 | 71,246 | 2,894 | 2,501 | 77,676 | 3,106 |
| 607 | INTERDEPARTMENTAL SALES | 66 | 1,637 | 2,480 | 74 | 1,763 | 2,382 | 79 | 2,088 | 2,643 | 78 | 2,139 | 2,755 |
| 607 | UNBILLED REVENUES | - | - | - | - | - | - | 254 | 184 | 73 | 104 | (4,158) | (3,997) |
| | TOTAL SALES OF STEAM | 23,250 | \$ 597,729 | 2,571 | 25,804 | \$ 653,476 | 2,532 | 23,976 | \$ 676,482 | 2,822 | 24,273 | \$ 711,073 | 2,930 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF OPERATION AND MAINTENANCE EXPENSES - STEAM
YEARS 2006 TO 2008, INCLUSIVE AND
TWELVE MONTHS ENDED JUNE 30, 2009

EXHIBIT (AP-1)
SCHEDULE 7
PAGE 1 OF 8

(Thousands of Dollars)

| | 2006 | | 2007 | | 2008 | | Twelve Months Ended June 30, 2009 | |
|---|-------------------|---|-------------------|---|-------------------|---|--------------------------------------|---|
| | Amount | Equivalent Cents Per M. Lbs. Sold | Amount | Equivalent Cents Per M. Lbs. Sold | Amount | Equivalent Cents Per M. Lbs. Sold | Amount | Equivalent Cents Per M. Lbs. Sold |
| Operation and Maintenance Expenses | | | | | | | | |
| Production Expenses | \$ 396,157 | 1,703.90 | \$ 437,015 | 1,693.59 | \$ 471,403 | 1,966.15 | \$ 480,189 | 1,978.29 |
| Distribution Expenses | 22,887 | 98.44 | 23,937 | 92.76 | 35,983 | 150.08 | 39,293 | 161.88 |
| Customer Accounts Expenses | 1,399 | 6.02 | 1,348 | 5.22 | 1,392 | 5.81 | 1,217 | 5.01 |
| Customer Service Expenses | 475 | 2.04 | 1,422 | 5.51 | 1,345 | 5.61 | 1,377 | 5.67 |
| Sales Promotion Expenses | - | - | - | - | - | - | - | - |
| Administrative and General Expenses | 32,114 | 138.12 | 42,280 | 163.85 | 40,295 | 168.06 | 37,742 | 155.49 |
| Total | \$ 453,032 | 1,948.52 | \$ 506,002 | 1,960.93 | \$ 550,418 | 2,295.71 | \$ 559,818 | 2,306.34 |
| | | | | | | | | |
| Sales of Steam - MM Lbs | 23,250 | | 25,804 | | 23,976 | | 24,273 | |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 PRODUCTION EXPENSES - STEAM
 YEARS 2006 TO 2008, INCLUSIVE AND
 TWELVE MONTHS ENDED JUNE 30, 2009

EXHIBIT (AP-1)
 SCHEDULE 7
 PAGE 2 OF 8

(Thousands of Dollars)

| Account No. | 2006 | 2007 | 2008 | Twelve Months Ended June 30, 2009 |
|-------------------------------------|-------------------|-------------------|-------------------|-----------------------------------|
| Operation | | | | |
| 701 | \$ 7,259 | \$ 8,102 | \$ 8,289 | \$ 8,331 |
| 702.1 | 11,492 | 11,248 | 11,489 | 11,470 |
| 702.2 | - | - | - | - |
| 702.3 | 1,560 | 542 | 467 | 297 |
| 703 | 210,980 | 264,581 | 284,207 | 307,079 |
| 704 | 15,490 | 13,531 | 18,444 | 21,433 |
| 705.1 | 9 | 28 | 42 | 36 |
| 705.2 | 26,112 | 28,176 | 28,373 | 30,689 |
| - | - | - | - | 58 |
| Total | 272,902 | 326,208 | 351,311 | 379,393 |
| Maintenance | | | | |
| 706 | 4,546 | 5,908 | 5,811 | 5,910 |
| 707 | 2,818 | 4,048 | 4,783 | 3,949 |
| 708.1 | 27 | 17 | 6 | 8 |
| 708.2 | 7,557 | 5,942 | 6,591 | 5,011 |
| 708.3 | 4,739 | 6,081 | 6,099 | 6,884 |
| 708.4 | 493 | 3 | 1 | (22) |
| 709.1 | 387 | 37 | (1) | (10) |
| 709.2 | 1,458 | 1,018 | 649 | 752 |
| - | - | - | - | 25 |
| Total | 22,025 | 23,054 | 23,939 | 22,507 |
| 710 | 2,239 | 2,235 | 2,272 | 2,337 |
| 711 | 99,007 | 85,566 | 93,895 | 75,965 |
| 712 | (16) | (48) | (14) | (13) |
| Total Production Expenses | \$ 396,157 | \$ 437,015 | \$ 471,403 | \$ 480,189 |
| Steam Produced - Net MM Lbs. | 27,273 | 30,238 | 27,921 | 27,819 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 PRODUCTION EXPENSES - STEAM - CENTS PER M LBS. GENERATED
 YEARS 2006 TO 2008, INCLUSIVE AND
 TWELVE MONTHS ENDED JUNE 30, 2009

EXHIBIT (AP-1)
 SCHEDULE 7
 PAGE 3 OF 8

| Account No. | 2006 | 2007 | 2008 | Twelve Months Ended June 30, 2009 | |
|--------------------|--|-----------------|-----------------|--------------------------------------|-----------------|
| Operation | | | | | |
| 701 | Supervision and Engineering | 26.62 | 26.79 | 29.69 | 29.95 |
| 702.1 | Boiler Labor | 42.14 | 37.19 | 41.15 | 41.23 |
| 702.2 | Accessory Power Equipment Labor | 0.00 | 0.00 | 0.00 | 0.00 |
| 702.3 | Miscellaneous Station Labor | 5.72 | 1.79 | 1.67 | 1.07 |
| 703 | Fuel | 773.59 | 875.00 | 1,017.90 | 1,103.85 |
| 704 | Water | 56.80 | 44.75 | 66.06 | 77.04 |
| 705.1 | Lubricants | 0.03 | 0.09 | 0.15 | 0.13 |
| 705.2 | Station Supplies and Expenses - Steam Stations | 95.74 | 93.18 | 101.62 | 110.32 |
| - | Accrued Wages | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total | 1,000.64 | 1,078.79 | 1,258.24 | 1,363.59 |
| Maintenance | | | | | |
| 706 | Supervision and Engineering | 16.67 | 19.54 | 20.80 | 21.24 |
| 707 | Structures and Improvements | 10.33 | 13.39 | 17.13 | 14.20 |
| 708.1 | Coal Storage, Handling and Weighing Equipment | 0.10 | 0.06 | 0.02 | 0.03 |
| 708.2 | Furnaces and Boilers | 27.71 | 19.65 | 23.61 | 18.01 |
| 708.3 | Boiler Apparatus | 17.38 | 20.11 | 21.84 | 24.75 |
| 708.4 | Steam Piping and Accessories | 1.81 | 0.01 | 0.00 | (0.08) |
| 709.1 | Accessory Power Equipment | 1.42 | 0.12 | 0.00 | (0.04) |
| 709.2 | Miscellaneous Station Equipment | 5.35 | 3.37 | 2.32 | 2.70 |
| - | Accrued Wages | 0.00 | 0.00 | 0.00 | 0.09 |
| | Total | 80.77 | 76.25 | 85.72 | 80.90 |
| 710 | Rents | 8.21 | 7.39 | 8.15 | 8.40 |
| 711 | Steam from Other Sources | 363.02 | 282.98 | 336.29 | 273.07 |
| 712 | Steam Transferred - Credit | (0.06) | (0.16) | (0.05) | (0.05) |
| | Total Production Expenses | 1,452.58 | 1,445.25 | 1,688.35 | 1,725.91 |
| | Steam Produced - Net MM Lbs. | 27,273 | 30,238 | 27,921 | 29,148 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 DISTRIBUTION EXPENSES - STEAM
 YEARS 2006 TO 2008, INCLUSIVE AND
 TWELVE MONTHS ENDED JUNE 30, 2009

EXHIBIT ___ (AP-1)
 SCHEDULE 7
 PAGE 4 OF 8

(Thousands of Dollars)

| Account No. | 2006 | 2007 | 2008 | Twelve Months Ended June 30, 2009 |
|------------------------------------|------------------|------------------|------------------|---|
| <u>Operation</u> | | | | |
| 756 | \$ 4,252 | \$ 4,415 | \$ 4,444 | \$ 4,519 |
| 758.1 | - | - | - | - |
| 761 | 5,900 | 8,402 | 9,244 | 8,928 |
| 762.1 | 720 | 868 | 917 | 939 |
| 762.2 | 1,174 | 949 | 874 | 727 |
| - | - | - | - | 25 |
| Total | 12,046 | 14,634 | 15,479 | 15,138 |
| <u>Maintenance</u> | | | | |
| 764 | 495 | 289 | 148 | 179 |
| 765 | 1 | 0 | 4 | 4 |
| 769.1 | 8,174 | 6,870 | 17,577 | 20,967 |
| 769.2 | 555 | 283 | 438 | 604 |
| 772 | 1,344 | 1,561 | 1,982 | 2,026 |
| - | - | - | - | 8 |
| Total | 10,569 | 9,003 | 20,149 | 23,788 |
| 776 | 272 | 300 | 355 | 367 |
| Total Distribution Expenses | \$ 22,887 | \$ 23,937 | \$ 35,983 | \$ 39,293 |
| Steam Sold - MM Lbs | 23,250 | 25,804 | 23,976 | 24,273 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
DISTRIBUTION EXPENSES - STEAM - EQUIVALENT CENTS PER M LBS. SOLD
YEARS 2006 TO 2008, INCLUSIVE AND
TWELVE MONTHS ENDED JUNE 30, 2009

EXHIBIT (AP-1)
SCHEDULE 7
PAGE 5 OF 8

| Account No. | 2006 | 2007 | 2008 | Twelve Months Ended June 30, 2009 |
|--|--------------|--------------|---------------|--------------------------------------|
| <u>Operation</u> | | | | |
| 756 Supervision and Engineering | 18.29 | 17.12 | 18.54 | 18.62 |
| 758.1 Distribution Maps and Records | 0.00 | 0.00 | 0.00 | 0.00 |
| 761 Distribution Lines | 25.39 | 32.56 | 38.56 | 36.78 |
| 762.1 Removing and Resetting Meters and Accessory Equipment | 3.10 | 3.36 | 3.82 | 3.87 |
| 762.2 Other Services on Customer's Premises | 5.05 | 3.67 | 3.65 | 3.00 |
| - Accrued Wages | 0.00 | 0.00 | 0.00 | 0.10 |
| Total | <u>51.83</u> | <u>56.71</u> | <u>64.57</u> | <u>62.37</u> |
| <u>Maintenance</u> | | | | |
| 764 Supervision and Engineering | 2.13 | 1.12 | 0.62 | 0.74 |
| 765 Structures and Improvements | 0.00 | 0.00 | 0.02 | 0.02 |
| 769.1 Mains | 35.15 | 26.61 | 73.30 | 86.38 |
| 769.2 Services | 2.39 | 1.10 | 1.83 | 2.49 |
| 772 Meters and Accessory Equipment | 5.78 | 6.05 | 8.27 | 8.35 |
| - Accrued Wages | 0.00 | 0.00 | 0.00 | 0.03 |
| Total | <u>45.45</u> | <u>34.88</u> | <u>84.04</u> | <u>98.01</u> |
| 776 Rents | <u>1.17</u> | <u>1.16</u> | <u>1.48</u> | <u>1.51</u> |
| Total Distribution Expenses | <u>98.45</u> | <u>92.75</u> | <u>150.09</u> | <u>161.89</u> |
| Steam Sold - MM Lbs | 23,250 | 25,804 | 23,976 | 24,273 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 CUSTOMER ACCOUNTS EXPENSES - STEAM
 YEARS 2006 TO 2008, INCLUSIVE AND
 TWELVE MONTHS ENDED JUNE 30, 2009

EXHIBIT ___(AP-1)
 SCHEDULE 7
 PAGE 6 OF 8

(Thousands of Dollars)

| Account No. | 2006 | 2007 | 2008 | Twelve Months Ended June 30, 2009 |
|--|----------|----------|----------|--------------------------------------|
| 901 Supervision | \$ - | \$ - | \$ - | \$ - |
| 902 Meter Reading | 585 | 589 | 627 | 625 |
| 903 Customer Records and Collection Expenses | 634 | 545 | 658 | 481 |
| 905 Miscellaneous Expenses | 180 | 214 | 107 | 108 |
| - Accrued Wages | - | - | - | 3 |
| Sub-Total | 1,399 | 1,348 | 1,392 | 1,217 |
| 904 Uncollectible Accounts | - | - | - | - |
| Total | \$ 1,399 | \$ 1,348 | \$ 1,392 | \$ 1,217 |
| <u>Equivalent Cents Per M Lbs. Sold</u> | | | | |
| 901 Supervision | 0.00 | 0.00 | 0.00 | 0.00 |
| 902 Meter Reading | 2.52 | 2.28 | 2.62 | 2.57 |
| 903 Customer Records and Collection Expenses | 2.73 | 2.10 | 2.74 | 1.98 |
| 905 Miscellaneous Expenses | 0.77 | 0.83 | 0.45 | 0.44 |
| - Accrued Wages | 0.00 | 0.00 | 0.00 | 0.01 |
| Sub-Total | 6.02 | 5.21 | 5.81 | 5.00 |
| 904 Uncollectible Accounts | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 6.02 | 5.21 | 5.81 | 5.00 |
| Steam Sold - MM Lbs | 23,250 | 25,804 | 23,976 | 24,273 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CUSTOMER SERVICE EXPENSES - STEAM
YEARS 2006 TO 2008, INCLUSIVE AND
TWELVE MONTHS ENDED JUNE 30, 2009

EXHIBIT (AP-1)
SCHEDULE 7
PAGE 7 OF 8

(Thousands of Dollars)

| Account No. | 2006 | 2007 | 2008 | Twelve Months Ended June 30, 2009 |
|---|---------------|-----------------|-----------------|-----------------------------------|
| Customer Service | | | | |
| 909 Supervision | \$ - | \$ - | \$ - | \$ - |
| 910 Customer Assistance Expenses | 248 | 531 | 691 | 698 |
| 911 Informational Advertising Expenses | - | - | - | - |
| 912 Miscellaneous Customer Service Expenses | 227 | 891 | 654 | 679 |
| - Accrued Wages | - | - | - | - |
| Total | \$ 475 | \$ 1,422 | \$ 1,345 | \$ 1,377 |
| Sales Promotion | | | | |
| 915 Supervision | \$ - | \$ - | \$ - | \$ - |
| 916 Demonstrating & Selling Expenses | - | - | - | - |
| 917 Promotional Advertising | - | - | - | - |
| 918 Miscellaneous | - | 279 | - | - |
| Total | \$ - | \$ 279 | \$ - | \$ - |
| Equivalent Cents per M Lbs. Sold | | | | |
| Customer Service | | | | |
| 909 Supervision | 0.00 | 0.00 | 0.00 | 0.00 |
| 910 Customer Assistance Expenses | 1.07 | 2.06 | 2.87 | 2.88 |
| 911 Informational Advertising Expenses | 0.00 | 0.00 | 0.00 | 0.00 |
| 912 Miscellaneous Customer Service Expenses | 0.98 | 3.45 | 2.73 | 2.80 |
| - Accrued Wages | 0.00 | 0.00 | 0.00 | (0.01) |
| Total | 2.05 | 5.51 | 5.60 | 5.67 |
| Sales Promotion | | | | |
| 915 Supervision | 0.00 | 0.00 | 0.00 | 0.00 |
| 916 Demonstrating & Selling Expenses | 0.00 | 0.00 | 0.00 | 0.00 |
| 917 Promotional Advertising | 0.00 | 0.00 | 0.00 | 0.00 |
| 918 Miscellaneous | 0.00 | 1.08 | 0.00 | 0.00 |
| Total | 0.00 | 1.08 | 0.00 | 0.00 |
| Steam Sold - MM Lbs | 23,250 | 25,804 | 23,976 | 24,273 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 ADMINISTRATIVE AND GENERAL EXPENSES - STEAM
 YEARS 2006 TO 2008, INCLUSIVE AND
 TWELVE MONTHS ENDED JUNE 30, 2009

EXHIBIT ___(AP-1)
 SCHEDULE 7
 PAGE 8 OF 8

(Thousands of Dollars)

| Account No. | 2006 | 2007 | 2008 | Twelve Months Ended June 30, 2009 |
|---|-----------|-----------|-----------|--------------------------------------|
| 920 | \$ 6,858 | \$ 6,568 | \$ 6,913 | \$ 7,184 |
| 921 | 1,714 | 1,698 | 2,238 | 2,392 |
| 923 | 241 | 411 | 417 | 423 |
| 924 | 1,026 | 1,459 | 1,104 | 1,445 |
| 925 | 4,878 | 6,275 | 6,839 | 7,456 |
| 926.1 | 1,609 | 6,677 | 4,206 | (740) |
| 926.2 | 7,579 | 8,032 | 7,148 | 7,756 |
| 926.3 | - | - | - | - |
| 928 | 1,996 | 2,348 | 2,377 | 2,440 |
| 930.1 | 54 | 59 | 59 | 64 |
| 930.2 | 1,613 | 1,602 | 1,666 | 1,680 |
| 931.1 | 9,966 | 10,750 | 11,562 | 11,875 |
| 931.2 | 217 | 211 | 231 | 480 |
| - | - | - | - | - |
| Total | 37,751 | 46,090 | 44,760 | 42,455 |
| 922 | (3,970) | (3,810) | (4,465) | (4,713) |
| 926.1 | (1,667) | 0 | 0 | 0 |
| Total | \$ 32,114 | \$ 42,280 | \$ 40,295 | \$ 37,742 |
| <u>Equivalent Cents Per M Lbs. Sold</u> | | | | |
| 920 | 29.50 | 25.45 | 28.83 | 29.60 |
| 921 | 7.37 | 6.58 | 9.33 | 9.85 |
| 923 | 1.04 | 1.59 | 1.74 | 1.74 |
| 924 | 4.41 | 5.65 | 4.60 | 5.95 |
| 925 | 20.98 | 24.32 | 28.52 | 30.72 |
| 926.1 | 6.92 | 25.88 | 17.54 | (3.05) |
| 926.2 | 32.60 | 31.13 | 29.81 | 31.95 |
| 926.3 | 0.00 | 0.00 | 0.00 | 0.00 |
| 928 | 8.58 | 9.10 | 9.91 | 10.05 |
| 930.1 | 0.23 | 0.23 | 0.25 | 0.26 |
| 930.2 | 6.94 | 6.21 | 6.95 | 6.92 |
| 931.1 | 42.86 | 41.66 | 48.22 | 48.92 |
| 931.2 | 0.93 | 0.82 | 0.96 | 1.98 |
| - | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 162.36 | 178.62 | 186.66 | 174.89 |
| 922 | (17.08) | (14.77) | (18.62) | (19.42) |
| 926.1 | (7.17) | 0.00 | 0.00 | 0.00 |
| Total | 138.11 | 163.85 | 168.04 | 155.47 |
| Steam Sold - MMLbs | 23,250 | 25,804 | 23,976 | 24,273 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
TAXES OTHER THAN INCOME TAXES - STEAM
YEARS 2006 TO 2008 INCLUSIVE AND
TWELVE MONTHS ENDED JUNE 30, 2009

(Thousand of Dollars)

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>Twelve Months Ended June 30, 2009</u> |
|--|------------------|------------------|------------------|--|
| <u>Local Taxes</u> | | | | |
| Real Estate | \$ 46,097 | \$ 60,986 | \$ 62,990 | \$ 67,869 |
| Public Utilities Excise | 13,993 | 15,401 | 15,516 | 16,863 |
| Sales and Use | 13 | (11) | 58 | 62 |
| Motor Vehicle | 13 | 13 | 14 | 15 |
| Property Tax Reconciliation Deferral | 4,505 | (3,278) | (2,543) | (4,076) |
| Subsidiary Capital Tax | 264 | 362 | 342 | 347 |
| Total Local Taxes | <u>64,885</u> | <u>73,473</u> | <u>76,377</u> | <u>81,080</u> |
| <u>State Taxes</u> | | | | |
| Franchise | | | | |
| Capital | - | 55 | - | - |
| Public Utilities Gross Income | 682 | 1,193 | 630 | (367) |
| Unemployment Insurance | 69 | 51 | 74 | 60 |
| Gasoline | - | - | (21) | - |
| Vehicle Registration and Highway Use | 16 | 16 | 17 | 18 |
| Disability Benefits Contributions | - | - | - | - |
| Sales and Use | (1) | (15) | 32 | 42 |
| Insurance Premium Tax | 15 | 8 | 6 | 6 |
| MTA Mobility Tax | - | - | - | 52 |
| Other | - | - | - | - |
| Total State Taxes | <u>781</u> | <u>1,308</u> | <u>738</u> | <u>(189)</u> |
| <u>Federal Taxes</u> | | | | |
| Unemployment | 33 | 31 | 31 | 30 |
| Insurance Contributions | 2,994 | 3,061 | 3,241 | 3,055 |
| Excise - Diesel | - | - | - | - |
| Miscellaneous | 17 | 31 | (36) | 12 |
| Total Federal Taxes | <u>3,044</u> | <u>3,123</u> | <u>3,236</u> | <u>3,097</u> |
| Total Taxes Other Than Income Taxes | <u>\$ 68,710</u> | <u>\$ 77,904</u> | <u>\$ 80,351</u> | <u>\$ 83,991</u> |

EXHIBIT __ (AP-2)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
PRODUCTION EXPENSES - STEAM

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 PRODUCTION EXPENSES - STEAM
 (INDIVIDUAL STATIONS)
 TWELVE MONTHS ENDED JUNE 30, 2009
 (Thousands of Dollars)

| Acct. No. | Steam Stations | | | | | | | | | | | Electric Station | | | Grand Total | |
|--------------------|--|------------|------------------|-------------------|------------------------|-----------|--------------------------|-------------|-----------|--------------------------|-----------|-------------------|----------|-----------|-------------|------------|
| | Hudson Ave | Ravenswood | East River South | East River Unit 7 | East River Units 1 & 2 | 59th St. | 59th St. Package Boilers | 60th Street | 74th St. | 74th St. Package Boilers | Total | East River Unit 6 | BNYCP | General | | |
| Operation | | | | | | | | | | | | | | | | |
| 701 | Supervision and Engineering | \$ 794 | \$ - | \$ 806 | \$ - | \$ - | \$ 942 | \$ - | \$ 313 | \$ 988 | \$ 99 | \$ 3,942 | \$ - | \$ - | \$ 4,389 | \$ 8,331 |
| 702.1 | Boiler Labor | 2,412 | - | 1,085 | - | - | 2,629 | - | 1,286 | 3,016 | 1,065 | 11,493 | - | - | (21) | 11,472 |
| 702.2 | Accessory Power Equipment Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 702.3 | Miscellaneous Station Labor | 37 | - | - | - | - | 201 | - | 12 | 49 | - | 299 | - | - | - | 299 |
| 703 | Fuel | | | | | | | | | | | | | | | |
| | Liquid - Alongside Station | 41,682 | 23,365 | 1,740 | 2,456 | - | 43,752 | 4,230 | - | 37,217 | 20,442 | 174,884 | 704 | - | 16,418 | 192,006 |
| | - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,442 | 4,442 |
| | Gas - Alongside Station | - | 3,173 | 15,491 | 8,584 | 4,344 | 6,376 | 13,107 | 31,568 | - | - | 82,643 | 4,317 | - | - | 86,960 |
| | - Prior Period Refunds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - Gas Facilities Use Charge | - | 28 | 156 | - | - | 61 | 136 | 316 | - | - | 697 | - | - | - | 697 |
| | - Brooklyn Yard COGEN | - | - | - | - | - | - | - | - | - | - | - | 35 | - | - | 35 |
| | - Gas Purchases - Bklyn Union Gas | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Fixed Facilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Steam Line Loss Penalty | - | - | - | - | - | - | - | - | - | - | - | - | - | (97) | (97) |
| | GHP Realized Gain Rider E Steam | - | - | - | - | - | - | - | - | - | - | - | - | - | 20 | 20 |
| | Recoverable Fuel Charges Deferred - Net | - | - | - | - | - | - | - | - | - | - | - | - | - | 14,803 | 14,803 |
| | Fuel Steam Unbilled | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,754 | 5,754 |
| | Storage & Transportation Cost - Deferred | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,456 | 2,456 |
| | Total Fuel | 41,682 | 26,566 | 17,387 | 11,040 | 4,344 | 50,189 | 17,473 | 31,884 | 37,217 | 20,442 | 258,224 | 5,056 | - | 43,796 | 307,076 |
| 704 | Water | 1,024 | - | 787 | - | 11,605 | 4,286 | 468 | 1,443 | 2,688 | 549 | 22,850 | - | - | (1,416) | 21,434 |
| 705.1 | Lubricants | 36 | - | - | - | - | - | - | - | - | - | 36 | - | - | - | 36 |
| 705.2 | Station Supplies and Expenses | | | | | | | | | | | | | | | |
| | - Steam Stations | 4,163 | 5,195 | 1,813 | 445 | 1,955 | 3,677 | 1,134 | 2,740 | 6,660 | 1,501 | 29,283 | 62 | - | - | 29,345 |
| 705.2 | Station Supplies and Expenses | | | | | | | | | | | | | | | |
| | - Electric Stations | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 1,343 | 1,343 |
| | Accrued Wages | - | - | - | - | - | - | - | - | - | - | - | - | - | 58 | 58 |
| | Total Operation | 50,148 | 31,761 | 21,878 | 11,485 | 17,904 | 61,924 | 19,075 | 37,678 | 50,618 | 23,656 | 326,127 | 5,118 | - | 48,149 | 379,394 |
| Maintenance | | | | | | | | | | | | | | | | |
| 706 | Supervision and Engineering | 1,621 | - | 12 | - | - | 1,780 | - | 196 | 1,991 | - | 5,600 | - | - | 308 | 5,908 |
| 707 | Structures and Improvements | 531 | - | 108 | - | - | 1,548 | - | 682 | 1,027 | 74 | 3,950 | - | - | - | 3,950 |
| 708.1 | Fuel Storage and Handling | - | - | - | - | - | - | - | 8 | - | - | - | - | - | - | 8 |
| 708.2 | Furnaces and Boilers | 966 | 677 | 640 | - | - | 1,477 | 15 | 537 | 118 | 581 | 5,011 | - | - | - | 5,011 |
| 708.3 | Boiler Apparatus | 859 | - | 865 | - | - | 767 | 391 | 958 | 1,987 | 1,057 | 6,884 | - | - | - | 6,884 |
| 708.4 | Steam Piping and Accessories | - | - | - | - | - | - | - | - | - | (22) | (22) | - | - | - | (22) |
| 709.1 | Accessory Power Equipment | - | - | - | - | - | - | - | - | - | (11) | (11) | - | - | - | (11) |
| 709.2 | Miscellaneous Station Equipment | 98 | - | 129 | - | - | 78 | 47 | 144 | 172 | 86 | 754 | - | - | - | 754 |
| | Accrued Wages | - | - | - | - | - | - | - | - | - | - | - | - | - | 25 | 25 |
| | Total Maintenance | 4,075 | 677 | 1,754 | - | - | 5,650 | 453 | 2,505 | 5,295 | 1,765 | 22,174 | - | - | 333 | 22,507 |
| 710 | Rents | - | - | - | - | - | 107 | - | 11 | - | - | 118 | - | - | 2,221 | 2,339 |
| 711 | Steam from Other Sources | - | - | - | - | - | - | - | - | - | - | - | 75,965 | - | - | 75,965 |
| 712 | Steam Transferred - Credit | - | (13) | - | - | - | - | - | - | - | - | (13) | - | - | - | (13) |
| | Total Production Expenses | \$ 54,223 | \$ 32,425 | \$ 23,632 | \$ 11,485 | \$ 17,904 | \$ 67,681 | \$ 19,528 | \$ 40,194 | \$ 55,913 | \$ 25,421 | \$ 348,406 | \$ 5,118 | \$ 75,965 | \$ 50,703 | \$ 480,192 |
| | Steam Produced - Net MM Lbs. | 1,825 | 1,082 | 1,350 | 775 | 8,157 | 2,626 | 1,264 | 2,646 | 1,996 | 920 | 22,642 | 390 | 4,787 | - | 27,819 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 PRODUCTION EXPENSES - STEAM - CENTS PER MLBS PRODUCED - NET
 (INDIVIDUAL STATIONS)
 TWELVE MONTHS ENDED JUNE 30, 2007

| Account No. | Operation | Steam Stations | | | | | | | | | | Electric Station | | | Grand Total | |
|-------------|---|----------------|-------------|------------------|-------------------|------------------------|-------------|--------------------------|-------------|----------|--------------------------|------------------|-------------------|----------|-------------|----------|
| | | Hudson Ave | Ravens wood | East River South | East River Unit 7 | East River Units 1 & 2 | 59th St. HP | 59th St. Package Boilers | 60th Street | 74th St. | 74th St. Package Boilers | Total | East River Unit 6 | BNYCP | | General |
| 701 | Supervision and Engineering | 43.51 | - | 59.69 | - | - | 35.88 | - | 11.83 | 49.49 | 10.76 | 17.41 | - | - | - | 29.95 |
| 702.1 | Boiler Labor | 132.18 | - | 80.35 | - | - | 100.13 | - | 48.60 | 151.09 | 115.76 | 50.76 | - | - | - | 41.24 |
| 702.2 | Accessory Power Equipment Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 702.3 | Miscellaneous Station Labor | 2.03 | - | - | - | - | 7.66 | - | 0.45 | 2.45 | - | 1.32 | - | - | - | 1.07 |
| 703 | Fuel | | | | | | | | | | | | | | | |
| | Liquid - Alongside Station | 2,284.15 | 2,158.91 | 128.85 | 316.70 | - | 1,666.32 | 334.62 | - | 1,864.37 | 2,222.00 | 772.37 | 180.53 | - | - | 690.19 |
| | - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 15.97 |
| | Gas - Alongside Station | - | 293.18 | 1,147.15 | 1,106.91 | 53.25 | 242.83 | 1,036.86 | 1,192.93 | - | - | 364.99 | 1,107.02 | - | - | 312.59 |
| | - Prior Period Refunds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - Gas Facilities Use Charge | - | 2.59 | 11.55 | - | - | 2.32 | 10.76 | 11.94 | - | - | 3.08 | - | - | - | 2.51 |
| | - Brooklyn Yard COGEN | - | - | - | - | - | - | - | - | - | - | - | 8.98 | - | - | 0.13 |
| | - Gas Purchases - Bklyn Union Gas | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Fixed Facilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Steam Line Loss Penalty | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (0.35) |
| | GHP Realized Gain Rider E Steam | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.07 |
| | Recoverable Fuel Charges Deferred - Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 53.21 |
| | Fuel Steam Unbilled | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 20.68 |
| | Storage & Transportation Cost - Deferred | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 8.83 |
| | Total Fuel | 2,284.15 | 2,454.68 | 1,287.55 | 1,423.61 | 53.25 | 1,911.47 | 1,382.24 | 1,204.87 | 1,864.37 | 2,222.00 | 1,140.44 | 1,296.53 | - | - | 1,103.83 |
| 704 | Water | 56.11 | - | 58.28 | - | 142.27 | 163.23 | 37.02 | 54.53 | 134.65 | 59.68 | 100.92 | - | - | - | 77.05 |
| 705.1 | Lubricants | 1.97 | - | - | - | - | - | - | - | - | - | 0.16 | - | - | - | 0.13 |
| 705.2 | Station Supplies and Expenses - Steam Stations | 228.13 | 480.01 | 134.26 | 57.38 | 23.97 | 140.04 | 89.71 | 103.54 | 333.63 | 163.16 | 129.33 | - | - | - | 105.49 |
| 705.2 | Station Supplies and Expenses - Electric Stations | 0.00 | - | - | - | - | - | - | - | - | - | - | 0.00 | - | - | 4.83 |
| - | Accrued Wages | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.21 |
| | Total Operation | 2,748.08 | 2,934.69 | 1,620.12 | 1,480.99 | 219.49 | 2,358.41 | 1,508.97 | 1,423.82 | 2,535.69 | 2,571.35 | 1,440.33 | 1,296.53 | - | - | 1,363.79 |
| | Maintenance | | | | | | | | | | | | | | | |
| 706 | Supervision and Engineering | 88.83 | - | 0.89 | - | - | 67.79 | - | 7.41 | 99.74 | - | 24.73 | - | - | - | 21.24 |
| 707 | Structures and Improvements | 29.10 | - | 8.00 | - | - | 58.96 | - | 25.02 | 51.45 | 8.04 | 17.45 | - | - | - | 14.20 |
| 708.1 | Fuel Storage and Handling | - | - | - | - | - | - | - | 0.30 | - | - | 0.04 | - | - | - | 0.03 |
| 708.2 | Furnaces and Boilers | 52.94 | 62.55 | 47.39 | - | - | 56.25 | 1.19 | 20.29 | 5.91 | 63.15 | 22.13 | - | - | - | 18.01 |
| 708.3 | Boiler Apparatus | 47.07 | - | 64.06 | - | - | 29.21 | 30.93 | 36.20 | 99.54 | 114.89 | 30.40 | - | - | - | 24.75 |
| 708.4 | Steam Piping and Accessories | - | - | - | - | - | - | - | - | - | (2.39) | (0.10) | - | - | - | (0.08) |
| 709.1 | Accessory Power Equipment | - | - | - | - | - | - | - | - | - | (1.20) | (0.05) | - | - | - | (0.04) |
| 709.2 | Miscellaneous Station Equipment | 5.37 | - | 9.55 | - | - | 2.97 | 3.72 | 5.44 | 8.62 | 9.35 | 3.33 | - | - | - | 2.71 |
| - | Accrued Wages | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.09 |
| | Total Maintenance | 223.31 | 62.55 | 129.89 | - | - | 215.18 | 35.84 | 94.66 | 265.25 | 191.85 | 97.93 | - | - | - | 80.91 |
| 710 | Rents | - | - | - | - | - | 4.08 | - | 0.42 | - | - | 0.52 | - | - | - | 8.41 |
| 711 | Steam from Other Sources | - | - | - | - | - | - | - | - | - | - | - | - | 1,587.00 | - | 272.87 |
| 712 | Steam Transferred - Credit | - | (1.20) | - | - | - | - | - | - | - | - | (0.06) | - | - | - | (0.05) |
| | Total Production Expenses | 2,971.39 | 2,996.05 | 1,750.01 | 1,480.99 | 219.49 | 2,577.87 | 1,544.80 | 1,518.90 | 2,800.94 | 2,763.21 | 1,538.73 | 1,296.53 | 1,587.00 | - | 1,725.92 |

EXHIBIT __ (AP- 3)

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CALCULATION OF STATE & FEDERAL INCOME TAXES - STEAM**

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

| | <u>Amount</u> |
|------------------------------|-------------------|
| OPERATING REVENUES PER BOOKS | 813,942,284 |
| OPERATING EXPENSES PER BOOKS | 708,299,717 |
| INTEREST CHARGES | 44,850,202 |
| BOOK INCOME BEFORE FIT | <u>60,792,366</u> |

SECTION I - FLOW THROUGH ITEMS

ADDITIONS

| | |
|--|-------------------|
| Book Depreciation | 58,315,452 |
| Capitalized interest (Section 263A) | 486,044 |
| Injuries & Damages Reserve | 698,599 |
| Officers Compensation in Excess of \$1M (Restricted Stock) | 109,000 |
| TOTAL | <u>59,609,095</u> |

DEDUCTIONS

| | |
|---|-------------------|
| Statutory Depreciation Deduction - Flow Through | 44,034,000 |
| Removal Costs - Flow Through | 30,834,015 |
| Amortization of Capitalized Interest - Flow Through | 1,443,875 |
| Westchester Property Tax Adjustment | - |
| Deduction for Dividends Paid on \$5 Cumulative Pref. Stk. | 114,500 |
| Medicare Part D Subsidy - Post Employment Benefits | 1,003,304 |
| TOTAL | <u>77,429,694</u> |

PRETAX INCOME 42,971,767

SECTION II - NORMALIZED ITEMS

ADDITIONS

| | |
|--|-------------------|
| Gain on Sale - 685 1st Avenue | (4,554,000) |
| Gain on Sale - 708 1st Avenue | (1,919,000) |
| Gain on Sale - Kips Bay Station | (18,479,000) |
| Gain on Sale - Waterside | 911,163 |
| Fuel Cost Deferred - Prior Period | 26,609,039 |
| Contributions in Aid of Construction | 210,897 |
| MTA Business Tax Surcharge | 1,799,486 |
| Deferred Income Plan | (629,597) |
| Retiree Health VEBA - Funding v. Expense | 1,080,089 |
| Retiree Group Life - Funding v. Expense | 216,313 |
| Advance Refunding Long Term Debt - Net | 819,106 |
| Vacation Pay Accrual | (118,000) |
| Capitalized Interest per Tax - Normalized | 520,305 |
| Restricted Stock Plan Performance Based | 425 |
| Deferred State Income Tax Not deducted on Federal Return | 11,610,000 |
| Odd W.T.C Incident Sys. Restor. | 9,114,184 |
| Medicare Rx Legislative Savings | (402,995) |
| Property Tax Reconciliation | (3,394,000) |
| Capital Expenditure Reconciliation - Steam | (467,416) |
| EPA SO2 Allowance Proceeds - Steam | (2,292,000) |
| Rate Case Interference Deferral | (1,313,158) |
| SBU/GHP Realized & Deferred Gain | (2,794,156) |
| ERRP Major Maintenance-Gas Turbines | (1,497,954) |
| Stock Plans | 547,072 |
| NYC Property Tax Discount | 98,405 |
| Steam Incident Reserve | 4,101,430 |
| Steam Incident Plant Disallowance | 6,681,927 |
| Deferral of Fuel Expense | 5,754,000 |
| Deferral of Other Operating Revenues | 4,072,000 |
| TOTAL | <u>36,284,566</u> |

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

DEDUCTIONS

| | |
|---|---------------------|
| Tax Depreciation - Norm. - MACRS | 28,245,000 |
| Provision for Deferred Compensation | 203,239 |
| Fuel Cost Deferred - Current Period | 10,606,591 |
| Unbilled Revenue | 25,649,000 |
| Loss on MACRS Retirement | 2,435,000 |
| Additional Pension Deduction (Add back) | (4,895,431) |
| Executive Incentive Plan | 40,006 |
| Amortization of Capitalized Interest - Normalized | 1,211,203 |
| Over-recovery of Steam Storage and Handling Cost | (2,452,791) |
| Interference Expense - Steam | (671,000) |
| Change of Accounting Section 263A | 7,674,000 |
| Property Tax Reconciliation (182.30) | 1,153,877 |
| Pension Deferral (182.30) | 9,508,716 |
| Accrued Rate Increase /Rate Relief | 772,400 |
| Amortization of Deferred Costs 03-S-1672 | 4,552,044 |
| Steam A/C Revenue Accrual 03-S-1672 | (268,000) |
| Steam Service Agreement Revenue Accrued 03-S-1672 | (368,000) |
| ERRP Carrying Charges | (537,561) |
| Int on Audit Adj NYS Inc | 4,638 |
| Depreciation of Capitalized Maintenance - Tax Audit 98-02 | 297,000 |
| Computer Software Capitalized on Book | 4,325,000 |
| Computer Software Book Amortization | (563,466) |
| Deferred MTA - All Years | 2,097,510 |
| H2O & H2O Chem Cost Deferral - Steam | (204,927) |
| NYC Gas Utility Excise Tax | 301,338 |
| Auction Rate Debt Deferral | (616,724) |
| PSC Management Audit | 1,042 |
| Local Law 11 | (815,716) |
| Steam Sales Variance Annual Adjustment | 97,061 |
| Water Treatment Expense | 1,998,750 |
| Sewer Charges | 5,880 |
| Amortized Deferred Costs | 7,088,500 |
| ERRP Fuel Savings | 131,738 |
| TOTAL | 97,005,916 |
| TAXABLE INCOME | (17,749,583) |

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

| | <u>Amount</u> |
|---|--------------------|
| <u>CURRENT FEDERAL INCOME EXPENSE</u> | |
| Current Federal Income Tax @ 35% | (6,212,000) |
| Rounding | |
| TOTAL CURRENT FIT ACCOUNT 409 | <u>(6,212,000)</u> |
| <u>DEFERRED FEDERAL INCOME TAX</u> | |
| Gain on Sale - 685 1st Avenue | 1,594,000 |
| Gain on Sale - 708 1st Avenue | 672,000 |
| Gain on Sale - Kips Bay Station | 6,468,000 |
| Gain on Sale - Warterside | (319,000) |
| Fuel Cost Deferred - Prior Period | (9,313,000) |
| Contributions in Aid of Construction | (74,000) |
| MTA Business Tax Surcharge | (630,000) |
| Deferred Income Plan | 220,000 |
| Retiree Health VEBA - Funding v. Expense | (378,000) |
| Retiree Group Life - Funding v. Expense | (76,000) |
| Advance Refunding Long Term Debt - Net | (286,000) |
| Vacation Pay Accrual | 41,000 |
| Capitalized Interest per Tax - Normalized | (182,000) |
| Provision for Deferred Compensation | 71,000 |
| Deferred State Income Tax Not deducted on Federal Return | (4,063,000) |
| Odd W.T.C Incident Sys. Restor. | (3,190,000) |
| Medicare Rx Legislative Savings | 141,000 |
| Property Tax Reconciliation | 1,188,000 |
| Capital Expenditure Reconciliation -Steam | 163,000 |
| EPA SO2 Allowance Proceeds -Steam | 802,000 |
| Rate Case Interference Deferral | 1,438,000 |
| SBU/GHP Realized & Deferred Gain | - |
| ERRP Major Maintenance-Gas Turbines | 524,000 |
| Stock Plans | (191,000) |
| NYC Property Tax Discount | (34,000) |
| Steam Incident Reserve | (1,435,000) |
| Steam Incident Plant Disallowance | (2,338,000) |
| Deferral of Fuel Expense | (2,014,000) |
| Deferral of Other Operating Revenues | (1,425,000) |
| Tax Depreciation - Norm. - MACRS | 9,886,000 |
| Fuel Cost Deferred - Current Period | 3,712,000 |
| Unbilled Revenue | 8,977,000 |
| Loss on MACRS Retirement | 852,000 |
| Additional Pension Deduction (Add back) | (1,713,000) |
| Executive Incentive Plan | 14,000 |
| Amortization of Capitalized Interest - Normalized | 424,000 |
| Over-recovery of Steam Storage and Handling Cost | (858,000) |
| Interference Expense - Steam | (235,000) |
| Change of Accounting Section 263A | 2,686,000 |
| Property Tax Reconciliation (182.30) | 404,000 |
| Pension Deferral (182.30) | 3,328,000 |
| Accrued Rate Increase / Rate Relief | 270,000 |
| Amortization of Deferred Costs 03-S-1672 | 1,576,000 |
| Steam A/C Revenue Accrual 03-S-1672 | (94,000) |
| Steam Service Agreement Revenue Accrued -03-S-1672 | (129,000) |
| ERRP Carrying Charges | (172,000) |
| Int on Audit Adj NYS Inc | 2,000 |
| Depreciation of Capitalized Maintenance - Tax Audit 98-02 | 105,000 |
| Computer Software Capitalized on Book | 1,513,000 |
| Computer Software Book Amortization | (198,000) |
| Deferred MTA - All Years | 734,000 |
| H2O & H2O Chem Cost Deferral - Steam | (72,000) |
| NYC Gas Utility Excise Tax | 105,000 |
| Auction Rate Debt Deferral | (216,000) |
| Local Law 11 | (286,000) |
| Steam Sales Variance Annual Adjustment | 34,000 |
| Water Treatment Expense | 699,000 |
| Sewer Charges | 2,000 |
| Amortized Deferred Costs | 2,481,000 |
| ERRP Fuel Savings | 46,000 |
| | <u>21,251,000</u> |

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

AMORTIZATION OF DEFERRED FIT

| | |
|---|--------------------|
| Def. FIT - ACRS | (760,000) |
| Def. FIT - MACRS | (552,000) |
| Def. FIT - ADR | (1,268,000) |
| Capitalized Overheads Section 263A (SSCM) | (1,031,000) |
| Loss on MACRS Retirements | (195,000) |
| Debt Expense - Advance Refunding Mortgage Bonds | |
| | <u>(3,806,000)</u> |

ADJUSTMENTS

| | |
|--|----------------|
| Journalization of Year End Topside Entry - 409 (Folio: 5-2046) | (2,572,000) |
| Journalization of Year End Topside Entry - 411 (Folio: 5-2046) | 2,572,000 |
| Reversal of estimated Over/Under Accrual (Folio 5-2434) | (403,000) |
| Accrual to Return - 409 (Folio 5-2435) | (1,203,844) |
| Accrual to Return - 410 (Folio 5-2435) | 3,421,000 |
| Accrual to Return - 411 (Folio 5-2435) | (1,556,000) |
| | - |
| | <u>258,156</u> |

NET DEF. FIT ACCOUNT 410 & 411 17,441,156

AMORTIZATION OF ITC

(262,000)

TOTAL FEDERAL INCOME TAX EXPENSE

11,229,156

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

| | <u>Amount</u> |
|--|---------------------------|
| BOOK INCOME BEFORE FIT | \$ 60,792,365.70 |
| STATE INCOME TAX | 5,741,138.00 |
| BOOK INCOME BEFORE SIT | <u>66,533,503.70</u> |
| PERM. DIFFERENCES | |
| Medicare Part D Subsidy - Post Employment Benefits | (1,536,460.13) |
| Officers Compensation in Excess of \$1M | 130,000.00 |
| TOTAL | <u>(1,406,460.13)</u> |
| PRETAX INCOME | 65,127,043.57 |
| ADDITIONS | |
| Book Depreciation | 89,213,414 |
| Capitalized interest (Section 263A) | 942,748 |
| Injuries & Damages Reserve | 858,416 |
| Gain on Sale - 685 1st Avenue | (4,554,000) |
| Gain on Sale - 708 1st Avenue | (1,919,000) |
| Gain on Sale - Kips Bay Station | (18,479,000) |
| Gain on Sale - Waterside Property | 911,163 |
| Fuel Cost Deferred - Prior Period | 43,589,724 |
| Contributions in Aid of Construction | 248,945 |
| MTA Business Tax Surcharge | 1,525,031 |
| Deferred Income Plan | (677,582) |
| Retiree Health VEBA - Funding v. Expense | 2,539,093 |
| Retiree Group Life - Funding v. Expense | 445,380 |
| Vacation Pay Accrual | (43,000) |
| Capitalized Interest per Tax - Normalized | 753,157 |
| Restricted Stock Plan | (38,883) |
| Odd W.T.C Incident Sys. Restor. | 10,238,286 |
| Medicare Rx Legislative Savings | (402,995) |
| Property Tax Reconciliation | (3,394,000) |
| Capital Expenditure Reconciliation -Steam | (467,416) |
| EPA SO2 Allowance Proceeds - Steam | (2,292,000) |
| Rate Case Interference Deferral | (1,139,158) |
| SBU/GHP Realized & Deferred Gain | (1,568,225) |
| ERRP Major Maintenance-Gas Turbines | (5,127,146) |
| Stock Plans | 589,719 |
| NYC Property Tax Discount | 98,405 |
| Steam Incident Reserve | 4,101,430 |
| Steam Incident Plant Disallowance | 6,681,927 |
| Deferral of Fuel Expense | 5,754,000 |
| Deferral of Other Operating Revenues | 4,072,000 |
| TOTAL | <u>132,460,433.10</u> |

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

DEDUCTIONS

| | |
|---|-----------------------|
| NYS Depreciation | 118,112,000 |
| Removal Costs - Flow Through | 41,266,966 |
| Amortization of Capitalized Interest - Flow Through | 2,169,030 |
| Provision for Deferred Compensation | 168,377 |
| Fuel Cost Deferred - Current Period | 23,437,827 |
| Unbilled Revenue | 25,649,000 |
| Loss on MACRS Retirement | 7,104,000 |
| Additional Pension Deduction | (5,329,931) |
| Executive Incentive Plan | 303,005 |
| Amortization of Capitalized Interest - Normalized | 1,912,277 |
| Over-recovery of Steam Storage and Handling Cost | (2,695,037) |
| Interference Expense - Steam | (671,000) |
| Change of Accounting Section 263A | 10,356,000 |
| Property Tax Reconciliation (182.30) | 2,581,276 |
| Pension Deferral (182.30) | 9,980,205 |
| Accrued Rate Increase /Rate Relief | 2,962,600 |
| Amortization of Deferred Costs 03-S-1672 | 18,317,750 |
| Steam A/C Revenue Accrual 03-S-1672 | (268,000) |
| Steam Service Agreement Revenue Accrued 03-S-1672 | (368,000) |
| ERRP Carrying Charges | (1,224,151) |
| Int on Audit Adj NYS Inc | 4,638 |
| Depreciation of Capitalized Maintenance - Tax Audit 98-02 | 443,000 |
| Computer Software Capitalized on Book | 4,638,000 |
| Computer Software Book Amortization | (604,203) |
| Deferred MTA - All Years | 2,475,510 |
| H2O & H2O Chem Cost Deferral - Steam | 191,906 |
| NYC Gas Utility Excise Tax | 301,338 |
| Auction Rate Debt Deferral | (616,724) |
| PSC Management Audit | 1,042 |
| Local Law 11 | (815,716) |
| Steam Sales Variance Annual Adjustment | 97,061 |
| Water Treatment Expense | 1,998,750 |
| Sewer Charges | 5,880 |
| Amortized Deferred Costs | 7,088,500 |
| ERRP Fuel Savings | 331,511 |
| | <u>269,304,687.48</u> |

TAXABLE INCOME OR (LOSS) (71,717,210.82)

CURRENT STATE INCOME TAX

Current State Income Tax (6,189,000.00)
(6,189,000.00)

Net State Deductions Normalized (136,844,254.39)

DEFERRED STATE INCOME TAX

Deferred State Income Tax 11,810,000.00
11,810,000.00

TOTAL CURRENT AND DEFERRED STATE INCOME TAX 5,621,000.00

EXHIBIT __ (AP- 4)

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

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 BOOK COST OF UTILITY PLANT - STEAM
 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>Steam Plant in Service</u> | | | | | |
| | <u>Production Plant</u> | | | | | |
| 310 | Land and Land Rights | \$ 10,099 | \$ 10,099 | \$ 10,099 | \$ 10,147 | \$ 10,147 |
| 311 | Structures and Improvements | 180,685 | 207,345 | 215,188 | 245,983 | 253,941 |
| 312 | Boiler Plant Equipment | 711,748 | 730,757 | 765,637 | 799,268 | 816,244 |
| 315 | Accessory Power Equipment | 97,360 | 101,412 | 103,503 | 106,092 | 108,747 |
| 316 | Miscellaneous Station Equipment | 38,247 | 38,271 | 42,943 | 34,485 | 34,528 |
| | Total | 1,038,139 | 1,087,884 | 1,137,370 | 1,195,975 | 1,223,607 |
| | <u>Distribution Plant</u> | | | | | |
| 351 | Structures and Improvements | 1,010 | 1,283 | 1,234 | 1,278 | 1,278 |
| 303 | Capitalized Software | - | 408 | 407 | 4,974 | 5,354 |
| 353 | Mains | 482,975 | 493,848 | 502,169 | 528,668 | 530,056 |
| 359 | Services | 54,288 | 56,245 | 57,055 | 59,591 | 60,029 |
| 360 | Meters | 10,138 | 11,176 | 11,944 | 12,632 | 13,694 |
| 361 | Accessory Equipment on Customers' Premises | 4,016 | 4,442 | 5,054 | 5,425 | 5,426 |
| 362 | Installation of Meters & Accessory Equipment | 20,322 | 23,283 | 25,096 | 27,570 | 27,570 |
| | Total | 572,749 | 590,685 | 602,959 | 640,138 | 643,407 |
| | Total Steam Plant in Service | 1,610,888 | 1,678,569 | 1,740,329 | 1,836,113 | 1,867,014 |
| 107 | Construction Work in Progress - Steam | 43,986 | 54,572 | 64,818 | 81,634 | 102,744 |
| | Grand Total | \$ 1,654,874 | \$ 1,733,141 | \$ 1,805,147 | \$ 1,917,747 | \$ 1,969,758 |

EXHIBIT __ (AP- 5)

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ACCUMULATED PROVISION FOR DEPRECIATION OF STEAM PLANT IN SERVICE**

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

| Account No. | December 31, | | | | June 30, |
|----------------|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| 108 | <u>Steam Plant in Service</u> | | | | |
| | <u>Production Plant</u> | | | | |
| 310 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 310 | 5,730 | 5,928 | 6,127 | 6,325 | 6,424 |
| 311 | 23,845 | 27,355 | 29,271 | 20,955 | 24,616 |
| 312 | 156,653 | 178,010 | 195,066 | 213,262 | 224,430 |
| 315 | 20,477 | 22,446 | 24,479 | 26,923 | 28,266 |
| 316 | 5,683 | 6,538 | 6,898 | 7,522 | 7,827 |
| | <u>Total</u> | <u>212,388</u> | <u>240,277</u> | <u>261,841</u> | <u>274,987</u> |
| | <u>Distribution Plant</u> | | | | |
| 351 | 234 | 255 | 285 | 274 | 287 |
| 303 | - | 27 | 109 | 190 | 713 |
| 353 | 23,166 | 34,988 | 43,637 | 55,183 | 57,950 |
| 353 | - | - | 5,856 | 6,158 | 6,417 |
| 359 | 9,337 | 9,050 | 10,191 | 11,212 | 11,886 |
| 360 | 1,834 | 1,881 | 2,347 | 2,801 | 2,930 |
| 361 | 796 | 889 | 885 | 997 | 1,057 |
| 362 | 2,683 | 3,027 | 3,189 | 3,711 | 3,988 |
| | <u>Total</u> | <u>38,050</u> | <u>50,117</u> | <u>80,526</u> | <u>85,228</u> |
| | <u>Total Steam Plant in Service</u> | <u>\$ 250,438</u> | <u>\$ 290,394</u> | <u>\$ 328,340</u> | <u>\$ 355,513</u> |
| | | <u>\$ 376,791</u> | | | |

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

| Schedule No. | | Number of Pages |
|-----------------|--|--------------------|
| 1 | Steam Operating Income for the Twelve Months Ended June 30, 2009 and Twelve Months Ending September 30, 2011, Other Operating Revenues, Operation and Maintenance Expenses and Taxes Other than Income Taxes - Twelve Months Ended June 30, 2009 Adjusted to the Twelve Months Ending September 30, 2011 | 4 |
| 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 Steam Cost Elements - Twelve Months Ended June 30, 2009 and Twelve Months Ending September 30, 2011; and Twelve Months Ending September 30, 2011 vs. Twelve Months Ended June 30, 2009 | 3 |
| 5 | Steam Cost Elements by Major Account Group - Twelve Months Ended June 30, 2009 | 7 |
| 6 | Steam 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 Steam Normalizing Adjustments by Elements of Expense in the Rate Year | 1 |
| 8 | Summary of Steam Program Changes by Element of Expense in the Rate Year | 1 |
| 9 | Summary of Steam Cost Elements Subject to General Escalation | 1 |
| 10 | Summary of Steam Cost Elements - Witness and Potential Update | 1 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STEAM OPERATING INCOME
FOR THE TWELVE MONTHS ENDED JUNE 30, 2009 AND TWELVE MONTHS ENDING SEPTEMBER 30, 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 ENDING SEPTEMBER 30, 2011 (Col. 3) | LINE NO. |
|----------|--|---|---|---|----------|
| | <u>Operating Revenues</u> | | | | |
| 1 | Sales Revenues | \$ 724,713 | \$ (31,477) | \$ 693,236 | 1 |
| 2 | Other Operating Revenues (Page 2) | 89,229 | (4,340) | 84,889 | 2 |
| 3 | Total Operating Revenues | 813,942 | (35,817) | 778,125 | 3 |
| | <u>Operation & Maintenance Expenses</u> | | | | |
| 4 | Operation & Maintenance Expenses (Page 3) | 559,820 | (21,983) | 537,837 | 4 |
| 5 | Operating Revenues less Operation & Maintenance Expenses | 254,122 | (13,834) | 240,289 | 5 |
| | <u>Other Operating Income Deductions</u> | | | | |
| 6 | Depreciation and Amortization (Pages 4a & 4b) | 58,879 | 6,112 | 64,991 | 6 |
| 7 | Taxes Other Than Income Taxes (Page 4) | 83,991 | 20,325 | 104,316 | 7 |
| 8 | Losses/(Gains) from Disposition of Utility Plant | - | - | - | 8 |
| 9 | Total Other Operating Income Deductions | 142,870 | 26,437 | 169,307 | 9 |
| 10 | Operating Income Before Income Taxes | \$ 111,252 | \$ (40,271) | \$ 70,981 | 10 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
OTHER OPERATING REVENUES - STEAM
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 Ending 9/30/11 | Line No. |
|---------------------------------|---|-------------------------|--|--------------------------|----------|
| <i>Interdepartmental Rents:</i> | | | | | |
| 1 | East River Repowering Project (ERRP) | \$ 70,270 | \$ 3,165 | \$ 73,435 | 1 |
| 2 | Hudson Avenue Tunnel | 1,910 | 374 | 2,284 | 2 |
| 3 | Revenue Offset Re: 74/59th St. Transfer from Electric | 5,975 | 525 | 6,500 | 3 |
| 4 | Steam Rev/Fuel Management Program | 1,217 | (987) | 230 | 4 |
| 5 | Late Payment Charges | 1,465 | (65) | 1,400 | 5 |
| 6 | Special Services Repair Program | 528 | (19) | 509 | 6 |
| 7 | GHP Interest | (188) | 188 | - | 7 |
| 8 | Rents | 64 | (64) | - | 8 |
| 9 | Reconnection Revenues | - | 250 | 250 | 9 |
| <i>Regulatory Accounting</i> | | | | | |
| 10 | Deferred MTA Surcharge on SIT | 993 | (993) | - | 10 |
| 11 | Auction Rate Debt Reconciliation | (765) | 765 | - | 11 |
| 12 | Net Unbilled Revenue - Steam | (4,072) | 4,072 | - | 12 |
| 13 | Steam Incident | (4,000) | 4,000 | - | 13 |
| 14 | SO2 Allowances | 2,431 | (2,150) | 281 | 14 |
| 15 | Accrued Rate Relief | 772 | (772) | - | 15 |
| 16 | Local Law 11 - 07-s-1315 | (1,224) | 1,224 | - | 16 |
| 17 | Steam Action Plan - 07-s-1315 | (101) | 101 | - | 17 |
| 18 | Capital Expend Reconciliation | (112) | 112 | - | 18 |
| 19 | Rate Case Amortizations | 14,182 | (14,182) | - | 19 |
| 20 | Steam Interest Collection | (35) | 35 | - | 20 |
| 21 | Steam Interf. Deferral-05-s-1376 | (81) | 81 | - | 21 |
| 22 | Total Other Operating Revenues | \$ <u>89,229</u> | \$ <u>(4,340)</u> | \$ <u>84,889</u> | 22 |

EXHIBIT __ (AP-7)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED NET PLANT - STEAM

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

| | <u>BOOKCOST OF PLANT</u> | <u>ACCRUED DEPRECIATION</u> | <u>NET PLANT</u> |
|----------------------|------------------------------|---------------------------------|----------------------|
| SEPTEMBER 30, 2010 * | 1,001,330 | 210,388 | 790,941 |
| OCTOBER 31, 2010 | 2,008,759 | 423,437 | 1,585,322 |
| NOVEMBER 30, 2010 | 2,020,698 | 426,112 | 1,594,586 |
| DECEMBER 31, 2010 | 2,065,558 | 428,821 | 1,636,736 |
| JANUARY 31, 2011 | 2,066,833 | 432,631 | 1,634,203 |
| FEBRUARY 29, 2011 | 2,069,100 | 436,443 | 1,632,657 |
| MARCH 31, 2011 | 2,071,774 | 440,260 | 1,631,513 |
| APRIL 30, 2011 | 2,073,586 | 444,083 | 1,629,503 |
| MAY 31, 2011 | 2,075,528 | 447,909 | 1,627,619 |
| JUNE 30, 2011 | 2,080,565 | 451,739 | 1,628,826 |
| JULY 31, 2011 | 2,082,436 | 454,767 | 1,627,669 |
| AUGUST 31, 2011 | 2,086,157 | 457,799 | 1,628,359 |
| SEPTEMBER 30, 2011 * | 1,044,611 | 230,420 | 814,191 |
| TOTAL | 24,746,935 | 5,284,809 | 19,462,126 |
| AVERAGE | \$2,062,245 | \$440,401 | \$1,621,844 |

* ONE HALF OF ENDING BALANCE

**INCLUDES COMMON ALLOCATED

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

| | <u>BOOKCOST OF PLANT</u> | <u>ACCRUED DEPRECIATION</u> | <u>NET PLANT</u> |
|--------------------|------------------------------|---------------------------------|----------------------|
| JUNE 30, 2009 | 1,867,013 | 376,790 | 1,490,223 |
| JULY 31, 2009 | 1,871,607 | 379,459 | 1,492,148 |
| AUGUST 31, 2009 | 1,876,115 | 382,034 | 1,494,080 |
| SEPTEMBER 30, 2009 | 1,882,028 | 384,510 | 1,497,518 |
| OCTOBER 31, 2009 | 1,888,440 | 386,999 | 1,501,441 |
| NOVEMBER 30, 2009 | 1,897,149 | 389,502 | 1,507,647 |
| DECEMBER 31, 2009 | 1,970,718 | 392,026 | 1,578,691 |
| JANUARY 31, 2010 | 1,972,487 | 395,485 | 1,577,002 |
| FEBRUARY 28, 2010 | 1,975,412 | 398,948 | 1,576,464 |
| MARCH 31, 2010 | 1,978,867 | 402,417 | 1,576,450 |
| APRIL 30, 2010 | 1,981,300 | 405,893 | 1,575,407 |
| MAY 31, 2010 | 1,984,243 | 409,374 | 1,574,869 |
| JUNE 30, 2010 | 1,989,212 | 412,862 | 1,576,350 |
| JULY 31, 2010 | 1,991,755 | 415,493 | 1,576,262 |
| AUGUST 31, 2010 | 1,996,662 | 418,130 | 1,578,533 |
| SEPTEMBER 30, 2010 | 2,002,660 | 420,777 | 1,581,883 |

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

| | <u>TOTAL</u> | <u>INTEREST BEARING</u> | <u>NON-INTEREST BEARING</u> |
|----------------------|--------------|-----------------------------|---------------------------------|
| SEPTEMBER 30, 2010 * | 41,315 | 12,811 | 28,503 |
| OCTOBER 31, 2010 | 85,301 | 27,248 | 58,053 |
| NOVEMBER 30, 2010 | 82,659 | 29,207 | 53,452 |
| DECEMBER 31, 2010 | 49,649 | 6,500 | 43,149 |
| JANUARY 31, 2011 | 51,601 | 7,587 | 44,014 |
| FEBRUARY 29, 2011 | 53,414 | 8,596 | 44,818 |
| MARCH 31, 2011 | 55,771 | 9,909 | 45,863 |
| APRIL 30, 2011 | 57,732 | 11,000 | 46,732 |
| MAY 31, 2011 | 59,936 | 12,227 | 47,709 |
| JUNE 30, 2011 | 60,027 | 13,593 | 46,434 |
| JULY 31, 2011 | 62,031 | 14,770 | 47,262 |
| AUGUST 31, 2011 | 63,429 | 15,863 | 47,566 |
| SEPTEMBER 30, 2011 * | 32,426 | 8,362 | 24,064 |
| TOTAL | 755,291 | 177,673 | 577,618 |
| AVERAGE | \$62,941 | \$14,806 | \$48,135 |

* ONE HALF OF ENDING BALANCE

**INCLUDES COMMON ALLOCATED

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

| | <u>TOTAL</u> | <u>INTEREST BEARING</u> | <u>NON-INTEREST BEARING</u> |
|--------------------|--------------|-----------------------------|---------------------------------|
| JUNE 30, 2009 | \$ 94,856 | \$ 35,599 | \$ 59,257 |
| JULY 31, 2009 | 100,621 | 38,021 | 62,600 |
| AUGUST 31, 2009 | 106,385 | 40,405 | 65,980 |
| SEPTEMBER 30, 2009 | 110,634 | 42,789 | 67,845 |
| OCTOBER 31, 2009 | 114,385 | 45,173 | 69,212 |
| NOVEMBER 30, 2009 | 115,838 | 47,557 | 68,281 |
| DECEMBER 31, 2009 | 55,119 | 13,820 | 41,299 |
| JANUARY 31, 2010 | 58,606 | 15,075 | 43,531 |
| FEBRUARY 28, 2010 | 61,832 | 16,240 | 45,592 |
| MARCH 31, 2010 | 66,034 | 17,755 | 48,279 |
| APRIL 30, 2010 | 69,500 | 19,015 | 50,485 |
| MAY 31, 2010 | 73,070 | 20,432 | 52,638 |
| JUNE 30, 2010 | 75,941 | 22,008 | 53,933 |
| JULY 31, 2010 | 79,562 | 23,367 | 56,195 |
| AUGUST 31, 2010 | 82,161 | 24,629 | 57,532 |
| SEPTEMBER 30, 2010 | \$ 82,629 | \$ 25,623 | \$ 57,006 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 STEAM OPERATION AND MAINTENANCE EXPENSES
 FOR THE YEARS ENDED JUNE 30, 2009 AND SEPTEMBER 30, 2011
 (Thousands of Dollars)

| LINE NO. | | 12 MONTHS ENDED JUNE 30, 2009 | SCHEDULE 7 NORMALIZING ADJMTS | SCHEDULE 8 PROGRAM CHANGES | 5.78% LABOR ESCAL | SCHEDULE 9 GENERAL ESCAL | NET ADJUSTMENTS | 12 MONTHS ENDING SEPTEMBER 30, 2011 | LINE NO. |
|----------|---|-------------------------------|-------------------------------|----------------------------|-------------------|--------------------------|--------------------|-------------------------------------|----------|
| 1 | Fuel | \$ 378,801 | \$ - | \$ (48,182) | \$ - | \$ - | \$ (48,182) | \$ 330,619 | 1 |
| 2 | Other Fuel Charges | 4,241 | - | 117 | - | - | 117 | 4,358 | 2 |
| 3 | A&G Exp Cap | (2,178) | - | (1,513) | - | - | (1,513) | (3,691) | 3 |
| 4 | Asbestos Removal and Abatement | 506 | - | - | - | 16 | 16 | 522 | 4 |
| 5 | Other Compensation | 736 | (539) | - | - | - | (539) | 197 | 5 |
| 6 | Boiler Cleaning | 1,399 | - | - | - | 45 | 45 | 1,444 | 6 |
| 7 | Building Service | 1,060 | - | 693 | - | 56 | 749 | 1,809 | 7 |
| 8 | Collection Agency | - | - | - | - | - | - | - | 8 |
| 9 | Communication - Telephone | 799 | - | - | - | 26 | 26 | 825 | 9 |
| 10 | Company Labor | 57,715 | (148) | 2,335 | 3,462 | - | 5,649 | 63,364 | 10 |
| 11 | Consultants | 1,483 | - | 35 | - | 49 | 84 | 1,567 | 11 |
| 12 | Contract Labor | 457 | - | - | - | 15 | 15 | 472 | 12 |
| 13 | Corporate Fiscal Expense | 283 | - | - | - | 9 | 9 | 292 | 13 |
| 14 | Corrective Maintenance | 6,574 | - | - | - | 211 | 211 | 6,785 | 14 |
| 15 | Disposal of Obsolete M&S | 3 | - | (1) | - | 0 | (1) | 2 | 15 |
| 16 | East River Repowering Project (ERRP) | - | - | - | - | - | - | - | 16 |
| 17 | EDP Equipment Rentals & Maintenance | 222 | - | - | - | 7 | 7 | 230 | 17 |
| 18 | Electric and Gas Used | 11,747 | - | 1,515 | - | - | 1,515 | 13,262 | 18 |
| 19 | Employee Pensions/OPEBs - Net | 10,189 | - | 12,333 | - | - | 12,333 | 22,522 | 19 |
| 20 | Employee Welfare Expense - Net | 6,006 | 417 | 568 | - | - | 985 | 6,991 | 20 |
| 21 | Environmental Affairs | 990 | - | - | - | 32 | 32 | 1,022 | 21 |
| 22 | Environmental Programs | 1,510 | - | - | - | 48 | 48 | 1,558 | 22 |
| 23 | Executive Incentive Plan | 386 | (386) | - | - | - | (386) | - | 23 |
| 24 | Facilities Maintenance | 1,968 | - | - | - | 63 | 63 | 2,031 | 24 |
| 25 | Financial Services | 433 | - | 264 | - | - | 264 | 697 | 25 |
| 26 | Information Resources | 2,548 | - | 142 | - | 86 | 228 | 2,776 | 26 |
| 27 | Injuries and Damages | 2,963 | - | (1,171) | - | 58 | (1,113) | 1,850 | 27 |
| 28 | Institutional Dues and Subscriptions | 56 | - | - | - | 2 | 2 | 58 | 28 |
| 29 | Insurance Premiums | 2,820 | - | 479 | - | - | 479 | 3,299 | 29 |
| 30 | Interference | 7,042 | - | 358 | - | - | 358 | 7,400 | 30 |
| 31 | Major Maintenance Projects | - | - | - | - | - | - | - | 31 |
| 32 | Manhole Program | - | - | - | - | - | - | - | 32 |
| 33 | Manhour Expense | 3,547 | - | - | - | 114 | 114 | 3,661 | 33 |
| 34 | Materials and Supplies | 2,375 | - | - | - | 76 | 76 | 2,451 | 34 |
| 35 | MGP / Superfund | 2,033 | (2,033) | - | - | - | (2,033) | - | 35 |
| 36 | Other (Fossil) | 4,340 | - | - | - | 139 | 139 | 4,479 | 36 |
| 37 | Outside Legal Services | 54 | - | - | - | 2 | 2 | 56 | 37 |
| 38 | Plant Component Upgrade | 137 | - | - | - | 4 | 4 | 141 | 38 |
| 39 | Rate Case Acctg. - Water Treatment Deferral | (1,998) | 2,613 | - | - | 20 | 2,633 | 635 | 39 |
| 40 | Postage | 14 | - | - | - | 0 | 0 | 14 | 40 |
| 41 | Preventive Maintenance | 1,651 | - | - | - | 53 | 53 | 1,704 | 41 |
| 42 | Rate Case Acctg. - Interference | (1,166) | 1,166 | - | - | - | 1,166 | - | 42 |
| 43 | Rate Case Acctg. - Pensions/OPEBS | (10,929) | 10,929 | - | - | - | 10,929 | - | 43 |
| 44 | Ravenswood | 5,577 | - | - | - | 179 | 179 | 5,756 | 44 |
| 45 | Real Estate Expenses | 153 | - | - | - | 5 | 5 | 158 | 45 |
| 46 | Regulatory Commission Expenses | 2,440 | - | (686) | - | 56 | (630) | 1,810 | 46 |
| 47 | Rents | 195 | - | - | - | 6 | 6 | 201 | 47 |
| 48 | Rents - Interdepartmental | 14,409 | - | 706 | - | - | 706 | 15,115 | 48 |
| 49 | Research and Development | 851 | - | (56) | - | 26 | (30) | 821 | 49 |
| 50 | Steam Incident Action Plan | 1,511 | - | - | - | 49 | 49 | 1,560 | 50 |
| 51 | Scheduled Overhauls | - | - | - | - | - | - | - | 51 |
| 52 | Security | 1,025 | - | - | - | 33 | 33 | 1,058 | 52 |
| 53 | Sewer Charges | 584 | - | 21 | - | - | 21 | 605 | 53 |
| 54 | Shared Services | (799) | - | - | - | (26) | (26) | (825) | 54 |
| 55 | Steam Leaks | 1,063 | - | - | - | 34 | 34 | 1,097 | 55 |
| 56 | Steam Transfer Credit | (13) | - | - | - | (0) | (0) | (13) | 56 |
| 57 | Steam Incident Settlement | 6,889 | (6,889) | - | - | - | (6,889) | - | 57 |
| 58 | Uncollectible Reserve | - | - | 1,000 | - | - | 1,000 | 1,000 | 58 |
| 59 | Water | 10,619 | - | (678) | - | - | (678) | 9,941 | 59 |
| 60 | Water Chemicals | 7,367 | - | (459) | - | - | (459) | 6,908 | 60 |
| 61 | Trenching | 1 | - | - | - | - | - | 1 | 61 |
| 62 | Water Treatment | 3,861 | - | - | - | - | - | 3,861 | 62 |
| 63 | Other | 3,289 | - | 7 | - | 105 | 112 | 3,381 | 63 |
| | Total Operation & Maintenance Expenses | \$ 559,820 | \$ 5,130 | \$ (32,173) | \$ 3,462 | \$ 1,598 | \$ (21,983) | \$ 537,837 | |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 STEAM 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 |
|-------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Steam Plant Balance | | | | | | | | | | | | | | | | |
| Steam Distribution | \$ 554,591 | \$ 559,155 | \$ 563,609 | \$ 568,064 | \$ 572,518 | \$ 576,973 | \$ 582,623 | \$ 584,100 | \$ 586,752 | \$ 589,809 | \$ 591,912 | \$ 594,134 | \$ 597,182 | \$ 599,326 | \$ 603,115 | \$ 606,710 |
| Steam Production | 412,890 | 412,920 | 412,864 | 414,323 | 416,280 | 420,495 | 480,905 | 481,198 | 481,471 | 481,868 | 482,170 | 482,882 | 484,794 | 485,186 | 486,297 | 488,693 |
| Total Steam Plant | 967,481 | 972,075 | 976,473 | 982,387 | 988,798 | 997,468 | 1,063,529 | 1,065,298 | 1,068,223 | 1,071,677 | 1,074,081 | 1,077,016 | 1,081,976 | 1,084,512 | 1,089,412 | 1,095,403 |
| Composite Depreciation Rates | | | | | | | | | | | | | | | | |
| Steam Distribution (2.4948% annual) | | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% |
| Steam Production (3.3132% annual) | | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% |
| Steam Depreciation Expense | | | | | | | | | | | | | | | | |
| Steam Distribution | | 1,153 | 1,162 | 1,172 | 1,181 | 1,190 | 1,200 | 1,211 | 1,214 | 1,220 | 1,226 | 1,231 | 1,235 | 1,242 | 1,246 | 1,254 |
| Steam Production | | 1,140 | 1,140 | 1,140 | 1,144 | 1,149 | 1,161 | 1,328 | 1,329 | 1,329 | 1,330 | 1,331 | 1,333 | 1,339 | 1,340 | 1,343 |
| 74st Fully Recovered | | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 |
| Leasehold | | 16 | | | | | | | | | | | | | | |
| Total Steam Depreciation | | 2,372 | 2,365 | 2,375 | 2,388 | 2,402 | 2,424 | 2,602 | 2,606 | 2,612 | 2,619 | 2,625 | 2,631 | 2,644 | 2,649 | 2,660 |
| ERRP Plant Balance | | | | | | | | | | | | | | | | |
| ERRP | 802,590 | 802,590 | 802,590 | 802,590 | 802,590 | 802,630 | 810,138 | 810,138 | 810,138 | 810,138 | 810,167 | 810,175 | 810,184 | 810,192 | 810,199 | 810,205 |
| Composite Depreciation Rates | | | | | | | | | | | | | | | | |
| ERRP (3.8124% annual) | | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% |
| ERRP Depreciation Expense | | | | | | | | | | | | | | | | |
| ERRP | | 2,550 | 2,550 | 2,550 | 2,550 | 2,550 | 2,550 | 2,574 | 2,574 | 2,574 | 2,574 | 2,574 | 2,574 | 2,574 | 2,574 | 2,574 |
| Common - 9815 (EDP) | | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 |
| Total ERRP | | 2,572 | 2,572 | 2,572 | 2,572 | 2,572 | 2,572 | 2,596 | 2,596 | 2,596 | 2,596 | 2,596 | 2,596 | 2,596 | 2,596 | 2,596 |
| Steam Depreciation | | 2,372 | 2,365 | 2,375 | 2,388 | 2,402 | 2,424 | 2,602 | 2,606 | 2,612 | 2,619 | 2,625 | 2,631 | 2,644 | 2,649 | 2,660 |
| ERRP Depreciation | | 2,572 | 2,572 | 2,572 | 2,572 | 2,572 | 2,572 | 2,596 | 2,596 | 2,596 | 2,596 | 2,596 | 2,596 | 2,596 | 2,596 | 2,596 |
| Total Steam Depreciation | | \$ 4,944 | \$ 4,937 | \$ 4,947 | \$ 4,960 | \$ 4,974 | \$ 4,996 | \$ 5,198 | \$ 5,202 | \$ 5,208 | \$ 5,215 | \$ 5,221 | \$ 5,227 | \$ 5,240 | \$ 5,245 | \$ 5,256 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 STEAM 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 | Totals |
|----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| Steam Plant Balance | | | | | | | | | | | | | |
| Steam Distribution | \$ 610,622 | \$ 614,007 | \$ 618,946 | \$ 620,179 | \$ 622,418 | \$ 625,004 | \$ 626,773 | \$ 628,644 | \$ 631,222 | \$ 633,010 | \$ 636,208 | \$ 639,239 | \$ 7,506,273 |
| Steam Production | 490,005 | 491,967 | 530,773 | 530,815 | 530,843 | 530,930 | 530,974 | 531,044 | 533,248 | 533,289 | 533,773 | 533,776 | 6,301,436 |
| Total Steam Plant | 1,100,627 | 1,105,974 | 1,149,719 | 1,150,994 | 1,153,261 | 1,155,934 | 1,157,746 | 1,159,688 | 1,164,471 | 1,166,299 | 1,169,982 | 1,173,014 | 13,807,709 |

| | Oct-10 | Nov-10 | Dec-10 | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Totals |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| Composite Depreciation Rates | | | | | | | | | | | | | |
| Steam Distribution (2.4948% annual) | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | 0.2079% | |
| Steam Production (3.3132% annual) | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | 0.2761% | |

| | Oct-10 | Nov-10 | Dec-10 | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Totals |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Steam Depreciation Expense | | | | | | | | | | | | | |
| Steam Distribution | 1,261 | 1,269 | 1,277 | 1,287 | 1,289 | 1,294 | 1,299 | 1,303 | 1,307 | 1,312 | 1,316 | 1,323 | 15,537 |
| Steam Production | 1,349 | 1,353 | 1,358 | 1,465 | 1,466 | 1,466 | 1,466 | 1,466 | 1,466 | 1,472 | 1,472 | 1,474 | 17,273 |
| 74st Fully Recovered | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 756 |
| Leasehold | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Steam Depreciation | 2,673 | 2,685 | 2,698 | 2,815 | 2,818 | 2,823 | 2,828 | 2,832 | 2,836 | 2,847 | 2,851 | 2,860 | 33,566 |

| | Oct-10 | Nov-10 | Dec-10 | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Totals |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| ERRP Plant Balance | | | | | | | | | | | | | |
| ERRP | 811,081 | 817,673 | 818,788 | 818,788 | 818,788 | 818,788 | 818,788 | 818,788 | 819,043 | 819,085 | 819,125 | 819,156 | 9,817,890 |

| | Oct-10 | Nov-10 | Dec-10 | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Totals |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| Composite Depreciation Rates | | | | | | | | | | | | | |
| ERRP (3.8124% annual) | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | 0.3177% | |

| | Oct-10 | Nov-10 | Dec-10 | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Totals |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| ERRP Depreciation Expense | | | | | | | | | | | | | |
| ERRP | 2,574 | 2,577 | 2,598 | 2,601 | 2,601 | 2,601 | 2,601 | 2,601 | 2,601 | 2,602 | 2,602 | 2,602 | 31,161 |
| Common - 9815 (EDP) | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 264 |
| Total ERRP | 2,596 | 2,599 | 2,620 | 2,623 | 2,623 | 2,623 | 2,623 | 2,623 | 2,623 | 2,624 | 2,624 | 2,624 | 31,425 |

| | | | | | | | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Steam Depreciation | 2,673 | 2,685 | 2,698 | 2,815 | 2,818 | 2,823 | 2,828 | 2,832 | 2,836 | 2,847 | 2,851 | 2,860 | 33,566 |
| ERRP Depreciation | 2,596 | 2,599 | 2,620 | 2,623 | 2,623 | 2,623 | 2,623 | 2,623 | 2,623 | 2,624 | 2,624 | 2,624 | 31,425 |
| Total Steam Depreciation at Current Rates | \$ 5,269 | \$ 5,284 | \$ 5,318 | \$ 5,438 | \$ 5,441 | \$ 5,446 | \$ 5,451 | \$ 5,455 | \$ 5,459 | \$ 5,471 | \$ 5,475 | \$ 5,484 | \$ 64,991 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TAXES OTHER THAN INCOME TAXES - STEAM
 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 Ending 9/30/11 | Line No. |
|----------|------------------------------|-------------------------|--|--------------------------|----------|
| 1 | NYC Property Taxes | \$ 67,869 | \$ 17,040 | \$ 84,909 | 1 |
| 2 | Property Tax Reconciliation | (4,076) | 4,076 | - | 2 |
| 3 | Total Property Taxes | <u>63,794</u> | <u>21,115</u> | <u>84,909</u> | 3 |
| 4 | Revenue Taxes | 16,497 | (1,759) | 14,738 | 4 |
| 5 | Payroll Taxes | 3,145 | 890 | 4,035 | 5 |
| 6 | MTA Mobility Tax | 52 | 164 | 216 | 6 |
| 7 | Sales & Compensating Use Tax | 104 | (104) | - | 7 |
| 8 | Subsidiary Capital Tax | 348 | 11 | 359 | 8 |
| 9 | All Other Taxes | <u>50</u> | <u>9</u> | <u>59</u> | 9 |
| 10 | Total Taxes Other | <u>\$ 83,991</u> | <u>\$ 20,325</u> | <u>\$ 104,316</u> | 10 |

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 <u>June 30, 2009</u> | <u>Twelve Months Ending September 30, 2011</u> | | | |
|---|--|--|------|--------------------------------------|---------------------------------|
| | | <u>Without Productivity Savings</u> | | <u>With Productivity Savings</u> | <u>Productivity Savings</u> |
| <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**

| | Without Productivity | | | With Productivity | | |
|---|---|---------------------|--------------|---|---------------------|-------------|
| | Weekly | Management | Total | Weekly | Management | Total |
| Number of Employees | | | | | | |
| 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 | |
| Rate Year Straight Time Wages and Salaries (Thousands of Dollars) | | | | | | |
| Weekly | With Progression | Without Progression | Local 3 | With Progression | Without Progression | Local 3 |
| 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 |
| | | | \$ 611,554 | | | \$ 600,904 |
| sub-total | | | 611,554 | | | 600,904 |
| Management | | | | | | |
| 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 | | 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 |
| | <hr/> | <hr/> | <hr/> |
| 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 | <hr/> <u>7.25%</u> | <hr/> <u>4.71%</u> | <hr/> <u>3.25%</u> |
| Weighted Average | | | <hr/> <u>5.93%</u> |
| <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 | | |
| | <hr/> | | |
| Rate Year Straight Time Average | 9,150.49 | | |
| <u>Labor Factor</u> | | | |
| Rate Year Average less June 2009 | \$ 461.49 | | |
| divided by June 2009 | <hr/> <u>5.31%</u> | | |

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

| | % | <u>Weekly</u> | | <u>Management</u> | <u>Total</u> |
|--|-------|------------------|----------------|-------------------|---------------|
| | | <u>Local 1-2</u> | <u>Local 3</u> | | |
| 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> |

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

| LINE NO. | (42) PRODUCTION | | (46) DISTRIBUTION | | (47) CUSTOMER | | (48) | (49) | TOTAL | LINE NO. |
|--|--|-------------|-------------------|-------------|---------------|----------|-------------------|-----------|------------|----------|
| | OPERATION | MAINTENANCE | OPERATION | MAINTENANCE | ACCOUNTING | SERVICE | ADMIN AND GENERAL | | | |
| 1 | Fuel | \$ 378,801 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 378,801 | 1 |
| 2 | Other Fuel Charges | 4,241 | - | - | - | - | - | - | 4,241 | 2 |
| 3 | A&G Exp Cap | - | - | - | - | - | - | (2,178) | (2,178) | 3 |
| 4 | Asbestos Removal and Abatement | - | 336 | - | 170 | - | - | - | 506 | 4 |
| 5 | Other Compensation | - | - | - | - | - | - | 736 | 736 | 5 |
| 6 | Boiler Cleaning | 1,399 | - | - | - | - | - | - | 1,399 | 6 |
| 7 | Building Service | 1,188 | 10 | 130 | - | 2 | 9 | (279) | 1,060 | 7 |
| 8 | Collection Agency | - | - | - | - | - | - | - | - | 8 |
| 9 | Communication - Telephone | 384 | - | 268 | 1 | 34 | 19 | 93 | 799 | 9 |
| 10 | Company Labor | 23,346 | 11,852 | 9,631 | 3,921 | 1,009 | 1,117 | 6,839 | 57,715 | 10 |
| 11 | Consultants | 12 | - | 26 | 1 | - | 2 | 1,442 | 1,483 | 11 |
| 12 | Contract Labor | 2 | - | 1 | 421 | - | - | 33 | 457 | 12 |
| 13 | Corporate Fiscal Expense | - | - | - | - | - | - | 283 | 283 | 13 |
| 14 | Corrective Maintenance | 1,092 | 5,392 | - | 90 | - | - | - | 6,574 | 14 |
| 15 | Disposal of Obsolete M&S | - | - | - | - | - | - | 3 | 3 | 15 |
| 16 | EDP Equipment Rentals & Maintenance | 21 | - | 35 | 4 | 3 | 22 | 137 | 222 | 16 |
| 17 | Electric and Gas Used | 11,503 | - | - | 10 | - | - | 234 | 11,747 | 17 |
| 18 | Employee Pensions/OPEBs - Net | - | - | - | - | - | - | 10,189 | 10,189 | 18 |
| 19 | Employee Welfare Expense - Net | - | - | - | - | - | - | 6,006 | 6,006 | 19 |
| 20 | Environmental Affairs | 702 | - | 235 | 42 | - | - | 11 | 990 | 20 |
| 21 | Environmental Programs | 1,469 | - | 41 | - | - | - | - | 1,510 | 21 |
| 22 | Executive Incentive Plan | - | - | - | - | - | - | 386 | 386 | 22 |
| 23 | Facilities Maintenance | - | 1,968 | - | - | - | - | - | 1,968 | 23 |
| 24 | Financial Services | - | - | - | - | - | - | 433 | 433 | 24 |
| 25 | Information Resources | 1,237 | - | 386 | - | - | - | 925 | 2,548 | 25 |
| 26 | Injuries and Damages | - | - | - | - | - | - | 2,963 | 2,963 | 26 |
| 27 | Institutional Dues and Subscriptions | - | - | - | - | - | - | 56 | 56 | 27 |
| 28 | Insurance Premiums | - | - | - | - | - | - | 2,820 | 2,820 | 28 |
| 29 | Interference | - | - | 51 | 6,991 | - | - | - | 7,042 | 29 |
| 30 | Major Maintenance Projects | - | - | - | - | - | - | - | - | 30 |
| 31 | Manhole Program | - | - | - | - | - | - | - | - | 31 |
| 32 | Manhour Expense | 146 | 496 | 1,474 | 1,301 | 132 | 1 | (3) | 3,547 | 32 |
| 33 | Materials and Supplies | 813 | 166 | 326 | 1,096 | - | - | (26) | 2,375 | 33 |
| 34 | MGP / Superfund | - | - | - | - | - | - | 2,033 | 2,033 | 34 |
| 35 | Other (Fossil) | 1,956 | 58 | 497 | 1,829 | - | - | - | 4,340 | 35 |
| 36 | Outside Legal Services | - | - | - | - | - | - | 54 | 54 | 36 |
| 37 | Plant Component Upgrade | (9) | 146 | - | - | - | - | - | 137 | 37 |
| 38 | Rate Case Acctg.- Water Treatment Deferral | (1,998) | - | - | - | - | - | - | (1,998) | 38 |
| 39 | Postage | - | - | - | - | 1 | 4 | 9 | 14 | 39 |
| 40 | Preventive Maintenance | 37 | 1,602 | - | 12 | - | - | - | 1,651 | 40 |
| 41 | Rate Case Acctg. - Interference | - | - | - | (1,166) | - | - | - | (1,166) | 41 |
| 42 | Rate Case Acctg. - Pensions/OPEBS | - | - | - | - | - | - | (10,929) | (10,929) | 42 |
| 43 | Ravenswood | 5,095 | 482 | - | - | - | - | - | 5,577 | 43 |
| 44 | Real Estate Expenses | - | - | - | - | - | - | 153 | 153 | 44 |
| 45 | Regulatory Commission Expenses | - | - | - | - | - | - | 2,440 | 2,440 | 45 |
| 46 | Rents | 117 | - | 52 | - | - | - | 26 | 195 | 46 |
| 47 | Rents - Interdepartmental | 2,219 | - | 315 | - | - | - | 11,875 | 14,409 | 47 |
| 48 | Research and Development | 106 | - | 598 | - | - | - | 147 | 851 | 48 |
| 49 | Steam Incident Action Plan | - | - | 1,264 | 247 | - | - | - | 1,511 | 49 |
| 50 | Scheduled Overhauls | - | - | - | - | - | - | - | - | 50 |
| 51 | Security | 969 | - | 23 | - | - | - | 33 | 1,025 | 51 |
| 52 | Sewer Charges | 584 | - | - | - | - | - | - | 584 | 52 |
| 53 | Shared Services | - | - | - | - | - | - | (799) | (799) | 53 |
| 54 | Steam Leaks | - | - | - | 1,063 | - | - | - | 1,063 | 54 |
| 55 | Steam Transfer Credit | (13) | - | - | - | - | - | - | (13) | 55 |
| 56 | Steam Incident Settlement | - | - | - | 6,889 | - | - | - | 6,889 | 56 |
| 57 | Uncollectible Reserve | - | - | - | - | - | - | - | - | 57 |
| 58 | Water | 10,619 | - | - | - | - | - | - | 10,619 | 58 |
| 59 | Water Chemicals | 7,367 | - | - | - | - | - | - | 7,367 | 59 |
| 60 | Trenching | 1 | - | - | - | - | - | - | 1 | 60 |
| 61 | Water Treatment | 3,861 | - | - | - | - | - | - | 3,861 | 61 |
| 62 | Other | 415 | - | 151 | 867 | 36 | 203 | 1,597 | 3,269 | 62 |
| Total Operation & Maintenance Expenses | | \$ 457,682 | \$ 22,508 | \$ 15,504 | \$ 23,789 | \$ 1,217 | \$ 1,377 | \$ 37,742 | \$ 559,820 | |

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

| LINE NO. | (42) PRODUCTION | | (46) DISTRIBUTION | | (47) CUSTOMER | | (48) | (49) ADMIN AND GENERAL | TOTAL | LINE NO. |
|--|---|-------------|-------------------|-------------|---------------|----------|----------|------------------------|------------|----------|
| | OPERATION | MAINTENANCE | OPERATION | MAINTENANCE | ACCOUNTING | SERVICE | | | | |
| 1 | Fuel | \$ 330,619 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 330,619 | 1 |
| 2 | Other Fuel Charges | 4,358 | - | - | - | - | - | - | 4,358 | 2 |
| 3 | A&G Exp Cap | - | - | - | - | - | - | (3,691) | (3,691) | 3 |
| 4 | Asbestos Removal and Abatement | - | 347 | - | 175 | - | - | - | 522 | 4 |
| 5 | Other Compensation | - | - | - | - | - | - | 736 | 736 | 5 |
| 6 | Boiler Cleaning | 1,444 | - | - | - | - | - | - | 1,444 | 6 |
| 7 | Building Service | 1,226 | 10 | 134 | - | 2 | 9 | 427 | 1,809 | 7 |
| 8 | Collection Agency | - | - | - | - | - | - | - | - | 8 |
| 9 | Communication - Telephone | 396 | - | 277 | 1 | 35 | 20 | 96 | 825 | 9 |
| 10 | Company Labor | 26,941 | 12,506 | 10,194 | 4,137 | 1,067 | 1,182 | 7,337 | 63,364 | 10 |
| 11 | Consultants | 35 | - | 33 | 1 | - | 2 | 1,496 | 1,567 | 11 |
| 12 | Contract Labor | 2 | - | 1 | 435 | - | - | 34 | 472 | 12 |
| 13 | Corporate Fiscal Expense | - | - | - | - | - | - | 292 | 292 | 13 |
| 14 | Corrective Maintenance | 1,127 | 5,565 | - | 93 | - | - | - | 6,785 | 14 |
| 15 | Disposal of Obsolete M&S | - | - | - | - | - | - | 3 | 3 | 15 |
| 16 | EDP Equipment Rentals & Maintenance | 22 | - | 36 | 4 | 3 | 23 | 142 | 230 | 16 |
| 17 | Electric and Gas Used | 13,018 | - | - | 10 | - | - | 234 | 13,262 | 17 |
| 18 | Employee Pensions/OPEBs - Net | - | - | - | - | - | - | 22,522 | 22,522 | 18 |
| 19 | Employee Welfare Expense - Net | - | - | - | - | - | - | 6,991 | 6,991 | 19 |
| 20 | Environmental Affairs | 725 | - | 243 | 43 | - | - | 11 | 1,022 | 20 |
| 21 | Environmental Programs | 1,516 | - | 42 | - | - | - | - | 1,558 | 21 |
| 22 | Executive Incentive Plan | - | - | - | - | - | - | - | - | 22 |
| 23 | Facilities Maintenance | - | 2,031 | - | - | - | - | - | 2,031 | 23 |
| 24 | Financial Services | - | - | - | - | - | - | 697 | 697 | 24 |
| 25 | Information Resources | 1,277 | - | 398 | - | - | - | 1,101 | 2,776 | 25 |
| 26 | Injuries and Damages | - | - | - | - | - | - | 1,850 | 1,850 | 26 |
| 27 | Institutional Dues and Subscriptions | - | - | - | - | - | - | 58 | 58 | 27 |
| 28 | Insurance Premiums | - | - | - | - | - | - | 3,299 | 3,299 | 28 |
| 29 | Interference | - | - | 51 | 7,349 | - | - | - | 7,400 | 29 |
| 30 | Major Maintenance Projects | - | - | - | - | - | - | - | - | 30 |
| 31 | Manhole Program | - | - | - | - | - | - | - | - | 31 |
| 32 | Manhour Expense | 151 | 512 | 1,521 | 1,343 | 136 | 1 | (3) | 3,661 | 32 |
| 33 | Materials and Supplies | 839 | 171 | 336 | 1,131 | - | - | (27) | 2,451 | 33 |
| 34 | MGP / Superfund | (2,033) | - | - | - | - | - | 2,033 | - | 34 |
| 35 | Other (Fossil) | 2,019 | 60 | 513 | 1,888 | - | - | - | 4,479 | 35 |
| 36 | Outside Legal Services | - | - | - | - | - | - | 56 | 56 | 36 |
| 37 | Plant Component Upgrade | (9) | 151 | - | - | - | - | - | 141 | 37 |
| 38 | Rate Case Acctg. - Water Treatment Deferral | 635 | - | - | - | - | - | - | 635 | 38 |
| 39 | Postage | - | - | - | - | 1 | 4 | 9 | 14 | 39 |
| 40 | Preventive Maintenance | 38 | 1,653 | - | 12 | - | - | - | 1,704 | 40 |
| 41 | Rate Case Acctg. - Interference | - | - | - | - | - | - | - | - | 41 |
| 42 | Rate Case Acctg. - Pensions/OPEBS | - | - | - | - | - | - | - | - | 42 |
| 43 | Ravenswood | 5,259 | 497 | - | - | - | - | - | 5,756 | 43 |
| 44 | Real Estate Expenses | - | - | - | - | - | - | 158 | 158 | 44 |
| 45 | Regulatory Commission Expenses | - | - | - | - | - | - | 1,810 | 1,810 | 45 |
| 46 | Rents | 121 | - | 54 | - | - | - | 27 | 201 | 46 |
| 47 | Rents - Interdepartmental | 2,276 | - | 319 | - | - | - | 12,520 | 15,115 | 47 |
| 48 | Research and Development | 109 | - | 559 | - | - | - | 152 | 821 | 48 |
| 49 | Steam Incident Action Plan | - | - | 1,305 | 255 | - | - | - | 1,560 | 49 |
| 50 | Scheduled Overhauls | - | - | - | - | - | - | - | - | 50 |
| 51 | Security | 1,000 | - | 24 | - | - | - | 34 | 1,058 | 51 |
| 52 | Sewer Charges | 605 | - | - | - | - | - | - | 605 | 52 |
| 53 | Shared Services | - | - | - | - | - | - | (825) | (825) | 53 |
| 54 | Steam Leaks | - | - | - | 1,097 | - | - | - | 1,097 | 54 |
| 55 | Steam Transfer Credit | (13) | - | - | - | - | - | - | (13) | 55 |
| 56 | Steam Incident Settlement | - | - | - | - | - | - | - | - | 56 |
| 57 | Uncollectible Reserve | 1,000 | - | - | - | - | - | - | 1,000 | 57 |
| 58 | Water | 9,941 | - | - | - | - | - | - | 9,941 | 58 |
| 59 | Water Chemicals | 6,908 | - | - | - | - | - | - | 6,908 | 59 |
| 60 | Trenching | 1 | - | - | - | - | - | - | 1 | 60 |
| 61 | Water Treatment | 3,861 | - | - | - | - | - | - | 3,861 | 61 |
| 62 | Other | 428 | - | 156 | 895 | 37 | 210 | 1,722 | 3,448 | 62 |
| Total Operation & Maintenance Expenses | | \$ 415,841 | \$ 23,505 | \$ 16,196 | \$ 18,869 | \$ 1,282 | \$ 1,450 | \$ 61,301 | \$ 538,444 | |

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

| LINE NO. | (42) PRODUCTION | | (46) DISTRIBUTION | | (47) CUSTOMER | | (48) | (49) | TOTAL | LINE NO. |
|--|--|-------------|-------------------|-------------|---------------|---------|-------------------|-----------|-------------|----------|
| | OPERATION | MAINTENANCE | OPERATION | MAINTENANCE | ACCOUNTING | SERVICE | ADMIN AND GENERAL | | | |
| 1 | Fuel | \$ (48,182) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (48,182) | 1 |
| 2 | Other Fuel Charges | 117 | - | - | - | - | - | - | 117 | 2 |
| 3 | A&G Exp Cap | - | - | - | - | - | - | (1,513) | (1,513) | 3 |
| 4 | Asbestos Removal and Abatement | - | 11 | - | 5 | - | - | - | 16 | 4 |
| 5 | Other Compensation | - | - | - | - | - | - | - | - | 5 |
| 6 | Boiler Cleaning | 45 | - | - | - | - | - | - | 45 | 6 |
| 7 | Building Service | 38 | 0 | 4 | - | 0 | 0 | 706 | 749 | 7 |
| 8 | Collection Agency | - | - | - | - | - | - | - | - | 8 |
| 9 | Communication - Telephone | 12 | - | 9 | 0 | 1 | 1 | 3 | 26 | 9 |
| 10 | Company Labor | 3,595 | 654 | 563 | 216 | 58 | 65 | 498 | 5,649 | 10 |
| 11 | Consultants | 23 | - | 7 | 0 | - | 0 | 54 | 84 | 11 |
| 12 | Contract Labor | 0 | - | 0 | 14 | - | - | 1 | 15 | 12 |
| 13 | Corporate Fiscal Expense | - | - | - | - | - | - | 9 | 9 | 13 |
| 14 | Corrective Maintenance | 35 | 173 | - | 3 | - | - | - | 211 | 14 |
| 15 | Disposal of Obsolete M&S | - | - | - | - | - | - | 0 | 0 | 15 |
| 16 | EDP Equipment Rentals & Maintenance | 1 | - | 1 | 0 | 0 | 1 | 4 | 7 | 16 |
| 17 | Electric and Gas Used | 1,515 | - | - | - | - | - | - | 1,515 | 17 |
| 18 | Employee Pensions/OPEBs - Net | - | - | - | - | - | - | 12,333 | 12,333 | 18 |
| 19 | Employee Welfare Expense - Net | - | - | - | - | - | - | 985 | 985 | 19 |
| 20 | Environmental Affairs | 23 | - | 8 | 1 | - | - | 0 | 32 | 20 |
| 21 | Environmental Programs | 47 | - | 1 | - | - | - | - | 48 | 21 |
| 22 | Executive Incentive Plan | - | - | - | - | - | - | (386) | (386) | 22 |
| 23 | Facilities Maintenance | - | 63 | - | - | - | - | - | 63 | 23 |
| 24 | Financial Services | - | - | - | - | - | - | 264 | 264 | 24 |
| 25 | Information Resources | 40 | - | 12 | - | - | - | 176 | 228 | 25 |
| 26 | Injuries and Damages | - | - | - | - | - | - | (1,113) | (1,113) | 26 |
| 27 | Institutional Dues and Subscriptions | - | - | - | - | - | - | 2 | 2 | 27 |
| 28 | Insurance Premiums | - | - | - | - | - | - | 479 | 479 | 28 |
| 29 | Interference | - | - | - | 358 | - | - | - | 358 | 29 |
| 30 | Major Maintenance Projects | - | - | - | - | - | - | - | - | 30 |
| 31 | Manhole Program | - | - | - | - | - | - | - | - | 31 |
| 32 | Manhour Expense | 5 | 16 | 47 | 42 | 4 | 0 | (0) | 114 | 32 |
| 33 | Materials and Supplies | 26 | 5 | 10 | 35 | - | - | (1) | 76 | 33 |
| 34 | MGP / Superfund | (2,033) | - | - | - | - | - | - | (2,033) | 34 |
| 35 | Other (Fossil) | 63 | 2 | 16 | 59 | - | - | - | 139 | 35 |
| 36 | Outside Legal Services | - | - | - | - | - | - | 2 | 2 | 36 |
| 37 | Plant Component Upgrade | (0) | 5 | - | - | - | - | - | 4 | 37 |
| 38 | Rate Case Acctg.- Water Treatment Deferral | 2,633 | - | - | - | - | - | - | 2,633 | 38 |
| 39 | Postage | - | - | - | - | 0 | 0 | 0 | 0 | 39 |
| 40 | Preventive Maintenance | 1 | 51 | - | 0 | - | - | - | 53 | 40 |
| 41 | Rate Case Acctg. - Interference | - | - | - | 1,166 | - | - | - | 1,166 | 41 |
| 42 | Rate Case Acctg. - Pensions/OPEBS | - | - | - | - | - | - | 10,929 | 10,929 | 42 |
| 43 | Ravenswood | 164 | 15 | - | - | - | - | - | 179 | 43 |
| 44 | Real Estate Expenses | - | - | - | - | - | - | 5 | 5 | 44 |
| 45 | Regulatory Commission Expenses | - | - | - | - | - | - | (630) | (630) | 45 |
| 46 | Rents | 4 | - | 2 | - | - | - | 1 | 6 | 46 |
| 47 | Rents - Interdepartmental | 57 | - | 4 | - | - | - | 645 | 706 | 47 |
| 48 | Research and Development | 3 | - | (39) | - | - | - | 5 | (30) | 48 |
| 49 | Steam Incident Action Plan | - | - | 41 | 8 | - | - | - | 49 | 49 |
| 50 | Scheduled Overhauls | - | - | - | - | - | - | - | - | 50 |
| 51 | Security | 31 | - | 1 | - | - | - | 1 | 33 | 51 |
| 52 | Sewer Charges | 21 | - | - | - | - | - | - | 21 | 52 |
| 53 | Shared Services | - | - | - | - | - | - | (26) | (26) | 53 |
| 54 | Steam Leaks | - | - | - | 34 | - | - | - | 34 | 54 |
| 55 | Steam Transfer Credit | (0) | - | - | - | - | - | - | (0) | 55 |
| 56 | Steam Incident Settlement | - | - | - | (6,889) | - | - | - | (6,889) | 56 |
| 57 | Uncollectible Reserve | 1,000 | - | - | - | - | - | - | 1,000 | 57 |
| 58 | Water | (678) | - | - | - | - | - | - | (678) | 58 |
| 59 | Water Chemicals | (459) | - | - | - | - | - | - | (459) | 59 |
| 60 | Trenching | - | - | - | - | - | - | - | - | 60 |
| 61 | Water Treatment | - | - | - | - | - | - | - | - | 61 |
| 62 | Other | 13 | - | 5 | 28 | 1 | 7 | 125 | 179 | 62 |
| Total Operation & Maintenance Expenses | | \$ (41,841) | \$ 996 | \$ 692 | \$ (4,920) | \$ 65 | \$ 73 | \$ 23,559 | \$ (21,376) | |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED JUNE 30, 2009 ACTUAL - STEAM COST ELEMENTS
 PRODUCTION OPERATIONS - (42)
 (Thousands of Dollars)

| LINE NO. | ACCRUED WAGES (285.07) | OPER. SUPERV. & ENG. (701) | BOILER LABOR (702.10) | POWER EQUIP. LABOR (702.20) | MISC. STATION LABOR (702.30) | FUEL (703) | WATER (704) | LUBRICANTS (705.10) | STATION SUPPLIES & EXP. (705.20) | RENTS (710) | STEAM FROM OTHER SOURCES (711) | STEAM TRANSFERRED - CREDIT (712) | TOTAL | LINE NO. |
|--|------------------------|----------------------------|-----------------------|-----------------------------|------------------------------|------------|-------------|---------------------|----------------------------------|-------------|--------------------------------|----------------------------------|------------|----------|
| 1 | | | | | | 302,837 | | | | | 75,964 | | \$ 378,801 | 1 |
| 2 | | | | | | 4,241 | | | | | | | 4,241 | 2 |
| 3 | | | | | | | | | | | | | - | 3 |
| 4 | | | | | | | | | | | | | - | 4 |
| 5 | | | | | | | | | | | | | - | 5 |
| 6 | | | | | | | | | 1,399 | | | | 1,399 | 6 |
| 7 | | | 126 | | | | | | 1,062 | | | | 1,188 | 7 |
| 8 | | | | | | | | | | | | | - | 8 |
| 9 | | | 29 | | 1 | | | | 354 | | | | 384 | 9 |
| 10 | 58 | 6,783 | 11,442 | | 296 | | 797 | | 3,970 | | | | 23,346 | 10 |
| 11 | | 8 | | | | | | | 4 | | | | 12 | 11 |
| 12 | | | | | | | | | 2 | | | | 2 | 12 |
| 13 | | | | | | | | | | | | | - | 13 |
| 14 | | | | | | | | | 1,092 | | | | 1,092 | 14 |
| 15 | | | | | | | | | | | | | - | 15 |
| 16 | | | | | | | | | | | | | - | 16 |
| 17 | | | 2 | | | | | | 19 | | | | 21 | 17 |
| 18 | | | | | | | | | 11,503 | | | | 11,503 | 18 |
| 19 | | | | | | | | | | | | | - | 19 |
| 20 | | | | | | | | | | | | | - | 20 |
| 21 | | | 691 | | | | 6 | | 5 | | | | 702 | 21 |
| 22 | | | 639 | | | | | | 830 | | | | 1,469 | 22 |
| 23 | | | | | | | | | | | | | - | 23 |
| 24 | | | | | | | | | | | | | - | 24 |
| 25 | | | | | | | | | | | | | - | 25 |
| 26 | | | | | | | | | 1,237 | | | | 1,237 | 26 |
| 27 | | | | | | | | | | | | | - | 27 |
| 28 | | | | | | | | | | | | | - | 28 |
| 29 | | | | | | | | | | | | | - | 29 |
| 30 | | | | | | | | | | | | | - | 30 |
| 31 | | | | | | | | | | | | | - | 31 |
| 32 | | | | | | | | | | | | | - | 32 |
| 33 | | | (10) | 12 | 1 | | 7 | | 136 | | | | 146 | 33 |
| 34 | | | 20 | | | | 434 | 1 | 358 | | | | 813 | 34 |
| 35 | | | | | | | | | | | | | - | 35 |
| 36 | | | (46) | 17 | | | (61) | 35 | 2,011 | | | | 1,956 | 36 |
| 37 | | | | | | | | | | | | | - | 37 |
| 38 | | | | | | | | | (9) | | | | (9) | 38 |
| 39 | | | | | | | (1,998) | | | | | | (1,998) | 39 |
| 40 | | | | | | | | | | | | | - | 40 |
| 41 | | | | | | | | | 37 | | | | 37 | 41 |
| 42 | | | | | | | | | | | | | - | 42 |
| 43 | | | | | | | | | | | | | - | 43 |
| 44 | | | | | | | | | 5,095 | | | | 5,095 | 44 |
| 45 | | | | | | | | | | | | | - | 45 |
| 46 | | | | | | | | | | | | | - | 46 |
| 47 | | | | | | | | | | | | | 117 | 47 |
| 48 | | | | | | | | | | 2,219 | | | 2,219 | 48 |
| 49 | | | | | | | | | 106 | | | | 106 | 49 |
| 50 | | | | | | | | | | | | | - | 50 |
| 51 | | | | | | | | | | | | | - | 51 |
| 52 | | | | | | | | | 969 | | | | 969 | 52 |
| 53 | | | | | | | 584 | | | | | | 584 | 53 |
| 54 | | | | | | | | | | | | | - | 54 |
| 55 | | | | | | | | | | | | | - | 55 |
| 56 | | | | | | | | | | | | (13) | (13) | 56 |
| 57 | | | | | | | | | | | | | - | 57 |
| 58 | | | | | | | | | | | | | - | 58 |
| 59 | | | | | | | 10,272 | | 347 | | | | 10,619 | 59 |
| 60 | | | | | | | 7,341 | | 26 | | | | 7,367 | 60 |
| 61 | | | | | | | | | 1 | | | | 1 | 61 |
| 62 | | | | | | | 3,861 | | | | | | 3,861 | 62 |
| 63 | | | 92 | | | | 189 | | 134 | | | | 415 | 63 |
| Total Operation & Maintenance Expenses | | | | | | | | | | | | | | |
| | \$ 58 | \$ 8,334 | \$ 11,471 | \$ - | \$ 298 | \$ 307,078 | \$ 21,432 | \$ 36 | \$ 30,688 | \$ 2,336 | \$ 75,964 | \$ (13) | \$ 457,682 | |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED JUNE 30, 2009 ACTUAL - STEAM COST ELEMENTS
 PRODUCTION MAINTENANCE - (52)

(Thousands of Dollars)

| LINE NO. | ACCRUED WAGES (298.07) | MTCE SUPERV & ENG. (706) | MTCE OF STRUCTURES (707) | MTCE OF FUEL STORAGE & WEIGHING EQUIP. (708.10) | MTCE OF FURNACES & BOILERS (708.20) | MTCE OF BOILER APPARATUS (708.30) | MTCE OF STEAM PIPING & ACCES. (708.40) | MTCE OF ACCES. POWER EQUIP. (709.10) | MTCE OF MISC. STATION EQUIP. (709.20) | TOTAL | LINE NO. |
|---|------------------------|--------------------------|--------------------------|---|-------------------------------------|-----------------------------------|--|--------------------------------------|---------------------------------------|------------------|----------|
| 1 Fuel | \$ | | | | | | | | | \$ - | 1 |
| 2 Other Fuel Charges | | | | | | | | | | - | 2 |
| 3 A&G Exp Cap | | | | | | | | | | - | 3 |
| 4 Asbestos Removal and Abatement | | | 40 | | 104 | 192 | | | | 336 | 4 |
| 5 Other Copmensation | | | | | | | | | | - | 5 |
| 6 Boiler Cleaning | | | | | | | | | | - | 6 |
| 7 Building Service | | 10 | | | | | | | | 10 | 7 |
| 8 Collection Agency | | | | | | | | | | - | 8 |
| 9 Communication - Telephone | | | | | | | | | | - | 9 |
| 10 Company Labor | 25 | 5,832 | 1,506 | 6 | 1,612 | 2,521 | | 350 | | 11,852 | 10 |
| 11 Consultants | | | | | | | | | | - | 11 |
| 12 Contract Labor | | | | | | | | | | - | 12 |
| 13 Corporate Fiscal Expense | | | | | | | | | | - | 13 |
| 14 Corrective Maintenance | | | 187 | | 1,967 | 3,034 | | | 204 | 5,392 | 14 |
| 15 Disposal of Obsolete M&S | | | | | | | | | | - | 15 |
| 16 East River Repowering Project (ERRP) | | | | | | | | | | - | 16 |
| 17 EDP Equipment Rentals & Maintenance | | | | | | | | | | - | 17 |
| 18 Electric and Gas Used | | | | | | | | | | - | 18 |
| 19 Employee Pensions/OPEBS - Net | | | | | | | | | | - | 19 |
| 20 Employee Welfare Expense - Net | | | | | | | | | | - | 20 |
| 21 Environmental Affairs | | | | | | | | | | - | 21 |
| 22 Environmental Programs | | | | | | | | | | - | 22 |
| 23 Executive Incentive Plan | | | | | | | | | | - | 23 |
| 24 Facilities Maintenance | | | 1,933 | | 40 | | | | -5 | 1,968 | 24 |
| 25 Financial Services | | | | | | | | | | - | 25 |
| 26 Information Resources | | | | | | | | | | - | 26 |
| 27 Injuries and Damages | | | | | | | | | | - | 27 |
| 28 Institutional Dues and Subscriptions | | | | | | | | | | - | 28 |
| 29 Insurance Premiums | | | | | | | | | | - | 29 |
| 30 Interference | | | | | | | | | | - | 30 |
| 31 Major Maintenance Projects | | | | | | | | | | - | 31 |
| 32 Manhole Program | | | | | | | | | | - | 32 |
| 33 Manhour Expense | | 7 | 170 | 1 | 88 | 210 | | 20 | | 496 | 33 |
| 34 Materials and Supplies | | 2 | 113 | | 27 | 55 | | (31) | | 166 | 34 |
| 35 MGP / Superfund | | | | | | | | | | - | 35 |
| 36 Other (Fossil) | | 58 | | | | | | | | 58 | 36 |
| 37 Outside Legal Services | | | | | | | | | | - | 37 |
| 38 Plant Component Upgrade | | | | | 18 | 103 | | 25 | | 146 | 38 |
| 39 Rate Case Acctg.- Water Treatment Deferral | | | | | | | | | | - | 39 |
| 40 Postage | | | | | | | | | | - | 40 |
| 41 Preventive Maintenance | | | | | 674 | 768 | (22) | (10) | 192 | 1,602 | 41 |
| 42 Rate Case Acctg. - Interference | | | | | | | | | | - | 42 |
| 43 Rate Case Acctg. - Pensions/OPEBS | | | | | | | | | | - | 43 |
| 44 Ravenswood | | | | | 482 | | | | | 482 | 44 |
| 45 Real Estate Expenses | | | | | | | | | | - | 45 |
| 46 Regulatory Commission Expenses | | | | | | | | | | - | 46 |
| 47 Rents | | | | | | | | | | - | 47 |
| 48 Rents - Interdepartmental | | | | | | | | | | - | 48 |
| 49 Research and Development | | | | | | | | | | - | 49 |
| 50 Steam Incident Action Plan | | | | | | | | | | - | 50 |
| 51 Scheduled Overhauls | | | | | | | | | | - | 51 |
| 52 Security | | | | | | | | | | - | 52 |
| 53 Sewer Charges | | | | | | | | | | - | 53 |
| 54 Shared Services | | | | | | | | | | - | 54 |
| 55 Steam Leaks | | | | | | | | | | - | 55 |
| 56 Steam Transfer Credit | | | | | | | | | | - | 56 |
| 57 Steam Incident Settlement | | | | | | | | | | - | 57 |
| 58 Uncollectible Reserve | | | | | | | | | | - | 58 |
| 59 Water | | | | | | | | | | - | 59 |
| 60 Water Chemicals | | | | | | | | | | - | 60 |
| 61 Trenching | | | | | | | | | | - | 61 |
| 62 Water Treatment | | | | | | | | | | - | 62 |
| 63 Other | | | | | | | | | | - | 63 |
| Total Operation & Maintenance Expenses | \$ 25 | \$ 5,909 | \$ 3,949 | \$ 7 | \$ 5,012 | \$ 6,883 | \$ (22) | \$ (10) | \$ 755 | \$ 22,508 | |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED JUNE 30, 2009 ACTUAL - STEAM COST ELEMENTS
 DISTRIBUTION OPERATIONS - (46)

| LINE NO. | (Thousands of Dollars) | | | | | | RENTS (776) | TOTAL | LINE NO. |
|--|------------------------|--------------------|-----------------------------|--|----------------------------------|--------|-------------|-----------|----------|
| | ACCRUED WAGES (369.07) | OPER. & ENG. (756) | OPER. OF DISTR. LINES (761) | REMOVE & RESET METERS & ACCES. EQUIP. (762.10) | SERV. ON CUSTOMER PREM. (762.20) | | | | |
| 1 | | | | | | | \$ - | 1 | |
| 2 | | | | | | | - | 2 | |
| 3 | | | | | | | - | 3 | |
| 4 | | | | | | | - | 4 | |
| 5 | | | | | | | - | 5 | |
| 6 | | | | | | | - | 6 | |
| 7 | | | 130 | | | | 130 | 7 | |
| 8 | | | | | | | - | 8 | |
| 9 | | | 266 | 2 | | | 268 | 9 | |
| 10 | 25 | 3,544 | 5,135 | 343 | 584 | | 9,631 | 10 | |
| 11 | | | 26 | | | | 26 | 11 | |
| 12 | | | 1 | | | | 1 | 12 | |
| 13 | | | | | | | - | 13 | |
| 14 | | | | | | | - | 14 | |
| 15 | | | | | | | - | 15 | |
| 16 | | | | | | | - | 16 | |
| 17 | | | 35 | | | | 35 | 17 | |
| 18 | | | | | | | - | 18 | |
| 19 | | | | | | | - | 19 | |
| 20 | | | | | | | - | 20 | |
| 21 | | | 235 | | | | 235 | 21 | |
| 22 | | | 41 | | | | 41 | 22 | |
| 23 | | | | | | | - | 23 | |
| 24 | | | | | | | - | 24 | |
| 25 | | | | | | | - | 25 | |
| 26 | | | | 386 | | | 386 | 26 | |
| 27 | | | | | | | - | 27 | |
| 28 | | | | | | | - | 28 | |
| 29 | | | | | | | - | 29 | |
| 30 | | | | 51 | | | 51 | 30 | |
| 31 | | | | | | | - | 31 | |
| 32 | | | | | | | - | 32 | |
| 33 | | | 17 | 1,209 | 88 | 160 | 1,474 | 33 | |
| 34 | | | 12 | 33 | 280 | 1 | 326 | 34 | |
| 35 | | | | | | | - | 35 | |
| 36 | | | 45 | 242 | 228 | (18) | 497 | 36 | |
| 37 | | | | | | | - | 37 | |
| 38 | | | | | | | - | 38 | |
| 39 | | | | | | | - | 39 | |
| 40 | | | | | | | - | 40 | |
| 41 | | | | | | | - | 41 | |
| 42 | | | | | | | - | 42 | |
| 43 | | | | | | | - | 43 | |
| 44 | | | | | | | - | 44 | |
| 45 | | | | | | | - | 45 | |
| 46 | | | | | | | - | 46 | |
| 47 | | | | | | | 52 | 47 | |
| 48 | | | | | | | 315 | 48 | |
| 49 | | | | 598 | | | 598 | 49 | |
| 50 | | | | 1,264 | | | 1,264 | 50 | |
| 51 | | | | | | | - | 51 | |
| 52 | | | 23 | | | | 23 | 52 | |
| 53 | | | | | | | - | 53 | |
| 54 | | | | | | | - | 54 | |
| 55 | | | | | | | - | 55 | |
| 56 | | | | | | | - | 56 | |
| 57 | | | | | | | - | 57 | |
| 58 | | | | | | | - | 58 | |
| 59 | | | | | | | - | 59 | |
| 60 | | | | | | | - | 60 | |
| 61 | | | | | | | - | 61 | |
| 62 | | | | | | | - | 62 | |
| 63 | | | 143 | 8 | | | 151 | 63 | |
| Total Operation & Maintenance Expenses | | \$ 25 | \$ 4,518 | \$ 8,928 | \$ 939 | \$ 727 | \$ 367 | \$ 15,504 | |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 TWELVE MONTHS ENDED JUNE 30, 2009 ACTUAL - STEAM COST ELEMENTS
 DISTRIBUTION MAINTENANCE - (56)
 (Thousands of Dollars)

| LINE NO. | ACCRUED WAGES (375.07) | ACCRUED WAGES (482.07) | ACCRUED WAGES (493.07) | MTCE SUPERV. & ENG. (764) | MTCE OF STRUCTURES (765) | MTCE OF MAINS (769.10) | MTCE OF SERVICES (769.20) | MTCE OF METERS & ACCES. EQUIP. (772) | TOTAL | LINE NO. |
|--|------------------------|------------------------|------------------------|---------------------------|--------------------------|------------------------|---------------------------|--------------------------------------|-----------|----------|
| 1 | | | | | | | | | \$ - | 1 |
| 2 | | | | | | | | | - | 2 |
| 3 | | | | | | | | | - | 3 |
| 4 | | | | | | 170 | | | 170 | 4 |
| 5 | | | | | | | | | - | 5 |
| 6 | | | | | | | | | - | 6 |
| 7 | | | | | | | | | - | 7 |
| 8 | | | | | | | | | - | 8 |
| 9 | | | | 1 | | | | | 1 | 9 |
| 10 | 9 | | | 177 | | 2,811 | 134 | 790 | 3,921 | 10 |
| 11 | | | | | | 1 | | | 1 | 11 |
| 12 | | | | | | 421 | | | 421 | 12 |
| 13 | | | | | | | | | - | 13 |
| 14 | | | | | 1 | 89 | | | 90 | 14 |
| 15 | | | | | | | | | - | 15 |
| 16 | | | | | | | | | - | 16 |
| 17 | | | | | | 4 | | | 4 | 17 |
| 18 | | | | | | 10 | | | 10 | 18 |
| 19 | | | | | | | | | - | 19 |
| 20 | | | | | | | | | - | 20 |
| 21 | | | | | | 42 | | | 42 | 21 |
| 22 | | | | | | | | | - | 22 |
| 23 | | | | | | | | | - | 23 |
| 24 | | | | | | | | | - | 24 |
| 25 | | | | | | | | | - | 25 |
| 26 | | | | | | | | | - | 26 |
| 27 | | | | | | | | | - | 27 |
| 28 | | | | | | | | | - | 28 |
| 29 | | | | | | | | | - | 29 |
| 30 | | | | | | 6,991 | | | 6,991 | 30 |
| 31 | | | | | | | | | - | 31 |
| 32 | | | | | | | | | - | 32 |
| 33 | | | | 1 | | 1,023 | 54 | 223 | 1,301 | 33 |
| 34 | | | | | 2 | 791 | 16 | 287 | 1,096 | 34 |
| 35 | | | | | | | | | - | 35 |
| 36 | | | | 1 | | 1,102 | | 726 | 1,829 | 36 |
| 37 | | | | | | | | | - | 37 |
| 38 | | | | | | | | | - | 38 |
| 39 | | | | | | | | | - | 39 |
| 40 | | | | | | | | | - | 40 |
| 41 | | | | | | 12 | | | 12 | 41 |
| 42 | | | | | | (1,166) | | | (1,166) | 42 |
| 43 | | | | | | | | | - | 43 |
| 44 | | | | | | | | | - | 44 |
| 45 | | | | | | | | | - | 45 |
| 46 | | | | | | | | | - | 46 |
| 47 | | | | | | | | | - | 47 |
| 48 | | | | | | | | | - | 48 |
| 49 | | | | | | | | | - | 49 |
| 50 | | | | | | 247 | | | 247 | 50 |
| 51 | | | | | | | | | - | 51 |
| 52 | | | | | | | | | - | 52 |
| 53 | | | | | | | | | - | 53 |
| 54 | | | | | | | | | - | 54 |
| 55 | | | | | | 663 | 400 | | 1,063 | 55 |
| 56 | | | | | | | | | - | 56 |
| 57 | | | | | | 6,889 | | | 6,889 | 57 |
| 58 | | | | | | | | | - | 58 |
| 59 | | | | | | | | | - | 59 |
| 60 | | | | | | | | | - | 60 |
| 61 | | | | | | | | | - | 61 |
| 62 | | | | | | | | | - | 62 |
| 63 | | | | | | 867 | | | 867 | 63 |
| Total Operation & Maintenance Expenses | \$ 9 | \$ - | \$ - | \$ 180 | \$ 3 | \$ 20,967 | \$ 604 | \$ 2,026 | \$ 23,789 | |

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

| LINE NO. | ACCRUED WAGES (383.07) | SUPERV. (901) | METER READING EXP. (902) | CUSTOMER RECORDS & COLLECT. EXP. (903) | UNCOLLECTIBLE ACCOUNTS (904) | MISC. CUSTOMER ACCTS. EXP. (905) | TOTAL | LINE NO. |
|--|------------------------|---------------|--------------------------|--|------------------------------|----------------------------------|----------|----------|
| 1 | | | | | | | | 1 |
| 2 | | | | | | | | 2 |
| 3 | | | | | | | | 3 |
| 4 | | | | | | | | 4 |
| 5 | | | | | | | | 5 |
| 6 | | | | | | | | 6 |
| 7 | | | | 1 | | 1 | 2 | 7 |
| 8 | | | | | | | | 8 |
| 9 | | | 31 | 2 | | 1 | 34 | 9 |
| 10 | 3 | | 462 | 459 | | 85 | 1,009 | 10 |
| 11 | | | | | | | | 11 |
| 12 | | | | | | | | 12 |
| 13 | | | | | | | | 13 |
| 14 | | | | | | | | 14 |
| 15 | | | | | | | | 15 |
| 16 | | | | | | | | 16 |
| 17 | | | | | | 3 | 3 | 17 |
| 18 | | | | | | | | 18 |
| 19 | | | | | | | | 19 |
| 20 | | | | | | | | 20 |
| 21 | | | | | | | | 21 |
| 22 | | | | | | | | 22 |
| 23 | | | | | | | | 23 |
| 24 | | | | | | | | 24 |
| 25 | | | | | | | | 25 |
| 26 | | | | | | | | 26 |
| 27 | | | | | | | | 27 |
| 28 | | | | | | | | 28 |
| 29 | | | | | | | | 29 |
| 30 | | | | | | | | 30 |
| 31 | | | | | | | | 31 |
| 32 | | | | | | | | 32 |
| 33 | | | 132 | | | | 132 | 33 |
| 34 | | | | | | | | 34 |
| 35 | | | | | | | | 35 |
| 36 | | | | | | | | 36 |
| 37 | | | | | | | | 37 |
| 38 | | | | | | | | 38 |
| 39 | | | | | | | | 39 |
| 40 | | | | | | 1 | 1 | 40 |
| 41 | | | | | | | | 41 |
| 42 | | | | | | | | 42 |
| 43 | | | | | | | | 43 |
| 44 | | | | | | | | 44 |
| 45 | | | | | | | | 45 |
| 46 | | | | | | | | 46 |
| 47 | | | | | | | | 47 |
| 48 | | | | | | | | 48 |
| 49 | | | | | | | | 49 |
| 50 | | | | | | | | 50 |
| 51 | | | | | | | | 51 |
| 52 | | | | | | | | 52 |
| 53 | | | | | | | | 53 |
| 54 | | | | | | | | 54 |
| 55 | | | | | | | | 55 |
| 56 | | | | | | | | 56 |
| 57 | | | | | | | | 57 |
| 58 | | | | | | | | 58 |
| 59 | | | | | | | | 59 |
| 60 | | | | | | | | 60 |
| 61 | | | | | | | | 61 |
| 62 | | | | | | | | 62 |
| 63 | | | | 18 | | 18 | 36 | 63 |
| Total Operation & Maintenance Expenses | \$ 3 | \$ - | \$ 625 | \$ 480 | \$ - | \$ 109 | \$ 1,217 | |

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

| LINE NO. | ACCRUED WAGES (391.07) | SUPERV. (909) | CUSTOMER ASSISTANCE | INFO. ADV. | MISC. CUSTOMER SERVICE EXP. | DEMO & SELLING EXP. | PROM. ADVERTISING EXP. | MISC. SALES PROMOTION EXP. | TOTAL | LINE NO. |
|---|------------------------|---------------|---------------------|-------------|-----------------------------|---------------------|------------------------|----------------------------|-----------------|----------|
| | | | (910) | (911) | (912) | (916) | (917) | (918) | | |
| 1 | | | | | | | | | \$ - | 1 |
| 2 | | | | | | | | | - | 2 |
| 3 | | | | | | | | | - | 3 |
| 4 | | | | | | | | | - | 4 |
| 5 | | | | | | | | | - | 5 |
| 6 | | | | | | | | | - | 6 |
| 7 | | | 6 | | 3 | | | | 9 | 7 |
| 8 | | | | | | | | | - | 8 |
| 9 | | | 10 | | 9 | | | | 19 | 9 |
| 10 | 3 | | 590 | | 524 | | | | 1,117 | 10 |
| 11 | | | | | 2 | | | | 2 | 11 |
| 12 | | | | | | | | | - | 12 |
| 13 | | | | | | | | | - | 13 |
| 14 | | | | | | | | | - | 14 |
| 15 | | | | | | | | | - | 15 |
| 16 | | | | | | | | | - | 16 |
| 17 | | | 2 | | 20 | | | | 22 | 17 |
| 18 | | | | | | | | | - | 18 |
| 19 | | | | | | | | | - | 19 |
| 20 | | | | | | | | | - | 20 |
| 21 | | | | | | | | | - | 21 |
| 22 | | | | | | | | | - | 22 |
| 23 | | | | | | | | | - | 23 |
| 24 | | | | | | | | | - | 24 |
| 25 | | | | | | | | | - | 25 |
| 26 | | | | | | | | | - | 26 |
| 27 | | | | | | | | | - | 27 |
| 28 | | | | | | | | | - | 28 |
| 29 | | | | | | | | | - | 29 |
| 30 | | | | | | | | | - | 30 |
| 31 | | | | | | | | | - | 31 |
| 32 | | | | | | | | | - | 32 |
| 33 | | | | | 1 | | | | 1 | 33 |
| 34 | | | | | | | | | - | 34 |
| 35 | | | | | | | | | - | 35 |
| 36 | | | | | | | | | - | 36 |
| 37 | | | | | | | | | - | 37 |
| 38 | | | | | | | | | - | 38 |
| 39 | | | | | | | | | - | 39 |
| 40 | | | | | | 4 | | | 4 | 40 |
| 41 | | | | | | | | | - | 41 |
| 42 | | | | | | | | | - | 42 |
| 43 | | | | | | | | | - | 43 |
| 44 | | | | | | | | | - | 44 |
| 45 | | | | | | | | | - | 45 |
| 46 | | | | | | | | | - | 46 |
| 47 | | | | | | | | | - | 47 |
| 48 | | | | | | | | | - | 48 |
| 49 | | | | | | | | | - | 49 |
| 50 | | | | | | | | | - | 50 |
| 51 | | | | | | | | | - | 51 |
| 52 | | | | | | | | | - | 52 |
| 53 | | | | | | | | | - | 53 |
| 54 | | | | | | | | | - | 54 |
| 55 | | | | | | | | | - | 55 |
| 56 | | | | | | | | | - | 56 |
| 57 | | | | | | | | | - | 57 |
| 58 | | | | | | | | | - | 58 |
| 59 | | | | | | | | | - | 59 |
| 60 | | | | | | | | | - | 60 |
| 61 | | | | | | | | | - | 61 |
| 62 | | | | | | | | | - | 62 |
| 63 | | | 90 | | 113 | | | | 203 | 63 |
| Total Operation & Maintenance Expenses | \$ 3 | \$ - | \$ 698 | \$ - | \$ 678 | \$ - | \$ - | \$ - | \$ 1,377 | |

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

| LINE NO. | ADMIN. & GENERAL SALARIES (920) | OFFICE SUPPLIES & EXP. (921) | ADMIN. EXP. TRANSFER CREDIT (922) | OUTSIDE SERVICES EMPLOYED (923) | PROPERTY INSURANCE (924) | INJURIES & DAMAGES (925) | EMPL PENSIONS (926.10) | EMPL WELFARE EXP. (926.20) | REG. COMMIS EXP. (928) | ADV. EXP. (930.10) | MISC. GENERAL EXP. (930.20) | GENERAL RENTS (931.10) | EXP. OF DATA PROCESSING EQUIP. (931.20) | TOTAL | LINE NO. |
|--|---------------------------------|------------------------------|-----------------------------------|---------------------------------|--------------------------|--------------------------|------------------------|----------------------------|------------------------|--------------------|-----------------------------|------------------------|---|-----------|----------|
| 1 | | | | | | | | | | | | | | \$ - | 1 |
| 2 | | | | | | | | | | | | | | - | 2 |
| 3 | | | (2,178) | | | | | | | | | | | (2,178) | 3 |
| 4 | | | | | | | | | | | | | | - | 4 |
| 5 | 736 | | | | | | | | | | | | | 736 | 5 |
| 6 | | | | | | | | | | | | | | - | 6 |
| 7 | | (383) | | 2 | | | | | | | 102 | | | (279) | 7 |
| 8 | | | | | | | | | | | | | | - | 8 |
| 9 | | 90 | | | | 1 | | | | | 2 | | | 93 | 9 |
| 10 | 5,897 | 675 | | | | 135 | | | | | 132 | | | 6,839 | 10 |
| 11 | | 130 | | 366 | | 866 | | | | | 80 | | | 1,442 | 11 |
| 12 | | 33 | | | | | | | | | | | | 33 | 12 |
| 13 | | | | | | | | | | | 283 | | | 283 | 13 |
| 14 | | | | | | | | | | | | | | - | 14 |
| 15 | | 3 | | | | | | | | | | | | 3 | 15 |
| 16 | | | | | | | | | | | | | | - | 16 |
| 17 | | 135 | | | | | | | | | 2 | | | 137 | 17 |
| 18 | | 234 | | | | | | | | | | | | 234 | 18 |
| 19 | | | | | | | 10,189 | | | | | | | 10,189 | 19 |
| 20 | | | (1,743) | | | | | 7,749 | | | | | | 6,006 | 20 |
| 21 | | 10 | | | | | | | | | 1 | | | 11 | 21 |
| 22 | | | | | | | | | | | | | | - | 22 |
| 23 | | | | | | | | | | | 386 | | | 386 | 23 |
| 24 | | | | | | | | | | | | | | - | 24 |
| 25 | | 45 | | | | | | | | | 388 | | | 433 | 25 |
| 26 | 431 | 14 | | | | | | | | | | | 480 | 925 | 26 |
| 27 | | | | | | 2,963 | | | | | | | | 2,963 | 27 |
| 28 | | | | | | | | | | | 56 | | | 56 | 28 |
| 29 | | 4 | | | 1,443 | 1,373 | | | | | | | | 2,820 | 29 |
| 30 | | | | | | | | | | | | | | - | 30 |
| 31 | | | | | | | | | | | | | | - | 31 |
| 32 | | | | | | | | | | | | | | - | 32 |
| 33 | | (4) | | | | | | | | | 1 | | | (3) | 33 |
| 34 | | 6 | | | | | | | | | (32) | | | (26) | 34 |
| 35 | | | | | | 2,033 | | | | | | | | 2,033 | 35 |
| 36 | | | | | | | | | | | | | | - | 36 |
| 37 | | | | 54 | | | | | | | | | | 54 | 37 |
| 38 | | | | | | | | | | | | | | - | 38 |
| 39 | | | | | | | | | | | | | | - | 39 |
| 40 | | 9 | | | | | | | | | | | | 9 | 40 |
| 41 | | | | | | | | | | | | | | - | 41 |
| 42 | | | | | | | | | | | | | | - | 42 |
| 43 | | | | | | | (10,929) | | | | | | | (10,929) | 43 |
| 44 | | | | | | | | | | | | | | - | 44 |
| 45 | | | | | | | | | | | 153 | | | 153 | 45 |
| 46 | | | | | | | | | 2,440 | | | | | 2,440 | 46 |
| 47 | | 23 | | | | | | | | | 3 | | | 26 | 47 |
| 48 | | | | | | | | | | | | 11,875 | | 11,875 | 48 |
| 49 | 117 | 20 | | | | | | | | | 10 | | | 147 | 49 |
| 50 | | | | | | | | | | | | | | - | 50 |
| 51 | | | | | | | | | | | | | | - | 51 |
| 52 | | 31 | | | | 2 | | | | | | | | 33 | 52 |
| 53 | | | | | | | | | | | | | | - | 53 |
| 54 | | | (791) | | | | | | | | (8) | | | (799) | 54 |
| 55 | | | | | | | | | | | | | | - | 55 |
| 56 | | | | | | | | | | | | | | - | 56 |
| 57 | | | | | | | | | | | | | | - | 57 |
| 58 | | | | | | | | | | | | | | - | 58 |
| 59 | | | | | | | | | | | | | | - | 59 |
| 60 | | | | | | | | | | | | | | - | 60 |
| 61 | | | | | | | | | | | | | | - | 61 |
| 62 | | | | | | | | | | | | | | - | 62 |
| 63 | 1 | 1,325 | | | 1 | 82 | | 7 | | 64 | 117 | | | 1,597 | 63 |
| Total Operation & Maintenance Expenses | \$ 7,182 | \$ 2,400 | \$ (4,712) | \$ 422 | \$ 1,444 | \$ 7,455 | \$ (740) | \$ 7,756 | \$ 2,440 | \$ 64 | \$ 1,676 | \$ 11,875 | \$ 480 | \$ 37,742 | |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STEAM COST ELEMENTS
SUMMARY OF ACTIVITIES BY MAG

(Thousands of Dollars)

| <u>LINE NO.</u> | <u>MAG</u> | <u>DESCRIPTION</u> | <u>TWELVE MONTHS ENDED 9/30/2009</u> | <u>NORMALIZING ADJUSTMENTS</u> | <u>PROGRAM CHANGES</u> | <u>LABOR ESCALATION</u> | <u>GENERAL ESCALATION</u> | <u>TWELVE MONTHS ENDING 9/30/2011</u> | <u>LINE NO.</u> |
|-----------------|------------|--------------------------|--------------------------------------|--------------------------------|------------------------|-------------------------|---------------------------|---------------------------------------|-----------------|
| | | PRODUCTION EXPENSE | | | | | | | |
| 1 | 42 | OPERATION | \$457,682 | \$ 2,548 | \$ (45,399) | \$1,472 | \$571 | \$416,874 | 1 |
| 2 | 52 | MAINTENANCE | 22,508 | (29) | 0 | 683 | 342 | 23,505 | 2 |
| | | DISTRIBUTION EXPENSE | | | | | | | |
| 3 | 46 | OPERATION | 15,504 | (28) | (12) | 557 | 175 | 16,196 | 3 |
| 4 | 56 | MAINTENANCE | 23,789 | (5,733) | 358 | 226 | 229 | 18,869 | 4 |
| 5 | 47 | CUSTOMER ACCOUNTING | 1,217 | 0 | 1,000 | 58 | 7 | 2,282 | 5 |
| 6 | 48 | CUSTOMER SERVICE | 1,377 | 0 | 0 | 65 | 8 | 1,450 | 6 |
| 7 | 49 | ADMINISTRATIVE & GENERAL | 37,742 | 8,372 | 11,880 | 401 | 333 | 58,728 | 7 |
| 8 | | TOTAL | \$559,820 | \$5,130 | (\$32,173) | \$3,462 | \$1,665 | \$537,904 | 8 |

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

EXHIBIT (AP-6)
 SCHEDULE 7

| LINE NO. | MAJOR ACCOUNT GROUP | OTHER COMPENSATION | COMPANY LABOR | EMPLOYEE WELFARE EXPENSES | EXECUTIVE INCENTIVE PLAN | MGP SUPER FUND | RATE CASE ACCTG - WATER TREATMENT | RATE CASE ACCTG - INTERF ERENCE | RATE CASE ACCTG - PENSIONS OPEBS | STEAM INCIDENT | TOTAL | LINE NO. |
|----------|-------------------------------|-----------------------|------------------|---------------------------------|--------------------------------|----------------------|---|---|--|-------------------|----------|-------------|
| 1 | PRODUCTION OPERATION (42) | | | | | | 2,613 | | | | 2,613 | 1 |
| 2 | RCA-WATER TREATMENT | | | | | | | | | | (65) | 2 |
| 3 | VARIABLE PAY | | (65) | | | | | | | | | 3 |
| | SUB-TOTAL | | (65) | | | | 2,613 | | | | 2,548 | |
| 4 | PRODUCTION MAINTENANCE (52) | | | | | | | | | | (29) | 4 |
| 5 | VARIABLE PAY | | (29) | | | | | | | | | 5 |
| | SUB-TOTAL | | (29) | | | | | | | | (29) | |
| 6 | DISTRIBUTION OPERATION (46) | | | | | | | | | | (28) | 6 |
| 7 | VARIABLE PAY | | (28) | | | | | | | | | 7 |
| | SUB-TOTAL | | (28) | | | | | | | | (28) | |
| 8 | DISTRIBUTION MAINTENANCE (56) | | | | | | | | | (6,889) | (6,889) | 8 |
| 9 | STEAM INCIDENT | | | | | | | | | | (10) | 9 |
| 10 | VARIABLE PAY | | (10) | | | | | | | | | 10 |
| 11 | INTERFERENCE | | | | | | | 1,166 | | | 1,166 | 11 |
| | SUB-TOTAL | | (10) | | | | | 1,166 | | (6,889) | (5,733) | |
| 12 | ADMINISTRATIVE & GENERAL (49) | | | | | | | | | | (539) | 12 |
| 13 | OTHER COMPENSATION | (539) | | | | | | | | | | 13 |
| 14 | VARIABLE PAY | | (16) | | | | | | | | (16) | 14 |
| 15 | EXECUTIVE INCENTIVE PLAN | | | | (386) | | | | | | (386) | 15 |
| 16 | MGP/SUPERFUND | | | | | (2,033) | | | | | (2,033) | 16 |
| 17 | PENSIONS & OPEBS | | | | | | | 10,929 | | | 10,929 | 17 |
| 18 | EMPLOYEE WELFARE EXPENSE | | | 25 | | | | | | | 25 | 18 |
| 19 | DEFERRED INCOME PLAN | | | 391 | | | | | | | 391 | 19 |
| | SUB-TOTAL | (539) | (16) | 417 | (386) | (2,033) | | | 10,929 | | 8,372 | |
| 20 | TOTAL | \$ (539) | \$ (148) | \$ 417 | \$ (386) | \$ (2,033) | \$ 2,613 | \$ 1,166 | \$ 10,929 | \$ (6,889) | \$ 5,130 | 20 |
| 21 | SUMMARY | | | | | | | | | | | 21 |
| 22 | PRODUCTION OPERATION (42) | \$ - | \$ (65) | \$ - | \$ - | \$ - | \$ 2,613 | \$ - | \$ - | \$ - | \$ 2,548 | 22 |
| 23 | PRODUCTION MAINTENANCE (52) | - | (29) | - | - | - | - | - | - | - | (29) | 23 |
| 24 | DISTRIBUTION OPERATION (46) | - | (28) | - | - | - | - | - | - | - | (28) | 24 |
| 25 | DISTRIBUTION MAINTENANCE (56) | - | (10) | - | - | - | - | 1,166 | - | (6,889) | (5,733) | 25 |
| 26 | CUSTOMER ACCOUNTS (47) | - | - | - | - | - | - | - | - | - | - | 26 |
| 27 | CUSTOMER SERVICE (48) | - | - | - | - | - | - | - | - | - | - | 27 |
| | ADMINISTRATIVE & GENERAL (49) | (539) | (16) | 417 | (386) | (2,033) | | | 10,929 | | 8,372 | |
| 28 | TOTAL | \$ (539) | \$ (148) | \$ 417 | \$ (386) | \$ (2,033) | \$ 2,613 | \$ 1,166 | \$ 10,929 | \$ (6,889) | \$ 5,130 | 28 |

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

| LINE NO. | MAJOR ACCOUNT GROUP | FUEL | OTHER FUEL | A&G EXPENSE CAP. | BUILDING SERVICE | COMPANY LABOR | CONSU LTANTS | CORR. MTCE. | DISPOSAL OF OBSOLETE M&S | ELEC & GAS USED | EMP. PENSIONS | EMP. WELFARE EXPENSES | ENVIRON. | FAC. MTCE. | FIN. SVCS | INFO RESOURCES | INJURIES AND DAMAGES | INSUR. PREM. | INTER. FERENCE | REG. COMM. EXP. | RENTS - INTDPT | R&D | SEWER CHGS. | UNCOLL. ECTIBLE | WATER WATER | CHEM | OTHER | TOTAL | LINE NO. | | | | | | | | |
|----------|--|----------|------------|------------------|------------------|---------------|--------------|-------------|--------------------------|-----------------|---------------|-----------------------|----------|------------|-----------|----------------|----------------------|--------------|----------------|-----------------|----------------|-----|-------------|-----------------|-------------|-------|-------|-------|----------|----------|----------|-------|----|---------|--------|----|----|
| 1 | PRODUCTION OPERATION (42) | | | | | 50 | 22 | | | | | | | | | | | | | | | | | | | | | | 81 | 1 | | | | | | | |
| 2 | ENVIRONMENTAL PROGRAMS | | | | | | | | | 1,515 | | | | | | | | | | | | 57 | | | | | | | 1,515 | 2 | | | | | | | |
| 3 | ELECTRICITY & GAS USED | | | | | | | | | | | | | | | | | | | | | | | | | | | | 57 | 3 | | | | | | | |
| 4 | INTERDEPARTMENTAL RENTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | (678) | 4 | | | | | | | |
| 5 | WATER | | | | | | | | | | | | | | | | | | | | | | | | | | | | (450) | 5 | | | | | | | |
| 6 | WATER CHEMICALS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | (450) | 6 | | | | | | |
| 7 | FUEL | (48,182) | | | | | | | | | | | | | | | | | | | | | | | | | | | | (48,182) | 7 | | | | | | |
| 8 | OTHER FUEL CHARGES | | 117 | | | 2,120 | | | | | | | | | | | | | | | | | | | | | | | | 2,246 | 8 | | | | | | |
| 9 | SEWER CHARGES | | | | | | | | | | | | | | | | | | | | | | | 21 | | | | | | 21 | 9 | | | | | | |
| 9 | SUB-TOTAL | (48,182) | 117 | | | 2,188 | 22 | | | 1,515 | | | | | | | | | | | | 57 | | 21 | | (678) | (450) | | (45,399) | 9 | | | | | | | |
| 10 | PRODUCTION MAINTENANCE (52) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 10 | | | | | |
| 11 | SUB-TOTAL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 11 | | | | | |
| 12 | DISTRIBUTION OPERATION (48) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 12 | | | | |
| 13 | INTERDEPARTMENTAL RENTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 4 | 12 | | | | | |
| 14 | ENVIRONMENTAL PROGRAMS | | | | | 34 | 6 | | | | | | | | | | | | | | | | | | | | | | | | 40 | 13 | | | | | |
| 15 | RESEARCH AND DEVELOPMENT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | (50) | 14 | | | | | |
| 15 | SUB-TOTAL | | | | | 34 | 6 | | | | | | | | | | | | | | | 4 | (50) | | | | | | | | (12) | 15 | | | | | |
| 16 | DISTRIBUTION MAINTENANCE (58) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 16 | | | |
| 17 | INTERFERENCE - EXCLUDING WTC | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 164 | 16 | | | | |
| 18 | INTERFERENCE - WTC (SOUTH OF HOUSTON ST.) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 194 | 17 | | | | | |
| 18 | SUB-TOTAL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 358 | 18 | | | | | |
| 19 | CUSTOMER ACCOUNTS (47) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 19 | | |
| 20 | UNCOLLECTIBLE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1,000 | 19 | | | | |
| 20 | SUB-TOTAL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1,000 | 20 | | | | |
| 21 | CUSTOMER SERVICE (48) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 21 | |
| 22 | SUB-TOTAL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 21 | |
| 22 | ADMINISTRATIVE & GENERAL (49) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 22 | |
| 23 | SECURITY - CENTRAL MONITORING SYSTEM | | | | | | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | 6 | 22 | | |
| 24 | FACILITIES - BETTERMENT PROGRAMS - REGIONS | | | | | 254 | | | | | | | | | | | | | | | | | | | | | | | | | | | | 254 | 23 | | |
| 25 | FACILITIES - BETTERMENT PROGRAMS - IRVING PL | | | | | 430 | | | | | | | | | | | | | | | | | | | | | | | | | | | | 430 | 24 | | |
| 26 | HR - STRIKE CONTINGENCY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 9 | 25 | | |
| 27 | IR - PROGRAMS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 133 | 26 | | |
| 28 | CONSULTANTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 5 | 27 | | |
| 29 | DISPOSAL OF OBSOLETE M&S | | | | | | | | | (1) | | | | | | | | | | | | | | | | | | | | | | | | (1) | 28 | | |
| 30 | AUDITING | | | | | 48 | | | | | | | | | | | | | | | | | | | | | | | | | | | | 5 | 29 | | |
| 31 | FINANCE - SUPPLY CHAIN PROJECT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 6 | 30 | | |
| 32 | LAW - NEW POSITIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 4 | 31 | | |
| 33 | FINANCIAL SERVICES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 284 | 32 | | |
| 34 | EMPLOYEE WELFARE EXPENSES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 568 | 33 | |
| 35 | INTERDEPARTMENTAL RENTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 645 | 34 | |
| 36 | INJURIES & DAMAGES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | (1,171) | 35 | | |
| 37 | INSURANCE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 479 | 36 | | |
| 38 | PENSIONS & OPEBS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 12,333 | 37 | |
| 39 | A&S TRANSFER CREDIT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | (1,513) | 38 | | |
| 40 | REGULATORY COMMISSION EXPENSE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | (686) | 39 | |
| 40 | SUB-TOTAL | | | (1,513) | 693 | 113 | 7 | | (1) | | 12,333 | 568 | | | 284 | 142 | (1,171) | 479 | | | (686) | 645 | | | | | | | | | | | 7 | 11,880 | 40 | | |
| 41 | TOTAL | (48,182) | 117 | (1,513) | 693 | 2,335 | 35 | | (1) | 1,515 | 12,333 | 568 | | | 284 | 142 | (1,171) | 479 | | | (686) | 709 | (50) | 21 | 1,000 | (678) | (450) | | | 7 | (32,173) | 41 | | | | | |
| 42 | SUMMARY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 42 |
| 43 | PRODUCTION OPERATION (42) | (48,182) | 117 | | | 2,188 | 22 | | | 1,515 | | | | | | | | | | | | | | | | | | | | | | | | | | | 43 |
| 44 | PRODUCTION MAINTENANCE (52) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 44 |
| 45 | DISTRIBUTION OPERATION (48) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 45 |
| 46 | DISTRIBUTION MAINTENANCE (58) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 46 |
| 47 | CUSTOMER ACCOUNTS (47) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 47 |
| 48 | CUSTOMER SERVICE (48) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 48 |
| 49 | ADMINISTRATIVE & GENERAL (49) | | | (1,513) | 693 | 113 | 7 | | (1) | | 12,333 | 568 | | | 284 | 142 | (1,171) | 479 | | | (686) | 645 | | | | | | | | | | | | | | | 49 |
| 49 | TOTAL | (48,182) | 117 | (1,513) | 693 | 2,335 | 35 | | (1) | 1,515 | 12,333 | 568 | | | 284 | 142 | (1,171) | 479 | | | (686) | 709 | (50) | 21 | 1,000 | (678) | (450) | | | 7 | (32,173) | 49 | | | | | |

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

| LINE NO. | | BASE | 3.21% ESCALATION RATE | LINE NO. |
|----------|---|------------------|-----------------------|----------|
| 1 | Fuel | \$ (NA) | \$ (NA) | 1 |
| 2 | Other Fuel Charges | (NA) | (NA) | 2 |
| 3 | A&G Exp Cap | (NA) | (NA) | 3 |
| 4 | Asbestos Removal and Abatement | 506 | 16 | 4 |
| 5 | Other Compensation | (NA) | (NA) | 5 |
| 6 | Boiler Cleaning | 1,399 | 45 | 6 |
| 7 | Building Service | 1,753 | 56 | 7 |
| 8 | Communication - Telephone | 799 | 26 | 8 |
| 9 | Company Labor | (NA) | (NA) | 9 |
| 10 | Consultants | 1,518 | 49 | 10 |
| 11 | Contract Labor | 457 | 15 | 11 |
| 12 | Corporate Fiscal Expense | 283 | 9 | 12 |
| 13 | Corrective Maintenance | 6,574 | 211 | 13 |
| 14 | Disposal of Obsolete M&S | 2 | 0 | 14 |
| 15 | EDP Equipment Rentals & Maintenance | 222 | 7 | 15 |
| 16 | Electric and Gas Used | (NA) | (NA) | 16 |
| 17 | Employee Pensions/OPEBs - Net | (NA) | (NA) | 17 |
| 18 | Employee Welfare Expense - Net | (NA) | (NA) | 18 |
| 19 | Environmental Affairs | 990 | 32 | 19 |
| 20 | Environmental Programs | 1,510 | 48 | 20 |
| 21 | Executive Incentive Plan | (NA) | (NA) | 21 |
| 22 | Facilities Maintenance | 1,968 | 63 | 22 |
| 23 | Financial Services | (NA) | (NA) | 23 |
| 24 | Information Resources | 2,690 | 86 | 24 |
| 25 | Injuries and Damages | 1,792 | 58 | 25 |
| 26 | Institutional Dues and Subscriptions | 56 | 2 | 26 |
| 27 | Insurance Premiums | (NA) | (NA) | 27 |
| 28 | Interference | (NA) | (NA) | 28 |
| 29 | Major Maintenance Projects | 0 | 0 | 29 |
| 30 | Manhole Program | 0 | 0 | 30 |
| 31 | Manhour Expense | 3,547 | 114 | 31 |
| 32 | Materials and Supplies | 2,375 | 76 | 32 |
| 33 | MGP / Superfund | (NA) | (NA) | 33 |
| 34 | Other (Fossil) | 4,340 | 139 | 34 |
| 35 | Outside Legal Services | 54 | 2 | 35 |
| 36 | Plant Component Upgrade | 137 | 4 | 36 |
| 37 | Rate Case Acctg. - Water Treatment Deferral | 615 | 20 | 37 |
| 38 | Postage | 14 | 0 | 38 |
| 39 | Preventive Maintenance | 1,651 | 53 | 39 |
| 40 | Rate Case Acctg. - Interference | (NA) | (NA) | 40 |
| 41 | Rate Case Acctg. - Pensions/OPEBS | (NA) | (NA) | 41 |
| 42 | Ravenswood | 5,577 | 179 | 42 |
| 43 | Real Estate Expenses | 153 | 5 | 43 |
| 44 | Regulatory Commission Expenses | 1,754 | 56 | 44 |
| 45 | Rents | 195 | 6 | 45 |
| 46 | Rents - Interdepartmental | (NA) | (NA) | 46 |
| 47 | Research and Development | 795 | 26 | 47 |
| 48 | Steam Incident Action Plan | 1,511 | 49 | 48 |
| 49 | Scheduled Overhauls | 0 | 0 | 49 |
| 50 | Security | 1,025 | 33 | 50 |
| 51 | Sewer Charges | (NA) | (NA) | 51 |
| 52 | Shared Services | (799) | (26) | 52 |
| 53 | Steam Leaks | 1,063 | 34 | 53 |
| 54 | Steam Transfer Credit | (13) | (0) | 54 |
| 55 | Steam Incident Settlement | (NA) | (NA) | 55 |
| 56 | Uncollectible Reserve | (NA) | (NA) | 56 |
| 57 | Water | (NA) | (NA) | 57 |
| 58 | Water Chemicals | (NA) | (NA) | 58 |
| 59 | Trenching | (NA) | (NA) | 59 |
| 60 | Water Treatment | (NA) | (NA) | 60 |
| 61 | Other | 3,276 | 105 | 61 |
| | | <u>\$ 49,789</u> | <u>\$ 1,598</u> | |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF STEAM COST ELEMENTS
WITNESS AND POTENTIAL UPDATE

| <u>Line No.</u> | | <u>Witness</u> | <u>Potential Update</u> |
|-----------------|--------------------------------------|----------------------|-------------------------|
| 1 | Fuel | John Catuogno | Y |
| 2 | Other Fuel Charges | John Catuogno | Y |
| 3 | A&G Exp Cap | (NA) | |
| 4 | Asbestos Removal and Abatement | (NA) | |
| 5 | Boiler Cleaning | (NA) | Y |
| 6 | Building Service | (NA) | |
| 7 | Communication - Telephone | (NA) | |
| 8 | Company Labor | Various | Y |
| 9 | Consultants | (NA) | |
| 10 | Contract Labor | (NA) | |
| 11 | Corporate Fiscal Expense | (NA) | |
| 12 | Corrective Maintenance | (NA) | |
| 13 | Disposal of Obsolete M&S | (NA) | |
| 14 | EDP Equipment Rentals & Maintenance | (NA) | |
| 15 | Electric and Gas Used | (NA) | |
| 16 | Employee Pensions/OPEBs - Net | Accounting Panel | Y |
| 17 | Employee Welfare Expense - Net | Hector J. Reyes | Y |
| 18 | Environment, Health & Safety | (NA) | |
| 19 | Environmental Programs | (NA) | |
| 20 | Executive Incentive Plan | (NA) | |
| 21 | Facilities Maintenance | (NA) | |
| 22 | Financial Services | (NA) | |
| 23 | Information Resources | (NA) | |
| 24 | Injuries and Damages | Accounting Panel | Y |
| 25 | Institutional Dues and Subscriptions | (NA) | |
| 26 | Insurance Premiums | Accounting Panel | Y |
| 27 | Interference | MISP | Y |
| 28 | Manhole Program | (NA) | |
| 29 | Manhour Expense | (NA) | |
| 30 | Materials and Supplies | (NA) | |
| 31 | MGP / Superfund | Randolph S. Price | Y |
| 32 | Other (Fossil) | (NA) | |
| 33 | Outside Legal Services | (NA) | |
| 34 | Plant Component Upgrade | (NA) | |
| 35 | Postage | (NA) | |
| 36 | Preventive Maintenance | (NA) | |
| 37 | Rate Case Acctg. - Interference | (NA) | |
| 38 | Rate Case Acctg. - Pensions/OPEBS | (NA) | |
| 39 | Ravenswood | (NA) | |
| 40 | Real Estate Expenses | (NA) | |
| 41 | Regulatory Commission Expenses | Accounting Panel | Y |
| 42 | Rents | (NA) | |
| 43 | Rents - Interdepartmental | Accounting Panel | Y |
| 44 | Research and Development | Ecock | Y |
| 45 | Scheduled Overhauls | (NA) | |
| 46 | Security | (NA) | |
| 47 | Sewer Charges | (NA) | |
| 48 | Shared Services | Accounting Panel | Y |
| 49 | Steam Leaks | (NA) | |
| 50 | Steam Transfer Credit | (NA) | |
| 51 | Water | (NA) | |
| 52 | Water Chemicals | (NA) | |
| 53 | Trenching | (NA) | |
| 54 | Water Treatment | (N/A) | |
| 55 | Other | (NA) | |
| 56 | Property Taxes | Charles D. Hutcheson | Y |
| 57 | Payroll Taxes | Accounting Panel | Y |
| 58 | Rate Case Amortizations | Accounting Panel | Y |

EXHIBIT __ (AP-7)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ESTIMATED NET PLANT - STEAM

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

| | <u>BOOKCOST OF PLANT</u> | <u>ACCRUED DEPRECIATION</u> | <u>NET PLANT</u> |
|----------------------|------------------------------|---------------------------------|----------------------|
| SEPTEMBER 30, 2010 * | 1,001,330 | 210,388 | 790,941 |
| OCTOBER 31, 2010 | 2,008,759 | 423,437 | 1,585,322 |
| NOVEMBER 30, 2010 | 2,020,698 | 426,112 | 1,594,586 |
| DECEMBER 31, 2010 | 2,065,558 | 428,821 | 1,636,736 |
| JANUARY 31, 2011 | 2,066,833 | 432,631 | 1,634,203 |
| FEBRUARY 29, 2011 | 2,069,100 | 436,443 | 1,632,657 |
| MARCH 31, 2011 | 2,071,774 | 440,260 | 1,631,513 |
| APRIL 30, 2011 | 2,073,586 | 444,083 | 1,629,503 |
| MAY 31, 2011 | 2,075,528 | 447,909 | 1,627,619 |
| JUNE 30, 2011 | 2,080,565 | 451,739 | 1,628,826 |
| JULY 31, 2011 | 2,082,436 | 454,767 | 1,627,669 |
| AUGUST 31, 2011 | 2,086,157 | 457,799 | 1,628,359 |
| SEPTEMBER 30, 2011 * | 1,044,611 | 230,420 | 814,191 |
| TOTAL | 24,746,935 | 5,284,809 | 19,462,126 |
| AVERAGE | \$2,062,245 | \$440,401 | \$1,621,844 |

* ONE HALF OF ENDING BALANCE

**INCLUDES COMMON ALLOCATED

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

| | <u>BOOKCOST OF PLANT</u> | <u>ACCRUED DEPRECIATION</u> | <u>NET PLANT</u> |
|--------------------|------------------------------|---------------------------------|----------------------|
| JUNE 30, 2009 | 1,867,013 | 376,790 | 1,490,223 |
| JULY 31, 2009 | 1,871,607 | 379,459 | 1,492,148 |
| AUGUST 31, 2009 | 1,876,115 | 382,034 | 1,494,080 |
| SEPTEMBER 30, 2009 | 1,882,028 | 384,510 | 1,497,518 |
| OCTOBER 31, 2009 | 1,888,440 | 386,999 | 1,501,441 |
| NOVEMBER 30, 2009 | 1,897,149 | 389,502 | 1,507,647 |
| DECEMBER 31, 2009 | 1,970,718 | 392,026 | 1,578,691 |
| JANUARY 31, 2010 | 1,972,487 | 395,485 | 1,577,002 |
| FEBRUARY 28, 2010 | 1,975,412 | 398,948 | 1,576,464 |
| MARCH 31, 2010 | 1,978,867 | 402,417 | 1,576,450 |
| APRIL 30, 2010 | 1,981,300 | 405,893 | 1,575,407 |
| MAY 31, 2010 | 1,984,243 | 409,374 | 1,574,869 |
| JUNE 30, 2010 | 1,989,212 | 412,862 | 1,576,350 |
| JULY 31, 2010 | 1,991,755 | 415,493 | 1,576,262 |
| AUGUST 31, 2010 | 1,996,662 | 418,130 | 1,578,533 |
| SEPTEMBER 30, 2010 | 2,002,660 | 420,777 | 1,581,883 |

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

| | <u>TOTAL</u> | <u>INTEREST BEARING</u> | <u>NON-INTEREST BEARING</u> |
|----------------------|--------------|-----------------------------|---------------------------------|
| SEPTEMBER 30, 2010 * | 41,315 | 12,811 | 28,503 |
| OCTOBER 31, 2010 | 85,301 | 27,248 | 58,053 |
| NOVEMBER 30, 2010 | 82,659 | 29,207 | 53,452 |
| DECEMBER 31, 2010 | 49,649 | 6,500 | 43,149 |
| JANUARY 31, 2011 | 51,601 | 7,587 | 44,014 |
| FEBRUARY 29, 2011 | 53,414 | 8,596 | 44,818 |
| MARCH 31, 2011 | 55,771 | 9,909 | 45,863 |
| APRIL 30, 2011 | 57,732 | 11,000 | 46,732 |
| MAY 31, 2011 | 59,936 | 12,227 | 47,709 |
| JUNE 30, 2011 | 60,027 | 13,593 | 46,434 |
| JULY 31, 2011 | 62,031 | 14,770 | 47,262 |
| AUGUST 31, 2011 | 63,429 | 15,863 | 47,566 |
| SEPTEMBER 30, 2011 * | 32,426 | 8,362 | 24,064 |
| TOTAL | 755,291 | 177,673 | 577,618 |
| AVERAGE | \$62,941 | \$14,806 | \$48,135 |

* ONE HALF OF ENDING BALANCE

**INCLUDES COMMON ALLOCATED

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

| | <u>TOTAL</u> | <u>INTEREST BEARING</u> | <u>NON-INTEREST BEARING</u> |
|--------------------|--------------|-----------------------------|---------------------------------|
| JUNE 30, 2009 | \$ 94,856 | \$ 35,599 | \$ 59,257 |
| JULY 31, 2009 | 100,621 | 38,021 | 62,600 |
| AUGUST 31, 2009 | 106,385 | 40,405 | 65,980 |
| SEPTEMBER 30, 2009 | 110,634 | 42,789 | 67,845 |
| OCTOBER 31, 2009 | 114,385 | 45,173 | 69,212 |
| NOVEMBER 30, 2009 | 115,838 | 47,557 | 68,281 |
| DECEMBER 31, 2009 | 55,119 | 13,820 | 41,299 |
| JANUARY 31, 2010 | 58,606 | 15,075 | 43,531 |
| FEBRUARY 28, 2010 | 61,832 | 16,240 | 45,592 |
| MARCH 31, 2010 | 66,034 | 17,755 | 48,279 |
| APRIL 30, 2010 | 69,500 | 19,015 | 50,485 |
| MAY 31, 2010 | 73,070 | 20,432 | 52,638 |
| JUNE 30, 2010 | 75,941 | 22,008 | 53,933 |
| JULY 31, 2010 | 79,562 | 23,367 | 56,195 |
| AUGUST 31, 2010 | 82,161 | 24,629 | 57,532 |
| SEPTEMBER 30, 2010 | \$ 82,629 | \$ 25,623 | \$ 57,006 |

EXHIBIT __ (AP-8)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
RATE BASE - STEAM

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC
RATE BASE - STEAM
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 | \$ 1,826,484 | \$ 235,761 | \$ 2,062,245 | \$ - | \$ 2,062,245 |
| 2 | (356,673) | (83,728) | (440,401) | - | (440,401) |
| 3 | 1,469,811 | 152,033 | 1,621,844 | - | 1,621,844 |
| 4 | 43,866 | 4,269 | 48,135 | - | 48,135 |
| 5 | 272 | 213 | 485 | - | 485 |
| 6 | 14,992 | (717) | 14,275 | - | 14,275 |
| 7 | 5,002 | - | 5,002 | - | 5,002 |
| 8 | (1,889) | (61) | (1,950) | - | (1,950) |
| 9 | (511) | 179 | (332) | - | (332) |
| 10 | 157,151 | (32,128) | 125,023 | - | 125,023 |
| 11 | 89,144 | - | 89,144 | (20,107) | 69,037 |
| 12 | (7) | 7 | - | - | - |
| 13 | (11,078) | 11,078 | - | - | - |
| 14 | 1,237 | (1,237) | - | - | - |
| 15 | 138 | (138) | - | - | - |
| 16 | 189 | (189) | - | - | - |
| 17 | (2,227) | 2,227 | - | - | - |
| 18 | 599 | (599) | - | - | - |
| 19 | (103) | 103 | - | - | - |
| 20 | 143 | (143) | - | - | - |
| <u>Rate Case Reconciliations - Net of Income Taxes</u> | | | | | |
| 21 | - | 725 | 725 | (121) | 604 |
| 22 | - | 80 | 80 | (13) | 67 |
| 23 | - | 112 | 112 | (19) | 93 |
| 24 | - | 126 | 126 | (21) | 105 |
| 25 | - | 1,031 | 1,031 | (172) | 859 |
| 26 | - | 5,440 | 5,440 | (907) | 4,533 |
| 27 | - | 164 | 164 | (27) | 137 |
| 28 | - | 1,664 | 1,664 | (277) | 1,387 |
| 29 | - | 4 | 4 | (1) | 3 |
| 30 | - | 5,893 | 5,893 | (982) | 4,911 |
| 31 | - | 220 | 220 | (37) | 183 |
| 32 | - | (104) | (104) | 17 | (87) |
| 33 | - | (72) | (72) | 12 | (60) |
| 34 | - | (1,024) | (1,024) | 171 | (853) |
| 35 | - | (1,283) | (1,283) | 214 | (1,069) |
| 36 | - | (139) | (139) | 23 | (116) |
| 37 | - | (163) | (163) | 27 | (136) |
| 38 | - | (110) | (110) | 18 | (92) |
| 39 | - | (68) | (68) | 11 | (57) |
| 40 | - | (438) | (438) | 73 | (365) |
| 41 | - | (61) | (61) | 10 | (51) |
| 42 | - | (203) | (203) | 34 | (169) |
| 43 | - | (643) | (643) | 107 | (536) |
| 44 | - | (79) | (79) | 13 | (66) |
| <u>Accumulated Deferred Income Taxes:</u> | | | | | |
| 45 | (180,992) | (10,337) | (191,329) | - | (191,329) |
| 46 | (240) | (23) | (263) | - | (263) |
| 47 | 659 | 18 | 677 | - | 677 |
| 48 | (1,525) | (1,361) | (2,886) | - | (2,886) |
| 49 | (711) | (1,255) | (1,966) | - | (1,966) |
| 50 | 763 | - | 763 | - | 763 |
| 51 | 5,329 | - | 5,329 | - | 5,329 |
| 52 | 1,865 | 135 | 2,000 | - | 2,000 |
| 53 | 5,406 | (895) | 4,511 | - | 4,511 |
| 54 | 2,390 | (346) | 2,044 | - | 2,044 |
| 55 | (38,113) | 332 | (37,781) | - | (37,781) |
| 56 | (340) | 625 | 285 | - | 285 |
| 57 | (8,541) | 8,541 | - | - | - |
| 58 | (271) | 271 | - | - | - |
| 59 | (23,808) | (5,849) | (29,657) | - | (29,657) |
| 60 | \$ 1,528,600 | \$ 135,825 | \$ 1,664,425 | \$ (21,954) | \$ 1,642,471 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC
WORKING CAPITAL - STEAM
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 Actual 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) |
|---|---|---|---|--|---|
| INVENTORIES | | | | | |
| 1. Average Balance of Liquid Fuel | \$ 37,333 | \$ (20,901) | \$ 16,432 | \$ - | \$ 16,432 |
| Average Balance of Materials & Supplies | | | | | |
| 2. Excluding Liquid Fuel | 34,537 | 1,109 | 35,646 | - | 35,646 |
| 3. Total Inventories | <u>71,870</u> | <u>(19,792)</u> | <u>52,078</u> | <u>-</u> | <u>52,078</u> |
| PREPAYMENTS | | | | | |
| 4. Insurance | 767 | (8) | 759 | - | 759 |
| 5. Property Taxes | 26,417 | (7,588) | 18,829 | - | 18,829 |
| 6. PSC Assessment | 863 | (493) | 370 | - | 370 |
| 7. Other | 1,049 | 34 | 1,083 | - | 1,083 |
| 8. Total Prepayments | <u>29,096</u> | <u>(8,055)</u> | <u>21,041</u> | <u>-</u> | <u>21,041</u> |
| CASH WORKING CAPITAL | | | | | |
| 9. Total Operation & Maintenance Expenses | 559,823 | (21,986) | 537,837 | - | 537,837 |
| 10. Less: Purchased Power Expenses | 75,965 | (2,271) | 73,694 | - | 73,694 |
| 11. Gas Portion Of Fuel | 87,613 | (6,721) | 80,892 | - | 80,892 |
| 12. Purchased Oil Costs | 124,229 | 40,626 | 164,855 | - | 164,855 |
| 13. Interdepartmental Rents | 14,410 | 705 | 15,115 | - | 15,115 |
| 14. Uncollectible | - | 1,000 | 1,000 | - | 1,000 |
| 15. Net | <u>257,606</u> | <u>(55,325)</u> | <u>202,281</u> | <u>-</u> | <u>202,281</u> |
| 16. Cash Working Capital @ 1/8th Cash Working Capital @ 1/12th | 32,201 | (6,917) | 25,284 | - | 25,284 |
| 17. on Recoverable Fuel Costs | 23,984 | 2,636 | 26,620 | - | 26,620 |
| 18. Total Cash Working Capital | <u>56,185</u> | <u>(4,281)</u> | <u>51,904</u> | <u>-</u> | <u>51,904</u> |
| 19. TOTAL WORKING CAPITAL | <u>\$ 157,151</u> | <u>\$ (32,128)</u> | <u>\$ 125,023</u> | <u>\$ -</u> | <u>\$ 125,023</u> |

EXHIBIT __ (AP-9)

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
RATE BASE & RATE OF RETURN, INCOME TAXES, ADJUSTMENTS TO INCOME, AND CUSTOMER**

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

OPERATING INCOME, RATE BASE AND RATE OF RETURN FOR STEAM 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-6) (Column 1) | Rate Case Adjustments (Schedule 3) (Column 2) | Rate Year As Adjusted (Column 3) | Proposed Rate Increase (Column 4) | Rate Year As Adjusted For Proposed Rate Increase (Column 5) |
|--|--|--|---|--|--|
| OPERATING REVENUES | | | | | |
| SALES REVENUES | \$693,236 | \$0 | \$693,236 | \$128,768 | \$822,004 |
| OTHER OPERATING REVENUES | 84,889 | (8,377) | 76,512 | 258 | 76,770 |
| TOTAL OPERATING REVENUES | <u>778,125</u> | <u>(8,377)</u> | <u>769,748</u> | <u>129,026</u> | <u>898,774</u> |
| OPERATING REVENUE DEDUCTIONS | | | | | |
| FUEL | 330,619 | 0 | 330,619 | 0 | 330,619 |
| OTHER FUEL CHARGES | 4,358 | 0 | 4,358 | 0 | 4,358 |
| OTHER OPERATION AND MAINTENANCE | 202,860 | 0 | 202,860 | 0 | 202,860 |
| DEPRECIATION AND AMORTIZATION | 64,991 | 0 | 64,991 | 0 | 64,991 |
| TAXES OTHER THAN INCOME TAXES | 104,316 | 0 | 104,316 | 2,730 | 107,046 |
| GAINS FROM DISPOSITION OF UTILITY PLANT | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING REVENUE DEDUCTIONS | <u>707,144</u> | <u>0</u> | <u>707,144</u> | <u>2,730</u> | <u>709,874</u> |
| OPERATING INCOME BEFORE INCOME TAXES | 70,981 | (8,377) | 62,604 | 126,296 | 188,900 |
| NEW YORK STATE INCOME TAX (Schedule 2, Page 1) | 1,581 | (611) | 970 | 8,967 | 9,937 |
| FEDERAL INCOME TAX (Schedule 2, Page 2) | 7,099 | (2,724) | 4,375 | 41,065 | 45,440 |
| OPERATING INCOME AFTER INCOME TAXES | <u>\$62,301</u> | <u>(\$5,042)</u> | <u>\$57,259</u> | <u>\$76,264</u> | <u>\$133,523</u> |
| AVERAGE RATE BASE (Exhibit (AP-8)) | <u>\$1,664,425</u> | <u>(\$21,954)</u> | <u>\$1,642,471</u> | | <u>\$1,642,471</u> |
| RATE OF RETURN | <u>3.74%</u> | | <u>3.49%</u> | | <u>8.13%</u> |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

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

| Line No. | Twelve Months Ending September 30, 2011 As Reflected in Exhibit (AP-6) (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 | \$70,981 | (\$8,377) | \$62,604 | \$126,296 | \$188,900 |
| FLOW THROUGH ITEMS | | | | | | |
| Deduct: Non-Taxable Income and Additional Deductions | | | | | | |
| 2 | Interest Expense | 47,637 | 0 | 47,637 | 0 | 47,637 |
| 3 | Medicare Rx Legislation Savings | 1,085 | 0 | 1,085 | 0 | 1,085 |
| 4 | Total Deductions | 48,722 | 0 | 48,722 | 0 | 48,722 |
| NORMALIZED ITEMS | | | | | | |
| Add: Additional Income and Unallowable Deductions | | | | | | |
| 5 | Book Depreciation | 64,991 | 0 | 64,991 | 0 | 64,991 |
| 6 | Capitalized Interest | 3,122 | 0 | 3,122 | 0 | 3,122 |
| 7 | Fuel Cost Deferred From Prior Period | 4,726 | 0 | 4,726 | 0 | 4,726 |
| 8 | Contributions in Aid of Construction | 173 | 0 | 173 | 0 | 173 |
| 9 | Pension and OPEB Expense - Rate Year | 24,338 | 0 | 24,338 | 0 | 24,338 |
| 10 | Total Additions | 97,350 | 0 | 97,350 | 0 | 97,350 |
| Deduct: Non-Taxable Income and Additional Deductions | | | | | | |
| 11 | NYS Depreciation | 88,372 | 0 | 88,372 | 0 | 88,372 |
| 12 | Removal Costs | 8,534 | 0 | 8,534 | 0 | 8,534 |
| 13 | Amortization of Capitalized Interest | 1,487 | 0 | 1,487 | 0 | 1,487 |
| 14 | Capitalized Overheads | 4,816 | 0 | 4,816 | 0 | 4,816 |
| 15 | Fuel Costs Deferred from Current Period | 9,963 | 0 | 9,963 | 0 | 9,963 |
| 16 | Loss on MACRS Retirements | 2,299 | 0 | 2,299 | 0 | 2,299 |
| 17 | Pension and OPEB Funding | 33,354 | 0 | 33,354 | 0 | 33,354 |
| 18 | WTC Expenses | 0 | (3,459) | (3,459) | 0 | (3,459) |
| 19 | 2000 Rate Settlement - Unamortized Balances | 0 | (400) | (400) | 0 | (400) |
| 20 | Business Development Plan Expenses | 0 | (45) | (45) | 0 | (45) |
| 21 | Production Study Expenses | 0 | (61) | (61) | 0 | (61) |
| 22 | Interference Expenses | 0 | (386) | (386) | 0 | (386) |
| 23 | NYC Property Taxes - 2006 Settlement | 0 | (1,668) | (1,668) | 0 | (1,668) |
| 24 | Pensions / OPEBs - 2006 Settlement | 0 | (1,816) | (1,816) | 0 | (1,816) |
| 25 | Interest on MGP Superfund | 0 | (91) | (91) | 0 | (91) |
| 26 | SO2 Allowances | 0 | (511) | (511) | 0 | (511) |
| 27 | Interest on SIT Audit Adjustments | 0 | (2) | (2) | 0 | (2) |
| 28 | SIR Deferrals | 0 | (1,807) | (1,807) | 0 | (1,807) |
| 29 | Hudson Avenue Deferral | 0 | (121) | (121) | 0 | (121) |
| 30 | Refund of Excess SIT Refund | 0 | 57 | 57 | 0 | 57 |
| 31 | NYC Property Taxes - 2000 Settlement | 0 | 40 | 40 | 0 | 40 |
| 32 | NYC Property Taxes - 2004 Settlement | 0 | 565 | 565 | 0 | 565 |
| 33 | SO2 Allowances from prior case - Principal and Interest | 0 | 708 | 708 | 0 | 708 |
| 34 | Medicare Rx Legislation | 0 | 77 | 77 | 0 | 77 |
| 35 | Interest on Capital Expenditures | 0 | 90 | 90 | 0 | 90 |
| 36 | Oil Overcharge Litigation Proceeds | 0 | 61 | 61 | 0 | 61 |
| 37 | Interest on Rate Case Deferrals | 0 | 38 | 38 | 0 | 38 |
| 38 | ADR Tax Amortization - Principal and Interest | 0 | 242 | 242 | 0 | 242 |
| 39 | Deferred Interest on Distribution Plant Reconciliation | 0 | 34 | 34 | 0 | 34 |
| 40 | Interference Underspending | 0 | 112 | 112 | 0 | 112 |
| 41 | Auction Rate debt | 0 | 355 | 355 | 0 | 355 |
| 42 | ITC refunds | 0 | 44 | 44 | 0 | 44 |
| 43 | Total Deductions | 148,825 | (7,944) | 140,881 | 0 | 140,881 |
| 44 | Taxable Income - New York State | (\$29,216) | (\$433) | (\$29,649) | \$126,296 | \$96,647 |
| Tax Computation | | | | | | |
| 45 | Current New York State Income Tax @ 7.10% | (\$2,074) | (\$31) | (\$2,105) | \$8,967 | \$6,862 |
| 46 | Deferred New York State Income Tax @ 7.10% | 3,655 | (564) | 3,091 | 0 | 3,091 |
| 47 | Amortization of Previously Deferred Excess SIT | 0 | (16) | (16) | 0 | (16) |
| 48 | Total New York State Income Tax | \$1,581 | (\$611) | \$970 | \$8,967 | \$9,937 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

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

| Line No. | | Twelve Months Ending September 30, 2011 As Reflected in Exhibit (AP-6) (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 | \$70,981 | (\$8,377) | \$62,604 | \$126,296 | \$188,900 |
| 2 | New York State Income Tax, excluding amortization | 1,581 | (595) | 986 | 8,967 | 9,953 |
| 3 | Book Operating Income Before Federal Income Tax | 69,400 | (7,782) | 61,618 | 117,329 | 178,947 |
| FLOW THROUGH ITEMS | | | | | | |
| Add: Additional Income and Unallowable Deductions | | | | | | |
| 4 | Book Depreciation | 64,991 | 0 | 64,991 | 0 | 64,991 |
| 5 | Capitalized Interest | 3,122 | 0 | 3,122 | 0 | 3,122 |
| 6 | Total Additions | 68,113 | 0 | 68,113 | 0 | 68,113 |
| Deduct: Non-Taxable Income and Additional Deductions | | | | | | |
| 7 | Interest Expense | 47,637 | 0 | 47,637 | 0 | 47,637 |
| 8 | Statutory Depreciation | 47,471 | 0 | 47,471 | 0 | 47,471 |
| 9 | Removal Costs | 8,534 | 0 | 8,534 | 0 | 8,534 |
| 10 | Amortization of Capitalized Interest | 0 | 0 | 0 | 0 | 0 |
| 11 | Medicare Rx Legislation Savings | 1,085 | 0 | 1,085 | 0 | 1,085 |
| 12 | Dividends Paid on \$5 Cumulative Preferred Stock | 115 | 0 | 115 | 0 | 115 |
| 13 | Total Deductions | 104,842 | 0 | 104,842 | 0 | 104,842 |
| NORMALIZED ITEMS | | | | | | |
| Add: Additional Income and Unallowable Deductions | | | | | | |
| 14 | Fuel Costs Deferred from Prior Period | 4,726 | 0 | 4,726 | 0 | 4,726 |
| 15 | Contributions in Aid of Construction | 173 | 0 | 173 | 0 | 173 |
| 16 | Pension and OPEB Expense - Rate Year | 24,338 | 0 | 24,338 | 0 | 24,338 |
| 17 | Deferred State Income Tax | 3,655 | (564) | 3,091 | 0 | 3,091 |
| 18 | Total Additions | 32,892 | (564) | 32,328 | 0 | 32,328 |
| Deduct: Non-Taxable Income and Additional Deductions | | | | | | |
| 19 | Depreciation - ADR / ACRS / MACRS | 8,833 | 0 | 8,833 | 0 | 8,833 |
| 20 | Loss on ACRS/MACRS Retirements | 1,668 | 0 | 1,668 | 0 | 1,668 |
| 21 | Amortization of Capitalized Interest | 1,487 | 0 | 1,487 | 0 | 1,487 |
| 22 | Capitalized Overheads (263A) | 4,816 | 0 | 4,816 | 0 | 4,816 |
| 23 | Fuel Costs Deferred from Current Period | 9,963 | 0 | 9,963 | 0 | 9,963 |
| 24 | Pension and OPEB Funding | 33,354 | 0 | 33,354 | 0 | 33,354 |
| 25 | WTC O&M Expenses net of Unbilled Revenues | 0 | (3,459) | (3,459) | 0 | (3,459) |
| 26 | WTC Capital Expenses | 0 | (433) | (433) | 0 | (433) |
| 27 | 2000 Rate Settlement - Unamortized Balances | 0 | (400) | (400) | 0 | (400) |
| 28 | Business Development Plan Expenses | 0 | (45) | (45) | 0 | (45) |
| 29 | Production Study Expenses | 0 | (61) | (61) | 0 | (61) |
| 30 | Interference Expenses | 0 | (386) | (386) | 0 | (386) |
| 31 | NYC Property Taxes - 2006 Settlement | 0 | (1,668) | (1,668) | 0 | (1,668) |
| 32 | Pensions / OPEBs - 2006 Settlement | 0 | (1,816) | (1,816) | 0 | (1,816) |
| 33 | Interest on MGP Superfund | 0 | (91) | (91) | 0 | (91) |
| 34 | SO2 Allowances | 0 | (511) | (511) | 0 | (511) |
| 35 | Interest on SIT Audit Adjustments | 0 | (2) | (2) | 0 | (2) |
| 36 | SIR Deferrals | 0 | (1,807) | (1,807) | 0 | (1,807) |
| 37 | Hudson Avenue Deferral | 0 | (121) | (121) | 0 | (121) |
| 38 | Refund of Excess SIT Refund | 0 | 57 | 57 | 0 | 57 |
| 39 | NYC Property Taxes - 2000 Settlement | 0 | 40 | 40 | 0 | 40 |
| 40 | NYC Property Taxes - 2004 Settlement | 0 | 565 | 565 | 0 | 565 |
| 41 | SO2 Allowances from prior case - Principal and Interest | 0 | 708 | 708 | 0 | 708 |
| 42 | Medicare Rx Legislation | 0 | 77 | 77 | 0 | 77 |
| 43 | Interest on Capital Expenditures | 0 | 90 | 90 | 0 | 90 |
| 44 | Oil Overcharge Litigation Proceeds | 0 | 61 | 61 | 0 | 61 |
| 45 | Interest on Rate Case Deferrals | 0 | 38 | 38 | 0 | 38 |
| 46 | ADR Tax Amortization - Principal and Interest | 0 | 242 | 242 | 0 | 242 |
| 47 | Deferred Interest on Distribution Plant Reconciliation | 0 | 34 | 34 | 0 | 34 |
| 48 | Interference Underspending | 0 | 112 | 112 | 0 | 112 |
| 49 | Auction Rate debt | 0 | 355 | 355 | 0 | 355 |
| 50 | ITC refunds | 0 | 44 | 44 | 0 | 44 |
| 51 | Total Deductions | 60,121 | (8,377) | 51,744 | 0 | 51,744 |
| 52 | Taxable Income - Federal | \$5,442 | \$31 | \$5,473 | \$117,329 | \$122,802 |
| Tax Computation | | | | | | |
| 53 | Current Federal Income Tax @ 35% | \$1,905 | \$11 | \$1,916 | \$41,065 | \$42,981 |
| 54 | Deferred Federal Income Tax @ 35% | 9,530 | (2,735) | 6,795 | 0 | 6,795 |
| Amortization of Previously Deferred Federal Income Tax | | | | | | |
| 55 | Depreciation/Loss on Retirements/Capitalized Overheads | (4,075) | 0 | (4,075) | 0 | (4,075) |
| 56 | Investment Tax Credit | (261) | 0 | (261) | 0 | (261) |
| 57 | Total Federal Income Tax | \$7,099 | (\$2,724) | \$4,375 | \$41,065 | \$45,440 |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

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

| | <u>Amount</u> |
|---|------------------|
| <u>OTHER OPERATING REVENUES</u> | |
| 1. Recovery over a five-year period of WTC O&M expenses net of Unbilled Revenues | (\$3,459) |
| 2. Recovery over a 28-year period of WTC capital expenses | (433) |
| 3. Recovery over a three-year period of previously deferred items subject to reconciliation prior to the 2000 Rate Plan | (400) |
| 4. Recovery over a three-year period of previously deferred Business Development Plan expenses | (45) |
| 5. Recovery over a three-year period of previously deferred Production Study expenses | (61) |
| 6. Recovery over a three-year period of previously deferred Interference expenses - 2000 Rate Plan | (70) |
| 7. Recovery over a three-year period of previously deferred Interference expenses - 2004 Rate Plan | (316) |
| 8. Recovery over a five-year period of previously deferred NYC Property taxes - 2006 Rate Plan | (1,668) |
| 9. Recovery over a five-year period of previously deferred Pension / OPEB expenses - 2006 Rate Plan | (1,816) |
| 10. Recovery over a three-year period of previously deferred interest on MGP Superfund expenses | (91) |
| 11. Recovery over a three-year period of SO2 Allowances under Target | (511) |
| 12. Recovery over a three-year period of the interest on SIT audit adjustments | (2) |
| 13. Recovery over a five-year period of the shortfall in SIR Deferrals | (1,807) |
| 14. Recovery over a three-year period of the Hudson Avenue Deferral | (121) |
| 15. Refund over a three-year period Excess Refund of SIT | 57 |
| 16. Refund over a three-year period of previously deferred NYC Property taxes - 2000 Rate Plan | 40 |
| 17. Refund over a three-year period of previously deferred NYC Property taxes - 2004 Rate Plan | 565 |
| 18. Refund over a three-year period of previously deferred SO2 Allowance Proceeds - Principal | 635 |
| - Interest | 73 |
| 19. Refund over a three-year period of previously deferred Medicare Rx Legislation Savings | 77 |
| 20. Refund over a three-year period of previously deferred Capital Expenditure Reconciliation expenses | 90 |
| 21. Refund over a three-year period of previously deferred Oil Overcharge Litigation Proceeds | 61 |
| 22. Refund over a three-year period of previously deferred interest on rate case deferrals | 38 |
| 23. To refund previously deferred amounts over a three-year period: Correction of ADR tax amortization | 242 |
| 24. Refund over a three-year period deferred Interest on Distribution Plant Reconciliation | 34 |
| 25. Refund over a three-year period deferred interference underspending | 112 |
| 26. Refund over a three-year period reconciliation of Auction Rate debt | 355 |
| 27. Refund over a three-year period ITC refunds | 44 |
| Total Adjustments to Other Operating Revenues | <u>(\$8,377)</u> |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

CUSTOMER DEBITS AND CREDITS - STEAM
(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 O&M Expenses net of Unbilled Revenues | \$3,459 | \$3,459 | \$3,459 | \$10,377 |
| 2 WTC Capital Expenses | 433 | 433 | 433 | 1,299 |
| 3 2000 Rate Settlement - Unamortized Balances | 400 | 400 | 400 | 1,200 |
| 4 Business Development Plan Expenses | 45 | 45 | 45 | 135 |
| 5 Production Study Expenses | 61 | 61 | 61 | 183 |
| 6 Interference Expenses - 2000 Rate Settlement | 70 | 70 | 70 | 210 |
| 7 Interference Expenses | 316 | 316 | 316 | 948 |
| 8 NYC Property Taxes - 2006 Settlement | 1,668 | 1,668 | 1,668 | 5,004 |
| 9 Pensions / OPEBs - 2006 Settlement | 1,816 | 1,816 | 1,816 | 5,448 |
| 10 Interest on MGP Superfund | 91 | 91 | 91 | 273 |
| 11 SO2 Allowances | 511 | 511 | 511 | 1,533 |
| 12 Interest on SIT Audit Adjustments | 2 | 2 | 2 | 6 |
| 13 SIR Deferrals | 1,807 | 1,807 | 1,807 | 5,421 |
| 14 Hudson Avenue Deferral | <u>121</u> | <u>121</u> | <u>121</u> | <u>363</u> |
| | <u>\$10,800</u> | <u>\$10,800</u> | <u>\$10,800</u> | <u>\$22,023</u> |
| <u>Customer Credits</u> | | | | |
| <u>Regulatory Liabilities</u> | | | | |
| 1 Refund of Excess SIT Refund | \$57 | \$57 | \$57 | \$171 |
| 2 NYC Property Taxes - 2000 Settlement | 40 | 40 | 40 | 120 |
| 3 NYC Property Taxes - 2004 Settlement | 565 | 565 | 565 | 1,695 |
| 4 SO2 Allowances from prior case - Principal and Interest | 708 | 708 | 708 | 2,124 |
| 5 Medicare Rx Legislation | 77 | 77 | 77 | 231 |
| 6 Interest on Capital Expenditures | 90 | 90 | 90 | 270 |
| 7 Oil Overcharge Litigation Proceeds | 61 | 61 | 61 | 183 |
| 8 Interest on Rate Case Deferrals | 38 | 38 | 38 | 114 |
| 9 ADR Tax Amortization - Principal and Interest | 242 | 242 | 242 | 726 |
| 10 Deferred Interest on Distribution Plant Reconciliation | 34 | 34 | 34 | 102 |
| 11 Interference Underspending | 112 | 112 | 112 | 336 |
| 12 Auction Rate debt | 355 | 355 | 355 | 1,065 |
| 13 ITC refunds | <u>44</u> | <u>44</u> | <u>44</u> | <u>132</u> |
| | <u>\$2,423</u> | <u>\$2,423</u> | <u>\$2,423</u> | <u>\$7,269</u> |
| <u>Deferred Tax Liabilities</u> | | | | |
| 1 Deferred Excess New York State Income Tax | <u>\$16</u> | <u>\$16</u> | <u>\$16</u> | <u>\$48</u> |
| | <u>\$16</u> | <u>\$16</u> | <u>\$16</u> | <u>\$48</u> |

EXHIBIT __ (AP- 10)

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

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 RATE OF RETURN REQUIRED FOR THE RATE YEAR
TWELVE MONTHS ENDING 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 |
|---|----------|----------------------------------|--------------|---------------------------------|-------------------------------|---------------------------|
| Debentures | | | | | | |
| 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% | - | - | - |
| Tax Exempt Debt Issue through New York State | | | | | | |
| 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)

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

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

EXHIBIT __ (AP- 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 INVESTEES | - | - | - | (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 THE 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.