

1 Q. Please state your names.

2 A. Grace Scarpitta, Helen L. Lee, and Richard A. Kane.

3 Q. Have you previously testified in this proceeding?

4 A. Yes, we submitted direct testimony in the Company's May
5 2009 filing.

6 Q. What is the purpose of your additional testimony?

7 A. Our testimony will address the following areas:

- 8 ▪ First, in an effort to reduce the number of issues
9 in this case, we agree to adopt certain
10 adjustments proposed by the DPS Accounting Panel,
11 Shared Services Panel, Infrastructure Investment
12 Panel and witness Insogna. In a few
13 circumstances, we disagree with the manner in
14 which Staff either quantified or reflected the
15 adjustments in their revenue requirement
16 calculation, but not the underlying reasons for
17 the recommendation (Exhibit ___ (AP-18));
- 18 ▪ Second, we discuss several data related problems
19 that we discovered in reviewing the workpapers and
20 testimony supporting the Staff Accounting Panel's
21 Exhibit ___ (AP-1). This portion of the testimony
22 is not intended to support or oppose any of the
23 adjustments proposed by the Staff Accounting
24 Panel, but rather to merely update their revenue

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1 requirement calculations to reflect the
2 appropriate data;

3 ▪ Third, our testimony discusses our formal updates
4 included as part of this filing. For the sake of
5 expediency, our testimony covering the updates
6 focuses on the most recent information and
7 explains the changes to the data previously
8 included in the July Preliminary update that was
9 submitted to the parties and relied on by the
10 Staff Accounting Panel in developing their cost of
11 service Exhibit ___ (AP-1).

12 The Company's update produces a base rate increase
13 of \$853.323 million as compared to \$854.468
14 million, the increase requested in the Company's
15 initial filing (Exhibit ___ (AP-9) Revised).

16 ▪ Fourth, we respond to adjustments proposed by the
17 Staff Accounting Panel and other intervenors in
18 the following areas:

19 o Operation and Maintenance Expenses

20 ▪ Company Labor

- 21 • The removal of new employees from
22 various organizations;
23 • Lag in hiring/vacancy adjustment;

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- 1 • Employee head count;
- 2 • 2% productivity imputations;
- 3 • Labor escalation calculation; and
- 4 • Overtime;
- 5 ▪ Informational Advertising;
- 6 ▪ CPB's General Escalation Adjustment; and
- 7 ▪ Regulatory Commission Expense
- 8 o Taxes, Other than Income Tax
- 9 ▪ Normalization of All Other Taxes
- 10 o Rate Base
- 11 ▪ Common Plant Expenditure - ERP
- 12 ▪ Capitalized Pension Overhead; and
- 13 ▪ SBC/RPS Adjustments

14 We also would note that various Company witnesses
15 address other adjustments made by the Staff Accounting
16 Panel and other witnesses.

17 Q. Does the Panel's update and rebuttal testimony refer to
18 or rely on any information obtained by discovery in
19 this proceeding?

20 A. Yes. We refer to several responses to information
21 requested by Staff and other parties and responses by
22 Staff and other parties to our information requests.

1 The information requests are contained in our Exhibit
2 ____ (AP-20).

3 Q. Before turning to other items, please discuss the July
4 Preliminary update.

5 A. The Company's July Preliminary update resulted in a
6 decrease to the Company's levelized three-year revenue
7 requirement from the \$695 million filed on May 8, 2009
8 to \$657 million for each of the three years. On a non-
9 levelized basis, Rate Year 1 decreases by \$14.1 million
10 to \$840.4 million, Rate Year 2 decreases by \$86.7
11 million to \$375.1 million and Rate Year 3 decreases by
12 \$9.5 million to \$390.7 million.

13 Q. Please explain the drivers of the July Preliminary
14 update.

15 A. The decrease was primarily due to updates for property
16 taxes, pension costs and maintenance associated with
17 capital projects. Several corrections partially offset
18 these higher costs.

19 Q. Has anything occurred since the July Preliminary
20 update?

21 A. Yes. Comparing the update in this filing, as of
22 September 2009 to the July Preliminary update increases
23 the revenue requirement by some \$12.9 million. The
24 table below shows the major items accounting for the

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1 increase in the revenue requirement since the July
2 Preliminary update submitted to the parties:

	(\$ in millions)
3	
4 Decrease in Sales Forecast	\$47
5 Increase in Low Income Program	18
6 Decrease in Informational Advertising Expense	(8)
7 Decrease in Interference Expense	(6)
8 Cost of the Mobile Stray Voltage Program	(6)
9 Lower capital expenditures	(18)
10 Other	<u>(14)</u>
11 Total Sep vs. Jul Update	\$13

12

13 Q. Has the Company's Forecasting Panel updated the sales
14 and revenue forecast and if so, what is the impact of
15 their update?

16 A. Yes, the Company's Forecasting Panel's revised sales
17 forecast decreases revenues by approximately \$47.6
18 million net of purchased power and revenue taxes in
19 RY1. The Forecasting Panel explains the reasons for
20 the decreased forecast in their testimony. In
21 addition, the Customer Operations Panel will discuss
22 their proposal for a Low Income Program over and above
23 Staff witness Insogna's proposal by \$13 million.

24 Q. Please continue.

1 A. Informational advertising is reduced from the Company's
2 initial filing to reflect 0.1% of operating revenues
3 and is discussed by the PAICP in their testimony.
4 Interference costs are reduced to reflect the
5 elimination of escalation and a lower forecast which is
6 discussed by the Company's MISP. The September 2009
7 update also reflects a reduction in the mobile stray
8 voltage program for the lower cost of the Sarnoff
9 devices and is discussed in the IIP's testimony. The
10 revenue requirement was also reduced to reflect lower
11 capital spending and this is discussed in the testimony
12 of the IIP. All other changes resulted in further
13 reducing the revenue requirement.

14

15 DPS STAFF ADJUSTMENTS NOT CONTESTED BY COMPANY

16 Q. Are there adjustments proposed by the DPS Accounting
17 Panel and other Staff witnesses that the Company does
18 not contest?

19 A. Yes, there are a number of proposals, updates and
20 adjustments that have been identified by Staff that we
21 do not contest. These items are contained within DPS
22 Staff Accounting Panel Exhibit __ (AP-1), Schedule 10
23 attached to Staff's Prefiled Testimony. This Exhibit
24 consists of three pages of adjustments. Since it has

1 been the DPS Accounting Panel's practice to update this
2 schedule at the time of cross examination, we are
3 adopting the DPS Accounting Panel's prefiled Schedule
4 10 as our Exhibit ____ (AP-17) in order to avoid any
5 confusion as to the origin of numbers in the record.
6 The adjustments from Exhibit ____ (AP-17) that we are
7 accepting are shown on Exhibit ____ (AP-18).

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

9 AND EXHIBIT ____ (AP-18)

- 10 Q. Please continue with the adjustments accepted in the
11 sales revenue category.
- 12 A. We accept three of Staff's four adjustments to sales
13 revenues. The first adjustment we accept is Staff
14 Witness Insogna's adjustment 1b to increase the Low
15 Income Discount Program by \$4.5 million as well as CPB
16 witness Collar's low income proposal. The second
17 adjustment we accept is adjustment 1b to reflect \$2.241
18 million of SBC and RPS revenues per prior Commission
19 Orders. We also accept Adjustments 3k and 3n to RPS
20 and SBC expenses, respectively, that offset the sales
21 revenues adjustment 1b. The third and final sales
22 revenue adjustment that we accept is adjustment 1c to
23 remove the 18a Assessment. However, as discussed below
24 in the section entitled "CORRECTIONS TO DPS ACCOUNTING

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1 PANEL EXHIBIT__ (AP-1)", we disagree with the amount
2 that needs to be removed. We also accept adjustment
3 3l-2 to Regulatory Commission Expenses that offsets the
4 sales revenues adjustment 1c.

5 Q. Please explain the adjustments that the Company is
6 accepted for Other Operating Revenues.

7 A. Regarding Other Operating Revenues, the Company does
8 not contest any of Staff's adjustments, except for
9 adjustment 2b, because the Company will track late
10 payment charges to its revenue forecast. In summary,
11 the Company accepts the following adjustments related
12 to other operating revenues:

- 13 ▪ 2a increases rent revenues by \$0.113 million to
14 reflect an update for a wireless attachment
15 agreement;
- 16 ▪ 2c correcting the rate year amortization of
17 deferred T&D charges;
- 18 ▪ 2d reflecting updated data pertaining to SIR
19 costs;
- 20 ▪ 2e reflecting the Commission's disallowance of
21 deferral treatment for property taxes of
22 \$14.558 million as determined by the Commission
23 in Case 08-M-0901;
- 24 ▪ 2f reflecting updated data pertaining to

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1 Interference underspending; and

2 ▪ 2g reflecting Staff's removal of the Company's
3 forecast of future property tax refunds.

4 The Company also accepts adjustments 7h-1 through 7h-5,
5 which represent the rate base effects of accepting
6 adjustments 2c through 2g.

7 Q. Please continue with Staff's adjustments to Operation
8 and Maintenance Expenses.

9 A. With regards to Operation and Maintenance Expenses, the
10 Company does not contest the following adjustments in
11 addition to adjustments 3k, 3l-2, and 3n, discussed
12 above:

13 ▪ 3a to reduce by \$354,000 the installation costs
14 of oil minders in order to reflect a normal
15 year;

16 ▪ 3c-4 and 3j to reflect Staff Shared Services
17 Panel's \$168,000 reduction to First Aid
18 Refresher Training, except as explained in the
19 rebuttal testimony of the Company's Shared
20 Services Panel;

21 ▪ 3d-3 in part. Staff's adjustment includes an
22 adjustment of \$301,000 related to health care
23 costs that are paid through employee deductions
24 and an adjustment of \$293,000 related to

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- 1 Staff's adjustments to employee levels. The
2 Company accepts the adjustment for \$301,000,
3 but as discussed below, it rejects the
4 remaining adjustment of \$293,000;
- 5 ■ 3g-1 which reflects Staff's calculation of
6 escalation for insurance premiums;
 - 7 ■ 3h-1 which reflects a correction of the
8 escalation applied to Interference costs;
 - 9 ■ 3l-1 in the amount of \$1.423 million to reflect
10 the latest PSC assessment;
 - 11 ■ 3o in the amount of \$100,000 to reflect the
12 removal of the maintenance contract for a geo-
13 spatial camera; and
 - 14 ■ 3q-2 to reflect the most recent data for
15 vehicle fuel expenses.
- 16 Q. Does the Company accept any of Staff's adjustments to
17 Depreciation Expense and Taxes Other Than Income Taxes?
- 18 A. No.
- 19 Q. Does the Company accept Staff's adjustments to New York
20 State Income Taxes?
- 21 A. Yes, the Company accepts Staff's adjustment #6a
22 regarding Brownfield tax credits.
- 23 Q. Are there any Staff adjustments to the Average Rate
24 Base that you accept?

1 A. Yes. As to the average rate base, the Company accepts
2 the following adjustments in addition adjustments 7h-1
3 through 7h-5, discussed above:

- 4 ▪ 7c corrects the net rate base effect of accruing
5 unbilled revenues;
- 6 ▪ 7d-3 eliminates the prepayment associated with
7 the removal of the PSL 18a assessment;
- 8 ▪ 7d-4 reduces prepaid interference costs by \$2.002
9 million based on Staff's removal of escalation;
- 10 ▪ 7g in the amount of \$4.212 million to remove the
11 estimated SBC/RPS undercollection;
- 12 ▪ 7i-2 in the amount of \$86.568 million to correct
13 accumulated deferred income taxes related to the
14 change in accounting section 263A; and
- 15 ▪ 7i-2 in the amount of \$0.299 million to correct
16 accumulated deferred income taxes related to the
17 MTA tax.

18 With regards to deferred income taxes, the Company
19 would agree that any of the foregoing adjustments that
20 impact these balances should be reflected.

21 Q. What is the revenue requirement impact of the above
22 adjustments?

23 A. Our Exhibit __ (AP-18) shows that adopting the
24 aforementioned Staff adjustments would decrease the

1 Company's revenue requirement by \$28.2 million.

2

3 CORRECTIONS TO DPS ACCOUNTING PANEL EXHIBIT (AP-1)

4 Q. The Panel previously indicated that some of the data
5 utilized by the Staff Accounting Panel in its Exhibit
6 ___ (AP-1) that you have adopted as your Exhibit ___ (AP-
7 17) contained data or calculation issues. Please
8 explain.

9 A. The overall presentation of the Staff Accounting
10 Panel's Exhibit ___ (AP-1) generally fairly presents
11 Staff's adjustments to the Company's revenue request.
12 There was one adjustment that was inconsistent with
13 Staff's testimony and several calculations that we
14 believe should be revised. By providing this
15 information, we are not taking the position that the
16 adjustments are correct but rather to correct the
17 record for the proper level of the adjustment in the
18 event Staff's position is adopted. Said another way,
19 our sole intention is to ensure that the amounts
20 reflected in the record represent the adjustments
21 intended by Staff and not to lend support to any one or
22 all of the adjustments.

23 Q. Do you have an exhibit that lists your adjustments?

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1 A. Yes, we have prepared Exhibit __ (AP-15). In total,
2 the adjustments we discuss result is an increase to
3 Staff's calculated revenue requirement by \$18.590
4 million, from \$477.360 million to \$495.950 million.

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

6 Q. Please describe Staff's adjustments that need to be
7 revised.

8 A. There are four adjustments to the DPS Accounting
9 Panel's Exhibit __ (AP-1) that we believe should be
10 reflected:

- 11 - Correction of Staff's elimination of the impacts of
12 PSL 18-a;
- 13 - Correction of Staff's base wage slippage adjustment
14 as a component of their historical hiring lag
15 adjustment;
- 16 - Correction of Staff's labor factors for Local 1-2
17 and Local 3 used in the labor escalation factor;
18 and
- 19 - Staff's adjustment relating to capitalized pension
20 overheads.

21 PSL 18a Assessment Correction

22 Q. Please describe the error you believe Staff's
23 Accounting Panel made regarding the removal of PSL 18a
24 Assessment costs from base rates.

- 1 A. As the Company is recovering this cost via a surcharge
2 in customers' bills pursuant to the Commission's
3 directive in Case 09-M-0311, Staff, in their filing,
4 attempted to remove the impacts of the PSL 18a
5 assessment from the revenue requirement by removing the
6 amount included in sales revenues and the expense. In
7 Staff's revenue requirement calculation shown in their
8 Exhibit ___ (AP-1), Schedule 10, pages 1 and 2,
9 adjustments 1d and 3l-2, \$189,885,000 of revenues were
10 eliminated and an identical \$189,885,000 of regulatory
11 commission expense, respectively, were eliminated. As
12 a result, Staff claimed that there was to be no impact
13 on revenue requirement for the elimination of the
14 recovery of PSL 18a assessment cost. But, as we
15 explain below, there is an impact.
- 16 Q. Please explain the impact on the revenue requirement.
- 17 A. The Company's filing included \$198 million of revenues
18 (\$192,836,000 of base revenues and \$5,164,000 for gross
19 receipts taxes). The amount used was approved by the
20 Commission in the Case 08-E-0539. The difference
21 between Company's \$192,836,000 and Staff's \$189,885,000
22 would allow the Company to recover the carrying cost on
23 the prepaid balance. The Company agrees that the
24 actual working capital would be slightly different to

1 the extent the final return on equity is different than
2 what was allowed in the last rate case proceeding and
3 we agree to eliminate the impacts of PSL 18a. The
4 adjustment included in Staff's Exhibit ___ (AP-1) did
5 not eliminate all of the impacts properly, and as a
6 result, Staff's revenue requirement is understated by
7 approximately \$8 million. In addition to this, there
8 are impacts on revenue tracking items such as late
9 payment charges and uncollectible expense. We had put
10 in an information request of Staff to confirm this but
11 we have not received their response as this time.

12 Base Wage Slippage Correction

13 Q. Please describe the error you believe the Staff
14 Accounting Panel made regarding the base wage
15 calculation which is a component in their determination
16 of calculating a historical hiring lag adjustment?

17 A. As stated in Staff Accounting Panel's response to Con
18 Edison's Interrogatory No. 123 a, the Staff Accounting
19 Panel would need to adjust their base subject to their
20 slippage adjustment to \$3.960 million from their
21 original \$4.750 million submission because they erred
22 in adding to their base the cost of employees that have
23 been hired by the Company.

24 Q. What is the revenue requirement impact of this change?

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1 A. Based on the Staff Accounting Panel's methodology to
2 calculate the Company's total hiring lag amount, the
3 \$790,000 change of in the base subject to slippage
4 would be multiplied by their overall hiring lag
5 percentage of 37.5% resulting in an approximately
6 \$300,000 adjustment. This \$300,000 should be added to
7 Staff's revenue requirement.

8 Q. Please continue.

9 A. Although we do not agree with this adjustment and we
10 explain our position in detail later in this testimony,
11 we want to make sure if the Commission adopts the Staff
12 Accounting Panel's methodology, the record reflects the
13 proper amount of Staff's adjustment.

14 Labor Escalation- Rate Year Factor - Weekly Employees
15 Premium and Overtime Pay Correction

16 Q. Please describe the error you believe the Staff
17 Accounting Panel made in the development of their labor
18 escalation rate.

19 A. As stated in Staff Accounting Panel's response to Con
20 Edison's Interrogatory No. 61 a - c, the Staff
21 Accounting Panel agreed that applying a weighted
22 average instead of a simple average in the calculation
23 of the labor factor for premium and overtime pay for

1 the rate year is appropriate to use in the development
2 of the labor escalation rate.

3 Q. What is the new rate year factor as a result of using
4 the weighted average?

5 A. Using a weighted average, the rate year factor is
6 1.0815% instead of 1.0562%

7 Q. What is the revenue requirement impact of this change?

8 A. As a result of using the weighted average, the labor
9 escalation rate increased from 3.39% to 3.71%. This
10 adjustment decreases Staff's adjustment by \$1.622
11 million, from \$25.852 million to \$24.230 million. The
12 \$1.622 million should be included and added to the
13 Staff's revenue requirement.

14 Capitalized Pension Adjustment Correction

15 Q. Did you find an error made with respect to the
16 Capitalized Pension Cost calculation?

17 A. Yes. We believe that Staff eliminated capitalized
18 pension costs contained in our Exhibit ___ (AP-6),
19 Schedule 3 from rate base, but did not describe the
20 adjustment in testimony. In reviewing the supporting
21 documentation of Staff witness Liliya A. Randt we had
22 discovered an unexplained discrepancy which we believe
23 is attributable to her removal of capitalized pension
24 overhead. As it was not discussed in her testimony nor

1 the testimony of the Accounting Panel, we question
2 whether this adjustment was made in error.

3 Q. Please continue.

4 A. We requested through an interrogatory whether Staff's
5 elimination of the capitalized pension cost was made in
6 error. If Staff intended to eliminate this cost, we
7 also requested an explanation for this adjustment in
8 addition to providing all supporting calculations and
9 work papers.

10 Q. What is the impact of this suspected error on the
11 revenue requirement?

12 A. The inclusion of the capitalized overheads increased
13 rate base by some \$74.2 million, or \$8.2 million
14 revenue requirement.

15

16 UPDATE OF PRIOR TESTIMONY AND EXHIBIT

17 Q. Have you prepared an update of Exhibit __ (AP-9)?

18 A. Yes, we have.

19 Q. I show you Exhibit __ (AP-9) Revised, Sep 2009 Update
20 the first page of which is entitled, "COMPUTATION OF
21 REVENUE REQUIREMENT CHANGE - TWELVE MONTHS ENDING
22 March 31, 2011," and ask if it was prepared under your
23 direction and supervision?

24 A. Yes, it was.

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1 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-9) Revised,
2 SEP 2009 UPDATE

3 Q. Please describe Exhibit ____ (AP-9) Revised, SEP 2009
4 UPDATE.

5 A. Exhibit ____ (AP-9) Revised, SEP 2009 UPDATE consists of
6 a summary page followed by eight supporting schedules.
7 The summary consists of two columns. Column one
8 reflects rate base, rate of return, required return,
9 income available for return, deficiency, retention
10 factor and the additional revenue requirement as
11 requested in the Company's May 2009 filing. Column two
12 reflects the Company's update to rate base, rate of
13 return, required return, income available for return,
14 deficiency, and additional revenue requirements as
15 result of changes and corrections made in the July
16 Preliminary update. Schedule 1 consists of six columns
17 with column 1 reflecting the operating income, average
18 rate base and rate of return data as shown in the May
19 2009 filing on Exhibit ____ (AP-9), Schedule 1, column
20 1. Column 2 cites the corresponding adjustment number
21 that can be cross-referenced and is discussed in
22 further detail in the sub-schedules of the July
23 Preliminary update. Column 3 reflects the latest
24 revisions to the data in column 1. Column 4 is the sum

1 of columns 1 and 3 and reflects the Company's current
2 position in the rate year, absent rate relief. Column
3 5 shows the effect of the revised revenue requirement
4 and column 6 reflects the rate year after factoring in
5 the revisions.

6 Q. Please continue with your explanation of the remaining
7 schedules of this exhibit.

8 A. Schedules 2 and 3 update other operating revenues and
9 operation and maintenance (O&M) expenses. Schedules 4,
10 5 and 6 update taxes other than income taxes, state
11 income tax and federal income tax information.

12 Schedule 7 updates the Company's rate base calculation
13 and Schedule 8 provides a synopsis of the adjustments
14 cited within Exhibit ___ (AP-9) REVISED - Summary page
15 through Schedule 8, that includes the adjustments
16 presented to the parties in July Preliminary update as
17 well as the updates included in this update.

18 Q. What results are shown on Schedule 1 of your revised
19 exhibit?

20 A. The Company's rate of return on average rate base
21 during the rate year was originally projected to be
22 5.08 percent, before any rate relief. With the
23 revisions made to the data, as reflected in column 5,

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1 the Company's projected rate of return is 4.89 percent,
2 before any rate relief.

3 Q. Please describe the adjustments to operating revenues
4 as shown on Schedule 1.

5 A. Adjustments to the Company's sales revenue are shown in
6 detail as adjustment numbers 1 (a) through (g) on
7 Schedule 8. The sales revenue adjustments reflect an
8 increase to the forecast of Merchant Function Charge
9 Revenues ("MFC") and Monthly Adjustment Charge Revenues
10 ("MAC") of \$2.2 million to reflect higher uncollectible
11 recoveries associated with the increase in the
12 uncollectible write off factor from \$0.68 per \$100 to
13 \$0.78 per \$100. Our July Preliminary update had
14 indicated that the factor at that time was \$0.71 per
15 \$100 for an increase of \$1 million, but the
16 uncollectible rate continues to increase. Adjustment
17 1b was made to reduce the level of deferred unbilled
18 revenues to be reflected as a rate year moderator in
19 Rate Year 1 by \$20.0 million.

20 Rate years 2 and 3 will now reflect an unbilled revenue
21 credit of \$3.0 million per year. This change was made
22 to limit the application of these credits to deferred
23 World Trade Center capital costs that are being
24 recovered as part of this case. The Company will

1 utilize the remaining amount of unbilled revenue
2 credits (\$15.3 million) to write down currently
3 deferred WTC O&M costs as provided in the Order to Case
4 08-E-0539. Adjustment 1c is the expected sales revenue
5 levels in the Rate Year and is explained by the
6 Company's Forecasting Panel. Adjustment 1d is
7 discussed in the testimony of the Customer Operations
8 Panel. Adjustment 1e reflects Staff witness Insogna's
9 adjustment of an incremental \$4.5 million for the low
10 income program to be allocated among customer classes.
11 Adjustment 1f reflects Staff Accounting Panel's
12 adjustment for SBC/RPS programs and their adjustments
13 also reflect offsetting adjustments in O&M, adjustments
14 #28a and 32a. The last adjustment, 1g, reflects the
15 elimination of the PSL 18a assessment revenues from
16 base rates as this assessment is collected from
17 customers through a surcharge per Case 09-M-0311.

18 Q. Please describe the Company's adjustments to other
19 operating revenues as summarized on Schedule 1 and
20 detailed on Schedule 2.

21 A. Adjustments to other operating revenues are shown in
22 detail as adjustment numbers 2 (a) through (t) on
23 Schedule 8 of Exhibit ____ (AP-9) Revised September 2009
24 Update. The other operating revenue adjustments

1 reflect a revenue adjustment of \$222,000 (Adjustment
2 #2a) to reflect an increase to the rental income
3 forecast based on new and renewed rental agreements.
4 See the Company's response to IR DPS5-44. In addition,
5 the Company reduced the forecast of interdepartmental
6 rents by \$58,000 to reflect the latest accounting study
7 (Adjustment 2b).

8 Q. Please continue.

9 A. A \$39,000 decrease was made to water meter reading
10 revenues to correct the amount included by the
11 Company's Accounting Panel in its revenue requirement
12 (Adjustment 2c). This was made to be consistent with
13 the level supported by the Customer Operations Panel.
14 The Company normalized the \$187,000 of Gas Hedging
15 Program interest revenues because they are collected
16 through the MSC (Adjustment 2d). See the Company's
17 response to IR DPS14-112. The filing was also updated
18 to reflect the recovery of World Trade Center capital
19 costs over 28 years, or a decrease of \$478,000
20 (Adjustment 2e). The amortization of deferred
21 pension/OPEB costs was increased by \$2.7 million
22 (Adjustment 2f) to recover higher linking period
23 deferred costs, as compared to the level contained in
24 Case 08-E-0539, over three years. This reflects the

1 latest actuarial report from Buck Consultants. The
2 amortization of deferred Site Investigation and
3 Remediation ("SIR") costs was increased by \$321,000
4 (Adjustment 2g) to recover higher linking period
5 deferred costs over ten years. Another adjustment was
6 made to the amortization of deferred property tax
7 refunds to be passed back to customers over three years
8 which was decreased by \$26,000 (Adjustment 2h). This
9 is to reflect the additional costs to achieve related
10 to the projected refunds. These costs were updated as
11 they continue to be incurred until the tax settlements
12 are finalized and certain of the costs were
13 inadvertently omitted from the initial filing. The
14 filing was also updated to reflect a two-year
15 amortization of Local Law 11 facade work of \$862,000
16 (Adjustment 2i) as authorized in Case 08-E-0539. In
17 addition, the filing was updated to reflect a three-
18 year amortization of East River Unit #6 Generator
19 Rewind costs of \$876,000 (Adjustment 2j) as authorized
20 in Case 08-E-0539. An adjustment of (\$3.9) million was
21 made to reflect a two-year amortization of incremental
22 costs related to the Company's 5 year Underground
23 Inspection Program as authorized in Case 08-E-0539
24 (Adjustment 2k).

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1 Q. What are your next adjustments?

2 A. We will now discuss adjustments that we are updating
3 for subsequent to our July 10th preliminary update.
4 Revenues were increased by \$113,000 to reflect a new
5 revenue producing wireless attachment agreement, as
6 discussed in the Company's response to DPS 19-190
7 (Adjustment 2l). Late payment charges were reduced by
8 \$923,000 to track the Company's changes to sales
9 revenues (Adjustment 2m). Revenues were increased by
10 \$221,000 to reflect an updated estimate of rate year
11 SO2 allowances as discussed by Company Witness Price
12 (Adjustment 2n). The Company reflected additional T&D
13 Carrying charges of \$422,000 over 8 years or \$53,000 in
14 the rate year as discussed in the Company's response to
15 DPS 32-306 (Adjustment 2o). The Company increased
16 revenues by \$1.182 million to reflect the amortization
17 of SIR costs based on actual costs through June 30,
18 2009 (Adjustment 2p). In Case 08-M-0901, the
19 Commission disallowed the Company's deferral of
20 property taxes of \$14.558 million. Therefore, the
21 Company has increased revenues by \$4.853 million, which
22 equates to one third of the amount that was initially
23 requested in the rate year that was reduced by the
24 Commission order (Adjustment 2q). Revenues were

1 increased by \$13,000 to reflect interference
2 underspending for the Rate Year ending March 31, 2009
3 that was booked in April 2009 (see Company response to
4 DPS 38-360) (Adjustment 2r).

5 Q. Please describe the revision to the amortization of the
6 Washington Heights balance (adjustment 2s).

7 A. In our initial testimony, we had proposed an
8 amortization of the remaining \$752,687 under the
9 Washington Heights settlement, which, we believe, in
10 retrospect, was made in error. The PSC's "Order
11 Approving Settlement" was issued and effective on
12 November 13, 2002 in Case 99-E-0930. The Order stated
13 on page 2 that \$1.9 million should be spent on the
14 following:

- 15 • \$500,000 to be provided to the New York Housing
16 Authority ("NYCHA") to upgrade the central air
17 conditioning system at a Washington Heights
18 community center;
- 19 • \$200K to be provided to NYCHA to replace window
20 air conditioning units at all of the remaining
21 cooling centers in Upper Manhattan and other areas
22 affected by the outage; and

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- 1 • \$1.2M to be used to improve Con Edison's emergency
2 response infrastructure in the wake of September
3 11, 2001.
4 After reviewing the funds spent, it was noted that
5 \$1.147 million had already been spent from the
6 originally reserved \$1.9 million, and that the
7 remaining balance of unspent funds was \$752,687. The
8 entire amount spent thus far was for the improvement of
9 Con Edison's emergency response infrastructure. No
10 money has been used toward the \$500,000 and \$200,000
11 reserved for the New York Housing Authority pending
12 receipt from NYCHA of contracts or receipts for the air
13 conditioning work.
- 14 Q. After your review, what do you now propose?
- 15 A. Upon further review of the PSC order, we conclude that
16 the original \$1.9 million was to be disposed of in the
17 manner described above. As such, the first \$500,000
18 and \$200,000 should be spent toward the New York
19 Housing Authority projects as directed above, and only
20 the remaining \$53,000 should be returned to customers
21 in this proceeding. Our update reflects this proposal.
- 22 Q. Please continue with the final adjustment to other
23 operating revenues.

- 1 A. The Company decreased revenues by \$1.597 million to
2 reflect Staff's proposal to remove the Company's
3 forecast of future property tax refunds (adjustment
4 2t).
- 5 Q. Are there any changes to the forecast for Rate Years 2
6 and 3 of the Company's proposed rate plan?
- 7 A. Yes. The forecast of other operating revenues for Rate
8 Years 2 and 3 was increased by \$1.4 and \$1.5 million,
9 respectively, to reflect carrying charges associated
10 with the metering equipment that will be billed to
11 customers on the expanded Mandatory Hourly Pricing
12 ("MHP") program. The capital investment and sample
13 billing for these customers is currently being phased
14 in. These revenues were inadvertently omitted from the
15 Company's initial filing.
- 16 Q. Please continue with your explanation of the remaining
17 schedules on this exhibit.
- 18 A. Schedule 3 details changes to O&M expenses. On
19 Schedule 8, pages 1-4, these adjustments are detailed.
20 Adjustments 5a - d and 6a, 6b, 11a - d, and 11f are
21 discussed by the Company's Infrastructure Investment
22 Panel. The Company's Shared Services Panel explains or
23 accepts adjustments 7a - b, 10h, 25b, and 36f.
24 Adjustments 8b, 10a, 10f, 10g, 19b - g, 25a, 27a, 36a,

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1 and 36g - i are discussed in the testimony of the
2 Customer Operations Panel. Adjustment 15f is discussed
3 in the testimony of Company Witness Reyes. Adjustment
4 16a is discussed in the testimony of Company Witness
5 Price. Adjustments 20a and 26a are discussed in the
6 testimony of the Public and Customer Information Panel.
7 Adjustment 24a is discussed in the testimony of the
8 Municipal Infrastructure Support Panel. Adjustments
9 33a and 33b represents program changes for security
10 measures (maintenance service contract for the Security
11 Operations Center and geo-spatial camera maintenance)
12 that Company Witness Campanella deems are not expected
13 to be incurred. Also see DPS-60.

14 Q. Please continue.

15 A. The O&M adjustments relating to austerity, Adjustment
16 3a eliminating the \$30 million placeholder for
17 austerity and Adjustments 8a, 10c - 10e, 12a, 15a -
18 15c, 22a, and 36b - 36e representing the O&M reductions
19 that together with the capital reductions total
20 approximately \$23 million are described in the
21 supplemental testimony of Edward J. Rasmussen. See
22 Exhibit__ (EJR-2) attached.

23 Q. Please continue with the O&M items that are supported
24 by the Accounting Panel.

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1 A. Adjustments 4a and 4b adjust Administrative Expenses
2 Transferred (i.e., capitalized) to reflect the impact
3 of the AFL-CIO Local 1-2 and IBEW Local 3 contracts
4 mentioned below for a total capitalization of \$109,000
5 and to reflect the capital expenditures in the
6 Company's Infrastructure Investment Panel's exhibits
7 that were not captured in the Accounting Panel's
8 calculation of Administrative Expenses Transferred in
9 the May 2009 filing, or \$614,000, for a total
10 adjustment of \$723,000 credit. Adjustment 9a reflects
11 the removal of \$265,000 for officer related
12 compensation that was inadvertently omitted in the
13 Company's May 2009 filing.

14 Adjustments 10a, 19c, and 25a reclassify Customer
15 Operations expenses to their correct elements of
16 expense categories as discussed in the Company's
17 response to DPS5-40.

18 Q. Please continue with your labor adjustments.

19 A. The Company made the following labor related
20 adjustments:

- 21 • Reduced Company Labor due to lower than forecast
22 wage increases negotiated with IBEW Local 3,
23 which represents approximately 320 bargaining
24 unit employees in Staten Island;

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1 • Increased Company Labor to correct for the
2 general wage increase of January 2009 of 2% for
3 AFL-CIO, Local 1-2, per the collective bargaining
4 contract, to adjust for the actual merit increase
5 granted to Management employees of 3% from the
6 previous projection of 3.5% as per DPS 12 - 105
7 and to revise the methodology previously used in
8 the calculation of the labor factor for weekly
9 employees' premium and overtime pay to a weighted
10 average in the development of the labor
11 escalation rate. The revised labor escalation
12 rate is 8.13%.

13 The adjustments that reflect the change in the labor
14 escalation rate are Adjustments 4b (as mentioned
15 above), 10b, 11e, 13a, and 34a.

16 Q. Please continue describing the Company's O&M
17 adjustments.

18 A. Employee Pension and OPEBs expense was increased by
19 \$629,000 (Adjustment 14a) to reflect the results of
20 pension/OPEB studies completed by Buck Consultants
21 during the 2nd quarter of 2009.

22 As discussed above, the Company accepts Staff's
23 adjustment related to health care costs that are paid
24 for through employee deductions. This amounts to

1 \$300,000 (Adjustment 15e) based on our requested human
2 resources.

3 The annual ERRP maintenance expense was reduced by \$3.8
4 million (Adjustment 17a) to reflect the annual rate
5 allowance established in Case 07-E-0523 (i.e., \$7.5
6 million per year). See the Company's response to IR
7 DPS10-73.

8 Projected financing costs (facility fees and revolver
9 fees for letters of credit) were increased by \$0.1
10 million (Adjustment 18a) as a result of Moody's recent
11 downgrade of the Company's long term indentures.

12 An adjustment of \$327,000 (Adjustment 19a) was made to
13 include the cost of a maintenance agreement for the
14 Enterprise Resource Planning (ERP) costs.

15 Q. Please continue with your adjustment 21a.

16 A. Injuries and damages expense was increased by \$1.2
17 million (Adjustment 21a) to reflect a three-year
18 average of actual claims through June 30, 2009.

19 Adjustments to decrease insurance premiums by \$4.2
20 million (i.e., Adjustments 23a and 23b) were made to
21 reflect the impact of actual 2009 premiums, the use of
22 general escalation upon expiration of a premium, and to
23 correct the calculation of excess liability insurance
24 for the premium cap contained in the Joint Proposal

1 reached in Case 08-S-0153.

2 Q. Please continue.

3 A. Adjustment 27a corrects the allocation to electric
4 service for postage costs as discussed in the Company's
5 response to DPS11-177.

6 Regulatory Commission expense was decreased by \$1.4
7 million for an update using the latest PSC assessment
8 letter as well as for the removal of \$189.885 million
9 relating to the PSL 18a assessment (Adjustments #29a -
10 b). This is also discussed in our previous testimony
11 for the adjustments to sales revenues.

12 The forecast of interdepartmental rents was decreased
13 by \$0.9 million (Adjustment 30a) to reflect the latest
14 time study.

15 At the time of the July Preliminary update,
16 uncollectible expense was increased by \$2.3 million
17 (Adjustment 35a) to reflect the Company actual bad debt
18 write-off experience through June 2009. The actual
19 uncollectible write-offs as a component of billed
20 revenues increased from \$0.68 per \$100 of revenues to
21 \$0.71 per \$100 of revenues. The most recent review as
22 of August 2009 indicates that the uncollectible rate is
23 now \$0.78 cents per \$100, or an additional increase of
24 \$5.4 million (Adjustment 35b). Adjustment 35c is a

- 1 tracking adjustment for uncollectibles on sales revenue
2 and LPC adjustments. The decrease is primarily due to
3 the removal of the 18a Assessment.
- 4 Q. Are there any updates to Depreciation Expense and Taxes
5 Other Than Income Taxes?
- 6 A. Yes. Depreciation changes (Adjustment 37) and property
7 taxes (Adjustments 38a) are discussed by Company
8 witness Hutcheson. We reflected a net increase of
9 \$694,000 (Adjustment 38b) in payroll taxes that track
10 updates to Company Labor. Adjustment 38c tracks the
11 adjustment to sales revenues for revenue taxes.
- 12 Q. Please describe the update for Receipts Tax, Adjustment
13 38d.
- 14 A. The Receipts Tax is made up exclusively of Section 626
15 credits. The credits are described in Mr. Hutcheson's
16 update testimony relating to his update for 626
17 credits. The 626 credits reduce property taxes but
18 they are included as Receipts Taxes, and as a result,
19 the two are offset. This adjustment of \$1,017,000 was
20 made in Mr. Hutcheson's forecast of New York City
21 property taxes. As Mr. Hutcheson mentions, the
22 Receipts tax was greater than had been estimated and
23 resulted in a larger incremental Section 626 credit due
24 the Company, which increased the Receipts Tax by \$1.017

1 million. The July Preliminary update included this
2 adjustment to New York City property taxes, but the
3 offset was inadvertently left out of the forecast of
4 Receipts Tax from the Company's May 2009 filing
5 altogether. This adjustment corrects that error.

6 Q. Were there any updates to your income tax calculations?

7 A. Yes. The New York State income tax calculation was
8 updated to reflect the amortization of actual and
9 estimated Brownfield Tax Credits over nine years, which
10 amount to \$1.6 million per year. In Case 08-E-0539,
11 the Company reflected Brownfield tax credits of \$1.5
12 million. It is anticipated that the majority of these
13 credits, which are related to the Astor Substation,
14 will be received in 2010.

15 Q. Does the Panel have any revisions to Exhibit ____ (AP-
16 12)?

17 A. Yes

18 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-12) REVISED

19 Q. What is the impact of your changes on the overall rate
20 of return?

21 A. The Company's updated overall rate of return is 8.19
22 percent as compared to the initially filed 8.29 percent
23 primarily due to lower long term debt interest rates.

1 Q. Please describe your update regarding the rate of
2 return.

3 A. We updated Schedules 1 and 2 of our Exhibit ____ (AP-12)
4 to reflect the actual capital structure as of June 30,
5 2009, the existing and forecasted issuances of debt,
6 the cost rates of debt and the resulting changes in the
7 averages balances of the projected rate year capital
8 structure.

9 Q. Please explain your update to the average long term
10 debt and its cost rate.

11 A. The average long term debt level has been revised to
12 reflect an updated forecast of the projected long term
13 debt issuances which overall, decreased by \$300
14 million, as compared to the Company's initial exhibit.
15 The initial filing reflected Long-Term Debt issuances
16 as follows:

- 17 • \$650 million 2009 Series C debentures
- 18 • \$400 million 2010 Series A debentures
- 19 • \$450 million 2010 Series B debentures
- 20 • \$330 million 2010 Series C debentures

21 for a total of \$1,830 million of new long-term debt
22 through the end of the rate year. The revised Long-Term
23 Debt issuances are as follows:

- 1 • \$310 million 2009 Series C debentures
- 2 • \$300 million 2010 Series A debentures
- 3 • \$300 million 2010 Series B debentures
- 4 • \$370 million 2010 Series C debentures
- 5 • \$250 million 2010 Series D debentures

6 for a total of \$1,530 million of new long term debt
7 through the end of the rate year.

8 The decrease in the level of financing required is
9 primarily due to reductions in capital expenditures
10 over the period as a result of the Company's austerity
11 measures. The cost of long term debt decreased to 5.69
12 percent from the initial testimony rate of 5.90
13 percent, reflecting the current projections for
14 interest rates which, in turn, reduced the cost rates
15 on new issuances.

16 Q. What methodology was used to update the projection for
17 interest rates?

18 A. We updated the near-term (2009-2010) forecast of
19 interest rates to match the Treasury rate forecasts
20 from the July edition of the Blue Chip Financial
21 Forecasts plus a spread to Treasuries based on current
22 spreads. In addition, we updated the 2011 forecast
23 using longer-term forecasts from the June edition of

1 the Blue Chip Financial Forecasts plus current spreads.
2 We updated the tax-exempt floating rates as well, based
3 on historical relationships. We caution that the
4 impact of the recent Moody's downgrade is yet to be
5 determined on the Company's financing and other costs.

6 Q. Please explain the update to the common equity
7 balance.

8 A. The rate year ending balance of common equity reflects
9 an updated forecast. As a result, the equity ratio
10 increased to 48.19 percent compared to the initial
11 testimony level of 48.16 percent.

12 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-8) REVISED

13 Q. Please describe Exhibit ____ (AP-8) REVISED.

14 A. Exhibit ____ (AP-8) REVISED consists of the adjustments
15 made to Rate Base (Schedule 1) followed by those made
16 to Working Capital (Schedule 2). Schedule 3 is a
17 summary of all those adjustments.

18 Q. Please describe these adjustments.

19 A. Adjustment 1a of \$138 million made in the July
20 Preliminary Update reflects the impact to plant in
21 service for the reduction of capital expenditures made
22 as a result of the Company's austerity measures. For
23 the Company's proposed rate plan, Rate Year 1 plant
24 balances reflect the impact of projects deferred as

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1 part of the Company's austerity measures. Rate Year 2
2 reflects the expected elimination of the Phase Angle
3 Regulator at Astoria East and a Series Reactor at
4 Corona. See the Company's response to AGC3-19. Rate
5 Year 3 reflects higher costs for the Company's ERP
6 system. In this September update, an adjustment of
7 \$19.7 million was made to reduce the plant balances to
8 reflect the revised forecast of rate year plant in
9 service as a result of the elimination of certain
10 capital projects by the Company's Infrastructure
11 Investment Panel.

12 Q. Please continue.

13 A. For Adjustment 1b, an adjustment of \$3.7 million was
14 made to plant in service in the July Preliminary Update
15 to reflect the updated forecast of rate year
16 accumulated reserve for depreciation resulting from the
17 austerity measures. In the September Update, an
18 adjustment of \$210,000 was made to net plant in service
19 to reflect the updated forecast of rate year
20 accumulated reserve for depreciation. As a result, the
21 net change to plant in service is a reduction of \$154.4
22 million. The Company's July Preliminary update
23 included an update of billed revenues. Our associated
24 rate base effect is a reduction of \$10.3 million

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- 1 (Adjustment 2). Unamortized debt discount was reduced
2 by \$15.5 million to reflect the updated financial
3 structure per Exhibit ___ (AP-12) Revised (Adjustment
4 3). Working Capital was reduced by \$3.1 million to
5 reflect updates to property taxes and insurance
6 prepayments as well as cash working capital (Adjustment
7 4). In addition, an adjustment of negative \$86.3
8 million in the Working Capital was made in the
9 September update due primarily to the adjustments in
10 cash working capital, elimination of Regulatory
11 Assessment - 18A Legislation prepayment, and
12 adjustments in interference and insurance prepayments.
- 13 Q. Please explain your adjustments to Excess Rate Base
14 over Capitalization.
- 15 A. There were two adjustments made in the July Preliminary
16 Update. The first, for \$344 million is to correct the
17 Earnings Base/Capitalization (Adjustment 5a). Please
18 see the Company's response to IR DPS10-74. The second,
19 for (\$535 million) is the result of an update to the
20 elimination of pension credits (Adjustment 5b).
- 21 Q. Please continue with System Benefits Charge/Retail
22 Portfolio Standard.
- 23 A. The Company accepted Staff's suggestion and eliminated
24 the \$4.2 million from its forecast (Adjustment 6).

1 Q. Please continue.

2 A. ERRP Maintenance was adjusted by \$2.8 million in the
3 July Preliminary Update to reflect a rate base
4 deduction that was inadvertently omitted in the
5 Company's initial filing (Adjustment 7). See the
6 Company's response to IR DPS10-73.

7 Q. Please continue with the section Rate Case
8 Reconciliations.

9 A. We are reflecting updates to rate base for the changes
10 in regulatory assets and liabilities to be recovered or
11 refunded as discussed previously in the section in
12 Other Operating Revenues. Adjustments for the
13 following amounts were made: T&D Deferral for negative
14 \$239,000 in the September Update (Adjustment 8a), SIR
15 Deferral for \$1.8 million and negative \$6.8 million in
16 the July Preliminary and September Updates respectively
17 (Adjustment 8b). Adjustments in Facilities Maintenance
18 for \$260,000 (Adjustment 8c), East River 6 Generator
19 Rewind for \$794,000 (Adjustment 8d), and 5 Year
20 Underground Inspection Program for \$1.2 million
21 (Adjustment 8e) were made in the July Preliminary
22 Update. Adjustments in Property Tax Increase deferral
23 for negative \$7.3 million (Adjustment 8f), Interference
24 Underspending for negative \$19,000 (Adjustment 8g),

1 Washington Heights and WTC Security Initiatives for
2 \$352,000 (Adjustment 8h) were made in the September
3 Update. Adjustments of \$41,000 and \$2.4 million for
4 Property Tax Refunds were made respectively in the July
5 Preliminary and September Updates (Adjustment 8i).

6 Q. Please explain the adjustments to Deferred Income
7 Taxes.

8 A. The first adjustment of \$16.4 million reflects tracking
9 adjustments to the Federal Income Tax calculation
10 resulting from the changes in capital spending
11 (Adjustment 9). The second, a net adjustment of
12 negative \$87.66 million was made to reflect a deferred
13 Federal Income Tax for Section 263A per DPS-294
14 (Adjustment 10). The third adjustment of \$685,000,
15 MTA, reflects a tracking adjustment to the Income Tax
16 calculation and correction to the original filing
17 (Adjustment 11). The fourth adjustment includes the
18 estimated deferred income tax benefits from the actual
19 and projected Brownfield Tax Credits. This adjustment
20 was for a reduction of \$7.2 million made in the July
21 Preliminary Update (Adjustment 12). Last, an
22 adjustment of \$64 million was made as a correction to
23 the State Income Tax calculation (Adjustment 13). This
24 was made due to a computational error included in the

1 Company's original filing that did not reduce the
2 deferred taxes associated with book depreciation. In
3 addition, a decrease of \$745,000 is attributed to
4 tracking adjustments to the State income tax
5 calculation as a result of changes in Rate Case
6 Reconciliations mentioned earlier in this section of
7 the testimony.

8

9 COMMON PLANT UPDATE - ENTERPRISE RESOURCE PLANNING (ERP)

10 Q. What is the next subject matter of your update?

11 A. We would like to discuss the update for the cost of the
12 Company's ERP project.

13 Q. Does the Accounting Panel have an exhibit relating to
14 the update for ERP?

15 A. Yes, it is Exhibit__ (AP-16).

16 MARK FOR IDENTIFICATION AS EXHIBIT ____ (AP-16)

17 Q. Please continue.

18 A. The Company's initial testimony noted that a detailed
19 Phase 0 analysis would be performed on the
20 implementation effort associated with an ERP and that
21 the preliminary high level estimate prepared by MICON
22 Consulting may be revised.

23 Q. Did the Company complete its Phase 0 Analysis?

- 1 A. Yes. The outcomes of the Phase 0 Analysis included a
2 project implementation plan, determined resource
3 staffing requirements, described the "to-be" business
4 processes, analyzed software functionality, and refined
5 the total implementation cost estimate. During this
6 effort, the Oracle ERP was also validated as the
7 selection for the Finance and Supply Chain ERP system.
8 The Phase 0 project encompassed an in-depth analysis of
9 the business processes surrounding Finance and Supply
10 Chain compared to Oracle's ERP solution.
11 This project fully analyzed the business processes of
12 Finance (including Miscellaneous Accounts Receivable &
13 Billing, Treasury/Cash Management, General Accounting -
14 closing process and account reconciliations, Management
15 Reporting, Budgeting, and Financial Reporting) and
16 Supply Chain (including Purchasing, Accounts Payable,
17 Materials Management, and Warehouse Management)
18 activities and compared them to the processes supported
19 by Oracle's ERP system. The Phase 0 project started on
20 October 1, 2008 and was completed in May 2009. The
21 total cost for the analysis was \$4.6 million.
- 22 Q. Please describe the phases and timetable for the ERP
23 implementation

1 A. The Phase 0 analysis assumes that the Finance and
2 Supply Chain ERP implementation begins in November
3 2009, subject to receiving Board approval in October
4 2009, and the system will be placed into service in the
5 second quarter of 2012. The implementation will follow
6 a standard method for ERP implementations with Design,
7 Build, Test, Deliver, and Operate phases.

8 Q. Please explain the objectives of the phases.

9 A. The objectives of these phases are:

- 10 • Design - The objective of the Design phase is to
11 create a detailed design that includes the key
12 requirements definition, the software gap analysis
13 results, and software prototyping efforts. During
14 this phase, the Company develops a common, detailed
15 understanding of how to operate its business using
16 the selected software package. The base technology
17 infrastructure is also maintained as part of the
18 prototype environment to support the process design
19 effort.
- 20 • Build and Test - The objectives of the Build and
21 Test phase are to configure and test the business
22 and technical requirements that were defined in the
23 Design phase. The system is configured, an
24 integration test is planned and conducted, and the

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1 system is prepared for user-acceptance testing and
2 training. Interfaces, reports, and conversions are
3 developed and tested; security profiles are created;
4 and testing, training, and production environments
5 are established to prepare for cutover to production
6 business operations.

7 • Deliver - The objectives of the Deliver phase are to
8 prepare for and execute a system and business
9 cutover to the new environment. This process
10 involves final system testing, user training, and
11 the formation or enhancement of a support
12 organization to help the Company after cutover.
13 During this phase, user-acceptance testing is
14 performed and all open issues are managed. Upon
15 successful cutover at the end of this phase, the
16 Company is ready to operate on the production
17 system.

18 • Operate - The objective of the Operate phase is to
19 make the transition from the readiness activities of
20 a pre-production environment to actual business
21 operations. During this phase, which begins
22 immediately after cutover, the implementation team
23 transfers responsibility for activities and tasks to

1 the support organization and optimizes overall
2 system performance.

3 Q. Has the cost of implementation changed from the MICON
4 estimate?

5 A. Yes. The direct costs of implementation are estimated
6 to be \$127.2 million. The direct costs of the project
7 include Company Labor, System Integrator Labor,
8 Contractor Labor, Hardware, Software, Travel, and
9 Training. Including all indirect costs, such as AFUDC,
10 labor overheads and a provision for cost contingency,
11 the total project cost is estimated at \$163.5 million,
12 an increase of \$63.1 million over the Company's initial
13 filing in this proceeding.

14 Q. Please explain the increase.

15 A. The initial estimate of \$100.5 million was developed by
16 MICON Consulting based on their industry experience of
17 similar type companies and their experience of
18 integrating new finance and supply chain systems. The
19 revised estimate was based on an in depth analysis of
20 business and systems requirements resulting from 28
21 workshops that included over 600 attendees from the
22 Operating, Shared Services and Finance organizations in
23 which current and future state processes were reviewed
24 with comparisons to industry standards. As a result of

- 1 Phase 0, several cost components that were not
2 reflected in the initial MICON estimate were
3 indentified. The increases in projected cost from the
4 MICON estimate are detailed in Exhibit ____ (AP-16).
- 5 Q. Please explain the reason for increases in scope.
- 6 A. The expansion of scope includes Hyperion
7 Planning/Budgeting, Business Intelligence and
8 Analytics/Data Warehouse increases the Companies'
9 analytical and reporting capabilities allowing for
10 strategic forecasting, accountability through unit
11 costing linked with work management activities, cost
12 and revenue variance analysis, improved cost management
13 and enhanced financial, regulatory and internal
14 reporting with drill down features. Planning and
15 Budgeting implementations are usually included with ERP
16 Financial implementations. These systems will enable
17 project managers and financial managers to balance
18 their focus between basic reporting activities and
19 value added root-cause analysis enabling project
20 managers better insight, tracking tools and
21 accountability of projects thereby reducing costs.
- 22 Q. Please continue.
- 23 A. Corporate Treasury Operations is currently using
24 SunGard's Globe\$ treasury management system version 6.5

1 to support its cash and liquidity management
2 activities. XRT Globe\$ is an exhausted platform and
3 SunGard is not actively investing in XRT enhancements.
4 There is risk of diminishing support for XRT over the
5 long run and the system is being phased out by SunGard,
6 therefore, this enhancement was included in the ERP
7 project's scope.

8 The increased scope to reflect O&R's work management
9 system enables a standardized unit costing, project
10 management and reporting process across both companies.
11 The Company also feels that the ERP scope will address
12 the concern addressed in the Liberty Audit which
13 indicated a need for the Company to strengthen its
14 links among scope, cost and schedule of the projects
15 and programs it manages. The Audit found that project
16 managers have limited visibility to material costs and
17 the project and cost management systems currently used
18 by the Company.

19 In addition, an ERP system would support financial
20 consolidation and reporting needs in order to achieve
21 IFRS compliance.

22 Q. Please explain the reason for the increase in cost
23 components.

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- 1 A. The Allowance for Funds used During Construction, the
2 capitalization of software maintenance during
3 implementation and the Post Go-Live Support was not
4 calculated in the MICON estimate. The higher
5 contingency reflects the increased costs
6 aforementioned.
- 7 Q. What costs have you reflected in this update resulting
8 from the Phase 0 effort?
- 9 A. Reflected in this update is the estimated project
10 implementation cost of \$163.5 million comprised of
11 \$161.8 million in projected capital expenditures and
12 \$1.7 million in related maintenance expense. In
13 addition to the \$163.5 million is \$4.6 million in
14 capital expenditures for Phase 0 effort. The Company's
15 electric capital allocation amounts to \$128.6 million
16 and \$0.6 million in related maintenance costs.
- 17 Q. Are there any ongoing costs beyond the implementation
18 period to support these new systems?
- 19 A. Yes. There will be annual maintenance fees of \$3.5
20 million for these new systems and savings of \$0.940
21 million for systems retired, for a net increase of
22 \$2.640 million, of which \$1.974 million applies to Con
23 Edison electric rates for the twelve months ended March
24 2013.

1 Q. Are there any net savings estimated as a result of the
2 ERP?

3 A. Yes. We projected both qualitative and quantitative
4 savings as part of the Phase 0 effort as well as
5 incremental ongoing support costs. However, we did not
6 reflect these net savings as they are not expected to
7 materialize until after the ERP implementation in 2012.

8

9 REBUTTAL TO STAFF AND OTHER PARTIES' TESTIMONY

10 COMPANY LABOR - PROGRAM CHANGES - HIRING FOR VARIOUS

11 DEPARTMENTS

12 Q. Did the Staff make any adjustments to the Company's
13 request for additional labor and why?

14 A. The Staff Accounting Panel would disallow the request
15 for 45 new employees in the Law, Finance, Auditing, and
16 Energy Policy & Regulatory Affairs Departments. Staff
17 claims that due to various reasons, most primarily, the
18 economic downturn, austerity, that other companies are
19 cutting back, that the service territory is
20 experiencing problems due to the economy, and the
21 requested new employees are not in primary areas
22 affecting safe and reliable service, the Company's
23 request for these 45 positions should be denied.
24 However, since 18 of the 45 have been hired, Staff

- 1 would agree to allow rate recovery for those positions.
- 2 Q. In making its adjustment, does Staff take issue with
3 the merits or justification for any one of these
4 positions?
- 5 A. Not at all.
- 6 Q. Were some of these positions previously approved by the
7 Commission in either Case 07-E-0523 or Case 08-E-0539?
- 8 A. Yes. In fact, of these 45 positions, 11 were already
9 approved and allowed rate relief in one or both of
10 those two cases.
- 11 Q. Does the Company believe that Staff can make such an
12 adjustment to positions that were already permitted in
13 rates?
- 14 A. No. In the recent decision, these positions were
15 approved in conjunction with an austerity adjustment
16 that provided the Company discretion in implementing.
17 To recommend disallowance in this case not only runs
18 contrary to the Commission's authorization of the
19 positions as being necessary in connection with the
20 Company's provision of safe and reliable service, it
21 would effectively constitute a retroactive increase to
22 the Commission's austerity adjustment in that case.
23 Unless Staff demonstrates why these positions are not
24 needed by the Company to discharge its service

1 responsibility or can demonstrate an increment to the
2 \$57 million austerity adjustment they separately
3 proposed, Staff has made neither demonstration. The
4 Company fully supported the need for these positions in
5 its initial presentation and Staff has provided no
6 basis for the Commission to reject the Company's
7 demonstrations.

8 Moreover, Staff's proposal to accept positions hired as
9 of the date of its testimony is totally arbitrary.
10 There is no basis for the Company to halt its good
11 faith efforts to fill positions approved by the
12 Commission in its last order, especially after the
13 Company was roundly criticized for not filling
14 positions. And no basis to not reflect in rates all
15 positions filled as of the date of the Commission's
16 decision should the Commission adopt Staff's "already
17 filled" position.

18 Q. Some of these positions were not previously approved by
19 the Commission. Can Staff still make the adjustment?

20 A. Staff can do so. However, this is simply an austerity
21 adjustment by another name and in another form.

22 Staff's sole justification for the adjustment is the
23 economy and absent economic conditions, we believe
24 Staff would not have made such an adjustment. But we

1 question how many times, and in how many different
2 ways, the same austerity adjustments will be made.
3 Staff is already imputing and additional \$30 million of
4 austerity in this case. They should not be permitted
5 to add another \$2.377 million to that adjustment.

6 Q. Is the Company providing updates to Staff on the hiring
7 for these positions?

8 A. Yes. These updates are provided monthly and any
9 changes to these hiring should be reflected in this
10 case.

11 HISTORICAL LAG IN HIRING APPROVED POSITIONS

12 Q. Please discuss the Staff Accounting Panel's
13 recommendation to adjust the Company's request for new
14 employees in the rate year.

15 A. The Staff Accounting Panel proposed an adjustment to
16 the Company's labor program changes based on their
17 description of a perceived historical lag in hiring for
18 newly approved positions. The Staff Accounting Panel
19 went on to state that they believe the Company would
20 not be able to fill the 110 newly requested positions
21 by the beginning of the Rate Year and therefore only a
22 portion of the employees requested would be on the
23 payroll for the Rate Year.

24 Q. Exactly what does Staff say?

- 1 A. Staff notes that in Case 08-E-0539, a 55 percent
2 slippage adjustment for hiring employees was applied.
3 This 55 percent was based on the fact that Staff
4 assumed, based on discovery responses, they believed
5 that only 45 percent of the employees requested for the
6 rate year would be hired either in the rate year or at
7 all. Thus, the Commission allowed the hiring of most
8 of the requested employees but reduced the amount in
9 rates by 55 percent to reflect the hiring lag.
10 In this case, Staff notes that their analysis shows
11 that 80 percent of the employees will be hired during
12 the rate year.
- 13 Q. What is Staff's adjustment?
- 14 A. Staff uses the information submitted in this case and
15 Case 08-E-0539 to develop of a two year average of 37.5
16 percent for its hiring slippage adjustment. This
17 results in a \$1.93 million decrease to the revenue
18 requirement.
- 19 Q. Does the Company agree with the Staff Accounting
20 Panel's recommendation?
- 21 A. No. The Company's ability to hire has been hindered by
22 the Commission's imposition of an austerity adjustment
23 from the previous case. The Company's austerity
24 measures have slowed the pace for hiring positions that

1 have already been approved by the Commission in
2 previous rate cases as well as positions requested in
3 this rate case. Applying a slippage adjustment on top
4 of the austerity measure is in effect double penalizing
5 the Company. The Company's hiring pace is restricted
6 by the Commission's austerity measure and then Staff in
7 turn criticizes and penalizes the Company for not
8 hiring quick enough. The hiring pace will continue to
9 be managed in a prudent manner under the austerity
10 measures, but further reductions by the Staff is not in
11 the public's best interests.

12 Q. Please describe the methodology used by the Staff
13 Accounting Panel to arrive at their adjustment.

14 A. Although the Company does not believe any slippage
15 adjustment should be applied in the current rate case,
16 the Company also disagrees with the methodology used by
17 the Staff Accounting Panel.

18 Q. Please continue.

19 Q. Please explain why you object to this two year
20 methodology?

21 A. Although the Company believes there is no basis for any
22 type of vacancy adjustment, we would further object to
23 the inclusion of adjustments that were made in previous
24 cases as having any relevancy to the current case.

1 Situations and circumstances dealing with hiring and
2 staffing are changing all the time. Application of an
3 adjustment made in a previous rate case may not have
4 any relevancy to the hiring needs the Company is facing
5 in the current rate case. The type of programs the
6 Company undertakes change year over year and the skill
7 sets needed to fill the requested positions may change
8 year over year. These constant changes will impact the
9 type of employee the Company will need to hire and
10 compounded with changing economic market forces, the
11 pace by which the Company will be able to be staffed at
12 the requested rate level.

13 The change in the year over year skill sets that the
14 Company may need to hire and the admitted correction of
15 the Staff Accounting Panel's calculation of determining
16 a component of their 2009 adjustment is evidence of the
17 ever changing complexity of this type of adjustment and
18 accordingly there should be no basis for Staff's
19 adjustment.

20 STAFF'S PROPOSAL TO USE AVERAGE NUMBER OF EMPLOYEES

21 Q. Do you agree with the Staff's proposal of using the
22 Company's average historical test year employee count
23 to develop the rate year labor escalation rate?

1 A. No we do not. The methodology of using the Company's
2 historical test year average to arrive at the Staff
3 Accounting Panel's adjustment is a results driven
4 analysis. The Company has authorization to hire these
5 positions. The Company's staffing level will be
6 increasing based on the prior Commission approval, but
7 Staff determines that a full year average is a better
8 indication because they know the resulting outcome will
9 be lower headcount. This totally ignores the reality
10 that the Company's head count will be increasing due to
11 the prior Commission approvals. In a previous
12 Commission case (07-G-0141) the Staff used a different
13 period of time to calculate employee headcount, knowing
14 that fluctuating hiring activity would diminish the
15 Company's headcount.

16 Q Please explain the issues the Company has with using a
17 twelve month historical test year average.

18 A. The use of a twelve month historical average as the
19 starting point to determine the base of the test year
20 ignores the reality of what the head count situation
21 will be like at the start of the Rate Year (April 1,
22 2010). Using 2008 activity as a basis for the analysis
23 is relying upon hiring activity that will be as old as
24 27 months (January 2008 to March 2010). Using an

1 average that is calculated over 12 months of 2008
2 totally ignores what the expected head count the
3 Company will be facing on April 1, 2010.

4 Q. Please explain how the Staff calculated the average for
5 2008?

6 A. It appears to be a combination of information submitted
7 by the Company in response to DPS 12R and DPS 79. DPS
8 12R is a Staff requested interrogatory that required
9 monthly and weekly employee count from July 2008 to
10 present. The Company was also requested to provide
11 monthly updates as new information become available.
12 The Company is providing monthly updates. DPS 79
13 requested the monthly and weekly headcount for the
14 period January 2005 to June 2008. The information
15 requested in DPS 79 was historical information that
16 broke out management, weekly and temporary employees.
17 Staff excluded six months of head count activity
18 relating to temporary employees. There is no basis for
19 excluding the headcount associated with the use of
20 temporary employees reported in the period from January
21 through June 2008 (DPS - 79). The Company's use of
22 temporary employees is an important part of the way we
23 manage our expenses and perform work in the Company.
24 Although the Company does not believe a 12 month

1 historical average is the correct methodology to
2 determine a proposed rate year labor escalation rate,
3 if the Commission does adopt such a practice, the
4 inclusion of temporary employees in the count is a
5 necessity.

6 CPB'S CONCERN ABOUT THE COMPANY'S NUMBER OF EMPLOYEES

7 Q. Mr. Schultz complains that there are various headcount
8 numbers throughout the different documents provided by
9 the Company in this proceeding. Please discuss the
10 various head count numbers and reports submitted by the
11 Company.

12 A. As can be expected in a Rate Case of this magnitude,
13 the Company supplied data for numerous amounts of
14 payroll information requests. As with any large
15 organization, the number of employees on the roll is
16 not a static figure and can fluctuate. Some of the
17 Company's data is generated from on-line human
18 resources system where data can change frequently.
19 Other data is compiled after the monthly accounting
20 financial close

21 A. Please continue.

22 Q. In Exhibit__ (AP-5) Schedule 2, Page 2 of 4, the Company
23 reports the number of employees in two formats. First,
24 the Company provides information that states 1) "Actual

1 on Roll with Pay for December 2008" and 2) "Estimated
2 Average Number of Employees on Roll with Pay during the
3 Rate Year". The weekly and management numbers stated
4 for each description was the same. In fact, the number
5 of employees for "Actual on Roll with Pay for December
6 2008" should have been shown as 14,402 (4,877
7 management and 9,525 weekly). This correction to
8 Exhibit__AP-5) Schedule 2, Page 2 of 4 is what the
9 Company reported in the response to DPS 12R2 for the
10 December 2008 year end head count. This number
11 reflects the actual employees on the payroll who
12 received a paycheck as of December 31, 2008. The
13 Company continues to update DPPS 12R on a monthly basis
14 as the information becomes available. There is no
15 change to the number reported in "Estimated Average
16 Number of Employees on Roll with Pay during the Rate
17 Year" currently.

18 Q. Were there additional interrogatories that requested
19 the Company's reported December 31, 2008 head count?

20 A. Yes, DPS 26-243R requested the Company's historical
21 headcount, by organization, from December 31, 2004
22 through December 31, 2008.

23 Q. Can you explain why the December 31, 2008 total for DPS
24 243R was 14,300 while the total for DPS 12R was 14,402?

- 1 A. The historical information used to respond to DPS 243R
2 was generated by a human resource report that tracks
3 head count by departments, where the information
4 generated for DPS12R is derived from payroll reports
5 generating actual numbers of employees on the roll at
6 the end of that pay period.
- 7 Q. Can you address Mr. Schultz's discussion on pages 8
8 through 11 of his testimony regarding the Company's
9 number of employees?
- 10 A. Mr. Schultz takes two interrogatories, then based on an
11 adjustment he deems appropriate, he arrives at a July
12 31, 2009 number that is different than the latest
13 number reported in DPS - 12R. This leads Mr. Schultz
14 to contend that the Company has added 79 employees that
15 have not been justified.
- 16 Q. Did Mr. Schultz discuss any other issues with the
17 Company's head count?
- 18 A. Yes, on page 10 to 11 of his testimony, Mr. Schultz
19 then cites to DPS 8 - 57 as a basis for his analysis
20 that the Company then has some positions that are
21 filled and not approved, but later states some
22 positions are funded and not filled.
- 23 Q. What is your summary of Mr. Schultz's analysis?

- 1 A. Mr. Schultz tries to link various interrogatories that
2 report head count in different formats. To further
3 complicate obfuscated the situation, he makes other
4 hiring adjustments that the Company would not deem
5 appropriate too arrives at a conclusion that claims the
6 Company has employees not justified (testimony at page
7 10) , then stating the Company is overfunded and not
8 hiring the authorized number of employees (testimony at
9 page 11).
- 10 Q. Please summarize the Company's position regarding the
11 methodology the Commission should adapt in determining
12 the proper employee count?
- 13 A. The Company believes the head count as of the year
14 ended December 31, 2008 is the best methodology to
15 determine the starting point in calculating the rate
16 year labor escalation rate. The head count at December
17 31, 2008 is the starting point from which all
18 organizations review their operations and begin
19 preparing their rate requests. Using the average head
20 count from 2008 is detached from the reality of what is
21 the current Company head count and it adds an
22 unnecessary level of complexity and serves no business
23 purpose. The Commission should adopt the Company's
24 methodology.

1 COMPANY LABOR - PRODUCTIVITY

2 Q. What is the next subject you will address?

3 A. We would like to address Staff's and the City of New
4 York's witness Arnett's proposal to include a 2% per
5 annum productivity factor in the labor growth rate
6 (equivalent to 4.5% in the rate year).

7 Q. Did the Company reflect a productivity adjustment in
8 its filing?

9 A. Yes. The Company has reflected a 1% per annum
10 (equivalent to a 2.25% adjustment in the rate year)
11 productivity factor in its calculation of the labor
12 escalation factor, despite the increased staffing over
13 the past years as indicated above. This has been the
14 historical practice in many prior rate case filings
15 before the Commission, not only by Con Edison but also
16 various other New York State Utilities. This
17 productivity adjustment has also long been accepted by
18 the Commission as a reasonable objective.

19 Q. Is the Company required to include a productivity
20 adjustment in its filing?

21 A. No, as Staff readily admits in their response to
22 Company IR Number 107 from case 08-E-0539. When asked
23 if they were aware of any Commission rule, order or
24 other issuance that required a utility to include a

1 productivity adjustment of any amount in its rate
2 filing. Staff responded "No."

3 Q. What is the basis for the Company's opposition to the
4 Staff and NYC proposals?

5 A. The basis for our opposition is set forth in the
6 Company's Infrastructure Investment Panel's rebuttal
7 testimony.

8 COMPANY LABOR - LABOR ESCALATION RATE (PSC, CPB)

9 Q. Does the Staff Accounting Panel make any adjustments to
10 the Company's forecast of the labor escalation rate?

11 A. Yes. Staff proposed to eliminate the variable pay plan
12 expense for non-officer management employees and the
13 progression wage increases for the union employees from
14 their projection. They also recommended a 2% annual
15 reduction of the employee headcount and the use of the
16 2008 average number of employees as a starting point to
17 arrive at the projected headcount for the rate year. We
18 have discussed their adjustment for a higher
19 productivity adjustment earlier.

20 Q. Does the Company agree with their adjustment for the
21 variable pay?

22 A. No. The Variable Pay Program is not an incentive
23 compensation plan. The Variable Pay Program is
24 considered part of the total compensation package

1 required to attract and retain competent employees. It
2 compensates non-officer management employees, provided
3 that certain performance measures and goals are met and
4 must be earned by the employees, based on performance
5 criteria. The variable pay awards is tied to achieving
6 financial budget and operating performance measures
7 that promote safe and reliable operations, better
8 customer service, environmental excellence and public
9 safety. This item is discussed in more detail by
10 Company witness Tai.

11 LABOR ESCALATION- WAGE PROGRESSION (PSC)

12 Q. Staff Accounting Panel proposed to eliminate the wage
13 progression increases for weekly employees included in
14 the labor escalation rate. Do you agree with that
15 adjustment?

16 A. No. The wage progression plans are governed by the
17 collective bargaining agreements between the Company
18 and the unions. The plans provide increases twice a
19 year for union employees whose pay rates are under the
20 maximum for his or her job title. The Company has the
21 obligation to provide the progression increase under
22 the term of the contracts as long as the employees meet
23 the eligibility criteria.

1 Q. On page 39 of the Staff Accounting Panel's testimony,
2 they state that "...consistent with the Commission's 2009
3 Rate Order, wage progression increases are not an
4 incremental expense to the Company." Is this a
5 complete statement of the rate order?

6 A. No. The Commission stated on page 38 of its Order "the
7 recommended decision found that the Company had made no
8 effort to provide evidentiary support for a reasonable
9 level of wage progression increases to include in its
10 cost of service and that progression increases should
11 therefore be excluded from the calculation of the labor
12 escalation rate". Based on the foregoing is it the
13 Company's Accounting Panel interpretation that the
14 Commission's decision was based on the facts included
15 in the record in that Case only and not to exclude all
16 wage progression going forward.

17 Q. In developing its labor escalation, did the Company
18 reflect wage progression differently than in its last
19 case?

20 A. Yes. As stated on page 39 of the Staff's Accounting
21 Panel testimony "In the previous case, the Company made
22 and assumption that every union employee received a
23 progression increase during the period between the
24 linking period and the rate year. In the current case,

1 the company calculated a three-year average of the
2 actual number of union employees that received
3 progression increase, and used the historical average
4 to forecast the linking period." The Company proposed
5 a new methodology for the treatment of wage
6 progressions in the development of its labor escalation
7 rate and the Commission's decision in the 2009 rate
8 order should not be automatically applied to this
9 proceeding as Staff suggests. The Company had made
10 adjustments to its calculation after the last
11 proceeding.

12 MARK FOR IDENTIFICATION AS EXHIBIT (AP-19)
13

14 Q. Will you please describe Exhibit (AP-19)?

15 A. Exhibit (AP-19) shows the number of weekly employees
16 who are eligible and received progression increase as a
17 percentage of the total Weekly employees at year end
18 for the last nine years, from 2000 to 2008.

19 Q. Please explain.

20 A. As indicated on exhibit AP-19, the Company has
21 experienced consistently in the last 5 years an
22 increase in the number of employees in the workforce
23 and number of employees who are eligible and received
24 progression increases. As showed on AP-19, in 2008 the

1 Company paid wage progressions to 54% of the weekly
2 employees. On average, for the last 3 year 2006-2008,
3 the Company experience and increase of 3.7% increase
4 per year. If this continues the Company will be at 62%
5 (2008 to March 2011 54% +3.7%+3.7+.9%) for the rate
6 year. Consequently, it is appropriate for the Company
7 to include wage progression in the development of the
8 labor escalation rate.

9 Q. Staff indicated on page 39 of its testimony that wage
10 progression increase should not be reflected in the
11 Company's forecasted labor escalation rate because
12 employees retiring, leaving or being promoted will
13 result in savings for the Company. Is this a fair
14 assumption?

15 A. No. Staff's assumption would be true if the number of
16 retirements, resignations and promotion was the same as
17 the new hires and the employees who leave the Company
18 have higher pay than the new employees. According to
19 the Company's response to Staff IR DPS4-12Rev3 and
20 DPS11-79 (attached), the number of management and
21 weekly employees has increased for the past few years
22 as demonstrated in the attachment to the response. For
23 example, the average number of union employees has
24 increased almost 10% from 8,679 in 2005 to 9,518 for

1 the first 8 months of 2009. The Company has been
2 adding more employees then have left over the last
3 several years, so that it is proper to assume the cost
4 of progression for new employees is incremental. In
5 the Company response to IR DPS36-333(attached), the
6 response to Staff's question 2 indicates that on
7 average union employees do not reach the maximum pay
8 rate, without having received an average of 29
9 progressions. Given 2 progression per year, on average
10 it would take union employees 14.5 years to reach their
11 highest pay rate. In the extreme case for Customer
12 Service Representatives it will take 57 progressions to
13 reach the maximum pay rate, that's 28.5 years.
14 Progression increases for a union employee can last for
15 the employee's entire career at the Company and
16 therefore an ongoing incremental expense to the Company
17 In the Company's response to IR DPS36-333 (attached),
18 the response to Staff's question 1 indicated that over
19 a 5 and a half year period 1,583 union employees
20 retired for an average of 352 employees per year. Not
21 all employees that have left are retirees or people at
22 the top of their pay grades, Con Edison, just like
23 every other Company does experience significant turn
24 over with its newer employees, either because they are

1 not performing the work to the Company's satisfaction
2 or because the employees relocate or seek other jobs.
3 Therefore, assuming that the savings from the employees
4 who retire and employees who leave the Company would
5 offset the cost of progression increases is not a fair
6 assumption. The progression increases should not be
7 eliminated from the labor escalation rate calculation.

8 LABOR ESCALATION - MANAGEMENT MERIT

9 Q. Are there any other adjustments proposed by the parties
10 that you would like to address?

11 A. Yes. CPB Witness Schultz made an adjustment to the
12 Company's actual merit increase granted to management
13 employees as well as the projected merit increase for
14 April 2010 which is embedded in the Company's labor
15 escalation rate calculation.

16 Q. What adjustment did he propose?

17 A. CPB witness Schultz reduced the April 2009 actual
18 average merit increase granted to management employees
19 from 3% to 1.5% and proposed to set the April 2010
20 increase to 2%, as stated in his testimony on page 18.
21 The adjustment shown on Exhibit __ (LA-1), schedule 2
22 page 1 of 4 amounted to \$7.201 million.

23 Q. Do you agree with this adjustment?

24 A. No, we do not.

- 1 Q. Why not?
- 2 A. To begin, it makes no sense to adjust the actual,
3 historical information. The proposed recommendation is
4 asking the Company to ignore actual expenses incurred
5 by the Company. Common to the methodology used in
6 forecasting of our expenses, we start with historical
7 numbers and update/replace forecast numbers with actual
8 numbers as they become available. The treatment of the
9 merit increase should be no different. The Company's
10 actual average merit increase granted to management
11 employee is 3% and should be reflected in the
12 calculation of the escalation rate. Mr. Schultz's
13 adjustment ignores reality and should be rejected.
- 14 Q. Did the Company reflect the 3% merit increase in April
15 2009 in its revised labor rate escalation of 8.13% used
16 for the September 2009 update?
- 17 A. Yes, we did.
- 18 Q. But it is true that certain management employees
19 received a salary cut based on austerity?
- 20 A. Yes. It is true however the savings resulting from the
21 austerity adjustment were counted towards the austerity
22 adjustment. Thus, Mr. Schultz cannot logically argue
23 that this adjustment should be imputed to management
24 salaries as well.

1 Q. Do you agree with Mr. Schultz's proposed adjustment of
2 April 2010 management merit increase be set at 2%
3 instead of 3.5%?

4 A. No, we do not.

5 Q. Please explain why not.

6 A. Other than a reference to the Company undertaking a
7 business as usual approach, CPB witness Schultz
8 provides no basis for his recommendation. He states on
9 page 18 of his testimony "I am recommending that only
10 1.5% or half of the April 2009 management increase of
11 3% be included in the escalation and that, based on my
12 assumption that the economy will improve, the April
13 2010 increase be set at 2%." With respect to Mr.
14 Schultz's view as for the state of the economy, the
15 labor escalation rate is based upon the Company
16 projected salary increase for 2010. The Company is
17 projecting 3.5%. Mr. Schultz provide no basis for
18 determining that its proposed increase is not justified
19 reasonable or not set a level necessary to retain and
20 attract talented employees. More importantly, as
21 explained by Mr. Shafer, most companies are not taking
22 the approach recommended by Mr. Schultz to freeze or
23 cut salaries.

1 Consequently, Mr. Schultz's adjustment to management
2 salary increases in the rate year should be rejected.
3 Moreover, as stated on page 16 of Mr. Schultz testimony
4 "A 3.5% increase is consistent with the increases that
5 have been granted in the recent years". That is, the
6 Company has maintained a fairly constant level of
7 increase to management base pay even when economic
8 conditions are considered thriving.

9 RATE YEAR LABOR FACTOR-WEEKLY EMPLOYEE'S PREMIUM AND
10 OVERTIME

11 Q. Are there any other adjustments proposed by the parties
12 that you would like to address?

13 A. Yes. As addressed earlier in the Corrections to DPS
14 Accounting Panel Exhibit (AP-1) section of the
15 testimony, Staff agreed in response to Con Edison's
16 interrogatory no. 61 a-c that applying a weighted
17 average, instead of a simple average, in the
18 calculation of the labor factor for premium and
19 overtime pay for the rate year is appropriate to use
20 in the development of the labor escalation rate.
21 However, the Company does not agree that the
22 progression increase in developing the labor factor
23 should be excluded.

1 Q. Is the Company proposing progression increases in its
2 weighted average calculation?

3 A. Yes.

4 Q. Please explain.

5 A. In developing the labor escalation rate, the Company
6 projects a labor factor for the use in the calculation
7 for weekly employees premium and overtime pay for the
8 rate year. The Company starts with the average
9 straight time pay as of December 2008 and add on merits
10 and progressions to come to a straight time average for
11 the rate year. The rate year average is then compared
12 to the average as of December 2008 to give us a rate
13 year factor. The rate year factor is used in the
14 projection of the premium and overtime pay for weekly
15 employees for the rate year. The Company recommends
16 using a weighted average in the calculation of the rate
17 year factor based on the number of weekly employees in
18 the three categories: Local 1-2 members that received
19 progression increases, Local 1-2 members that did not
20 receive progressions, and members of Local 3. Staff's
21 calculation excluded the first category of members of
22 Local 1-2 that received progression increases. The
23 weighted average of these three groups is a more
24 logical approach in developing the labor factor in the

1 calculation of the premium and overtime pay for weekly
2 employees for the rate year.

3 Q. Will the Company be updating its labor factor for the
4 projection of the premium and overtime pay for weekly
5 employees for the rate year and as a result the labor
6 escalation rate based on this methodology?

7 A. Yes.

8 Q. What is the Company proposing?

9 A. The Company is proposing the rate of 1.094% be
10 reflected in the September update. This factor is the
11 weighted average of the weekly employees who received
12 progression increases (based on the latest 3 year
13 average, 50% of the weekly employees received
14 progressions), the employees who did not receive
15 progressions, and the 320 weekly employees who are
16 members of Local 3. As a result of this update, the
17 new labor escalation rate is 8.13%.

18 OVERTIME

19 Q. Are there any other adjustments proposed by the parties
20 that you would like to address?

21 Yes. CPB Witness Schultz made an adjustment to reduce
22 overtime expense for three program changes. He objects
23 to these program changes because the company is seeking
24 an overall increase in headcount at the same time. His

1 adjustment is discussed on pages 11 and 12 of his
2 testimony. The adjustment shown on Exhibit __ (LA-1)
3 amounted to \$4.195 million excluding escalation, and
4 represents three program changes sponsored by the
5 Company's Infrastructure Investment Panel - \$2.826
6 million for the 5 Year Overhead Inspection program;
7 \$670,000 for the Mobile Stray Voltage program and
8 \$669,000 for the staffing of new facilities.

9 Q. Do you agree with this adjustment?

10 A. No, we do not.

11 Q. Why not?

12 A. The Company's Infrastructure Investment Panel explains
13 why these three program changes are necessary and
14 appropriate. As a general matter on a Company-wide
15 basis, the Company meets its needs through a
16 combination of full time employees, overtime and
17 contractors. On a department or program basis the
18 Company determines the most effective and efficient way
19 to meet its objectives. The fact the Company
20 determined that using overtime to meet our objectives
21 for the three programs is the most effective approach,
22 does not mean that the Company does not need additional
23 full time employees to meet other needs.

24 GENERAL ESCALATION

- 1 Q. Do you agree with CPB witness Schultz's proposed
2 adjustment for General Escalation?
- 3 A. No, with the exception for interference expense. Per
4 his testimony on pages 74 and 75, he proposed that an
5 adjustment be made to remove \$10.654 million from
6 escalation for all of Electric Operations, and System &
7 Transmission Operations, as well as for expenses, i.e.,
8 interference expense, building services/facility costs,
9 information resources, and injuries & damages. Pursuant
10 to the Company's response to DPS - 234, we will
11 eliminate the Company's escalation on interference
12 expense in the September 2009 formal update. Excluding
13 this escalation on interference expense, Mr. Schultz's
14 adjustment is \$7.762 million.
- 15 Q. Why did he eliminate escalation on these cost elements?
- 16 A. In the case of injuries and damages, he indicated that
17 there should be no escalation because the costs
18 fluctuate from year to year. Other than this
19 observation he does not offer any supporting rationale
20 as to why their costs should not be escalated.
- 21 Q. Do you agree with his proposed adjustment?
- 22 A. We do not agree. The rate used by the Company of 3.13%
23 in the original filing was developed from a combination
24 of historical data provided by the U.S. Department of

1 Commerce Bureau of Economic Analysis and projected data
2 from the Blue Chip forecasts whose data is polled from
3 America's top business economists. We agree with CPB
4 witness Schultz that the real GDP is decreasing. This
5 was taken into account in our forecast as the data used
6 show that GDP has and will slow compared to prior year
7 growth rates. CPB witness Schultz also mentions that
8 the Bureau of Labor Statistics shows the 2009 CPI
9 through April at or below comparable months in 2008.
10 Again, as the data used in our forecast show a growth
11 rate of nearly half in 2009 versus 2008, we are also
12 taking this into account and are consistent with this
13 statement. Based on the numbers used in our forecast,
14 GDP is decreasing. As such, the rate of 3.13% is not
15 unreasonable and is a much lower rate than the 5.19%
16 used in the prior rate case, Case 08-E-0539.
17 Additionally, projections made by the Company are in
18 current days dollars. As such, it is appropriate to
19 escalate projected costs based on current days dollars
20 for 27 months into the rate year.

21 Q. Do you have any other concerns with his adjustments?

22 A. Yes. It was noted that CPB witness Schultz was
23 comparing inflation adjustments made by Rocky Mountain
24 Power in Utah to those made by Con Edison in New York.

1 This doesn't seem like a fair comparison as New York is
2 known to have a much higher cost of living and a much
3 more expensive state to do business in than the state
4 of Utah. Two distinctly different environment, cost of
5 living and life styles. The cost of materials, labor
6 and other accounts payables will increase and as such
7 inflation needs to be added to existing dollars of
8 costs. The fact that costs, such and injuries and
9 damages, fluctuate does not obviate the need for
10 escalation.

11 Q. Do you have any other concerns?

12 A. Another item of concern discussed by CPB witness
13 Schultz was that escalating projections would
14 effectively double-count inflation. This is an
15 incorrect assumption. In developing the forecasts for
16 these particular areas, escalation was not generally
17 built in, but was added onto the final forecasted
18 amounts. Upon review, it was discovered that two
19 projects sponsored by the Company's Infrastructure
20 Investment Panel did include minor amounts for
21 estimated escalation. Only one affected the rate year
22 and the Company has removed the escalation, totaling
23 \$9,400 for Tower Painting, in this update. The
24 project is Tower Painting and the escalation to be

1 removed is \$9,400. With the exception of this
2 correction, in general, no double-counting of
3 escalation has occurred.

4 REGULATORY COMMISSION EXPENSE

5 Q. Do you agree to Staff's adjustments to Regulatory
6 Commission Expense?

7 A. Yes, we agree with Staff's first two adjustments.

8 However, the Company does not agree with the adjustment
9 to Spent Nuclear Fuel which will be discussed below.

10 The first adjustment is for (\$1.423) million to reflect
11 the updated General R&D Assessment based on the most
12 current billing from the Commission's August 10th
13 letter. The next adjustment in the amount of
14 (\$189.885) million is for the removal of the 18a
15 assessment. The Company accepts the removal of this
16 surcharge as this amount will be collected via the
17 Commission ordered surcharge mechanism. The Company
18 has agreed to remove this Temporary State Assessment in
19 its entirety from its revenue requirement calculation.

20 Q. Please describe your disagreement with Staff's
21 proposal to remove the costs of the spent Nuclear Fuel
22 (SNF) litigation?

23 A. A historical three year average is used to normalize
24 the effect of non-recurring, but ordinary, items.

1 While costs for this specific litigation may not be
2 expected to recur, the Company will likely face other
3 unanticipated litigation costs. Thus, removal of SNF
4 litigation costs would distort the three-year average
5 and, thereby, not capture and provide recovery for
6 other new litigation costs that are hard to predict.
7 Moreover, Staff's position with respect to regulatory
8 commission costs is inconsistent with its recommended
9 use of historical averages for other costs. The
10 elimination of actual costs from the three year average
11 is only appropriate when there are costs that should
12 not be borne by customers. With respect to these
13 litigation costs, however, Staff appears to favor the
14 continuation of the SNF litigation and, presumably,
15 other litigation that will ultimately benefit
16 customers, and Staff has not suggested that the Company
17 not recover such litigation costs.

18 Q. Please describe how you forecasted regulatory
19 commission expense excluding the PSC assessment for the
20 rate year

21 A. The rate year forecast excluding the PSC 18a
22 assessments is \$5.1 million. In the development of
23 this forecast we used the historic average for years
24 2006 - 2008, after normalizations. In 2008, for

1 example, we normalized out the costs of two management
2 audits as these are considered one-time expenditures
3 and will not occur during the Company's proposed three-
4 year rate plan. In addition, the cost of the Long
5 Island City proceeding was normalized out. The
6 combined amount of these normalizations was \$839,000.

7 Q. Did the Staff Accounting Panel agree with your
8 forecasted expense?

9 A. Yes, with the exception of Spent Nuclear Fuel. Staff
10 did not object to our using the three-year average and
11 normalizations. However, Staff eliminated the cost of
12 our spent nuclear fuel litigation (SNF) in the amount
13 of \$2.7 million.

14 TAXES OTHER THAN INCOME TAXES - ALL OTHER TAXES

15 Q. Please address Staff Accounting Panel's proposal that
16 it is more appropriate to escalate the 2008 historic
17 year than to utilize a three-year average for "All
18 Other Taxes" under Taxes Other Than Income Taxes.

19 A. The first item noted was that staff normalized out a
20 non-recurring tax of \$0.541 million from the 2008 total
21 prior to escalating the 2008 historic amount. The
22 amount staff is normalizing is the net amount in the
23 "Other" portion of All Other Taxes. This net amount is
24 a (\$537,782) credit and is primarily related to the

1 audit of the Company's Federal Excise Tax returns for
2 years 2004 through 2006. Of this net amount, \$685,182
3 is the refund specifically from the audit of the
4 Company's Excise tax that should be normalized and not
5 the net balance of this account. When normalizing the
6 appropriate amount of \$685,182, the net balance of this
7 account is \$147,400. The result after this
8 normalization is a \$1.385 million balance in "All Other
9 Taxes". After increasing for inflation at the updated
10 rate of 3.22%, the result is a balance of \$1.429
11 million for the new rate year. Additionally, we
12 believe that using a three-year average after
13 normalizing unusual items from 2007 and 2008 to be more
14 appropriate than the method proposed by staff. When
15 using the three-year average after normalizing \$809K
16 from 2007 for Franchise - Capital tax and \$685K from
17 2008 for Federal Excise Tax Audit refunds, the three-
18 year average is \$1.555 million before escalation. As
19 2006 was a "normal" year without any unusual items and
20 was already at \$1.594 million, we consider proposing an
21 amount that is less than this for the future rate year
22 to be inappropriate, particularly when 2007 was even
23 higher at \$1.687 million after normalization. At a
24 minimum the correct amount of \$685K should be

- 1 normalized if using the 2008 historical with escalation
2 for a future rate year balance of \$1.429 million.
- 3 Q. Please describe CPB's Schultz's adjustment to payroll
4 taxes.
- 5 A. CPB witness Shultz is proposing that the Company use
6 the effective tax rate for the 2008 historic year which
7 is 9.5% instead of the rate for the rate year which is
8 9.9%. He developed these rates by taking the Company's
9 payroll taxes for the historic and rate years as shown
10 in our Exhibit ____ (AP-5), Schedule 1, page 6 and
11 relating them to the historic and rate year totals of
12 Company Labor and Company Labor - EO, STO, SSO as shown
13 in the same exhibit and schedule but on page 1, lines
14 19 and 20.
- 15 Q. Do you agree with CPB witness Shultz's proposed
16 adjustment to payroll tax expense?
- 17 A. No. He argues that it is more conservative to use the
18 rate from the historical year, which happens to be the
19 lower rate. We disagree with his stance as it
20 conveniently fails to include the MTA Mobility Tax
21 which was not effective in the historical year, but
22 will be effective in the rate year. This tax is an
23 additional .34% tax on the payroll expense of Con
24 Edison for the new rate year, which based on our

1 forecast is an additional \$1.9 million. As his
2 adjustment fails to take this into account, we argue
3 that the original 9.9% rate proposed is more reflective
4 of the future rate year.

5 GENERAL LEDGER REPLACEMENT COST - ERP

6 Q. What are the primary reasons for moving forward with
7 the Enterprise Resource Planning (ERP) System?

8 A. A major impetus for implementing an ERP system at the
9 present time is the transition to International
10 Financial Reporting Standards. In August 2008, the
11 Securities and Exchange Commission (SEC) proposed a
12 roadmap for phasing in mandatory adoption of IFRS for
13 U.S. filers in 2014. Dual or multiple GAAP financial
14 reporting will be required starting two years prior to
15 adoption of the international standards.
16 Conversion to IFRS would create a need for new data,
17 changed calculations and changes in reporting. The
18 legacy systems at Con Edison have limited scope for the
19 kind of change envisioned under IFRS. Adapting such
20 legacy applications to a dual-reporting scenario,
21 encompassing both US GAAP and IFRS, may prove extremely
22 challenging and increase compliance risk. Implementing
23 IFRS in an ERP environment will provide a more
24 sustainable option than implementing IFRS in the

1 current financial systems environment due to greater
2 integration, automation, and the ability to maintain
3 distinct sets of books to support GAAP/IFRS dual
4 reporting standards.

5 Q. Please continue.

6 A. Other key drivers for moving forward with the Finance
7 and Supply Chain system implementation in the near-term
8 are:

- 9 • The utilities' legacy Finance and Supply Chain
10 systems would continue to be used for several more
11 years, perpetuating a systems environment that is
12 difficult to navigate, inefficient, costly to
13 maintain and non-integrated;
- 14 • A higher number of staff with key legacy
15 technology skills will potentially retire,
16 increasing both the risk and burden associated
17 with maintaining current systems;
- 18 • The loss of the momentum created in Phase 0 and
19 the continued involvement of Phase 0 team members
20 during the implementation would be a concern;
- 21 • The overall cost of implementation would not be
22 reduced by postponing the project start-date; and

- 1 • Legacy systems will continue to change increasing
2 costs rendering our current implementation
3 estimates obsolete.
- 4 Q. Are there other reasons for moving forward with this
5 project?
- 6 A. Yes. In the spring of 2008, the Commission retained a
7 consulting firm to perform a comprehensive management
8 audit of CECONY. The audit assessed CECONY's
9 effectiveness in meeting its mission, particularly its
10 performance goals and the extent to which there are
11 opportunities for improvement. Areas assessed included
12 capital and O&M budgeting, program and project planning
13 and management, and performance and results
14 measurement. The management audit report indicated a
15 need for the Company to strengthen its links among
16 scope, cost and schedule of the projects and programs
17 it manages. They have found that project managers have
18 limited visibility to material costs and the project
19 and cost management systems currently used by the
20 Utilities are outdated. It is expected that the process
21 and system changes proposed in this business case in
22 tandem with Work Management Systems will address these
23 items and other specific recommendations regarding
24 improvements to the planning, budgeting, performance

1 measurement and cost management processes that were
2 assessed as part of the management audit. To address
3 work management and processes without effectively
4 linking the transparency and accountability of costs
5 that an ERP would provide handicaps the Company's
6 ability to achieve all the benefits of a new Work
7 Management System and fully comply with the directives
8 of the Management Audit.

9 Q. Have other major utilities in New York implemented an
10 ERP?

11 A. Yes. Consolidated Edison has deferred this capital
12 investment effort to the extent that it is now the last
13 major utility within the state to implement an ERP. In
14 addition, the Company is one of the last major
15 utilities nationally to implement an ERP.

16 Q. Can this project be completed on a revenue neutral
17 basis?

18 A. This project will modernize the Company's finance and
19 supply chain system infrastructure and improve the
20 reliability, timeliness, and transparency of finance
21 and supply chain information. Although this project
22 does not have a short payback period, in the long-run
23 it will yield benefits to both the customers and the
24 Company such as improved cost management practices,

1 increased efficiency and effectiveness of finance and
2 supply chain processes, IFRS compliance, and reduced
3 financial reporting risk. Treating this capital
4 project investment outside the traditional ratemaking
5 process based on the expectation of it being revenue
6 neutral over the long term would be inequitable.
7 Essentially customers would get the benefits from the
8 program implementation without bearing any of the cost.
9 Therefore, the Company will incur to finance this
10 effort.

11 CAPITALIZED PENSION OVERHEAD

12 Q. What is the issue regarding capitalized pensions?

13 A. The Company's capital budgets and expenditures provides
14 for capitalized payroll and payroll-related expenses.
15 These expenses are for pension/OPEBs expense, certain
16 employee benefits and payroll taxes. In the Company's
17 initial filing, the capital expenditures as included in
18 the Company's five year capital budgets and the
19 submissions by the various departments did not include
20 the large increase projected by the Company's actuary.
21 As a result, we calculated the impacts separately and
22 had shown it as an increase to net plant. We do not
23 think Staff witness Randt included it in her forecast.

24 Q. What is the value of this omission?

1 A. The adjustment to rate base is an increase of some \$74
2 million, or an increase in revenue requirement of some
3 \$7.5 million per our Exhibit ___ (AP-15). The cost of
4 pensions is increasing and the capitalization of this
5 cost properly belongs in capital expenditures. There
6 is no reason to ignore this cost in her forecast.

7 RATE BASE - EXCESS RATE BASE OVER CAPITALIZATION ADJUSTMENT
8 - SBC/RPS

9 Q. Can you please discuss the proposal set forth by the
10 Staff to eliminate the SBC/RPS expenses the Company
11 reflected in its historical rate base, forecast of rate
12 year Cash Working Capital, and Earnings
13 Base/Capitalization (EB/Cap) Adjustment?

14 A. We disagree with the elimination of the SBC/RPS and its
15 related proposed adjustments from Working Capital of
16 \$24.237 million and EB/Cap Adjustment of \$14.513
17 million.

18 Q. Please explain why.

19 A. According to the Staff Accounting Panel's testimony
20 (pages 100 and 101), it appears that the Panel
21 considers RPS and SBC revenues are recorded in a
22 particular month to be equivalent to the receipt of
23 cash. The Company notes that billings to customers for
24 the annual RPS and SBC start mid-January of the current

1 year and end mid-January of the subsequent year. The
2 time lag from billing date to the collection date is
3 approximately one month (30 days). However, the timing
4 of the remittances and payments for specific costs,
5 which are spread out over the course of a year, is not
6 the sole factor in determining whether or not they
7 should be included in the working capital calculation.
8 The FERC one-eighth formula is based on the theory that
9 in aggregate all cash expenses are outstanding for an
10 average for 45 days; some may be more while others
11 less. The Commission has consistently approved the use
12 of the FERC formula for all NY utilities for more than
13 thirty years. To the extent the FERC one-eighth
14 formula either overstates or understates an individual
15 Company's working capital requirement, the Earnings
16 Base/Capitalization ("EB/Cap") Adjustment, which has
17 also been adopted and consistently applied by the
18 Commission, would correct the over/understatement.
19 Therefore, we disagree with Staff's elimination of the
20 SBC/RPS expenses from the Working Capital and EB/CAP
21 Adjustment.

22 Q. Does this conclude your update and rebuttal testimony?

23 A. Yes, it does.

24

Q. Has the Panel updated its previous Exhibits?

A. Yes, Exhibits IIP-1; IIP-2; IIP-4; IIP-5; IIP-6; IIP-7; IIP-8; IIP-9 have been updated.

MARK FOR IDENTIFICATION EXHIBIT _ (IIP-1 Revised);
(IIP-2 REVISED); EXHIBIT _ (IIP-4 REVISED); EXHIBIT _
(IIP-5 REVISED); EXHIBIT _ (IIP-6 REVISED); EXHIBIT
_(IIP-7 REVISED); EXHIBIT _ (IIP-8 REVISED); EXHIBIT _
(IIP-9 REVISED)

Q. Please continue.

A. We have also updated a number of "white papers" that are included in our previous Exhibits. There revised "white papers" are as follows:

IIP-2 pages 1 and 8; IIP-4 pages 1 and 2, 35, 81, 84, 89, 127, 139, 141, 145, 158, 160, 173, 179, 197, 200;
IIP-5 pages 15, 20, 26, 27, 29, 34, 41; IIP-6 new pages 10 and 11; IIP-7 pages 39, 56, 61; IIP-8 pages 1 and 19.

Consolidated Edison Company of New York, Inc.
Electric Rate Case 09-E-0428

Accounting Panel September Update Exhibits

Con Edison Company of New York Inc
Electric Service Rates
Update - September 18, 2009
Rate Base
Twelve Months Ending March 31, 2011
(Thousands of Dollars)

Line No.	Rate Year Rate Base Per Original Filing (Column 1)	Adj. No.	Company's Updates 07/10/09 Adjustments (Column 2)	As Adjusted by Company's Updates 07/10/09 (Column 3)	Adj. No.	Company's Updates 09/18/09 Adjustments (Column 4)	As Adjusted by Company's Updates 09/18/09 (Column 5)
UTILITY PLANT							
1	BOOK COST OF PLANT		\$ 20,002,071	\$ (138,800)	1a	\$ 19,863,271	\$ 19,843,701
2	ACCUMULATED RESERVE FOR DEPRECIATION		(4,119,375)	3,742	1b	(4,115,633)	(4,115,423)
3	NET PLANT		15,882,696	(135,058)		15,747,638	15,728,278
4	NON-INTEREST BEARING CWIP		652,841	-		652,841	652,841
5	UNBILLED REVENUES		66,454	-	2	(10,253)	56,201
6	PREFERRED STOCK EXPENSE		2,414	-		2,414	2,414
7	UNAMORTIZED DEBT DISCOUNT PREMIUM AND EXPENSE		148,436	(15,518)	3	132,918	132,918
8	DEFERRED FUEL - NET OF TAX		86,001	-		86,001	86,001
9	UNAMORTIZED BALANCE - HUDSON FARRAGUT		846	-		846	846
10	CUSTOMER ADVANCES FOR CONSTRUCTION		(540)	-		(540)	(540)
11	M.T.A. SURTAX - NET OF TAX		4,163	-		4,163	4,163
12	WORKING CAPITAL		772,532	(3,110)	4	769,422	683,146
13	EXCESS RATE BASE OVER CAPITALIZATION ADJUSTMENT		393,228	(190,754)	5	202,474	202,474
14	EARLY RETIREMENT TERMINATION BENEFIT (1999) - NET OF TAX		6,496	-		6,496	6,496
15	SYSTEM BENEFITS CHARGE/RETAIL PORTFOLIO STANDARD - NET OF TAX		4,212	-	6	(4,212)	-
16	AMOUNTS BILLED IN ADVANCE OF CONSTRUCTION - NET OF TAX		(5,619)	-		(5,619)	(5,619)
17	ERRP MAINTENANCE		-	(2,840)	7	(2,840)	(2,840)
RATE CASE RECONCILIATIONS - NET OF F.I.T.							
18	RETAIL CHOICE PHASE 7		3,868	-		3,868	3,868
19	DEFERRALS FROM CASE 04-E-0572 RY3		5,627	-		5,627	5,627
20	INTEREST ON DEFERRALS FROM CASE 04-E-0572 RY3		201	-		201	201
21	T&D DEFERRAL FROM CASE 07-E-0523		88,305	-	8a	(239)	88,066
22	SIR DEFERRAL		104,746	1,838	8b	(6,783)	99,801
23	FACILITIES MAINTENANCE		-	260	8c	-	260
24	EAST RIVER 6 GENERATOR REWIND		-	794	8d	-	794
25	5 YEAR UNDERGROUND INSPECTION PROGRAM		-	1,178	8e	-	1,178
26	PROPERTY TAX INCREASE DEFERRAL - APRIL 2008 - MARCH 2009		38,135	-	8f	(7,326)	30,809
27	BUSINESS INCENTIVE RATE - REVENUE SHORTFALL		2,584	-		2,584	2,584
28	TARGETED DSM		591	-		591	591
29	INTEREST		713	-		713	713
30	INTEREST ON MGP - ELECTRIC		1,397	-		1,397	1,397
31	EMERGENCY DEMAND RESPONSE / DEMAND REDUCTION PROGRAM		113	-		113	113
32	POWER FOR JOBS TAX CREDIT		(1,333)	-		(1,333)	(1,333)
33	EXCESS EMISSION REDUCTION CREDITS		(540)	-		(540)	(540)
34	CREDITS FROM CASE 07-E-0523		(43,920)	-		(43,920)	(43,920)
35	TSC REVENUES		(7,507)	-		(7,507)	(7,507)
36	INTERFERENCE UNDERSPENDING		(11,199)	-	8g	(19)	(11,218)
37	NETWORK CAIDI PERFORMANCE MECHANISM REVENUE ADJUSTMENT		(2,516)	-		(2,516)	(2,516)
38	WASHINGTON HEIGHTS AND WTC SECURITY INITIATIVES		(379)	-	8h	352	(27)
39	SO2 ALLOWANCES		(823)	-		(823)	(823)
40	AUCTION INTEREST RATE - CASE 07-E-0523		(921)	-		(921)	(921)
41	PROPERTY CONDEMNATIONS		(356)	-		(356)	(356)
42	PROPERTY TAX REFUNDS		(2,451)	41	8i	2,410	-
43	INTEREST - GAIN ON SALE OF FIRST AVENUE PROPERTIES		(1,368)	-		(1,368)	(1,368)
ACCUMULATED DEFERRED INCOME TAXES							
44	ADR / ACRS / MACRS DEDUCTIONS		(2,076,166)	16,417	9	(2,059,749)	(2,059,785)
45	CHANGE OF ACCOUNTING SECTION 263A		(276,195)	(1,088)	10	(277,283)	(363,851)
46	VESTED VACATION		10,919	-		10,919	10,919
47	PREPAID INSURANCE EXPENSES		(3,827)	-		(3,827)	(3,827)
48	UNBILLED REVENUES		108,202	-		108,202	108,202
49	CONTRIBUTIONS IN AID OF CONSTRUCTION		13,041	-		13,041	13,041
50	CAPITALIZED INTEREST		6,639	-		6,639	6,639
51	REPAIR & MAINTENANCE ALLOWANCE - 02 - 06 IRS AUDIT		4,389	-		4,389	4,389
52	FIN 48 - DISALLOWED SSCM		(51,134)	-		(51,134)	(51,134)
53	MTA		(17,842)	984	11	(16,858)	(17,157)
54	AMORTIZATION OF COMPUTER SOFTWARE		(40,984)	-		(40,984)	(40,984)
55	CUSTOMER DEPOSITS		2,832	-		2,832	2,832
56	CALL PREMIUM		(15,204)	-		(15,204)	(15,204)
57	DEFERRED S.I.T. / F.I.T. -- BROWNFIELD TAX CREDITS		-	(7,210)		(7,210)	(7,210)
58	DEFERRED S.I.T.		(255,568)	64,107	13	(191,461)	(192,206)
59	TOTAL RATE BASE		\$ 15,596,230	\$ (269,959)		\$ 15,326,271	\$ 15,106,916

Con Edison Company of New York Inc
Electric Service Rates
Update - September 18, 2009
Working Capital
Twelve Months Ending March 31, 2011
(Thousands of Dollars)

Line No.	Rate Year Rate Base Per Original Filing (Column 1)	Company's Updates 07/10/09 Adjustments (Column 2)	As Adjusted by Company's Updates 07/10/09 (Column 3)	Company's Updates 09/18/09 Adjustments (Column 4)	As Adjusted by Company's Updates 09/18/09 (Column 5)	
<u>MATERIALS AND SUPPLIES</u>						
1.	LIQUID FUEL INVENTORY	\$ 6,876	\$ -	\$ 6,876	\$ -	\$ 6,876
2.	MATERIALS AND SUPPLIES, EXCLUDING FUEL	94,743	-	94,743	-	94,743
3.	TOTAL MATERIALS AND SUPPLIES	101,619	-	101,619	-	101,619
<u>PREPAYMENTS</u>						
4.	INSURANCE	14,102	(2,156)	11,946	(71)	11,875
5.	RENTS	15,214	-	15,214	-	15,214
6.	PROPERTY TAXES	233,451	(5,075)	228,376	-	228,376
7.	P.S.C. ASSESSMENT	8,354	345	8,699	-	8,699
8.	REGULATORY ASSESSEMENT -- 18A LEGISLATIOIN	56,692	-	56,692	(56,692)	-
9.	INTERFERENCE	7,111	-	7,111	(2,002)	5,109
10.	EPRI	280	-	280	-	280
11.	OTHER	10,139	-	10,139	-	10,139
12.	TOTAL PREPAYMENTS	345,343	(6,886)	338,457	(58,765)	279,692
<u>CASH WORKING CAPITAL</u>						
13.	TOTAL ELECTRIC OPERATION AND MAINTENANCE EXPENS	4,944,448	31,653	4,976,101	(216,919)	4,759,182
14.	LESS: PURCHASED POWER EXPENSES	2,503,242	-	2,503,242	-	2,503,242
15.	GAS PORTION OF FUEL	8,771	-	8,771	-	8,771
16.	RECOVERABLE FUEL COSTS	271,181	-	271,181	-	271,181
17.	INTERDEPARTMENTAL RENTS	5,884	(870)	5,014	-	5,014
18.	UNCOLLECTIBLES	60,017	2,311	62,328	3,177	65,505
19.	CASH WORKING CAPITAL SUBJECT TO 1/8TH ALLOWANCE	2,095,353	30,212	2,125,565	(220,096)	1,905,469
20.	CASH WORKING CAPITAL @ 1/8TH	261,919	3,776	265,696	(27,512)	238,184
21.	ADD: CASH WORKING CAPITAL @ 1/12 ON RECOVERABLE FI	22,598	0	22,598	0	22,598
22.	TOTAL CASH WORKING CAPITAL	284,517	3,776	288,294	(27,512)	260,782
23.	TOTAL	731,479	(3,110)	728,370	(86,277)	642,093
24.	ADD: WORKING CAPITAL RELATED TO PURCHASED POWER (\$2,503,242 X 1.64%)	41,053	0	41,053	0	41,053
25.	TOTAL WORKING CAPITAL	\$ 772,532	\$ (3,110)	\$ 769,423	\$ (86,277)	\$ 683,146

Con Edison Company of New York Inc
Electric Service Rates
Rate Base
Explanation of Adjustments
Twelve Months Ending March 31, 2011
(Thousands of Dollars)

Adj. No.	Explanation	July 10, 2009 Amount	September 18, 2009 Amount
Average Rate Base			
1	Plant In Service		
a	To reflect revised forecast of rate year plant in service update	\$ (138,800)	\$ (19,570)
b	To reflect updated forecast of rate year accumulated reserve for depreciation	3,742	210
		\$ (135,058)	\$ (19,360)
2	Unbilled Revenue		
	To reflect revised forecast for the rate year		(10,253)
3	Unamortized Debt Discount		
	To reflect updated financial structure per Exhibit AP-12 July 10th Update	(15,518)	
4	Working Capital		
	To reflect updated forecast of prepayments and cash working capital and eliminate Regulatory Assessment- 18a Legislation in September Update	(3,110)	(86,277)
5	Excess Rate Base over Capitalization		
a	To correct EB/Cap Adjustment – see response to DPS 74	344,454	
b	EB/Cap Adjustment As Filed – before elimination of pension credits	(535,208)	
		(190,754)	
6	System Benefit Charge/Retail Portfolio Standard		
	To reflect revised forecast for the rate year		(4,212)
7	ERRP Maintenance		
	To reflect ERRP Maintenance in Rate Base – see response to DPS 73	(2,840)	
8	Rate Case Reconciliations		
a	T&D Deferral		(239)
b	SIR deferral	1,838	(6,783)
c	Facilities Maintenance	260	
d	East River 6 Generator Rewind	794	
e	5 Year Underground Inspection Program	1,178	
f	Property Tax Increase Deferral		(7,326)
g	Interference Underspending		(19)
h	Washington Heights and WTC Security Initiatives		352
i	Property Tax Refunds	41	2,410
		4,111	(11,605)
9	Updated Deferred FIT		
	Tracking adjustments to FIT calculation	16,417	(37)
10	Adjusted Deferred FIT for Section 263A		
	To reflect deferred FIT for Section 263A for July Update, and September Update per DPS #294	(1,088)	(86,568)
11	MTA		
	To correct forecast for the rate year	984	(299)
12	Updated Deferred SIT/FIT -- Brownfield Tax Credit		
	To correct forecast for the rate year	(7,210)	0
13	Updated Deferred SIT		
	To track adjustments to SIT calculation	64,107	(745)
Total Adjustments to Rate Year Average Rate Base		<u>\$ (269,959)</u>	<u>\$ (219,356)</u>

Con Edison Company of New York Inc
Electric Service Rates
Update - September 18, 2009
Computation of Revenue Requirement Change
Twelve Months Ending March 31, 2011
(Thousands of Dollars)

		<u>Rate Year As Submitted by Company at Filing</u>	<u>Adjusted Revenue Requirement Increase</u>
Rate Base		\$15,596,230	\$15,106,915
Rate of Return		8.29%	8.19%
Required Return		1,292,745	1,236,758
Income Available for Return		792,677	738,406
Deficiency		500,068	498,352
Retention Factor		58.52%	58.40%
Additional Revenue Requirement		854,468	853,323
Revenue Requirement per Company Profile		0	854,468
Difference		<u>\$ 854,468</u>	<u>(\$1,145)</u>
<u>Proof</u>			
Revenues	100.00%	\$854,468	\$853,323
Less:			
Revenue Taxes	2.78%	23,754	23,722
LPC Revenues	-0.375%	(3,204)	(3,200)
Informational advertising	0.10%	854	853
Uncollectibles	0.78%	5,810	6,656
Pre-tax	<u>96.72%</u>	<u>827,254</u>	<u>825,292</u>
New York State Income Tax @ 7.1%	<u>6.87%</u>	<u>58,735</u>	<u>58,596</u>
F.I.T. @ 35%	89.85%	768,519	766,696
	<u>31.45%</u>	<u>268,982</u>	<u>268,344</u>
Retention Factor	<u>58.401%</u>	<u>\$499,537</u>	<u>\$498,352</u>

Con Edison Company of New York Inc
 Electric Service Rates
 Update - September 18, 2009
 Cost of Service Summary
 Twelve Months Ending March 31, 2011
 (Thousands of Dollars)

	Rate Year As Submitted by Company at Filing	Adj. No.	Company's Updates 07/10/09 Adjustments	As Adjusted by Company's Updates 07/10/09	Adj. No.	Company's Updates 09/18/09 Adjustments	As Adjusted by Company's Updates 09/18/09	Revenue Increase/ (Decrease)	Rate Year w/ Rate Incr./ (Decrease)
OPERATING REVENUES									
SALES REVENUES	\$7,896,096	1	\$ (19,052)	\$ 7,877,044	1	\$ (263,815)	\$ 7,413,229	\$ 853,323	\$ 8,266,552
OTHER OPERATING REVENUES (Schedule 2)	198,957	2	(8,844)	190,113	2	3,631	193,744	3,200	196,944
TOTAL OPERATING REVENUES	7,895,053		(27,897)	7,867,157		(260,183)	7,606,973	856,523	8,463,496
OPERATING REVENUE DEDUCTIONS									
FUEL AND PURCHASED POWER (Schedule 3)	2,792,556		-	2,792,556		-	2,792,556		2,792,556
OTHER OPERATION AND MAINTENANCE (Schedule 3)	2,151,892	3-36	31,653	2,183,545	3-36	(216,919)	1,966,626	7,509	1,974,135
DEPRECIATION AND AMORTIZATION	636,341	37	(3,912)	632,429	37	(515)	631,914		631,914
TAXES OTHER THAN INCOME TAXES (Schedule 4)	1,400,577	38	(22,706)	1,377,871	38	(4,298)	1,373,573	23,722	1,397,295
GAINS FROM DISPOSITION OF UTILITY PLANT	-		-	-		-	-		-
TOTAL OPERATING REVENUE DEDUCTIONS	6,981,366		5,035	6,986,401		(221,732)	6,764,669	31,231	6,795,900
OPERATING INCOME BEFORE INCOME TAXES	913,688		(32,932)	880,756		(38,452)	842,304	825,292	1,667,596
NEW YORK STATE INCOME TAX (Schedule 5)	29,529	39	(552)	28,977	39	(3,894)	25,081	58,596	83,677
FEDERAL INCOME TAX (Schedule 6)	91,482		(2,695)	88,787		(9,970)	78,817	268,344	347,161
OPERATING INCOME AFTER INCOME TAXES	\$ 792,677		\$ (29,685)	\$ 762,992		\$ (24,588)	\$ 738,406	\$ 498,352	\$ 1,236,758
AVERAGE RATE BASE (Exhibit AP-8)	\$ 15,596,230		\$ (269,959)	\$ 15,326,271		(219,356)	\$ 15,106,915		\$15,106,915
RATE OF RETURN	5.08%			4.98%			4.89%		8.19%

Con Edison Company of New York Inc
Electric Service Rates
Update - September 18, 2009
Other Operating Revenues
Twelve Months Ending March 31, 2011
(Thousands of Dollars)

LINE NO.	Item	Rate Year As Submitted by Company at Filing	Adj. No.	Company's Updates 07/10/09 Adjustments	As Adjusted by Company's Updates 07/10/09	Adj. No.	Company's Updates 09/18/09 Adjustments	As Adjusted by Company's Updates 09/18/09	Revenue Increase/ (Decrease)	Rate Year w/ Rate Incr./ (Decrease)
1	Miscellaneous Service Revenues	\$ 14,091			\$ 14,091			\$ 14,091		\$ 14,091
2	Rent from Electric Property	15,918	2a	222	16,140	2l	113	16,253		16,253
3	Interdepartmental Rents <u>Other Electric Revenues</u>	11,772	2b	(58)	11,714			11,714		11,714
4	Transmission of Energy	11,476			11,476			11,476		11,476
5	Transmission Service Charges	15,000			15,000			15,000		15,000
6	Maint. of Interconnection Facilities	2,189			2,189			2,189		2,189
7	Excess Distribution Facilities	2,663			2,663			2,663		2,663
8	Late Payment Charges	28,774			28,774	2m	(974)	27,800	3,200	31,000
11	Meter Reading Services	1,473	2c	(39)	1,434			1,434		1,434
9	The Learning Center Services	827			827			827		827
15	Fuel Management Program	80			80			80		80
10	Facilities Fees - KeySpan and NRG	730			730			730		730
17	Proceeds from Sales of TCCs	120,000			120,000			120,000		120,000
11	POR Discount (Revenues from ESCO)	13,439			13,439			13,439		13,439
19	KeySpan Inside Del Credit	(576)			(576)			(576)		(576)
20	Site Agreement	2,263			2,263			2,263		2,263
12	ESCOs/Marketers - Bills Charges (CUBS)	5,597			5,597			5,597		5,597
13	Transmission Netting Credit Adjustment	(347)			(347)			(347)		(347)
14	SO2 Allowance	1,370			1,370	2n	221	1,591		1,591
15	GHP Interest Accrual	(187)	2d	187	-			-		-
16	Competitive Metering Costs - MHP customers	220			220			220		220
17	Intercompany Rents Re: 74/59th St. (Paid to Steam)	(6,500)			(6,500)			(6,500)		(6,500)
18	Total Other Electric Revenues	198,491		148	198,639		(753)	197,886	3,200	201,086
19	Total Electric Other Operating Revenues (AP_5, Sch 1)	\$ 240,272		\$ 312	\$ 240,584		\$ (640)	\$ 239,944	\$ 3,200	\$ 243,144
Adjustments - AP 9, Schedule 3										
20	WTC Capital expenses	(2,522)	2e	(478)	(3,000)			(3,000)		(3,000)
21	Retail Choice Phase 7	(2,562)			(2,562)			(2,562)		(2,562)
22	Deferrals from Case 04-E-0572 RY3	(3,728)			(3,728)			(3,728)		(3,728)
23	Interest on Deferrals from Case 04-E-0572 RY3	(133)			(133)			(133)		(133)
24	T&D Deferral from Case 07-E-0523	(19,498)			(19,498)	2o	53	(19,445)		(19,445)
25	Pension deferral	(14,339)	2f	(2,883)	(17,032)			(17,032)		(17,032)
26	SlR deferral	(18,259)	2g	(321)	(18,580)	2p	1,182	(17,398)		(17,398)
27	Property Tax Increase deferral - April 2008 - March 2009	(25,261)			(25,261)	2q	4,853	(20,408)		(20,408)
28	Business Incentive Rate - Revenue Shortfall	(1,712)			(1,712)			(1,712)		(1,712)
29	Targeted DSM	(391)			(391)			(391)		(391)
30	Interest	(472)			(472)			(472)		(472)
31	Interest on MGP - Electric	(926)			(926)			(926)		(926)
32	Emergency Demand Response / Demand Reduction Programs	(75)			(75)			(75)		(75)
33	Power for Jobs Tax Credit	883			883			883		883
34	Excess Emission Reduction Credits	358			358			358		358
35	Credits from Case 07-E-0523	29,093			29,093			29,093		29,093
36	TSC Revenues (with interest)	4,973			4,973			4,973		4,973
37	Interference Underspending	7,418			7,418	2r	13	7,431		7,431
38	Network CAIDI Performance Mechanism Revenue Adjustment	1,667			1,667			1,667		1,667
39	Washington Heights and WTC Security Initiatives	251			251	2s	(233)	18		18
40	SO2 Allowances (with interest)	545			545			545		545
41	Auction Interest Rate - Case 07-E-0523	610			610			610		610
42	Property Condemnations	236			236			236		236
43	Property Tax Refunds	1,623	2h	(26)	1,597	2t	(1,597)	-		-
44	Interest - Gain on Sale of First Avenue Properties	906			906			906		906
45	Two year amortization of Facilities Maintenance cost per Case 08-E-0539	-	2i	(862)	(862)			(862)		(862)
46	Three year recovery of East River 6 Generator Rewind per Case 08-E-0539	-	2j	(876)	(876)			(876)		(876)
47	Two year amortization of 5 Year Underground Inspection Program Incremental Costs per Case 08-E-0539	-	2k	(3,900)	(3,900)			(3,900)		(3,900)
Total Adjustments to Other Operating Revenues		(41,315)		(9,168)	(50,471)		4,271	(46,200)		(46,200)
OTHER OPERATING REVENUES		\$ 198,957		\$ (8,844)	\$ 190,113		\$ 3,631	\$ 193,744	\$ 3,200	\$ 196,944

Con Edison Company of New York Inc
Electric Service Rates
Update - September 18, 2009
Operation and Maintenance Expenses
Twelve Months Ending March 31, 2011
(Thousands of Dollars)

LINE NO.	Item	Rate Year As Submitted by Company at Filing	Adj. No.	Company's Updates 07/10/09 Adjustments	As Adjusted by Company's Updates 07/10/09	Adj. No.	Company's Updates 09/18/09 Adjustments	As Adjusted by Company's Updates 09/18/09	Revenue Increase/ (Decrease)	Rate Year w/ Rate Incr./ (Decrease)
1	Fuel & Purchased Power	\$ 2,792,566			2,792,566			\$ 2,792,566		\$ 2,792,566
2	Austerity Adjustment	(30,000)	3	30,000	-			-		-
3	Administrative Expenses Transferred - cr.	(27,013)	4	(780)	(27,793)	4	57	(27,736)		(27,736)
4	Electric Operation	125,223	5	1,160	126,383	5	(5,637)	120,746		120,746
5	Asbestos Removal and Abatement	38			38			38		38
6	Bank Collection Fees	136			136			136		136
7	System and Transmission Operations	39,160			39,160	6	(215)	38,945		38,945
8	Substation Operation	29,355			29,355			29,355		29,355
9	Boiler Cleaning	1,068			1,068			1,068		1,068
10	Building Service/Facilities	15,476			15,476	7	(2,473)	13,003		13,003
11	Central Engineering-Administrative	24			24			24		24
12	Collection Agency/Payment Agent Fees	3,363			3,363			3,363		3,363
13	Communications - Telephone	6,664	8	(100)	6,564	8	113	6,677		6,677
14	Other Compensation	2,431			2,431	9	(265)	2,166		2,166
15	Company Labor	293,841	10	3,277	297,118	10	(1,046)	296,072		296,072
16	Company Labor - Elect. Op., STO, SSO	258,426	11	8,397	266,823	11	(1,045)	265,777		265,777
17	Consultants	11,473	12	(500)	10,973			10,973		10,973
18	Contract Labor	2,021			2,021			2,021		2,021
19	Corrective Maintenance	4,859			4,859			4,859		4,859
20	AMR Savings	(1,834)	13	(20)	(1,854)	13	7	(1,847)		(1,847)
21	Disposal of Obsolete M&S	6,903			6,903			6,903		6,903
22	DSM	56,450			56,450			56,450		56,450
23	Duplicate Misc. Charges	(22,985)			(22,985)			(22,985)		(22,985)
24	EDP Equipment Rentals & Mtce.	4,300			4,300			4,300		4,300
25	Electricity & Gas Used	3,999			3,999			3,999		3,999
26	Employee Pensions / OPEBS	306,781	14	629	307,410			307,410		307,410
27	Employee Welfare Expense - Net	101,031	15	(2,644)	98,387	15	(652)	97,735		97,735
28	Environmental Expenses	5,081			5,081	16	(34)	5,047		5,047
29	ERRP - Major Maintenance	11,371	17	(3,871)	7,500			7,500		7,500
30	Facilities Maintenance	1,656			1,656			1,656		1,656
31	Financial Services	9,631	18	84	9,715			9,715		9,715
32	Gas Turbines	2,924			2,924			2,924		2,924
33	Information Resources	35,377	19	379	35,756	19	(23)	35,733		35,733
34	Informational Advertising	15,300			15,300	20	(7,887)	7,413	853	8,266
35	Injuries & Damages Reserve	40,423	21	1,184	41,607			41,607		41,607
36	Instit. Dues & Subscriptions	1,862	22	(200)	1,662			1,662		1,662
37	Insurance Premiums	26,514	23	(4,054)	22,460	23	(134)	22,326		22,326
38	Interference	95,232			95,232	24	(6,158)	89,074		89,074
39	Corporate and Fiscal Expenses	4,679			4,679			4,679		4,679
40	Manhour Expense	1,000			1,000			1,000		1,000
41	Marshall's Fees	1,080			1,080			1,080		1,080
42	Materials & Supplies	3,713	25	(508)	3,205	25	(78)	3,127		3,127
43	Outreach and Education	5,673	26	(973)	4,700			4,700		4,700
44	Other (Fossil)	1,955			1,955			1,955		1,955
45	Outside Legal Services	965			965			965		965
46	Paving	11			11			11		11
47	Plant Component Upgrade	234			234			234		234
48	Postage	15,511	27	(19)	15,512			15,512		15,512
49	Preventive Maintenance	1,926			1,926			1,926		1,926
50	RCA-Amort. of Hudson-Farragut	477			477			477		477
51	Renewable Portfolio Standard	47,438			47,438	28	369	47,807		47,807
52	Real Estate Expense	3,801			3,801			3,801		3,801
53	Regulatory Commission Expense	223,723			223,723	29	(191,307)	32,416		32,416
54	Rents	56,285			56,285			56,285		56,285
55	Rents (ERRP)	67,994			67,994			67,994		67,994
56	Rents (Interdepartmental)	5,884	30	(870)	5,014			5,014		5,014
57	Research & Development	21,398			21,398			21,398		21,398
58	System Benefit Charge	148,698			148,698	32	(2,610)	146,088		146,088
59	Scheduled Overhauls	2,348			2,348			2,348		2,348
60	Security	1,878	33	(111)	1,767	33	(100)	1,667		1,667
61	Shared Services	(8,823)	34	(57)	(8,880)	24	20	(8,860)		(8,860)
62	Storm Reserve - Electric Op	5,600			5,600			5,600		5,600
63	Trenching	144			144			144		144
64	Uncollectible	60,017	35	2,311	62,328	35	3,177	65,505	6,666	72,161
65	Water	653			653			653		653
66	Water Chemicals	664			664			664		664
67	Other	40,385	36	(1,061)	39,324	36	(997)	38,327		38,327
		\$ 4,944,448		\$ 31,653	\$ 4,976,101		\$ (216,919)	\$ 4,759,182	\$ 7,509	\$ 4,766,691

Con Edison Company of New York Inc
Electric Service Rates
Update - September 18, 2009
Taxes Other than Income Taxes
Twelve Months Ending March 31, 2011
(Thousands of Dollars)

LINE NO.	Item	Rate Year As Submitted by Company at Filing	Adj. No.	Company's Updates 07/10/09 Adjustments	As Adjusted by Company's Updates 07/10/09	Adj. No.	Company's Updates 09/18/09 Adjustments	As Adjusted by Company's Updates 09/18/09	Revenue Increase/ (Decrease)	Rate Year w/ Rate Incr./ (Decrease)
Property Taxes:										
1	New York City	\$ 1,011,358	38a	\$ (23,551)	\$ 987,807		\$ -	\$ 987,807		\$ 987,807
2	Upstate and Westchester	95,413		-	95,413		-	95,413		95,413
3	Property Tax Reconciliation Deferral	-		-	-		-	-		-
	Total Property Tax	1,106,771		(23,551)	1,083,220		-	1,083,220		1,083,220
4	Revenue Taxes	215,339	38c	-	215,339		(5,164)	210,175	23,722	233,897
5	Payroll Taxes	54,582	38b	845	55,427	38b	(151)	55,276		55,276
6	MTA Mobility Tax	1,878			1,878		-	1,878		1,878
8	Subsidiary Capital Tax	5,177			5,177		-	5,177		5,177
9	Receipts Tax	15,233			15,233	38d	1,017	16,250		16,250
10	All Other Taxes	1,597			1,597		-	1,597		1,597
	Taxes Other Than Income Taxes	\$ 1,400,577		\$ (22,706)	\$ 1,377,871		\$ (4,298)	\$ 1,373,573	\$ 23,722	\$ 1,397,295

Con Edison Company of New York Inc
Electric Service Rates
Update - September 18, 2009
State Income Tax
Twelve Months Ending March 31, 2011
(Thousands of Dollars)

LINE NO.	Rate Year As Submitted by Company at Filing	Company's Updates 07/10/09 Adjustments	As Adjusted by Company's Updates 07/10/09	Company's Updates 09/18/09 Adjustments	As Adjusted by Company's Updates 09/18/09	Revenue Increase/ (Decrease)	Rate Year w/ Rate Incr.
1.	Book Operating Income Before Income Taxes	\$ 913,688	\$ (32,932)	\$ 880,756	\$ (38,452)	\$ 842,304	\$ 825,292 \$ 1,667,596
FLOW THROUGH ITEMS							
Deduct: Non-Taxable Income and Additional Deductions							
2	Interest expense	481,191	(25,151)	456,040	(6,135)	449,905	449,905
3	Medicare Part D Subsidy - Post Employment Benefits	18,599	-	16,599	-	16,599	16,599
4	Total Deductions	497,790	(25,151)	472,639	(6,135)	466,504	- 466,504
NORMALIZED ITEMS							
Add: Additional Income and Unallowable Deductions							
5	Book Depreciation	636,341	(3,912)	632,429	(515)	631,914	631,914
6	Contributions in Aid of Construction	672	-	672	-	672	672
7	Capitalized Interest	18,833	-	16,833	-	16,833	16,833
8	Pensions / OPEB expense - Per Books	321,120	3,322	324,442	-	324,442	324,442
9	Total Additions	974,966	(590)	974,376	(515)	973,861	- 973,861
Deduct: Non-Taxable Income and Additional Deductions							
10	NYS Depreciation	661,062	(6,854)	674,398	(877)	673,521	673,521
11	263A Capitalized Overheads	103,125	(2,746)	100,379	(362)	100,017	100,017
12	Removal Costs	167,356	(4)	167,352	-	167,352	167,352
13	Repair Allowance	43,475	-	43,475	-	43,475	43,475
14	Loss on MACRS Retirements	45,342	-	45,342	-	45,342	45,342
15	Pensions / OPEB expense - Funding	284,737	165,034	449,771	-	449,771	449,771
16	Westchester Property Tax adjustment	1,416	-	1,416	-	1,416	1,416
17	WTC Capital expenses	(2,522)	(478)	(3,000)	-	(3,000)	-3,000
18	Retail Choice Phase 7	(2,562)	-	(2,562)	-	(2,562)	-2,562
19	Deferrals from Case 04-E-0572 RY3	(3,728)	-	(3,728)	-	(3,728)	-3,728
20	Interest on Deferrals from Case 04-E-0572 RY3	(133)	-	(133)	-	(133)	-133
21	T&D Deferral from Case 07-E-0523	(19,498)	-	(19,498)	53	(19,445)	-19,445
22	SIR deferral	(18,259)	(321)	(18,580)	1,182	(17,398)	-17,398
23	Property Tax Increase deferral - April 2008 - March 2009	(25,261)	-	(25,261)	4,853	(20,408)	-20,408
24	Business Incentive Rate - Revenue Shortfall	(1,712)	-	(1,712)	-	(1,712)	-1,712
25	Targeted DSM	(391)	-	(391)	-	(391)	-391
26	Interest	(472)	-	(472)	-	(472)	-472
27	Interest on MGP - Electric	(926)	-	(926)	-	(926)	-926
28	Emergency Demand Response / Demand Reduction Programs	(75)	-	(75)	-	(75)	-75
29	Power for Jobs Tax Credit	883	-	883	-	883	883
30	Excess Emission Reduction Credits	358	-	358	-	358	358
31	Credits from Case 07-E-0523	29,093	-	29,093	-	29,093	29,093
32	TSC Revenues	4,973	-	4,973	-	4,973	4,973
33	Interference Underspending	7,418	-	7,418	13	7,431	7,431
34	Network CAIDI Performance Mechanism Revenue Adjustment	1,667	-	1,667	-	1,667	1,667
35	Washington Heights and WTC Security initiatives	251	-	251	(233)	18	18
36	SO2 Allowances	545	-	545	-	545	545
37	Auction Interest Rate - Case 07-E-0523	610	-	610	-	610	610
38	Property Condemnations	236	-	236	-	236	236
39	Property Tax Refunds	1,623	(26)	1,597	(1,597)	0	0
40	Interest - Gain on Sale of First Avenue Properties	906	-	906	-	906	906
41	Facilities Maintenance cost per Case 06-E-0539	-	(862)	(862)	-	(862)	-862
42	East River 6 Generator Rewind per Case 06-E-0539	-	(876)	(876)	-	(876)	-876
43	5 Year Underground Inspection Program Incremental Costs per Case 08-E-0539	-	(3,900)	(3,900)	-	(3,900)	-3,900
44	Miscellaneous	-	-	-	-	-	0
45	Total Deductions	1,289,537	149,157	1,448,694	3,032	1,451,726	- 1,451,726
46	Taxable Income - New York State	\$ 91,326	\$ (157,527)	\$ (66,201)	\$ (35,864)	\$ (102,065)	\$ 825,292 \$ 723,227
Tax Computation							
47	Current New York State Income Tax @ 7.1%	\$ 6,484	\$ (11,184)	\$ (4,700)	\$ (2,546)	\$ (7,247)	\$ 58,586 \$ 51,349
48	Deferred New York State Income Tax @ 7.1%	23,045	10,632	33,677	252	33,928	- 33,928
49	Subtotal New York State Income Tax	29,529	(552)	28,977	(2,294)	26,681	58,586 85,277
50	Brownfield Credits (Adjustment 39)	-	-	-	(1,600)	(1,600)	- (1,600)
51	Total New York State Income Tax	\$ 29,529	\$ (552)	\$ 28,977	\$ (3,894)	\$ 25,081	\$ 58,586 \$ 83,677

Con Edison Company of New York Inc
Electric Service Rates
Update - September 18, 2009
Federal Income Tax
Twelve Months Ending March 31, 2011
(Thousands of Dollars)

LINE NO.		Rate Year As Submitted by Company at Filing	Company's Updates 07/10/09 Adjustments	As Adjusted by Company's Updates 07/10/09	Company's Updates 09/18/09 Adjustments	As Adjusted by Company's Updates 09/18/09	Revenue Increase/ (Decrease)	Rate Year w/ Rate Incr.
1.	Book Operating Income Before Income Taxes	\$ 913,688	\$ (32,932)	\$ 880,756	\$ (38,452)	\$ 842,304	\$ 825,292	\$ 1,667,596
2	New York State Income Tax	29,529	(652)	28,877	(3,894)	25,083	58,596	83,679
3	Book Operating Income Before Federal Income Tax	884,159	(32,380)	851,779	(34,558)	817,221	766,698	1,583,917
FLOW THROUGH ITEMS								
<u>Add: Additional Income and Unallowable Deductions</u>								
4	Book Depreciation	636,341	(3,912)	632,429	(515)	631,914		631,914
5	Hudson-Farragut Amortization - Per Books	483	-	483	-	483		483
6	Capitalized Interest	16,833	-	16,833	-	16,833		16,833
7	Total Additions	653,657	(3,912)	649,745	(515)	649,230		649,230
<u>Deduct: Non-Taxable Income and Additional Deductions</u>								
8	Interest expense	481,191	(25,151)	456,040	(6,135)	449,905		449,905
9	Statutory Depreciation - at current book rates	398,599	(3,437)	395,162	(452)	394,710		394,710
10	Statutory Depreciation - change at proposed book rates	1,505	-	1,505	-	1,505		1,505
11	Statutory Depreciation - change with reserve deficiency	8,274	-	8,274	-	8,274		8,274
12	Removal Costs	167,356	(4)	167,352	-	167,352		167,352
13	Medicare Part D Subsidy - Post Employment Benefits	16,599	-	16,599	-	16,599		16,599
14	Westchester Property Tax adjustment	1,416	-	1,416	-	1,416		1,416
15	Dividends Paid on \$5 Cumulative Preferred Stock	3,327	-	3,327	-	3,327		3,327
16	Total Deductions	1,078,267	(28,592)	1,049,675	(6,587)	1,043,088		1,043,088
NORMALIZED ITEMS								
<u>Add: Additional Income and Unallowable Deductions</u>								
17	Contributions in Aid of Construction	672	-	672	-	672		672
18	Pensions / OPEB Expense - Per Books	321,120	3,322	324,442	-	324,442		324,442
19	Deferred State Income Tax	23,045	10,632	33,677	252	33,929		33,929
20	Total Additions	344,837	13,954	358,791	252	359,043		359,043
<u>Deduct: Non-Taxable Income and Additional Deductions</u>								
21	Statutory Depreciation - at current book rates	258,159	(5,153)	263,006	(678)	262,328		262,328
22	263A Capitalized Overheads	103,125	(2,746)	100,379	(362)	100,017		100,017
23	Statutory Depreciation - change at proposed book rates	(1,505)	-	(1,505)	-	(1,505)		(1,505)
24	Statutory Depreciation - change with reserve deficiency	(8,274)	-	(8,274)	-	(8,274)		(8,274)
25	Repair Allowance	43,475	-	43,475	-	43,475		43,475
26	Loss on MACRS Retirements	45,527	-	45,527	-	45,527		45,527
27	Pensions / OPEB expense - Funding	284,737	166,034	449,771	-	449,771		449,771
28	WTC Capital expenses	(2,522)	(478)	(3,000)	-	(3,000)		(3,000)
29	Retail Choice Phase 7	(2,562)	-	(2,562)	-	(2,562)		(2,562)
30	Deferrals from Case 04-E-0572 RY3	(3,728)	-	(3,728)	-	(3,728)		(3,728)
31	Interest on Deferrals from Case 04-E-0572 RY3	(133)	-	(133)	-	(133)		(133)
32	T&D Deferral from Case 07-E-0523	(19,498)	-	(19,498)	53	(19,445)		(19,445)
33	SIR deferral	(18,259)	(321)	(18,580)	1,182	(17,398)		(17,398)
34	Property Tax Increase deferral - April 2008 - March 2009	(25,261)	-	(25,261)	4,853	(20,408)		(20,408)
35	Business Incentive Rate - Revenue Shortfall	(1,712)	-	(1,712)	-	(1,712)		(1,712)
36	Targeted DSM	(391)	-	(391)	-	(391)		(391)
37	Interest	(472)	-	(472)	-	(472)		(472)
38	Interest on MGP - Electric	(926)	-	(926)	-	(926)		(926)
39	Emergency Demand Response / Demand Reduction Programs	(75)	-	(75)	-	(75)		(75)
40	Power for Jobs Tax Credit	883	-	883	-	883		883
41	Excess Emission Reduction Credits	358	-	358	-	358		358
42	Credits from Case 07-E-0523	29,093	-	29,093	-	29,093		29,093
43	TSC Revenues	4,973	-	4,973	-	4,973		4,973
44	Interference Underspending	7,418	-	7,418	13	7,431		7,431
45	Network CAIDI Performance Mechanism Revenue Adjustment	1,667	-	1,667	-	1,667		1,667
46	Washington Heights and WTC Security Initiatives	251	-	251	(233)	18		18
47	SO2 Allowances	545	-	545	-	545		545
48	Auction Interest Rate - Case 07-E-0523	610	-	610	-	610		610
49	Property Condemnations	236	-	236	-	236		236
50	Property Tax Refunds	1,623	(26)	1,597	(1,597)	0		0
51	Interest - Gain on Sale of First Avenue Properties	906	-	906	-	906		906
52	Facilities Maintenance cost per Case 08-E-0539	-	(862)	(862)	-	(862)		(862)
53	East River 6 Generator Rewind per Case 08-E-0539	-	(876)	(876)	-	(876)		(876)
54	5 Year Underground Inspection Program Incremental Costs per Case 08-E-0539	-	(3,900)	(3,900)	-	(3,900)		(3,900)
55	Miscellaneous	-	-	-	-	-		-
56	Total Deductions	708,268	150,672	858,940	3,231	862,171		862,171
57	Taxable Income - Federal	\$ 96,117	\$ (144,417)	\$ (48,300)	\$ (31,465)	\$ (79,765)	\$ 766,696	\$ 686,931
Tax Computation								
58	Current Federal Income Tax @ 35%	33,641	(50,546)	(16,905)	(11,013)	(27,918)	268,344	240,426
59	Deferred Federal Income Tax @ 35%	127,201	47,851	175,052	1,043	176,095		176,095
Amortization of Previously Deferred Federal Income Tax								
60	Depreciation - ADR / ACRS / MACRS - at current book rates	(41,097)	-	(41,097)	-	(41,097)		(41,097)
61	Depreciation - MACRS - SSCM	(9,894)	-	(9,894)	-	(9,894)		(9,894)
62	Loss on MACRS Retirements	(3,998)	-	(3,998)	-	(3,998)		(3,998)
63	Repair Allowance	(9,618)	-	(9,618)	-	(9,618)		(9,618)
64	Investment Tax Credit	(4,753)	-	(4,753)	-	(4,753)		(4,753)
65	Total Federal Income Tax	\$ 91,462	\$ (2,695)	\$ 88,767	\$ (9,970)	\$ 78,797	\$ 268,344	\$ 347,161

Con Edison Company of New York Inc
Electric Service Rates
Update - September 18, 2009
FIT Interest Expense Deduction
Twelve Months Ending March 31, 2011
(Thousands of Dollars)

	Rate Year As Submitted by Company at Filing	Company's Updates 07/10/09 Adjustments	As Adjusted by Company's Updates 07/10/09	Company's Updates 09/18/09 Adjustments	As Adjusted by Company's Updates 09/18/09	Revenue Increase/ (Decrease)	Rate Year w/ Rate Incr./ (Decrease)
Rate Base	\$ 15,596,230	\$ (269,959)	\$ 15,326,271	\$ (219,356)	\$ 15,106,915	\$ -	\$ 15,106,915
Interest Bearing CWIP (+) Dividend Declared (-)	586,745	-	586,745	-	586,745	-	586,745
Earnings Base	16,182,975	(269,959)	15,913,016	(219,356)	15,693,660	-	15,693,660
Embedded Cost of Debt	2.88%		2.88%		2.88%		2.88%
Interest Deduction	\$ 482,730	\$ (25,151)	\$ 457,579	\$ (6,135)	\$ 451,444	\$ (6,135)	\$ 451,444

Con Edison Company of New York Inc
 Electric Service Rates
 Update - September 18, 2009
 Explanation of Adjustments
 Twelve Months Ending March 31, 2011
 (Thousands of Dollars)

Adj. No.	Explanation	7/10/09 Update	9/18/09 Update
1	<u>Sales Revenues</u>		
a	Update MFC and MAC revenues related to increase in uncollectibles through August 2009 from 0.68% to 0.78% (AP)	\$956	\$2,229
b	Reduce Unbilled Revenues to reflect only an offset to WTC capital expense recovery per Case 08-E-0539 (AP)	(20,008)	0
c	To reflect updated sales Forecast (Forecasting Panel)	-	(47,603)
d	To increase Low Income Discount Program for new eligible participants in addition to staff's increase (COP)	-	(13,700)
e	To reflect Staff's Low Income Discount Program (AP)	-	(4,500)
f	To reflect Staff's adjustment to RPS/SBC revenues (AP)	-	(2,241)
g	To reflect Staff's proposal to remove 18a Assessment, based on the corrected amount (AP)	-	(198,000)
	Total Adjustment to Sales Revenues	<u>(19,052)</u>	<u>(263,815)</u>
2	<u>Other Operating Revenues</u>		
a	Increase rental revenues from Millwood, O&R Cell Sites, and other miscellaneous items - IR DPS5-44 (AP)	222	
b	Update Interdepartmental rents to reflect 2009 accounting study (AP)	(58)	
c	Correction - lower estimated revenues from Water Meter Reading Services (COP)	(39)	
d	Correction - Eliminate GHP Interest recovered through MSC (AP)	187	
e	Reflect recovery of WTC Capital expenses updated thru May 2009 (AP)	(478)	
f	Update amortization of deferred pension costs based on latest Buck Report (AP)	(2,693)	
g	Update amortization of deferred SIR costs for actual spending thru March 31, 2009 (Price and AP)	(321)	
h	Reflect change in property tax refunds due to update of costs to achieve (AP)	(26)	
i	Reflect second year of two year amortization of Facilities Maintenance cost per Case 08-E-0539 (AP)	(862)	
j	Reflect second year of three year recovery of East River 6 Generator Rewind per Case 08-E-0539 (AP)	(876)	
k	Reflect second year of two year amortization of 5 Year Underground Inspection Program Incremental Costs per Case 08-E-0539 (AP)	(3,900)	
l	Reflect new rental income from wireless attachment agreements (DPS19-190) (AP)	-	113
m	Track LPCs to sales adjustments (AP)	-	(974)
n	To reflect updated estimate of rate year SO2 Allowance Proceeds (RSP-12 Revised) (Price)	-	221
o	Reflect additional T&D carrying charges of \$422,000 over 8 years (DPS32-306) (AP)	-	53
p	Update amortization of deferred SIR costs for actual spending thru June 30, 2009 (AP)	-	1,182
q	To reflect deferred property taxes disallowed by the Commission in Case 08-M-0901 (AP)	-	4,853
r	Reflect additional interference underspending booked after March 31, 2009 (DPS38-360) (AP)	-	13
s	To correct amount available to refund for Washington Heights and WTC Security Initiatives (AP)	-	(233)
t	Reflect the removal of the Company's forecast of future property tax refunds (Hutcheson and AP)	-	(1,597)
	Total Adjustment to Other Operating Revenues	<u>(8,844)</u>	<u>3,631</u>
	<u>Operation and maintenance expenses</u>		
3	<u>Austerity Adjustment</u>		
a	Eliminate placeholder for austerity (Rasmussen)	30,000	
		<u>30,000</u>	
4	<u>Administrative Expenses Transferred - cr.</u>		
a	Correction of original filing to reflect correct capital spending levels (AP)	(614)	0
b	Update labor escalation due to reduction in assumed Management increase, new Local 3 contract and to properly reflect Local 1-2 contract (AP)	(166)	57
		<u>(780)</u>	<u>57</u>

5 Electric Operation			
a	Correction to normalize Underground Related Emergency Response costs (IIP)	1,015	-
b	Reclassify Unit Substation Improvements from Company Labor - Elect. Op., STO, SSO - IR DPS11-78 (IIP)	145	-
c	To reflect the normalization of the Oil Minders program (DPS48-448) (IIP)	-	(354)
d	To update mobile stray voltage program to reflect new contract for Samoff devices (IIP)	-	(5,283)
		<u>1,160</u>	<u>(5,637)</u>
6 System and Transmission Operations			
a	To update Furnace Brook Lake Dam Maintenance program (CPB -150) (IIP)	-	(206)
b	To remove escalation on Tower Painting program (IIP)	-	(9)
		<u>0</u>	<u>(215)</u>
7 Building Service/Facilities			
a	Accept CPB adjustment to reduce costs to repair Waterside Dock (SSP)	-	(837)
b	Reduction in Betterment Program costs at Corporate Headquarters (SSP)	-	(1,636)
		<u>0</u>	<u>(2,473)</u>
8 Communications - Telephone			
a	Austerity - Reduce communication costs (ref. Exhibit __EJR-2) (Rasmussen)	(100)	-
b	To update Mandatory Hourly Pricing (COP)	-	113
		<u>(100)</u>	<u>113</u>
9 Other Compensation			
a	Remove additional compensation related to officers (AP)	-	(265)
		<u>0</u>	<u>(265)</u>
10 Company Labor			
a	Reclassify Customer Operations from information Resources and Materials & Supplies - IR DPS5-40 (AP)	588	(2)
b	Update labor escalation due to reduction in assumed Management increase, new Local 3 contract and to properly reflect Local 1-2 contract (AP)	3,119	(1,122)
c	Austerity - Reduce base salaries for executives (ref. Exhibit __EJR-2) (Rasmussen)	(100)	0
d	Austerity - Reduce base salaries for upper and mid-level management (ref. Exhibit __EJR-2) (Rasmussen)	(100)	0
e	Austerity - Reduce vested vacation costs associated with delayed hiring (ref. Exhibit __EJR-2) (Rasmussen)	(230)	0
f	To update Mandatory Hourly Pricing (COP)	-	119
g	To update Management Data Metering System (COP)	-	48
h	To accept Staff's adjustment to Career Path First Aid Refresher Training (SSP)	-	(89)
		<u>3,277</u>	<u>(1,046)</u>
11 Company Labor - Elect. Op., STO, SSO			
a	Correction to normalize Underground Related Emergency Response (IIP)	5,970	(23)
b	Reclassify Unit Substation Improvements to Electric Operation - IR DPS11-78 (IIP)	(153)	1
c	Remove Mobile Stray Voltage - IR DPS11-78 (IIP)	(65)	0
d	Remove 5-year Overhead Inspection and Repairs - IR DPS11-78 (IIP)	(98)	0
e	Update labor escalation due to reduction in assumed Management increase, new Local 3 contract and to properly reflect Local 1-2 contract (AP)	2,743	(987)
f	To remove Scheduling DO (CPB15-163) (IIP)	-	(37)
		<u>8,397</u>	<u>(1,045)</u>
12 Consultants			
a	Austerity - Reduce consulting services (ref. Exhibit __EJR-2) (Rasmussen)	(500)	-
		<u>(500)</u>	
13 AMR Savings			
a	Update labor escalation due to reduction in assumed Management increase, new Local 3 contract and to properly reflect Local 1-2 contract (AP)	(20)	7
		<u>(20)</u>	<u>7</u>
14 Employee Pensions / OPEBS			
a	Update to employee Pension costs based on latest actuarial report (AP)	629	-
		<u>629</u>	
15 Employee Welfare Expense - Net			
a	Austerity - Reduce (50%) Thrift Savings Plan (401K) matching program (ref. Exhibit __EJR-2) (Rasmussen)	(1,300)	-
b	Austerity - Reduce (50%) Discount Stock Purchase Plan (ref. Exhibit __EJR-2) (Rasmussen)	(500)	-
c	Austerity - Reduce health costs associated with delayed hiring (ref. Exhibit __EJR-2) (Rasmussen)	(805)	-
d	Update labor escalation due to new Local 3 contract (Reyes)	(39)	-
e	Partial acceptance of Staff adjustment 3d-3 (AP)	-	(300)
f	Updated forecast (Reyes)	-	(352)
		<u>(2,644)</u>	<u>(652)</u>

16 Environmental Expenses			
a	To reflect removal of climate registry normalization (Price)	-	(34)
		<u>0</u>	<u>(34)</u>
17 ERRP - Major Maintenance			
a	Correction to filing to reflect \$7.5 million rate allowance (AP)	(3,871)	
		<u>(3,871)</u>	
18 Financial Services			
a	To update for an increase in financing costs due to Moody's downgrade of Company's Bonds (AP)	84	
		<u>84</u>	
19 Information Resources			
a	Update Enterprise Resource Planning (ERP) Costs (ref. Accounting Panel Testimony page 115) (AP)	327	-
b	Maintenance - Hardware, Database, and Software - IR DPS6-46 (COP)	(85)	-
c	Reclassify Customer Operations to Company Labor - IR DPS5-40 (AP)	(50)	-
d	Cycle Meter Reading Hand-Held System - IR NYC2-60 (COP)	186	-
e	To update Mandatory Hourly Pricing (COP)	-	13
f	To update Management Data Metering System (COP)	-	9
g	To update Cycle Data Meter Reading Handheld System (COP)	-	(45)
		<u>379</u>	<u>(23)</u>
20 Informational Advertising			
a	To reflect 0.1% of revenues (PCIP)	-	(7,887)
		<u>0</u>	<u>(7,887)</u>
21 Injuries & Damages Reserve			
a	Updated to reflect three-year average through June 30, 2009 (AP)	1,184	
		<u>1,184</u>	
22 Instit. Dues & Subscriptions			
a	Austerity - Reduce (25%) corporate dues in industry associations (Rasmussen)	(200)	
		<u>(200)</u>	
23 Insurance Premiums			
a	Elimination of budgeted premiums and reduction for cap on excess liability insurance - IR DPS23-231 (AP)	(4,054)	-
b	Accept Staff's adjustment to the escalation rate	-	(134)
		<u>(4,054)</u>	<u>(134)</u>
24 Interference			
a	Eliminate escalation and lower forecast for Interference O&M excluding lower Manhattan (MISP)	-	(6,158)
		<u>0</u>	<u>(6,158)</u>
25 Materials & Supplies			
a	Reclassify Customer Operations to Company Labor - IR DPS5-40 (AP)	(508)	0
b	To accept Staff's adjustment to Career Path First Aid Refresher Training (SSP)	-	(78)
c	To update Bill Redesign Project (COP)	-	(720)
		<u>(508)</u>	<u>(78)</u>
26 Outreach and Education			
a	To reflect the Outreach and Education rate allowance provided in Case 08-E-0539 (See IR DPS18-181) (PCIP)	(973)	
		<u>(973)</u>	
27 Postage			
a	To correct allocation to electric service - IR DPS11-77 (AP)	(19)	
		<u>(19)</u>	
28 Renewable Portfolio Standard			
a	To reflect Staff's adjustment to RPS (AP)	-	369
		<u>0</u>	<u>369</u>
29 Regulatory Commission Expense			
a	To reflect Staff's proposal to remove 18a Assessment (AP)	-	(189,885)
b	To reflect Staff's update to include August 2009 PSC Letter updating Assessment (AP)	-	(1,422)
		<u>0</u>	<u>(191,307)</u>
30 Rents (Interdepartmental)			
a	Update Interdepartmental rents to reflect 2009 accounting study (AP)	(870)	
		<u>(870)</u>	

31	Blank	-	-
		<u>0</u>	<u>0</u>
32	System Benefit Charge		
a	To reflect Staff's adjustment to SBC (AP)	-	(2,610)
		<u>0</u>	<u>(2,610)</u>
33	Security		
a	Remove Security Operations Center maintenance service contract - IR DPS9-60 (Campanella)	(111)	-
b	To accept Staff's removal of Geo-Spatial Camera Maintenance program (Campanella)	-	(100)
		<u>(111)</u>	<u>(100)</u>
34	Shared Services		
a	Update labor escalation due to reduction in assumed Management increase, new Local 3 contract and to properly reflect Local 1-2 contract (AP)	(57)	20
		<u>(57)</u>	<u>20</u>
35	Uncollectibles		
a	To reflect uncollectible factor of 71 cents per \$100 of revenue (AP)	2,311	-
b	To reflect uncollectible factor of 78 cents per \$100 of revenue (AP)	-	5,391
c	Track uncollectibles to sales adjustments and LPC (AP)	-	(2,214)
		<u>2,311</u>	<u>3,177</u>
36	Other		
a	Call Center Improvements IR DPS5-39 (COP)	(161)	-
b	Austerity - Reduce (75%) travel costs (Rasmussen)	(300)	-
c	Austerity - Reduce professional conference costs (Rasmussen)	(100)	-
d	Austerity - Reduce transportation costs (Rasmussen)	(300)	-
e	Austerity - Reduce costs for employee meetings, conferences and recognition events (Rasmussen)	(200)	-
f	To reflect Staff's update for vehicle fuel expense based on August 2009 EIA STEO (SSP)	-	(1,155)
g	To update Call Center Improvements (COP)	-	279
h	To update Presort Postal Discounts (COP)	-	(85)
i	To update Bill Redesign Project (COP)	-	(36)
		<u>(1,061)</u>	<u>(997)</u>
	Total adjustments to operation and maintenance expense	<u>31,653</u>	<u>(216,919)</u>
37	Depreciation & Amortization Expense		
a	Decrease in Depreciation due to changes in Capital Budget (Hutcheson)	(3,912)	(515)
	Total adjustments to Depreciation & Amortization Expense	<u>(3,912)</u>	<u>(515)</u>
38	Taxes other than income taxes		
a	Reflects lower NYC property taxes primarily due to tax rates and the lower plant forecast (Hutcheson)	(23,551)	-
b	Reflect payroll taxes on adjustments to Company Labor (tracking adjustment) (AP)	845	(151)
c	Revenue taxes on 18a Assessment (AP)	-	(5,164)
d	Reflects update for 626 credits	-	1,017
	Total adjustments to Taxes other than income taxes	<u>(22,706)</u>	<u>(4,298)</u>
39	State Income Taxes		
a	Reflect amortization of projected Brownfield Tax Credits (AP)		<u>(1,600)</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
RATE OF RETURN REQUIRED FOR THE RATE YEAR
TWELVE MONTHS ENDING MARCH 31, 2011
 (Thousands of Dollars)

	Actual Capital Structure June 30, 2009	Adjustments to Reflect Conditions in Rate Year	Average Capital Structure at March 31, 2011		Cost Rate	Cost of Capital
			Amount	Percent		
Long Term Debt	\$ 9,465,900	\$ 391,184	\$ 9,857,084 (1)	49.44%	5.69% (1)	2.82%
Preferred Stock	212,563	-	212,563 (2)	1.07%	5.34% (2)	0.06%
Customer Deposits	253,335	7,551	260,886	1.30%	4.85%	0.06%
Subtotal	9,931,798	398,736	10,330,534	51.81%		2.94%
Common Equity	8,998,843	608,561	9,607,404	48.19%	10.9%	5.25%
Total	\$ 18,930,641	\$ 1,007,297	\$ 19,937,938	100.00%		8.19%

(1) Per Schedule 2

(2) Per Schedule 3

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
AVERAGE COST OF LONG TERM DEBT
March 31, 2011
(Thousands of Dollars)

Type of Issue	Due	Debt Outstanding 3/31/2011	Cost Rate	Average Balance 3/31/2011	Average Cost Annualized	Effective Cost Rate
Debentures						
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%	40,625	3,301	
2000 Series B	09/01/10	-	7.5000%	137,500	10,313	
2002 Series A	07/01/12	300,000	5.6250%	300,000	16,875	
2002 Series B	02/01/13	500,000	4.8750%	500,000	24,375	
2003 Series A	04/01/33	175,000	5.8750%	175,000	10,281	
2003 Series B	06/15/13	200,000	3.8500%	200,000	7,700	
2003 Series C	06/15/33	200,000	5.1000%	200,000	10,200	
2004 Series A	02/01/14	200,000	4.7000%	200,000	9,400	
2004 Series B	02/01/34	200,000	5.7000%	200,000	11,400	
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	6.2600%	310,000	19,406	
2010 Series A	05/01/20	300,000	5.9400%	237,500	14,108	
2010 Series B	05/01/40	300,000	6.5900%	237,500	15,651	
2010 Series C	09/01/20	370,000	5.9400%	169,583	10,073	
2010 Series D	12/01/40	250,000	6.5900%	52,083	3,432	
Tax Exempt Debt Issue through New York State						
1999 Series A	05/01/34	292,700	VAR (A)	292,700	6,064	
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	2,030	
2004 Series A	01/01/39	98,325	VAR (A)	98,325	2,037	
2004 Series B1	05/01/32	127,225	VAR (A)	127,225	2,636	
2004 Series B2	10/01/35	19,750	VAR (A)	19,750	409	
2004 Series C	11/01/39	99,000	VAR (A)	99,000	1,169	
2005 Series A	05/01/39	126,300	VAR (A)	126,300	1,492	
Subtotal		10,170,900		\$ 9,825,692	\$ 545,458	5.55%
Amortization of Debt Discount & Expense					15,308	
Ending Balance of Unamortized Premium (Discount)				31,393		
TOTAL				\$ 9,857,084	\$ 560,766	5.69%

(A) Average variable rate

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
AVERAGE COST OF PREFERRED STOCK
MARCH 31, 2011
(Thousands of Dollars)

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

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

Consolidated Edison Company of New York, Inc.
Case 09-E-0428
Adjustments And Corrections to DPS Exhibit (AP-1)
(\$ 000's)

	Staff Adjustments		Incr / (Decr) In Revenue Requirement
	As Filed	As Corrected	
1 Other Operating Revenues			
d Sales Revenues			
To reflect Staff's proposal to remove PSL 18a Assessment (AP)	\$ (189,885)	\$ (198,000)	\$ 8,115
3 Operation & Maintenance Expenses (O&M):			
c8 Company Labor			
Base subject	(4,750)	(3,960)	
Staff's overall hiring lag percentage	37.5%	37.5%	
To reflect Staff's base subject to slippage adjustment.	(1,781)	(1,485)	296
c8 Company Labor			
To reflect Staff's labor escalation rate of 3.39% to 3.71% (AP)	(25,852)	(24,230)	1,622
5 Taxes Other Than Income Taxes			
c. Revenue Taxes			
To reflect Staff's proposal to remove PSL 18a Assessment (AP)	(4,956)	(5,164)	(208)
Total Revenue and Expense Corrections			9,825
7 Rate Base			
Working Capital			
Capitalized Pension Overhead	-	74,187	74,187
e. Cash Working Capital			
Tracking the adjustments to O&M expense	(3,454)	(3,214)	240
			74,427
@ Staff Pretax ROR			11.0%
Rate Base Adjustments @ Staff Pretax ROR			8,187
			RECAP
Total Revenue and Expense Corrections			\$ 9,825
Rate Base Adjustments @ DPS Staff Pretax ROR			8,187
			18,012
Staff Gross Up factor for revenue taxes, uncollectables, advertising and late payment charges			96.89%
Total Revenue Requirement Adjustment			\$ 18,590
Revenue Requirement per DPS Accounting Panel Exhibit (AP-1)			477,360
DPS Accounting Panel Revenue Requirement with Company Adjustments			\$ 495,950

Consolidated Edison Company of New York, Inc.
Enterprise Resource Planning (ERP) Cost Variance
For the Rate Year Ending March 31, 2011
(\$'s in Millions)

<u>Description</u>	<u>Amount</u>
MICON Based Estimate	\$ 100.5
<u>Scope Difference not included in MICON estimate</u>	
Hyperion Planning/Budget (Financial Planning & Analysis, Strategic Forecasting & Financial Manager)	\$ 11.4
Business Intelligence & Analytics/Data Warehouse	14.7
Treasure Management Systems	1.8
O&R Work Management System	2.2
Sub-total	<u>30.1</u>
<u>Cost Components not included in MICON</u>	
Allowance for Funds used During Construction (AFUDC)	\$ 12.0
Post Go-Live Support	5.3
Capitalized Software Maintenance	7.1
Sub-total	<u>24.4</u>
Higher Contingency	5.4
All Other	3.1
Phase 0 Project Cost Estimate - Total	<u><u>\$ 163.5</u></u>

Consolidated Edison Company of New York, Inc.
Explanation of Staff Adjustments
For the Rate Year Ending March 31, 2011
(\$000's)

Adj. No.	Explanation	Amount
1	<u>Sales Revenues</u>	
	a. To reflect Staff's sales forecast. (Liu, Randt)	\$11,019
	b. To reflect Staff's Low Income Discount Program at \$27.4 million. (Insogna)	(4,500)
	c. To reflect SBC/RPS revenues per Commission's Orders. (AP)	(2,241)
	d. To reflect Staff's proposal to remove 18a Assessment. (AP)	(189,885)
	Total Adjustment to Sales Revenues	<u>(\$185,607)</u>
2	<u>Other Operating Revenues</u>	
	a. <u>Rent from Electric Property</u>	
	To reflect income from wireless attachment per CE response to DPS-190. (AP)	\$113
	b. <u>Late Payment Charges</u>	
	Tracking sales adjustments subject to LPC.	(24)
	c. <u>T&D Deferral from Case 07-E-0523</u>	
	To reflect T&D Carrying Charges 2006-2007 per CE response to DPS-306. (AP)	53
	d. <u>SIR Deferral</u>	
	To reflect the updated data in CE response to DPS-45 Revised. (AP)	1,182
	e. <u>Property Tax Deferral</u>	
	To reflect the property tax deferral allowed by Commission in Case 08-M-0901. (AP)	4,853
	f. <u>Deferred Interference O&M Expenses</u>	
	To reflect correct underspending per CE response to DPS-360 Revised. (AP)	13
	g. <u>Property Tax Refunds</u>	
	To reflect the removal of the Company's forecast of future property tax refunds. (AP)	(1,597)
	Total Adjustment to Other Operating Revenues	<u>\$4,593</u>
3	<u>Operation & Maintenance Expenses (O&M):</u>	
	a. <u>Electric Operations</u>	
	To reflect the normalizaiton for Oil Minders per CE response to DPS-448. (AP)	(\$354)
	b. <u>Other Compensation</u>	
	To reflect the removal of Long-Term Incentive P. (AP)	(2,431)
	c. <u>Company Labor</u>	
	1. To reflect adjustment related to Law program change request. (AP)	(\$955)
	2. To reflect adjustment to Finance, Auditing, Energy Policy and Regulatory Affairs program requests. (AP)	(1,422)
	3. To reflect adjustments to the CSS Life Extension. (Insogna)	(356)
	4. To reflect adjustment to Career Path-First Aid Refresher Training. (SSSP)	(90)
	5. To reflect the removal of EEPS. (AP)	(291)
	6. To reflect the Historical Hiring Lag. (AP)	(1,933)
	7. To reflect the removal of Variable Pay. (AP)	(14,815)
	8. To reflect Staff's labor escalation rate of 3.39%. (AP)	(25,852)
	Total Adjustment to Company Labor	(45,714)
	d. <u>Employee Welfare Expense</u>	
	1. To reflect adjustment to health insurance expense. (AP)	(552)
	2. To reflect adjustment to employee benefit programs. (AP)	(2,761)
	3. To reflect adjustment to new employee benefits. (AP)	(593)
	Total Adjustment to Employee Welfare Expense	(3,906)
	e. <u>Information Resources</u>	
	To reflect removal of general ledger replacement costs. (AP)	(327)
	f. <u>Informational Advertising</u>	
	To reflect Staff's rate year forecast of informational advertising. (Insogna)	(8,700)
	g. <u>Insurance Premiums</u>	
	1. To reflect the appropriate annual GDP rate as opposed to 2.2%. (AP)	(\$134)
	2. To reflect the removal of excess over peer average of D&O insurance. (AP)	(753)
	3. To reflect the shareholders portion of D&O insurance. (AP)	(1,595)
	Total Adjustment to Insurance Premiums	(2,482)

Consolidated Edison Company of New York, Inc.
Explanation of Staff Adjustments
For the Rate Year Ending March 31, 2011
(\$000's)

Adj. No.	Explanation	Amount
3	<u>h. Interference</u>	
	1. To reflect correction of general escalation per CE Response to DPS-234. (SIP)	(2,891)
	2. To reflect Staff's non-WTC O&M interference expense. (SIP)	(15,284)
	3. To reflect Staff's WTC O&M interference expense. (SIP)	(8,587)
	Total Adjustment to O&M Interference	(26,762)
	<u>i. Corporate and Fiscal Expense</u>	
	1. To reflect the removal of Board of Directors stock awards. (AP)	(534)
	2. To reflect the removal of Director's dividend equivalents. (AP)	(831)
	Total Adjustment to Corporate and Fiscal Expense	(1,365)
	<u>j. Materials & Supplies</u>	
	To reflect adjustment to Career Path-First Aid Refresher Training. (SSSP)	(78)
	<u>k. Renewable Portfolio Standard</u>	
	To reflect the allowance per Commission's Order Case 03-E-0188. (AP)	369
	<u>l. Regulatory Commission Expenses</u>	
	1. To reflect update per August 2009 PSC Letter for PSC assessment. (AP)	(1,423)
	2. To reflect the proposed removal of 18a Assessment surcharge. (AP)	(189,885)
	3. To reflect Staff's proposal to defer Spent Nuclear Fuel. (AP)	(2,667)
	Total Adjustment to Regulatory Commission Expenses	(193,975)
	<u>m. Research & Development</u>	
	1. To reflect the Staff's capitalization of R&D costs. (AP)	(282)
	2. To reflect Staff's austerity reduction relating to R&D. (Quackenbush)	(1,020)
	3. To reflect Staff' EPRI reduction relating to R&D. (Quackenbush)	(825)
	4. To reflect Staff's Distribution reduction relating to R&D. (Quackenbush)	(1,340)
	Total Adjustment to Research & Development	(3,467)
	<u>n. System Benefit Charge</u>	
	To reflect the allowance per Commission's Orders in Cases 05-M-0090 and 07-M-0548. (AP)	(2,610)
	<u>o. Security</u>	
	To reflect the removal of maintenance contract for geo-spatial camera. (AP)	(100)
	<u>p. Uncollectibles</u>	
	Tracking Staff's rate year forecast of sales revenues.	(1,318)
	<u>q. Other O&M</u>	
	1. To reflect the austerity adjustment. (Staff Policy Panel)	(31,300)
	2. To reflect updated vehicle fuel expense based on August 2009 EIA STEO. (AP)	(1,155)
	3. To reflect the removal of EEPS. (AP)	(567)
	Total Adjustment to Other O&M	(33,022)
	Total Adjustments to Operating and Maintenance Expenses	(\$326,242)
4	<u>Depreciation Expense</u>	
	To reflect Staff's rate year forecast of depreciation expense. (Randt)	(\$21,239)
5	<u>Taxes Other Than Income Taxes</u>	
	<u>a. NYC Property Taxes</u>	
	To reflect the use of a straight five-year average in forecasting NYC property tax rates. (AP)	(\$13,585)
	<u>b. Westchester Property Taxes</u>	
	To reflect the use of a straight five-year average in forecasting Westchester property tax rates. (AP)	(3,823)
	Total Adjustment to Property Taxes	(\$17,408)
	<u>c. Revenue Taxes</u>	
	Tracking the rate year revenue adjustments. (AP)	(4,724)
	<u>d. Payroll Taxes</u>	
	Tracking the rate year labor adjustments. (AP)	(4,419)
	<u>e. All Other Taxes</u>	
	To reflect Staff's proposed use of Company's conventional method. (AP)	(321)
	Total Adjustments to Taxes Other Than Income Taxes	(\$26,872)

Consolidated Edison Company of New York, Inc.
Explanation of Staff Adjustments
For the Rate Year Ending March 31, 2011
(\$000's)

Adj. No.	Explanation	Amount
6	<u>New York State Income Tax</u>	
	a. <u>Brownfield Credits</u> To reflect the Brownfield Credits which the Company's model did not reflect properly. (AP)	(\$1,600)
7	<u>Rate Base</u>	
	a. <u>Book Cost of Plant</u> To reflect Staff's forecast of rate year plan in service. (Randt)	(\$221,744)
	b. <u>Accumulated Reserve for Depreciation</u> To reflect Staff's forecast of rate year accumulated reserve for depreciation. (Randt)	9,961
	c. <u>Unbilled Revenues</u> To reflect the net rate base effect of accruing unbilled revenues. (AP)	(10,253)
	<u>Working Capital</u>	
	d. <u>Prepayments</u>	
	1. <u>Insurance</u> To reflect Staff's rate year forecast. (AP)	(\$1,117)
	2. <u>Property Taxes</u> To reflect the effect of property taxes adjustments. (AP)	(3,671)
	3. <u>Regulatory Assessment - 18a Legislation</u> To reflect the removal of 18a Assessment. (AP)	(56,692)
	4. <u>Interference</u> To reflect Staff's rate year forecast. (AP)	(2,002)
	Total Adjustment to Prepayments	(\$63,482)
	e. <u>Cash Working Capital</u>	
	1. Tracking the adjustments to O&M expense.	(40,780)
	2. To reflect Staff's removal of SBC/RPS to Cash Working Capital. (AP)	24,237
	Total Adjustment to Cash Working Capital	(65,017)
	Total Adjustment to Working Capital	(128,499)
	f. <u>Excess Rate Base Over Capitalization Adjustment</u> To reflect SBC/RPS adjustment offset in accordance with DPS-320. (AP)	14,513
	g. <u>System Benefit Charge/Renewable Portfolio Standard</u> To reflect elimination of improper estimate of SBC/RPS undercollection forecast. (AP)	(4,212)
	h. <u>Rate Case Reconciliations - Net of FIT</u>	
	1. <u>T&D Deferral from Case 07-E-0523</u> To reflect the correction in CE response to DPS-306. (AP)	(239)
	2. <u>SIR Deferral</u> To reflect the update provided in CE response to DPS-45 Revised. (AP)	(6,783)
	3. <u>Property Tax Deferral -- April 2008 - March 2009</u> To reflect the Commission's decision in Case 08-M-0901. (AP)	(7,326)
	4. <u>Deferred Interference O&M Expense</u> To reflect correct underspending provided in CE response to DPS-360 Revised. (AP)	(19)
	5. <u>Property Tax Refunds</u> To reflect the removal of the Company's forecast of future property tax refunds. (AP)	2,410
	i. <u>Accumulated Deferred Income Taxes</u>	
	1. ADR / ACRS / MACRS Deductions	1,546
	2. <u>Change in Accounting Section 263A</u> To reflect correction provided in CE response to DPS-294. (AP)	(86,568)
	3. <u>MTA</u> To reflect correct rate base amount. (AP)	(299)
	4. <u>Deferred S.I.T.</u> Tracking Staff's SIT calculation.	(761)
	Total Adjustments to Rate Base	(\$438,273)

Consolidated Edison Company of New York, Inc.
Accepted Staff Adjustments
For the Rate Year Ending March 31, 2011
(\$000's)

Adj. No.	<u>Explanation</u>	Incr / (Decr) In Revenue Requirement
1	<u>Sales Revenues</u>	
	b. To reflect Staff's Low Income Discount Program at \$27.4 million. (Insogna)	4,500
	c. To reflect SBC/RPS revenues per Commission's Orders. (AP)	2,241
	d. To reflect Staff's proposal to remove 18a Assessment. (AP)	189,885
	Total Adjustment to Sales Revenues	<u>\$196,626</u>
2	<u>Other Operating Revenues</u>	
	a. <u>Rent from Electric Property</u> To reflect income from wireless attachment per CE response to DPS-190. (AP)	(\$113)
	c. <u>T&D Deferral from Case 07-E-0523</u> To reflect T&D Carrying Charges 2006-2007 per CE response to DPS-306. (AP)	(53)
	d. <u>SIR Deferral</u> To reflect the updated data in CE response to DPS-45 Revised. (AP)	(1,182)
	e. <u>Property Tax Deferral</u> To reflect the property tax deferral allowed by Commission in Case 08-M-0901. (AP)	(4,853)
	f. <u>Deferred Interference O&M Expenses</u> To reflect correct underspending per CE response to DPS-360 Revised. (AP)	(13)
	g. <u>Property Tax Refunds</u> To reflect the removal of the Company's forecast of future property tax refunds. (AP)	1,597
	Total Adjustment to Other Operating Revenues	<u>(\$4,617)</u>
3	<u>Operation & Maintenance Expenses (O&M):</u>	
	a. <u>Electric Operations</u> To reflect the normalization for Oil Minders per CE response to DPS-448. (AP)	(\$354)
	c. <u>Company Labor</u> 4. To reflect adjustment to Career Path-First Aid Refresher Training. (SSSP)	(90)
	d. <u>Employee Welfare Expense</u> 3. To reflect adjustment to new employee benefits. (AP)	(300)
	g. <u>Insurance Premiums</u> 1. To reflect the appropriate annual GDP rate as opposed to 2.2%. (AP)	(134)
	h. <u>Interference</u> 1. To reflect correction of general escalation per CE Response to DPS-234. (SIP)	(2,891)
	j. <u>Materials & Supplies</u> To reflect adjustment to Career Path-First Aid Refresher Training. (SSSP)	(78)
	k. <u>Renewable Portfolio Standard</u> To reflect the allowance per Commission's Order Case 03-E-0188. (AP)	369
	l. <u>Regulatory Commission Expenses</u>	
	1. To reflect update per August 2009 PSC Letter for PSC assessment. (AP)	(1,423)
	2. To reflect the proposed removal of 18a Assessment surcharge. (AP)	(189,885)
	Total Adjustment to Regulatory Commission Expenses	(191,308)
	n. <u>System Benefit Charge</u> To reflect the allowance per Commission's Orders in Cases 05-M-0090 and 07-M-0548. (AP)	(2,610)
	o. <u>Security</u> To reflect the removal of maintenance contract for geo-spatial camera. (AP)	(100)
	q. <u>Other O&M</u> 2. To reflect updated vehicle fuel expense based on August 2009 EIA STEO. (AP)	(1,155)
	Total Adjustments to Operating and Maintenance Expenses	<u>\$ (198,651)</u>
	Total Revenues and Expenses	(\$6,642)
	Rate Base Adjustments @ DPS Staff Pretax ROR (Page 2)	(18,918)
	Gross Up factor for revenue taxes, uncollectables, late payment charges	(25,560)
		96.89%
	Subtotal Revenue Requirement Adjustment	\$ (26,381)
	Revenue Requirement Adjustment for State Income taxes	(1,777)
	Total Revenue Requirement Adjustment	<u>\$ (28,158)</u>

Consolidated Edison Company of New York, Inc.
Accepted Staff Adjustments
For the Rate Year Ending March 31, 2011
(\$000's)

Adj.	<u>No.</u> <u>Explanation</u>	<u>Amount</u>
6	<u>New York State Income Tax</u>	
	a. <u>Brownfield Credits</u>	
	To reflect the Brownfield Credits which the Company's model did not reflect properly. (AP)	(1,600)
7	<u>Rate Base</u>	
	c. <u>Unbilled Revenues</u>	
	To reflect the net rate base effect of accruing unbilled revenues. (AP)	(10,253)
	<u>Working Capital</u>	
	d. <u>Prepayments</u>	
	3. <u>Regulatory Assessment - 18a Legislation</u>	
	To reflect the removal of 18a Assessment. (AP)	(56,692)
	4. <u>Interference</u>	
	To reflect Staff's rate year forecast. (AP)	(2,002)
	Total Adjustment to Working Capital	(58,694)
	g. <u>System Benefit Charge/Renewable Portfolio Standard</u>	
	To reflect elimination of improper estimate of SBC/RPS undercollection forecast. (AP)	(4,212)
	h. <u>Rate Case Reconciliations - Net of FIT</u>	
	1. <u>T&D Deferral from Case 07-E-0523</u>	
	To reflect the correction in CE response to DPS-306. (AP)	(239)
	2. <u>SIR Deferral</u>	
	To reflect the update provided in CE response to DPS-45 Revised. (AP)	(6,783)
	3. <u>Property Tax Deferral -- April 2008 - March 2009</u>	
	To reflect the Commission's decision in Case 08-M-0901. (AP)	(7,326)
	4. <u>Deferred Interference O&M Expense</u>	
	To reflect correct underspending provided in CE response to DPS-360 Revised. (AP)	(19)
	5. <u>Property Tax Refunds</u>	
	To reflect the removal of the Company's forecast of future property tax refunds. (AP)	2,410
	Total Adjustments to Rate Case Reconciliations - Net of FIT	(11,957)
	i. <u>Accumulated Deferred Income Taxes</u>	
	2. <u>Change in Accounting Section 263A</u>	
	To reflect correction provided in CE response to DPS-294. (AP)	(86,568)
	3. <u>MTA</u>	
	To reflect correct rate base amount. (AP)	(299)
	Total Adjustments to Accumulated Deferred Income Taxes	(86,867)
	Total Adjustments to Rate Base	\$ (171,983)
	@ Staff Pretax ROR	11.0%
	Rate Base Adjustments @ Staff Pretax ROR	\$ (18,918)

Consolidated Edison Company of New York, Inc.
Electric Rate Case 09-E-0428
For the Rate Year Ending March 31, 2011

Weekly Employee Eligible for Progressions

<u>Year End</u>	<u>Workforce</u>	<u>Number Eligible</u>	<u>Percentage Eligible</u>
2000	8,983	2,991	33.3%
2001	8,644	3,249	37.6%
2002	8,791	3,000	34.1%
2003	8,349	3,098	37.1%
2004	8,528	3,102	36.4%
2005	8,829	3,805	43.1%
2006	8,967	4,297	47.9%
2007	9,204	4,638	50.4%
2008	9,524	5,154	54.1%
<hr/>			
3 Year Average (2006-08)			50.8%

Consolidated Edison Company of New York, Inc.
Electric Rate Case 09-E-0428

Exhibit (AP-20)

2009 Interrogatory Requests

Case No. 09-E-0428
Consolidated Edison Company of New York, Inc. Electric Rate Case

Con Edison Information Request to DPS Staff

123. The Base for Adjustment listed in the Accounting Panel's workpapers supporting Adjustment 3-C-6 relies upon a spreadsheet titled "Staff Slippage Adjustment – Base subject to slippage rate" (Attached as DPS Workpaper pg. 2 and 3). The workpapers state that \$4,750 is the amount subject to adjustment (e.g., lag). The Staff Accounting Panel's supporting worksheet appears to be based on the Company's response to DPS26 – 244, yet there are discrepancies between the Staff Accounting Panel's workpaper and the Company's response regarding filled positions.
- a. Explain why the Accounting Panel included 14 positions in the lag calculation as not being filled and subject to slippage which the Company reported as being filled in DPS26 – 244. Case No. 09-E-0428

Response:

We agree, based on our methodology that positions already filled should be excluded from the base subject to the slippage adjustment.

Our calculation of positions filled is based on the Company's response to DPS-244, which shows that 10 positions, not 14, have already been filled. Refer to attachment for details.

Based on our updated calculation, the amount of the adjustment will be \$3.960 million. We will update our testimony, as necessary, at the hearings.

Consolidated Edison Company of New York, Inc. Electric Rate Case

Con Edison Information Request to DPS Staff

Set 3

61. In the calculation of the labor escalation rate of 3.39%, the Staff Accounting Panel adjusted the rate year factor for weekly employees for both premium and overtime pay from 1.0834% to 1.0562%.
- a. In Staff's workpaper, attached as SAP-1, did the Panel use a simple average wage escalation factor that combined Local 1-2 and local 3 contract wage increases to arrive at the adjusted rate of 1.0562%? If the Staff Accounting Panel did not use a simple average, please fully explain how the rate of 1.0562% calculated?
- b. Based on Staff's Accounting Panel, attachment SAP-2, the average number of union employees in Local 1-2 during 2008 was 8,890, and the average number of union employees in Local 3 representing Staten Island was 320. Would the Staff Accounting Panel agree that the specific known contract wage increase applicable to employees in each union should be used in the projection of employee wages? If not, please fully explain why it is not appropriate to apply known contractual wage increases that are applicable to members of each union?
- c. Applying a weighted average of both contract increases, produces a weighted average wage escalation factor of 1.0815%. See attachment WP-1 for the Company's calculation. Does the Staff's Accounting Panel agree that the wage escalation factor should be 1.0815% in order to reflect the actual known union contract wages? If not, please fully explain why not?

Response:

In reviewing the Company's IR-61 (a, b and c), Staff agrees that it is appropriate to use the weighted average to calculate the effects of the contracts with each of the unions. We agree with the Company's calculation of a 1.0815% weighted average rate year escalation factor.

Staff Calculation of 3.39% Labor Escalation Rate
Case:09-E-0428
Staff Calculation - Rate Year Factors

RY Factor Calculator W/O Progression

	<u>Initial filing</u>	
<u>Weekly Employees</u>	<u>Per Week</u>	
Straight Time Average 12/31/08	\$	1,159.81
Estimated Average March 2010	\$1,200.40	3.5% Increase in 2009
Estimated Average Straight Time for the Rate Year:		
April-10	\$1,200.40	
May-10	1,200.40	
June-10	1,200.40	
July-10 Wage Award @	3.50%	1,242.42
August-10		1,242.42
September-10		1,242.42
October-10 Progression @	0.00%	1,242.42
November-10		1,242.42
December-10		1,242.42
January-11		1,242.42
February-11 Progression @	0.00%	1,242.42
March-11		1,242.42
Rate Year Straight Time Average	\$1,231.81	
Labor Factor	\$72.10	6.22%

Management Employees Employees

	<u>Per Month</u>	
Straight Time Average 12/31/08	\$	8,446.00
Estimated Average April 2009	\$8,898.35	3.0% Increase April 2009
Estimated Average Straight Time for the Rate Year:		
April-09 Merit @	3.50%	\$9,002.79
May-09		9,002.79
June-09		9,002.79
July-09		9,002.79
August-09		9,002.79
September-09		9,002.79
October-09		9,002.79
November-09		9,002.79
December-09		9,002.79
January-10		9,002.79
February-10		9,002.79
March-10		9,002.79
Rate Year Straight Time Average	\$9,002.79	
Labor Factor	\$657.79	6.60%

	<u>7/10/09 Update</u>		<u>Sub-total</u>	<u>Update RY Factor</u>
	<u>Per Week</u>			
	<u>W/O Progression</u>			
	\$ 1,159.81	+	\$ 1,159.81	=
1.02	1,183.01	2% increase for local 1-2 in Jan.09	1,177.21	Gen 0.75%, Merit 0.75% in 2008
	1,224.41	3.5% increase in 2009	1,177.21	
@ 3.5%	1,224.41		1,177.21	
	1,267.27		1,194.87	(Gen 0.75%, Merit 0.75% in 2010)
	1,267.27		1,194.87	
0%	1,267.27		1,194.87	
	1,267.27		1,194.87	
	1,267.27		1,194.87	
0%	1,267.27	@ 0.5%	1,200.84	(Gen 0.5%)
	1,267.27		1,200.84	
	1,267.27		1,200.84	
	\$1,266.55	+	\$1,193.42	=
	\$96.74	8.34%	\$33.61	2.90%

$\$2,449.97$ ²
 $\$130.35$
 $3 = 1 - 2$
 $3/0$
 5.62% ⁹

SAP-2

Staff Calculation of 3.39% Labor Escalation Rate
Case:09-2-0428

Consolidated Edison Company of New York
Computation of Labor Escalation Factor
As Adjusted by Staff

	12-Month Ending March 31, 2011	Productivity	w/ Productivity	Productivity Savings
Union Wages	1203,008			
Straight Time (incl. Van-Pay)	552,160	7.69%	606,618	-3.47%
Premium Time	27,693	5.66%	29,144	-4.50%
Overtime	194,004	5.55%	144,534	-4.50%
Total Union	723,757	7.39%	777,296	29,717
Management Salaries	508,781		519,416	-3.46%
Less Variable Pay (28,658)				
Complementary Time	59,357	0.50%	37,984	-4.50%
Total Management	517,893		564,500	47,608
Total Salaries & Wages	1,241,450		1,233,655	7,795
				-0.63%

Note: Union Wage & Management Salary on 12/31/2008 are based on the Company's worksheet supporting Exhibit AP-5 Tab 2 & 3

Straight Time Wages & Salary (12-Month Productivity Staff Calculation)
(12-Month Ending March 31, 2011)

	Weekly	Local-3	Local-3 Total	Management	Total
Average No. of Employees	8,980	320	4,782		14,082
Avg Straight Time	\$1,257	\$1,193	\$9,003		
	52	52	12		
Mgr 0% variable pay	\$585,780	\$19,653	\$638,616	\$270,000	\$1,496,616
Total Straight Time (W/O Productivity)	\$586,760	\$19,653	\$606,619	\$576,618	\$1,729,682

Straight Time Wages & Salary (12-Month Productivity Staff Calculation)
(12-Month Ending March 31, 2011)

	Weekly	Local-3	Local-3 Total	Management	Total
Average No. of Employees w/ Productivity	8,669	309	4,617		13,584
Avg Weekly Straight Time	\$1,257	\$1,193	\$9,003		
	52	52	12		
Mgr 0% variable pay	\$569,208	\$19,179	\$635,952	\$493,737	\$1,698,900
Total Straight Time (w/ Productivity)	\$568,009	\$19,179	\$605,622	\$493,737	\$1,698,900

Consolidated Edison Company of New York
Computation of Labor Escalation Factor
Average Employee Account As Adjusted by Staff

	2% Annual Productivity 1/1/2008 to 3/31/2011	Union	Local-3	Management
Average 12-Month 2008	2.00%	8,890	320	4,782
2% cut		(160)	(8)	(8)
Avg w/ Pay 12/31/2008		8,800	314	4,698
0.5% Cut		(44)	(2)	(2)
Avg w/ pay 3/31/2010		6,756	312	4,698
2% cut		(175)	(8)	(8)
Avg w/ pay 3/31/2011		8,581	308	4,670
Mid Year Avg		8,659	309	4,617

	Weekly	Management	Total
Productivity	\$27,593		
Actual 12-month Ended 12/31/2008	105,574		
Rate Year Factor			
Rate Year w/o Productivity	\$29,144		
RY Factor w/ Productivity	4.50%		
RY Premium Time w/ Productivity	\$27,832		27,832
Quantiles			
Actual 12-month Ended 12/31/2008	\$154,004		
Rate Year Factor	105,574		
Rate Year w/o Productivity	\$141,834		
RY Factor w/ Productivity	4.50%		
RY Premium Time w/ Productivity	\$195,185		195,185
Qualitative			
Actual 12-month Ended 12/31/2008	\$35,587		
Rate Year Factor	106,616		
Rate Year w/o Productivity	\$37,864		
RY Factor w/ Productivity	4.50%		
Rate Year w/ Productivity	\$36,179		36,179

WP-1

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

<u>Weekly Employees</u>	<u>Per Staff</u>			<u>Per Company</u>		
	<u>Per Week Local 1-2</u>	<u>Per Week Local 3</u>	<u>Total weekly</u>	<u>Per Week local 1-2 @ 8980 employees</u>	<u>Per Week Local 3 @ 320 employees</u>	<u>Total weekly</u>
Straight Time Average December 2008	\$ 1,159.81	\$ 1,169.81	\$ 2,319.62	\$ 10,415,093.80	\$ 371,139.20	\$ 10,786,233.00
Est. average for March 2010	1,224.41	1,177.21		10,995,214.37	376,706.29	
<u>Estimated Average Straight Time for the Rate Year</u>						
April-10	1,224.41	1,177.21		10,995,214.37	376,706.29	
May-10	1,224.41	1,177.21		10,995,214.37	376,706.29	
June-10 @ 1.5% wage award -local 3	1,224.41	1,194.87		10,995,214.37	382,356.88	
July-10 @ 3.5% wage award local 1-2	1,267.27	1,194.87		11,380,046.88	382,356.88	
August-10	1,267.27	1,194.87		11,380,046.88	382,356.88	
September-10	1,267.27	1,194.87		11,380,046.88	382,356.88	
October-10	1,267.27	1,194.87		11,380,046.88	382,356.88	
November-10	1,267.27	1,194.87		11,380,046.88	382,356.88	
December-10	1,267.27	1,194.87		11,380,046.88	382,356.88	
January-11 @.5% wage award -local 3	1,267.27	1,200.84		11,380,046.88	384,268.67	
February-11	1,267.27	1,200.84		11,380,046.88	384,268.67	
March-11	1,267.27	1,200.84		11,380,046.88	384,268.67	
Rate Year Straight Time Average	1,256.55	1,193.42		\$ 11,283,838.75	\$ 381,893.06	
<u>Labor Factor</u>						
Rate Year Average less December 2008 divided by December 2008	\$ 96.74 8.34%	\$ 33.61 2.90%	\$ 130.35 5.62%	\$ 868,744.95 8.34%	\$ 10,753.86 2.90%	\$ 879,498.81 8.15%

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS32
Date of Response:
Responding Witness: Accounting Panel

Question No.: 294

Subject: ADFIT – Capitalized Overheads Section 263A - In its rate year forecast of accumulated deferred federal income taxes (ADFIT) associated with Section 263A capitalized overheads, the Company reduces the historic test year balance by the forecasted reversal of amounts previously deferred. However, the Company does not reflect the additional deferred income taxes on the Section 263A amounts forecasted to be normalized for the period January 1, 2009 and March 31, 2011. Calculate the additional federal income taxes to be deferred during that period of time and a recalculation of the rate year Section 263A accumulated deferred federal income taxes.

RESPONSE:

Attachment DPS 294 Section 263A FIT is a rate base forecast of Section 263A accumulated deferred federal income taxes that includes new estimated tax benefits to be deferred through the rate year. The Company will reflect the recalculated rate base deduction shown in the attachment in its September update.

The Company would note that the Internal Revenue Service still has not reached an agreement with Con Edison as to the methodology to be employed in order to calculate the 263A tax deduction. The Company has used the approach described in the question for Section 263A taxes in this rate filing and other recent Company rate filings with the understanding that if the final calculation accepted by the IRS produces differing results, the Company would continue to be allowed to defer carrying costs (i.e., a pretax ROR) on the variation in the deferred tax balance.

Support for Rate Base Line 45

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SECTION 263A
ELECTRIC RATE CASE
FOR THE RATE YEAR ENDING MARCH 31, 2011
(000'S)

	MONTHLY Accrual 263A <u>PER F'CAST</u>	MONTHLY Amortization 263A <u>PER F'CAST</u>	ACCT'G CHANGE <u>263A</u>
DEC - 2008 ACTUAL			(330,997)
JAN - 2009 ACTUAL			(331,862)
FEB ACTUAL			(332,728)
MAR ACTUAL			(333,593)
APR ACTUAL			(334,459)
MAY ACTUAL			(336,875)
JUN ACTUAL			(337,571)
JUL	(2,272)	825	(339,018)
AUG	(2,272)	825	(340,465)
SEP	(2,272)	825	(341,912)
OCT	(2,272)	825	(343,359)
NOV	(2,272)	825	(344,806)
DEC	(2,272)	825	(346,253)
JAN - 2010	(2,751)	825	(348,179)
FEB	(2,751)	825	(350,105)
MAR	(2,751)	825	(352,031)
APR	(2,751)	825	(353,957)
MAY	(2,751)	825	(355,883)
JUN	(2,751)	825	(357,809)
JUL	(2,751)	825	(359,735)
AUG	(2,751)	825	(361,661)
SEP	(2,751)	825	(363,587)
OCT	(2,751)	825	(365,513)
NOV	(2,751)	825	(367,439)
DEC	(2,751)	825	(369,365)
JAN - 2011	(3,456)	825	(371,996)
FEB	(3,456)	825	(374,627)
MAR	(3,456)	825	(377,258)

AVERAGE RATE BASE
 12 MOS ENDING MARCH 31, 2011

\$ (363,851)

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS5

Date of Response:

Responding Witness:

Question No. :44

Subject: Other Operating Revenues – Rent from Electric Property -

1) In regard to the forecast of revenue, provide an analysis of the terms of all of the Company's rental agreements referenced in Exhibit AP-5, Schedule 1, page 2, Other Operating Revenues, Line 2 – Rent from Electric Property.

2) Explain why the forecast of revenue included an analysis of some, but not all of the Company's rental agreements, as stated on page 17, line 21 of the Accounting Panel's testimony.

3) Explain the 7% decrease in rent received from electric property in accordance with the Summary sheet provided in the workpapers to Exhibit AP-5, Schedule 1, page 2, Other Operating Revenues, Line 2 – Rent from Electric Property. The information presented shows 9 expired agreements, but does not show any new agreements for the rental of the electric property. Identify any agreements which have been entered into since the filing of this case, and provide updates during the course of this proceeding.

CONFIDENTIAL

RESPONSE:

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS14
Date of Response:
Responding Witness: Accounting Panel

Question No.: 112

Subject: Other Operating Revenues – GHP Interest Accrual - In its rate year forecast of Other Operating Revenues (see GHP Interest Accrual, line 26 in Schedule 1, page 2, Exhibit AP-5), the Company reflects gas hedging related interest accruals of \$187,000. Proper cost causation principles require that commodity costs, such as hedging, be recovered through commodity charges. In light of this, fully explain why the Company believes recovery of this hedging related cost through delivery rates is appropriate.

RESPONSE:

This was an inadvertent error. The Company will remove the impact of the hedging interest from its revenue requirement calculation as part of its July 10, 2009 Update.

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS19
Date of Response:
Responding Witness: Accounting Panel

Question No.: 190

Subject: Other Operating Revenues – Rent from Electric Property -

1. Provide the rental revenues included in the historic year (12 months ending 12/31/2008) for each of the wireless attachment agreements the Company has entered into, with references to the lines showing these revenues in the provided workpapers for Line 2 – Rent from Electric Property in Other Operating Revenues, Exhibit_(AP-5), Schedule 1, page 2.
2. Provide the projection of rental revenues for these agreements for rate years 1 through 3.
3. Update the projections of rent from electric property for rate years 1 through 3, taking into account this request and the Company's response to DPS-44.

RESPONSE:

1. Please refer to attachment DPS190, part 1&2 for the historic test year revenues
2. Please refer to attachment DPS190, part 1&2 for the projected rate year 1 through 3 revenues.
3. Please see attachment DPS190, part 3 for updated projections of rent from electric property. Please note any new agreements will be reflected in the Company's formal September 2009 update.

Attachment DPS-190 parts 1 and 2

Acct. No.	D. Code	Customer Name	Customer Total	Acct.	2008 Total	Rate Year Ending March 31,			
						2011	2012	2013	
CATV									
A6684	10090	Cablevision (NYC)	2,042.70			0	0.00	0.00	
	10093	Cablevision (West)	603,774.47			603,516.00	603,516.00	603,516.00	
	10103	Cablevision Lightpath	7,715.22			7,265.60	7,265.60	7,265.60	
	10134	Cablevision System	150,556.00			150,556.00	150,556.00	150,556.00	
	10390	MCI, Telecom	942.40			942.40	942.40	942.40	
	10408	Cablevision (Media One)	336,254.40			336,254.40	336,254.40	336,254.40	
	10422	Abovenet Comm	5,426.40			5,426.40	5,426.40	5,426.40	
	18442	Elantic Telecom	60.80			0.00	0.00	0.00	
	11951	Neon Communications	6,748.80			6,748.80	6,748.80	6,748.80	
	16791	Time Warner	50,950.40			50,950.40	50,950.40	50,950.40	
	16936	Fibertech Networks	25,850.45			55,525.60	55,525.60	55,525.60	
	17051	World.Com Network	23,772.80			23,772.80	23,772.80	23,772.80	
	10735	MCI-Metro	1,687.20			1,687.20	1,687.20	1,687.20	
	17602	AT&T Local Services	6,285.20			8,466.40	8,466.40	8,466.40	
	18446	Hudson Valley Data	26,356.00			24,487.20	24,487.20	24,487.20	
	20434	RCN New York	7,007.20			7,007.20	7,007.20	7,007.20	
	21743	Lexent LLC	6,673.76			0.00	0.00	0.00	
	21645	Best Web	432.07			0.00	0.00	0.00	
	18442		0.00			60.80	60.80	60.80	
	20884	Xand Corp.	638.49			0.00	0.00	0.00	
	23757		0.00			121.60	121.60	121.60	
	21533		0.00			15.20	15.20	15.20	
	22277		0.00			59,036.80	59,036.80	59,036.80	
				A6684	1,263,174.76	1,341,840.80	1,341,840.80	1,341,840.80	
B6684	10589	SI Cable	435,738.40			435,054.40	435,054.40	435,054.40	
	20010	Abovenet Comm	1,064.00			1,064.00	1,064.00	1,064.00	
	21070	AT&T Media	30.40			30.40	30.40	30.40	
	20434	RCN New York	1,793.60			1,793.60	1,793.60	1,793.60	
	20504	Optical Communications	152.00			152.00	152.00	152.00	
	21743	Lexent LLC	4,126.80			97,675.20	97,675.20	97,675.20	
	21729		0.00			252,000.00	252,000.00	252,000.00	
				B6684	442,905.20	787,769.60	787,769.60	787,769.60	
C6684	10090	Cablevision (NYC)	340,525.60			339,370.40	339,370.40	339,370.40	
	18438	Metcom Network	228.00			228.00	228.00	228.00	
	10653	Time Warner	40,249.60			40,158.40	40,158.40	40,158.40	
				C6684	381,003.20	379,756.80	379,756.80	379,756.80	
D6684	10027	AT&T Local Services	395.20			395.20	395.20	395.20	
	10103	Cablevision Lightpath	5,639.20			5,639.20	5,639.20	5,639.20	
	21743	Lexent LLC	98.80			21,872.80	21,872.80	21,872.80	
	20504	Optical Communications	304.00			304.00	304.00	304.00	
	10572	RCN New York	80,772.80			80,636.00	80,636.00	80,636.00	
	10653	Time Warner	566,792.80			568,206.40	568,206.40	568,206.40	
	10745	World.Com Network	3,024.80			3,024.80	3,024.80	3,024.80	
	21729	NEXTG Networks	0.00			81,600.00	81,600.00	81,600.00	
				D6684	657,027.60	761,678.40	761,678.40	761,678.40	
E6684	10090	Cablevision (NYC)	236,261.20			236,375.20	236,375.20	236,375.20	
	10654	Cablevision (NYC) - TCI	30.40			0.00	0.00	0.00	
	10103	Cablevision Lightpath	60.80			60.80	60.80	60.80	
	10517	Paragon Cable	273.60			0.00	0.00	0.00	
	17602	AT&T Local Services	60.80			60.80	60.80	60.80	
	21729	NEXTG Networks	1,330.00			252,608.00	252,608.00	252,608.00	
	21743	Lexent LLC	15,805.40			24,912.80	24,912.80	24,912.80	
				E6684	253,822.20	514,017.60	514,017.60	514,017.60	
Total	Total	Total	2,997,932.96			3,785,063.20	3,785,063.20	3,785,063.20	
Miscellaneous									
A6697	10016	AT&T Wireless	101,475.00			80,285.02	40,680.03	42,307.20	
	19074	Independent Wireless	32,569.31			34,210.80	26,420.23	0.00	
	19074	Independent Wireless	32,569.31			32,743.01	7,338.95	0.00	
	10447	Verizon Wireless	39,482.32			0.00	0.00	0.00	
	10475	Nextel	587,247.64			388,835.23	162,373.08	15,700.86	
	10503	T-Mobile	306,640.74			208,821.89	191,407.89	167,489.67	
	10621	Sprint Spectrum	330,952.73			280,128.52	169,987.82	33,324.51	
	10098	Cablevision	6.20			0.00	0.00	0.00	
	10408	Cablevision of Westchester	3.72			0.00	0.00	0.00	
	22277	Extent	26,846.40			0.00	0.00	0.00	
	10027	AT&T Lease Admin	977.88			0.00	0.00	0.00	
	1042		0.00			38,218.47	39,747.99	41,337.75	
	10389		0.00			25.00	25.00	25.00	
				A6697	1,458,771.25	1,063,267.94	637,980.99	300,184.99	
A6690	17065		0.00	A6690	0	23.52	23.52	23.52	
F6697	10016	AT&T Wireless	37,583.66	F6697	37,583.66	0.00	0.00	0.00	
B6697	21743	Lexent Metro	1,318.40	B6697	1,318.40	1,817.20	1,817.20	1,817.20	
O6662	10621	Sprint Spectrum	121,391.40	O6662	121,391.40	126,300.00	126,300.00	126,300.00	
Total	Total	Total	1,619,064.71			1,191,408.66	766,121.71	428,325.71	
G6697		Share of O&R Cell Sites			98,510.26	166,855.98	170,033.11	174,953.69	
		Total Wireless Attachments			4,715,507.93	5,143,327.84	4,721,218.02	4,388,342.60	

PSC Number: 45400-Rent From Electric Property

Account	Description	Rate Year Ending March 31,			
		Actual 2008	2011 (a)	2012	2013
A6666	Rent/elec Prop-transmission Land	(214,693.68)	(125,000.00)	(127,344.00)	(129,344.00)
A6684	Rent/elec Prop-catv Pole Attach	(1,263,174.74)	(1,342,000.00)	(1,341,840.80)	(1,341,840.80)
A6690	Rent/elec Prop-priv St Ltg-west	(22.83)	-	(23.52)	(23.52)
A6697	Misc Elec Rev-misc	(1,463,462.95)	(1,064,000.00)	(637,030.98)	(300,209.99)
B6646	Rent/elec Prop-eltngville-si	(20,909.05)	(101,000.00)	(101,078.00)	-
B6684	Rent/elec Prop-catv Pole Attach	(442,905.18)	(788,000.00)	(787,769.60)	(787,769.60)
B6697	Misc Elec Rev-misc	(4,952.80)	(2,000.00)	(1,817.20)	(1,817.20)
C6623	Rent/elec Prop-gowanus Misc Rent.	(857,494.28)	-	-	-
C6624	Rent/elec Prop-e 96 Street Substa	(3,658.46)	(4,000.00)	(3,630.00)	(1,588.50)
C6684	Rent/elec Prop-catv Pole Attach	(381,003.22)	(380,000.00)	(379,756.80)	(379,756.80)
D6643	Rent/elec Prop-ast Gen Sta Area	(8,940.64)	(10,000.00)	(11,031.84)	(10,599.00)
D6646	Bellacicc Lease-jamaica Queens	(79,645.76)	-	-	-
D6647	Finesse Lease - Jamaica Queens	(36,142.85)	-	-	-
D6648	Verizon Lease - Jamaica Queens	(454,399.35)	(402,000.00)	(401,700.00)	(401,700.00)
D6684	Rent/elec Prop-catv Pole Attach	(657,027.62)	(762,000.00)	(761,678.40)	(761,678.40)
D6697	Misc Elec Rev-misc	(3,610.64)	(3,600.00)	(3,600.00)	(3,600.00)
E6684	Rent/elec Prop-catv Pole Attach	(253,822.20)	(514,000.00)	(514,017.60)	(514,017.60)
F6603	Rent/elec Prop-sherman Creek	(255,181.15)	-	-	-
F6697	Misc Elec Rev-misc	(37,583.66)	(38,446.00)	(38,446.00)	(38,446.00)
G6684	Rent/el. Prop-pol Attach/non Catv	(24,365.57)	(22,000.00)	(22,192.00)	(22,192.00)
G6690	Misc Elec Rev-misc	-	(5,000.00)	-	-
G6697	Misc Elec Rev-o&r Cell Sites	(98,510.26)	(166,855.98)	(170,033.11)	(174,953.69)
H6600	Rent/elec Prop-fac Mgmt	(1,627,572.80)	(1,667,000.00)	(1,764,271.47)	(1,773,643.80)
H6667	Rent/elec Prop-millwd/pleasnt Val	(28,461.66)	(30,000.00)	(31,447.83)	(33,020.24)
H6671	Rent/elec Prop-miscellaneous	(37,028.22)	(22,000.00)	-	-
H6682	Rent/el Prop-t&d Fac-ny Pool&ramp	(2,709,707.00)	(2,649,000.00)	(2,649,011.40)	(2,649,011.40)
J6681	Rent/el Prop-t&d Fac-fishkil Sub	(1,045,666.00)	(1,116,000.00)	(1,115,604.00)	(1,115,604.00)
J6682	Rent/elec Prop-t&d Fac-sprainbk	(1,440,077.00)	(1,442,000.00)	(1,441,512.00)	(1,441,512.00)
L6671	Telecom-lease Exist.fac.-non Aff.	(2,123,994.32)	(2,194,000.00)	(2,194,000.00)	(2,194,000.00)
6662	Rent/elec Prop-millwood-ind Pt	(121,591.40)	(126,000.00)	(126,000.00)	(126,000.00)
6668	Rent/elec Prop-pl Valley To Conn	(3,960.00)	(4,000.00)	(3,935.32)	(3,935.32)
6670	Rent/elec Prop-millwood/dunwoodie	(171,112.08)	(43,000.00)	(44,923.32)	(38,702.25)
6680	Rent/elec Prop-t&d Facilities-ny	(4,115.32)	(4,000.00)	(4,295.32)	(4,295.32)
6681	Rent/elec Prop-t&d Facilities-w	(202,098.12)	(213,000.00)	(212,882.00)	(212,882.00)
6682	Rent/elec Prop-ramapo Substa	(534,360.61)	(508,000.00)	(507,861.00)	(507,861.00)
6683	Rent/elec Prop-t&d Fac Buc Stat	(159,502.12)	(146,000.00)	(145,543.00)	(145,543.00)
6684	Rent/elec Prop-transm. Line 28	(140,630.00)	(140,000.00)	(140,630.00)	(140,630.00)
6685	Rent/elec Prop-hud Riv Lines	(208,840.85)	(219,000.00)	(219,340.00)	(219,340.00)
Total		(17,120,224.39)	(16,252,901.98)	(15,904,246.51)	(15,475,517.43)

(a) Rate year updated for DPS - 44 and updated information regarding revised forecast of income from O&R cell sites, account G6697.

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS32
Date of Response:
Responding Witness: Accounting Panel

Question No.: 306

Subject: Capital to Expense Transfer - In its testimony, Con Edison's Accounting Panel indicates that, in 2008, certain costs that were initially charged to retirement orders (removal costs) were subsequently expensed as a result of an internal audit of labor charges to various street lighting accounts. The panel then explains that consequently, incorrect labor charges to retirement orders in 2006 through 2007 were transferred to O&M in 2008. Explain if an adjustment reducing the T&D expense deferral correcting for prior years over-collection of carrying charges is warranted. If not, why not. If yes, provide a calculation of the required adjustment.

RESPONSE:

The Accounting Panel agrees, for purposes of this proceeding, to reduce the deferred T&D carrying charges for 2006-2007 removal costs reclassified to O&M expense. Attached is the computation of the Proforma Adjustment to the deferred carrying charges. By this agreement, the Company reserves its rights to oppose similar requests for reclassification in this case and in the future.

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS38
Date of Response:
Responding Witness:

Question No. :360

Subject: Interference Underspending - Through informal discovery with the Company, it was discovered that the \$22.255 million amount reflected in the Company's rate filing related to deferred interference O&M expense for the rate year ending March 31, 2009 was understated, and should be increased by \$39,000 to \$22,292 million. Confirm that Staff's understanding is correct and that it would be appropriate for Staff to make this adjustment as part of its case.

RESPONSE:

The Company reflected in its initial rate filing the March 31, 2009 balance of deferred interference underspending of O&M costs of \$22.255 million to be returned to customers over three rate years. A final entry was booked in April 2009 which increased the amount by \$39,000. It would be appropriate for Staff to reflect this additional amount as part of its case as the Company will reflect this additional amount in its September 2009 update.

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS9
Date of Response:
Responding Witness:

Question No. :60

Subject: Security – Maintenance Contract for Video Wall - In her testimony, Company Witness Campanella discusses the Company's request for the continued maintenance of the video wall at the Security Operations Center (SOC) via a maintenance service contract. 1. Exactly when does the current maintenance agreement under the installation guarantee expire? Provide evidence in support of the expiration date. 2. Provide a copy of the two-year maintenance contract the Company proposes to enter, including but not limited to contract price, dates and services covered.

RESPONSE:

First, the Company would note that it will update its filing to eliminate the request to fund this maintenance agreement. This contract was pre-paid in late December 2008 (to provide the Company with a 1.5% savings) and is therefore reflected in the historic year costs.

The current maintenance agreement under the installation guarantee expired on December 31, 2008. See attached supporting documentation.

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS5
Date of Response:
Responding Witness:

Question No. :40

Subject: Exhibit__ (AP-5), Schedule 8, Line 38 – Customer Operations - During informal discovery, some of the program changes relating to Customer Operations have been classified incorrectly under the elements of expense shown in Exhibit__ (AP-5), Schedule 8, line 38. The variation is due to classification of the Off System Billing and CSS Life Extension programs and the inclusion of the normalization of Water Meter Savings. Confirm that line 38 reclassification below is correct and that the Company's update will include the reclassification of elements of expense.

RESPONSE:

The above reclassifications as provided by the Company on an informal basis will be included in the Company's update later in this proceeding.

	Pre-filed Position	Corrected Position	Correcting Update
Communications – Telephone	497	497	-
Company Labor	415	957	542
Informational Resources	206	158	(48)
Materials & Supplies	702	209	(494) includes rounding
Other O&M	934	934	-
Rounding	<u>1</u>	<u>1</u>	<u>-</u>
	2,755	2,755	-

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS12
Date of Response:
Responding Witness:

Question No. :105

Subject: Other Operating Revenues – Rent from Electric Property -

- 1) Staff was recently informed that the Company entered into two new rental agreements. Describe the nature of these agreements, identify the parties to the agreements and provide the annual rental revenues, with projections for the rate year.
- 2) Upon inspection, it appears that the Company's workpapers entitled "Accounting Panel Workpapers to Exhibit (AP-5), Schedule 2, Other Operating Revenues, Line 2, Rent from Electric Property" were errantly titled and actually support Exhibit (AP-5), Schedule 1, Other Operating Revenues, Line 2, Rent from Electric Property. Verify that this is correct.
- 3) A) The following information is listed in the Company's workpapers referenced in question 2, above. For the rental agreements associated with the account numbers listed below, identify the parties to each agreement, the date each agreement became effective, and provide the length of each agreement. Additionally, provide the rental amounts stated in each agreement, on an annualized basis, and verify that the projected rate year revenues for each agreement provided below are correct: See below Account numbers , Projected rate year revenues C7847 , 556,736 C7847 , 54,186 D7647 , 58,379 D7647 , 3,789,674 H7531 , 15,359 H7538 , 11,403 TOTAL , 4,485,738
B) Footnotes A and B in the Company's workpapers referenced in question 2 indicate that revenues from these accounts clear to expenses of the Building Service and Communications accounts. Provide the detailed information about how this clearing account process is reflected in the rate year.

RESPONSE:

CONFIDENTIAL

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS10
Date of Response:
Responding Witness: Accounting Panel

Question No.: 73

Subject: ERRP Major Maintenance- On page 24 of its testimony, the Company's Accounting Panel briefly describes the accounting and ratemaking treatment for major maintenance at the East River Repowering Project (ERRP). Specifically, the Panel indicates that the Company is collecting \$7.5 million annually in rates for major maintenance at the ERRP and that it uses the reserve accounting for this cost to track the variations between the funds provided via rates and the Company's actual major maintenance costs. In light of this accounting and ratemaking treatment currently used by the Company, pursuant to Commission directive, is an adjustment reducing the Company's rate year forecast of ERRP major maintenance costs from \$11.371 million to \$7.5 million warranted? If not, fully explain why not.

Further, in light of the projected schedule of ERRP major maintenance expenditures and rate recoveries, as presented on Exhibit __ (AP-11) Schedule 1, is an adjustment of rate year rate base, to reflect the forecasted ERRP major maintenance reserve account over-recovery, appropriate? If not, fully explain why not.

RESPONSE:

The historic 2008 O&M cost related to ERRP major maintenance of \$11.371 million should have been normalized down to the requested \$7.5 million. In the historic year the reconciling amount was booked to Other Operating Revenues and was normalized but the normalization of the historic costs was inadvertently omitted. With this adjustment the Company would continue to collect \$7.5 million in rates and use that amount as well as any amount remaining in the ERRP Maintenance Reserve to address the annual maintenance needs of ERRP.

The test year and rate year rate base will be revised in the update stage of this proceeding to reflect the average balance of the ERRP maintenance reserve.

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS11

Date of Response:
Responding Witness:

Question No. :77

Subject: Operating and Maintenance Expense-Postage - On page 46 of its testimony, the Accounting Panel indicates that the Company annualized the May 2008 postage increase and the applicable increase was applied to customer bills, various regulatory required correspondences and any general correspondence the Company's Customer Operations organization may send to customers. The Company's workpapers supporting AP-5 Schedule 8 Program Change Line 41-Postage further indicate the Company processed 50,751,832 pieces of mail for electric service in 2008 and this mail processing level stays constant for all periods throughout the rate year. (1) Explain in detail how the Company allocates the total pieces of mail among its utility services (electric, gas and steam). Also explain if ESCO related-mailings are included in this total. (2) Explain how the Company developed the number of pieces of mail for electric service for calendar years 2008, 2009, 2010 and 2011. (3) Fully explain the Company's past and future efforts to curtail postage expense, such as communicating with customers electronically, or utilizing electronic billing, which may decrease the number of pieces of mail that need to be processed in the rate year. (4) Explain how the Company is reimbursed for ESCO associated postage expense, and the related accounting.

RESPONSE:

1. The Company processed 50,751,832 pieces of mail for electric, gas and steam services for the historical year 2008. In the Company's initial filing, an allocation of 83.21% was used to allocate the increased costs to electric. The percentage was calculated in error and should have been 82% to electric and 18% to gas operations based on actual 2008 activity. The Company will correct this allocation on update later in the proceeding. There is no separate allocation for bills that include ESCO charges. With respect to ESCO related-mailings that exceed one-half ounce, in accordance with the Tariff (P.S.C. No. 2 – Retail Access) Con Edison will charge the ESCO for incremental postage.
2. The Company feels that 2008 is representative of the volume that will be experienced for the years 2009 through 2011. Electric's share would be determined using the same allocation factors noted above.
3. The Company employs an extensive campaign to increase customer participation in electronic billing. Details are attached. In addition, to reduce other mail sent to customers, the Company began a program in February 2006 that replaced the

reminder letter that was being sent to customers that were late on an installment for a deferred payment agreement with an automated telephone call.

4. ESCOs are assessed a billing and payment processing charge for each bill that includes their charges. The Billing and Payment Processing charge is designed to reflect the Company's postage expense. See also response to Staff 77.1 above.

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to Astoria Gen. Co. Interrogatories – Set AGC3

Date of Response:

Responding Witness:

Question No. :19

Given that the agreements referenced in AGC-18 acknowledge that certain approvals are needed which have not yet been sought much less granted, please provide any and all bases for Con Edison's decision to revise its rate case request and eliminate funding for this equipment given that Con Edison has requested funding for these projects in its last three rate cases and appears to have expended requested funds for these projects.

RESPONSE:

As noted in our response to AGC1-10(b), Con Edison believes that the easements granted to Astoria Energy II coupled with Astoria's contractual obligation to use commercially reasonable efforts to interconnect with the 345kV line will enable the Company to avoid the need for the construction of the Phase Angle Regulator at Astoria East and the Series Reactor at Corona Substation. Con Edison requested funding in its last three rate cases because, at that time, it appeared that the 138kV connection was most likely. This no longer appears to be the case, so the funding request for these projects was removed.

It should be noted that there has been no funding expended to date towards either the Astoria PAR or Corona reactor projects.

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS10
Date of Response:
Responding Witness: Accounting Panel

Question No.: 74

Subject: Rate Base – Earnings Base Capitalization (EBC) - On page 149 of its testimony, the Company's Accounting Panel indicates that its Earnings Base Capitalization (EB/Cap) adjustment is currently a positive adjustment due to several factors "such as the Company's high accounts receivables due to ever fluctuating energy costs and the economic conditions experienced, the use of the FERC one-eight formula as a proxy for working capital in lieu of performing a "lead lag study", and the Company's net prepaid pension/OPEBs balance." Provide any and all analysis performed by the Company, or on its behalf, in the last five years evaluating its EB/Cap adjustment.

RESPONSE:

Attachment DPS10-74 compares the Company's actual EB/Cap adjustment for the last five calendar years (2004–2008). With the exception of calendar year 2005, it shows that the actual capitalization has been \$300 million to \$388 million higher than rate base. For the Test Year in this Case, the twelve months ending December 31, 2008, the EB/Cap adjustment is equivalent to \$344 million.¹

The Company would note that the amounts on the attachment do not reflect the elimination of \$142 million of pension credits, which would reduce the \$344 million in this case down to a level of \$202 million.

¹ The EB/Cap adjustment included in the filing of \$535 million contained computational errors that will be corrected in the Company's July 10th Update Filing.

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS4
Date of Response:
Responding Witness:

Question No. :12Rev3

Subject: Employee Count - Provide the actual monthly employee count, from July 2008 to the present, by union and management group. Update the Company's response at the end of each month during the course of this proceeding.

RESPONSE:

The attached schedule has been updated to report the number of management and weekly employees on the payroll at the end of August 2009.

2009 Electric Rate Case
DPS Set 4 - Question # 12R3
Updated through August 2009

Consolidated Edison Company of New York, Inc.
of Employees on Roll - Management & Weekly
July 2008 - Present

<u>2008</u>	<u>Management</u>	<u>Weekly</u>	<u>Total</u>
July	4,812	9,396	14,208
August	4,826	9,415	14,241
September	4,821	9,418	14,239
October	4,874	9,462	14,336
November	4,884	9,506	14,390
December	4,877	9,525	14,402
<u>2009</u>	<u>Management</u>	<u>Weekly</u>	<u>Total</u>
January	4,899	9,529	14,428
February	4,945	9,561	14,506
March	4,987	9,562	14,549
April	4,980	9,560	14,540
May	4,986	9,527	14,513
June	4,989	9,507	14,496
July	4,968	9,466	14,434
August	4,950	9,432	14,382

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS11
Date of Response:
Responding Witness:

Question No. :79

Subject: Labor Program Change- Employee Count - In response to DPS-12, the Company provided the actual monthly employee count, from July 2008 to April 2009, by union and management group. Using the same format, provide the actual monthly employee count for the period from January 1, 2005 to June 30, 2008.

RESPONSE:

The attached schedule reflects the actual monthly employee count, by union and management, from January 1, 2005 to June 30, 2008.

Consolidated Edison Company of New York, Inc.
Human Resource
January 2005 - June 2008

<u>2005</u>	<u>Management</u>	<u>Weekly</u>	<u>Temporary Employees</u>	<u>Total</u>
January	4,200	8,544	0	12,744
February	4,186	8,535	0	12,721
March	4,191	8,588	0	12,779
April	4,212	8,641	0	12,853
May	4,223	8,698	0	12,921
June	4,232	8,729	72	13,033
July	4,308	8,706	90	13,104
August	4,314	8,678	85	13,077
September	4,339	8,694	68	13,101
October	4,361	8,718	55	13,134
November	4,355	8,784	0	13,139
December	4,362	8,829	0	13,191

<u>2006</u>	<u>Management</u>	<u>Weekly</u>	<u>Temporary Employees</u>	<u>Total</u>
January	4,366	8,816	54	13,236
February	4,369	8,796	52	13,217
March	4,381	8,843	50	13,274
April	4,404	8,864	54	13,322
May	4,409	8,886	50	13,345
June	4,430	8,876	133	13,439
July	4,492	8,908	107	13,507
August	4,515	8,842	126	13,483
September	4,518	8,846	90	13,454
October	4,536	8,883	63	13,482
November	4,552	8,855	61	13,468
December	4,533	8,905	62	13,500

Consolidated Edison Company of New York, Inc.
Human Resource
January 2005 - June 2008

<u>2007</u>	<u>Management</u>	<u>Weekly</u>	<u>Temporary Employees</u>	<u>Total</u>
January	4,540	8,909	59	13,508
February	4,558	8,933	58	13,549
March	4,585	8,974	55	13,614
April	4,593	8,961	56	13,610
May	4,601	8,995	63	13,659
June	4,604	8,968	184	13,756
July	4,632	8,986	197	13,815
August	4,654	9,038	177	13,869
September	4,666	9,066	126	13,858
October	4,673	9,096	97	13,866
November	4,685	9,075	90	13,850
December	4,675	9,109	95	13,879

<u>2008</u>	<u>Management</u>	<u>Weekly</u>	<u>Temporary Employees</u>	<u>Total</u>
January	4,667	9,123	99	13,889
February	4,684	9,094	98	13,876
March	4,700	9,152	102	13,954
April	4,737	9,135	100	13,972
May	4,742	9,174	91	14,007
June	4,759	9,197	213	14,169

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS26
Date of Response:
Responding Witness:

Question No. :243R

Subject: Company Labor –Employee Count by Department. In its response to New York City (NYC) IR No. 171, the Company's Shared Service Panel (SSP) provided the Company's forecasted rate year employee count by department. Using the identical format as used in the response to NYC IR No. 171, provide the Company's actual employee count by department for the years ended December 31, 2004 through December 31, 2008

RESPONSE:

The attached spreadsheet is a revision to the Company's response to DPS26 – 243. Upon review of the original response, it was noted that the information submitted as being the Company's historical 2008 headcount by organization was actually budgeted headcounts and not the Company's actual historical headcount. The revised attachment corrects the 2008 information.

CECONY

Historical Headcount by Organization (DPS26-243)

As of December 31, 2004

Organization	Headcount
President and Chief Operating Officer	2
Emergency Management	6
Electric Operations	
Senior Vice President and Staff	2
Manhattan	963
Bronx/Westchester	810
Brooklyn/Queens	1,198
Staten Island & Electric Services	195
Engineering & Planning	747
Total Electric Operations	3,915
Central Operations	
Senior Vice President and Staff	2
Central Engineering	332
Maintenance & Construction Services	996
System and Transmission Operations	344
Steam Operations	758
Substation Operations	1,046
Special Projects	2
Total Central Operations	3,480
Customer Operations	1,934
Telecom Applications Management	
Gas Operations	
Senior Vice President and Staff	7
Energy Management	49
Gas Engineering	258
Gas Operations	636
Total Gas Operations	950
Central Services	
Senior Vice President and Staff	5
Information Resources	387
Purchasing	68
Central Field Services	540
Human Resources	318
Research and Development	14
Equal Employment Opportunity	6
Security Services	15
Office Services	50
Facilities Management	102
Energy Management	63
Total Central Services	1,568

CECONY

Historical Headcount by Organization (DPS26-243)

As of December 31, 2004

Organization	Headcount
Environment, Health and Safety	128
Total Operations	11,983
Public Affairs	56
Finance	
Executive Vice President and Staff	3
Corporate Planning	9
Regulatory Services	28
Senior Vice President	1
Corporate Accounting	185
Treasury & Insurance	50
Rate Engineering	37
Total - Finance	313
Law	166
General Auditor	52
Executives and Staff	4
Total	12,574
Executive on Loan	2
Parttime	139
Summer	-
Total	12,715

CECONY

Historical Headcount by Organization (DPS26-243)

As of December 31, 2005

Organization	Headcount
President and Chief Operating Officer	2
Emergency Management	6
Electric Operations	
Senior Vice President and Staff	3
Manhattan	1,011
Bronx/Westchester	843
Brooklyn/Queens	1,391
Staten Island & Electric Services	299
Engineering & Planning	818
Total Electric Operations	4,365
Central Operations	
Senior Vice President and Staff	2
Central Engineering	342
Maintenance & Construction Services	1,070
System and Transmission Operations	360
Steam Operations	711
Substation Operations	1,100
Special Projects	2
Total Central Operations	3,587
Customer Operations	1,977
Gas Operations	
Senior Vice President and Staff	9
Energy Management	49
Gas Engineering	280
Gas Operations	659
Total Gas Operations	997
Central Services	
Senior Vice President and Staff	5
Information Resources	414
Purchasing	68
Central Field Services	521
Human Resources	318
Research and Development	16
Equal Employment Opportunity	5
Security Services	17
Energy Management	64
Total Central Services	1,428
Environment, Health and Safety	131
Total Operations	12,493

CECONY

Historical Headcount by Organization (DPS26-243)

As of December 31, 2005

Organization	Headcount
Public Affairs	52
Finance	
Executive Vice President and Staff	3
Corporate Planning	9
Senior Vice President	1
Corporate Accounting	183
Treasury & Insurance	50
Rate Engineering	35
Total - Finance	281
Law	196
General Auditor	53
Executives and Staff	6
Total	13,081
Executive on Loan	1
Parttime	109
Summer	-
Total	13,191

CECONY

Historical Headcount by Organization (DPS26-243)

As of December 31, 2006

Organization	Headcount
President and Chief Operating Officer	2
Customer Operations	2,051
Environmental, Health and Safety	132
Electric Operations	
Senior Vice President and Staff	2
Staten Island & Electric Services	302
Bronx/Westchester	877
Brooklyn/Queens	1,423
Manhattan	1,044
Engineering & Planning	536
Total Electric Operations	4,184
Central Operations	
Senior Vice President and Staff	2
Central Engineering	376
Maintenance & Construction Services	1,160
System and Transmission Operations	373
Steam Operations	699
Substation Operations	1,098
Special Projects	2
Total Central Operations	3,710
Gas Operations	
Senior Vice President and Staff	8
Gas Operations	670
Gas Engineering	298
Total Gas Operations	976
Total Operations	11,055
Business Shared Services	
Senior Vice President and Staff	2
Energy Management	87
Information Resources	418
Purchasing	70
Central Field Services	526
Total Business Shared Services	1,103
Enterprise Shared Services	
Senior Vice President and Staff	25
Human Resources	332
Facilities	265
Research and Development	17
Corporate Emergency Planning & Security	26
Total Enterprise Shared Services	665

CECONY
Historical Headcount by Organization (DPS26-243)

As of December 31, 2006

Organization	Headcount
Law	
Executive Vice President and Staff	6
Legal	110
Office of the Secretary	6
Labor, Employment & Commercial Litigation	25
Total - Law	147
Finance	
Executive Vice President and Staff	4
Corporate Accounting	196
Treasury & Insurance	43
Rate Engineering	36
Strategic Planning	4
Senior Vice President	-
Total - Finance	283
Public Affairs	84
O&R Support of Shared Services	
Energy Markets Policy Group	7
Regulatory Services	29
Total - O&R Support of Shared Services	36
General Auditor	53
Executives and Staff	4
Total	13,430
Executive on Loan	1
Parttime	66
Summer	3
Total	13,500

CECONY

Historical Headcount by Organization (DPS26-243)

As of December 31, 2007

Organization	Headcount
President and Chief Operating Officer	2
Customer Operations	2,091
Environmental, Health and Safety	131
Electric Operations	
Senior Vice President and Staff	2
Staten Island & Electric Services	316
Bronx/Westchester	915
Brooklyn/Queens	1,461
Manhattan	1,119
Engineering & Planning	547
Energy Efficiency Programs	27
Total Electric Operations	4,387
Central Operations	
Senior Vice President and Staff	2
Central Engineering	399
Construction	1,227
System and Transmission Operations	372
Steam Operations	711
Substation Operations	1,126
Special Projects	2
Total Central Operations	3,839
Gas Operations	
Senior Vice President and Staff	10
Gas Operations	687
Gas Engineering	298
Total Gas Operations	995
Total Operations	11,445
Business Shared Services	
Senior Vice President and Staff	2
Energy Management	92
Information Resources	411
Purchasing	66
Central Field Services	536
Total Business Shared Services	1,107
Enterprise Shared Services	
Senior Vice President and Staff	8
Human Resources	340
Facilities	265

CECONY

Historical Headcount by Organization (DPS26-243)

As of December 31, 2007

Organization	Headcount
Research and Development	18
Corporate Emergency Planning & Security	28
Shared Services Admin	11
EEO	7
Total Enterprise Shared Services	677
Law	
Executive Vice President and Staff	6
Legal	111
Office of the Secretary	6
Labor, Employment & Commercial Litigation	24
Total - Law	147
Finance	
Executive Vice President and Staff	3
Corporate Accounting	175
Treasury & Insurance	41
Rate Engineering	38
Strategic Planning	4
Tax	28
Total - Finance	289
Public Affairs	
Photographic Section	83
Total - Public Affairs	83
O&R Support of Shared Services	
Energy Markets Policy Group	8
Regulatory Services	27
Total - O&R Support of Shared Services	35
General Auditor	56
Executives and Staff	3
Total	13,842
Executive on Loan	1
Parttime	34
Summer	2
Total	13,879

CECONY

Historical Headcount by Organization (DPS26-243 Revised)

As of December 31, 2008

Organization / Department	Headcount
President and Chief Operating Officer	2
Customer Operations	
Sr VP	2
Customer Assistance	811
Operations Administration	12
Environmental Health & Safety	8
Field Operations - North	437
Field Operations - South	690
Specialized Activities	112
Strategic Applications	165
Total Customer Operations	2,237
Environmental, Health and Safety	
Off VP	2
Environmental & Chemical Management	20
Safety & Industrial Hygiene	13
EH&S Programs	22
Prep, Response Eval & Prevent	60
Environment, Health & Safety	16
Total Environmental & Safety	133
Electric Operations	
Senior Vice President and Staff	2
Staten Island & Electric Services	
VP & Staff	1
Construction	120
Operations	3
Environmental Affairs	5
Engineering	31
Financial Planning & Analysis	5
Apparatus Services	12
Control Operations	46
Meter Shop	37
Transformer Shop	65
Staten Island & Electric Services	325
Bronx/Westchester	
VP	2
Construction Networks	335
Construction	283
Operations	293
Operations and Services	16
Enviromental Affairs	17
Total Bronx / Westchester	946

CECONY

Historical Headcount by Organization (DPS26-243 Revised)

As of December 31, 2008

Organization / Department	Headcount
Brooklyn/Queens	
VP & Staff	2
Underground & Equipment	457
Operations	476
Operations Services	14
Overhead & Services	499
Environmental Health & Safety	12
Total Brooklyn / Queens	1,460
Manhattan	
VP	2
Construction	729
Operations	429
Operation Services	-
Environmental Affairs	6
Planning & Analysis	7
Total Manhattan	1,173
Engineering & Planning	
VP & Staff	2
Distribution Engineering	119
Energy Services - Bx & West	87
Energy Services - Bklyn & Queens	115
Energy Services - Manhattan	137
Energy Services - SI	14
Edison Project	4
Planning & Analysis	29
Central Support Operations	24
Operation Services	41
Total Engineering & Planning	572
Energy Efficiency Programs	
Marketing & Sales	40
Total Energy Efficiency Programs	40
Total Electric Operations	4,518
Central Operations	
Senior Vice President and Staff	
Office of VP Special Projects - Paul H. Kinkel	2
Office of Sr VP Central Ops - William G. Longhi	2
Total VP & Staff	4
Central Engineering	
Office of VP & Staff	2
3G System of the Future	7
Environmental Eng & Program Support	60
Equipment and Field Engineering	65
Civil / Mechanical Engineering	73

CECONY

Historical Headcount by Organization (DPS26-243 Revised)

As of December 31, 2008

Organization / Department	Headcount
Electrical Engineering	40
Control Systems Engineering	38
Design Engineering	119
Project Engineering	14
Total Central Engineering	418
Construction	
Office of VP	2
Admin Services	47
Construction Management	347
Public Improvement / Engineering	234
EH&S Services	27
Construction Services	491
S & T Construction	73
Total Construction	1,221
System and Transmission Operations	
Office of VP	2
Department Office	7
System Operations	141
Transmission Planning	25
Transmission Operations	206
Total System & Transmission Operations	381
Steam Operations	
Office VP	2
59th Street Station	74
74th Street Station	114
East River Station	219
Hudson Avenue Station	70
Distribution	168
E H & S	27
Customer & Business Services	25
East River Repowering	-
Financial Services	9
Waterside Station	-
Total Steam Operations	708
Substation Operations	
Office of VP	2
Bklyn/Queens/S.I. Operations	279
Manhattan Operations	317
Protective Systems Testing	134
Operations Planning	65
Westchester/Bronx Operations	341
EH&S Services	17
Total Substation Operations	1,155

CECONY

Historical Headcount by Organization (DPS26-243 Revised)

As of December 31, 2008

Organization / Department **Headcount**

Total Central Operations **3,887**

Gas Operations

Senior Vice President and Staff

Off of Sr VP 2

Gas Administration 7

Total Sr VP and Staff **9**

Gas Operations

Off of VP 2

Manhattan Gas Operations 16

Mgo Construction Department 79

Mgo Distribution Services 74

Bronx Gas Operations 12

Bgo Distribution Services 58

Bgo Construction Department 84

Queens Gas Operations 14

Qgo Construction Department 79

Qgo Distribution Services 61

West Gas Operations Gen Mgr & Staff 13

Wgo Construction Department 147

Wgo Distribution Department 46

Emergency Response Center 26

Total Gas Operations **711**

Gas Engineering

Off of VP 2

Gas Engineering Transmission 20

Gas Engineering 86

Gas Control 13

Gas Environmental & Safety 22

Maps & Records -

QA/Dev Lab, Operations Services 27

Gas Operations Department 145

Total Gas Engineering **315**

Energy Management

Resource Planning Gas -

Total Energy Management **-**

Total Gas Operations **1,035**

Total Operations **11,812**

Business Shared Services

Senior Vice President and Staff

Off VP Shared Services 2

CECONY

Historical Headcount by Organization (DPS26-243 Revised)

As of December 31, 2008

Organization / Department	Headcount
Total Off Sr VP	2
Shared Services Admin	
Shared Services Admin	7
Total Shared Services Admin	7
Information Resources	
Off VP	2
Information Technology Planning	68
Application Services	184
Operations Support	6
Technolgy Services	89
Quality assurance/Contract Administration	15
Data Center Services	47
Total Information Resources	411
Purchasing	
Off VP	6
Construction Major Projects & Contractor Performance	16
Services Tecnology & Strategic Initiatives	16
Supplier Diversity Program	3
Materials Systems Support & O&R	25
Total Purchasing	66
Central Field Services	
Off VP	5
Stores Operations	174
Environmental Health & Safety CFS	8
Astoria Operations	163
Transportation Operations	188
Total Central Field Services	538
Total Business Shared Services 1,024	
Enterprise Shared Services	
Senior Vice President and Staff	-
Off SR VP	9
Total Off Sr VP	9
Security Services	
Security Services	25
Total Security Services	25
Energy Management	
Off VP	2
Electricity Supply	25
Resource Planning	25
Energy Risk Management	-

CECONY

Historical Headcount by Organization (DPS26-243 Revised)

As of December 31, 2008

Organization / Department	Headcount
Gas Supply	30
Total Energy Management	82
Human Resources	
Off VP	4
Off of AVP Occupational Health	-
Peoplesoft Implementation	12
Benefits & Compensation	18
Employee & Labor Relations	38
Occupational Health	17
The Learning Center	111
Human Resource Support	29
Talent Management	136
Total Human Resources	365
Facilities	
Off VP	1
Facilities Operations & Maintenance	105
O&R Facilities & Services	44
Facilities & Maintenance	129
Total Facilities	279
Research and Development	
Research & Development	17
Total Research and Development	17
Corporate Emergency Planning & Security	
Off VP	1
Electric Operations Emergency Management	9
Team Telecom Application Management	3
Emergency Management Operations Services	7
Total Corporate Emergency Planning & Security	20
EEO	
EEO Affairs	7
Total EEO	7
Total Enterprise Shared Services	
804	
Law	
Executive Vice President and Staff	-
Commercial Transactions	14
Law	6
Total Law	20
Legal	
Legal Services	101
Total Legal Services	101

CECONY

Historical Headcount by Organization (DPS26-243Revised)

As of December 31, 2008

Organization / Department	Headcount
Office of the Secretary	
Comercial Litigation	7
Office of the Secretary	7
Total Office of the Secretary	14
Labor,Employment & Commercial Litigation	
Labor,Employment & Commercial Litigation	17
Total Labor, Employment & Commerical Litigation	17
Total Law	152
Finance	
Executive Vice President and Staff	1
Off Sr VP & CFO	3
Total Executive VP & Staff	4
Corporate Accounting	
Off VP & Controller	2
Corporate Accounting	3
Property Record Department	-
Corporate Accounting Staff Asst Controllers 1	55
Corporate Accounting Staff Asst Controllers 2	-
Corporate Accounting Staff Asst Controllers 3	99
Corporate Accounting Staff Asst Controllers 4	33
Total Corporate Acconting	192
Treasury & Insurance	
Off VP & Controller	2
Corporate Finance	5
Treasury Operations	14
Pension Management	5
Real Estate	10
Risk Management	14
Total Treasury	50
Rate Engineering	
Rate Engineering	34
Total Rate Engineering	34
Strategic Planning	
Off VP Strategic Planning	10
Total Strategic Planning	10
Tax	
Tax Department	33
Total Tax Department	33

CECONY

Historical Headcount by Organization (DPS26-243 Revised)

As of December 31, 2008

Organization / Department	Headcount
Total Finance	323
Public Affairs	
Photographic Section	
Off Sr VP	3
Public Affairs	42
Total Photographic Section	45
Government Relations	
Off VP	14
O&R Public Affairs	-
Brooklyn & Queens	10
Bronx & Westchester	9
Manhattan	6
Staten Island	2
Total Government Relations	41
Total Public Affairs	86
O&R Support of Shared Services	
Energy Markets Policy Group	9
Regulatory Services	29
Total - O&R Support of Shared Services	38
General Auditor	
Off VP	2
EH&S Operation & IT	27
Business Ethics & Corporate Policy	3
Compliance & Ethics Training	1
Customer Ops Finance & Procurement	25
Total General Auditor	58
Executives and Staff	3
Total	14,300
Executive on Loan	-
Parttime	-
Summer	-
Total	14,300

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS8
Date of Response:
Responding Witness:

Question No. :57

Subject: Labor Program Change - In its responses to DPS-45, in Case 08-E-0539, the Company provided updated lists that identified the number of incremental employees and related salaries the Company sought in Case 07-E-0523 by area or program change through September 30, 2008. 1. Using the identical format as used in response to DPS-45, provide the number of incremental employees and related salaries the Company sought in Case 07-E-0523 by area or program change. 2. For each area or program change indicate the number of employees the Commission supported in its Rate Order. 3. Provide the most up-to-date status of each Commission supported incremental employee as follows: a. Date hired; b. Salary or pay rate; c. Indicate whether the employee was hired from outside the Company or recruited from within; d. If hired from within the Company, was the vacated position filled? If the vacated position was filled, for each instance, provide the information requested in questions a – c, above. This is a continuing request. Provide an updated response to this IR each month.

RESPONSE:

The attached file provides the information requested in the question above. These tables do not reflect overtime that the Company incurred, when necessary, prior to filling these positions.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 Electric Rate Case 09-E-0428
 Interrogatory DPS 57

Program	Organization	Description of HR	Requested Mgt	Approved Mgt	Date Hired	Salary or Pay Rate	Hired from within ?	Vacated Position Filled?	If yes Date Hired	Salary	
Electric Operations											
Electric Distribution Equipment Reconditioning & Repairs	Astoria transformer shop	Mechanic A's		5	5	4/14/2008	\$37.08/hour	Yes	Yes	4/21/2008	\$31,616
						8/1/2008	\$25.88/hour	Yes	Yes	8/18/2008	\$32,224
						8/1/2008	\$25.88/hour	Yes	Yes	8/18/2008	\$32,224
						9/15/2008	\$25.88/hour	No			
						9/15/2008	\$25.88/hour	No			
Establish Regional Contractor Oversight / Review Group	BQ Electric Operations	Operating Supervisors (Note D)	4	4	6/1/2006	\$66,000	Yes	Yes	8/1/2006	\$58,000	
						11/28/2008	\$66,000	Yes	Yes	1/1/2009	\$58,000
						1/1/2008	\$66,000	Yes	Yes	1/1/2008	\$58,000
						7/1/2008	\$66,000	Yes	Yes	7/14/2008	\$58,000
Electric Operations Emergency Management Staffing	Emergency Management	Project Specialists	14	0							
Electric Operations Emergency Management Staffing	Emergency Management	Section Manager	2	0							
5 Year OH Inspection Program	Distribution Engineering	Project Specialist	1	1	4/1/2007	\$99,200	Yes	No			
5-Year UG Structure Inspection Program	Distribution Engineering	Project Specialist	1	1	DEFERRED						
5-Year UG Structure Inspection Program	Distribution Engineering	union mechanics		108							
Annual Stray Voltage Testing Program	Distribution Engineering	Project Specialist	1	1	2/25/2008	\$78,000	No				
Mobile Stray Voltage Testing	Distribution Engineering	Clerical		2	2	1/25/2008	\$52,000	No			
						2/25/2007	\$50,000	No			
Mobile Stray Voltage Testing	Distribution Engineering	Engineering Support	1	1	3/25/2007	\$50,000	No				
Mobile Stray Voltage Testing	Distribution Engineering	IT support	1	1	11/8/2007	\$50,000	No				
Mobile Stray Voltage Testing	Distribution Engineering	Program management	1	1	5/7/2007	\$116,500	Yes	No			
Mobile Stray Voltage Testing	Distribution Engineering	Project specialists		4	4	3/1/2008	\$88,900	Yes	No		
						3/1/2008	\$56,500	Yes	No		
						1/7/2008		No			
						5/19/2008	\$102,300	Yes	No		
Process Management (EOPM) (new name Edison Project)	Distribution Engineering	Section Manager	1	1	6/1/2007	\$120,000	Yes	No			
Process Management (EOPM) (new name Edison Project)	Distribution Engineering	Project specialists		5	3	9/2007	\$101,000	No			
						12/2007	\$67,000	Yes			
						9/2008	\$92,000	No			
						DEFERRED					
Double wood program	Electric Operations	Field supervisors	2	1	4/1/2008	\$100,200	Yes	Yes	6/1/2008	\$115,600	
						1/1/2008	\$69,300	Yes	GOLD Program *		
Network Transformer Vault cleaning program	Electric Operations		8	2	7	10/1/2007	\$58,000	Yes	Yes	10/21/2007	\$24.08
						5/1/2008	\$58,000	Yes	Yes	6/1/2008	\$18.20
						10/1/2008	\$58,000	Yes	Yes	11/1/2008	\$15.50
						10/1/2008	\$58,000	Yes	Yes	12/1/2008	\$15.50
						3/1/2007	\$58,000	Yes	Yes	10/1/2007	\$68,000
						2/1/2008	\$58,000	Yes	Yes	5/1/2008	\$58,000
						5/1/2008	\$58,000	Yes	Yes	6/1/2008	\$15.50
						DEFERRED					
Project management (Enhanced Project Planning)	Electric Operations		3	9	2						
Customer Focused Service Ruling Program	Energy Services	Designers		12	12	12/10/2007	\$30.13	No			
						12/14/2007	\$25.27	No			
						1/7/2008	\$19.37	No			
						1/22/2008	\$25.27	No			
						3/21/2008	\$25.27	No			
						5/16/2008	\$25.27	No			

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 Electric Rate Case 09-E-0428
 Interrogatory DPS.57

Program	Organization	Description of HR	Requested		Approved		Date Hired	Salary or Pay Rate	Hired from within ?	Vacated Position Filled?	If yes Date Hired	Salary
			Mgt	Wky	Mgt	Wky						
							5/27/2008	\$25.27	No			
							10/17/2008	\$30.13	Yes	Yes	11/2/2008	\$19.76
							9/15/2008	\$30.13	No			
							9/15/2008	\$30.13	No			
							10/24/2008	\$19.76	No			
							9/15/2008	\$30.13	No			
Customer Response Program	Energy Services	CSR's		6		6	12/2/2007	\$28.39	Yes	Yes	1/3/2008	\$15.50
							1/20/2008	\$28.74	Yes	Yes	1/31/2008	\$15.50
							4/8/2008	\$27.87	Yes	Yes	5/5/2008	\$15.50
							6/29/2008	\$40.04	Yes	Yes	7/15/2008	\$15.50
							12/18/2008	\$36.30	Yes	Yes	2/22/2009	\$28.43
							11/20/2008	\$33.48	Yes	Yes	3/1/2009	\$18.20
Field Auditing & Quality Control Program	Energy Services	Senior specialist	4			3	2/1/2008	\$69,600	Yes	Yes	5/1/2008	\$58,000
							2/1/2009	\$66,000	Yes	No		
							5/1/2009	\$66,000	Yes	No		
							DEFERRED					
Technical Support/NYC Regulatory Liaison Program	Energy Services	Project specialist	2			2	3/1/2008	\$75,200	Yes	Yes	4/1/2008	\$66,000
							8/1/2008	\$75,200	Yes	Yes	8/1/2008	\$75,200
DSM Program	Energy Services - Marketing & Sales	Senior specialist	2			2	9/15/2008	\$66,000	No			
							9/15/2008	\$66,000	No			
SMART Electric Technologies 1000 MW DSM program	Energy Services - Marketing & Sales Marketing & Sales	Senior specialist Senior specialists	1 15			1	6/18/2009	\$110,000	No			
Central QA (NOTE C)	Operations Services	Manager /sr. specialists/specialists/splicers	1	20	15	6	01/01/2007	\$85,800	Yes	Yes	2/1/2007	\$85,800
							04/01/2008	\$75,000	Yes	Yes	10/1/2008	\$58,000
							11/26/2008	\$39.30	Yes	No		
							12/19/2008	\$39.30	Yes	No		
							12/19/2008	\$39.30	Yes	Yes	2/18/2009	\$24.08
							12/25/2008	\$39.30	Yes	No		
							01/01/2009	\$39.30	Yes	Yes	1/9/2009	\$24.08
							01/08/2009	\$39.30	Yes	No		
							06/01/2007	\$58,000	Yes	Yes	7/1/2007	\$24.08
							06/01/2007	\$58,000	Yes	Yes	7/1/2007	\$24.08
							03/01/2008	\$58,000	Yes	Yes	4/1/2008	\$24.08
							03/01/2008	\$58,000	Yes	Yes	4/1/2008	\$24.08
							03/01/2008	\$58,000	Yes	Yes	4/1/2008	\$24.08
							03/01/2008	\$58,000	Yes	Yes	4/1/2008	\$24.08
							04/01/2008	\$58,000	Yes	Yes	6/1/2008	\$24.08
							04/01/2008	\$58,000	Yes	Yes	6/1/2008	\$24.08
							10/01/2008	\$58,000	Yes	Yes	11/1/2008	\$24.08
							02/06/2009	\$58,000	Yes	No		
							02/21/2009	\$58,000	Yes	No		
							2/2/2009	\$58,000	No			
							2/2/2009	\$58,000	No			
							2/2/2009	\$58,000	No			
EDIS Improvements	Operations Services	Programmer	1			1	6/1/2008		No			
Overhead planning group	Operations Services	8 Spacialists / 1 manager (promotion diff.)	9			6	3/16/2009	\$66,000	Yes	No		
							9/1/2008	\$66,000	Yes	Yes	12/1/2008	\$58,000
							9/1/2008	\$66,000	Yes	Yes	9/1/2008	\$58,000
							9/1/2008	\$66,000	Yes	No		
							2/23/2009	\$66,000	No			

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 Electric Rate Case 09-E-0428
 Interrogatory DPS 57

Program	Organization	Description of HR	Requested		Approved		Date Hired	Salary or Pay Rate	Hired from within ?	Vacated Position Filled?	If yes	
			Mgt	Wky	Mgt	Wky					Date Hired	Salary
						2	9/22/2008	\$66,000	No			
						1	DEFERRED					
							DEFERRED					
Establishment of a Control Center - Emergency Screening Function	System wide	Control center screening clerks		24								
Advance control systems group	Substation Operations	Engineer	1		1		DEFERRED					
Advance control systems group	Substation Operations	HR support supervisor	1		1		DEFERRED					
Advance control systems group	Substation Operations	Technician		4		4	DEFERRED					
Field operations trainers	Substation Operations	Field supervisor	3		2		5/1/2008	\$101,000	Yes	No		
						1	6/1/2008	\$101,000	Yes	Yes	9/1/2008	\$66,000
							DEFERRED					
Staffing - augmentation	Substation Operations	Senior substation operator		16		16	3/21/2008	\$24.81	No			
							6/1/2008	\$24.81	Yes	Yes	6/2/2008	\$15.50
							6/8/2008	\$24.81	Yes	Yes	9/5/2008	\$15.50
							6/8/2008	\$24.81	Yes	Yes	9/26/2008	\$15.50
							6/13/2008	\$24.81	No			
							6/15/2008	\$24.81	Yes	Yes	9/26/2008	\$15.50
							7/7/2008	\$24.81	No			
							7/7/2008	\$24.81	No			
							1/2/2009	\$15.81	No			
							1/30/2009	\$15.81	No			
							1/30/2009	\$15.81	No			
							1/30/2009	\$15.81	No			
							1/30/2009	\$15.81	No			
							1/30/2009	\$15.81	No			
							1/30/2009	\$15.81	No			
Staffing -new facilities	Substation Operations	EH&S senior specialist	1		1		DEFERRED					
Staffing -new facilities	Substation Operations	Mechanic a		13		12	7/6/2007	\$23.61	No			
							7/6/2007	\$23.61	No			
							7/6/2007	\$23.61	No			
							12/7/2007	\$23.61	No			
							12/7/2007	\$23.61	No			
							12/7/2007	\$23.61	No			
							6/1/2008	\$23.61	Yes	Yes	7/25/2008	\$15.50
							6/13/2008	\$23.61	No			
							6/13/2008	\$23.61	No			
							7/7/2008	\$23.61	No			
							7/7/2008	\$23.61	No			
							7/7/2008	\$23.61	No			
						1	DEFERRED					
Staffing -new facilities	Substation Operations	Senior electric tech		2		2	4/13/2008	\$24.97	Yes	Yes	6/13/2008	\$15.50
							6/13/2008	\$20.86	No			
Staffing -new facilities	Substation Operations	Senior substation operator		18		13	7/6/2007	\$24.81	No			
							12/7/2007	\$24.81	No			
							12/7/2007	\$24.81	No			
							3/21/2008	\$24.81	No			

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 Electric Rate Case 09-E-0428
 Interrogatory DPS-57

Program	Organization	Description of HR	Requested		Approved		Date Hired	Salary or Pay Rate	Hired from within ?	Vacated Position Filled?	If yes	
			Mgt	Wky	Mgt	Wky					Date Hired	Salary
							6/11/2007	\$30,618	No			
							6/11/2007	\$30,618	No			
							6/11/2007	\$30,618	No			
							6/11/2007	\$30,618	No			
							6/11/2007	\$30,618	No			
							7/16/2007	\$30,618	No			
							7/16/2007	\$30,618	No			
							7/16/2007	\$30,618	No			
							7/30/2007	\$30,618	No			
							7/30/2007	\$30,618	No			
							7/16/2007	\$30,618	No			
							7/30/2007	\$30,618	No			
							7/30/2007	\$30,618	No			
Law	Law	Gold program attorney	1		1		NOT FILLED *					
Law	Law	Regulatory attorney	1		1		9/22/2008	\$175,000	No			
Law	Law	Environmental attorney	1		1		4/7/2008	\$180,000	No			
Law	Law	Regulatory paralegal	1		1		7/1/2008	\$72,000	Yes	Yes	8/1/2008	\$58,000
Law	Law	Litigation investigator	1		1		5/1/2008	\$50,800	No			
Law	Law	Litigation paralegal	1		1		5/12/2008	\$66,000	No			
Law	Law	Records Retention Management	3		1		3/1/2009	\$110,000	No			
					2		NOT FILLED *					
The Learning Center - Talent Management	Human Resources	Instructors/senior instructors	7		7		3/1/2008	\$118,600	Yes	Yes	4/1/2008	\$83,400
							3/1/2008	\$102,900	Yes	Yes	4/1/2008	\$79,600
							12/1/2006	\$94,500	Yes	Yes	12/1/2006	\$104,100
							1/1/2008	\$122,400	Yes	Yes	1/1/2008	\$114,900
							4/1/2007	\$99,100	Yes	Yes	4/8/2007	\$54,953
							4/1/2008	\$105,200	Yes	Yes	5/1/2008	\$102,000
							11/5/2007	\$85,000	No			
The Learning Center - Talent Management	Human Resources	Gold program	12		12		6/20/2008	\$52,500	No			
							6/20/2008	\$65,000	No			
							6/20/2008	\$61,500	No			
							6/20/2008	\$61,500	No			
							6/20/2008	\$61,500	No			
							6/20/2008	\$61,500	No			
							6/20/2008	\$62,000	No			
							6/20/2008	\$52,500	No			
							6/20/2008	\$61,500	No			
							6/20/2008	\$52,500	No			
							6/20/2008	\$52,500	No			
							6/20/2008	\$52,500	No			
Betterment program at 4 Irving Place	Facilities	Operating supervisors	2		2		2/25/2008	\$88,000	No			
Betterment program at 4 Irving Place	Facilities	Engineers	3		3		3/10/2008	\$95,000	No			
							7/28/2008	\$65,000	No			
Betterment program at 4 Irving Place	Facilities	Planners	2		2		2/25/2008	\$95,000	No			
							2/1/2008	\$107,000	No			
Central monitoring system	Emergency Mgmt. - Security	Supervisor / Technician	1		1	1	10/15/2007	\$85,000	Yes	Yes	6/16/2008	\$105,000
							2/1/2008	\$85,000	Yes	Yes	11/1/2008	\$75,200
Logistic Emergency management system	IR / CFS	Programmer	1		1		1/28/2008	\$87,000	No			
Expand data warehouse	IR / Purchasing	Programmer	1		1		4/7/2008	\$85,000	No			
Additional programmers	Information Resources	Programmers	5		5		2/11/2008	\$90,000	No			
							2/11/2008	\$115,000	No			
							2/25/2008	\$94,600	No			

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 Electric Rate Case 09-E-0428
 Interrogatory DPS 57

Program	Organization	Description of HR	Requested Mgt. Wky	Approved Mgt. Wky	Date Hired	Salary or Pay Rate	Hired from within 7	Vacated Position Filled?	If yes Date Hired	Salary
Tax	Tax	VP of Tax Analysts	1	1	3/10/2008	\$90,000	No			
Tax	Tax	VP of Tax Analysts	6	6	3/7/2007	\$230,000	No			
					3/30/2007	\$94,200	No			
					8/27/2007	\$97,300	No			
					9/10/2007	\$114,000	No			
					3/24/2008	\$61,500	No			
					3/24/2008	\$66,400	No			
					4/7/2008	\$66,400	No			
Corporate Accounting & Treasury	Corporate Accounting & Treasury	Accountants & Senior Analysts	5	5	10/15/2007	\$92,200	No			
					5/9/2008	\$102,300	No			
					10/22/2007	\$99,500	No			
					2/11/2008	\$90,100	Yes	Yes	6/1/2008	82,500
					1/1/2008	\$79,300	Yes	GOLD Program *		
Total			143	318	126	248				

* When filled by GOLD Program graduate this is equivalent to an outside hire

NOT FILLED * - Position is still open with no candidate identified but contractors being used
 DEFERRED - Position not being filled due to Austerity

Case 08-E-0539- Con Edison Electric Rates

Staff Response to Interrogatory/Document Request

Request No.: 107
Requested By: Con Edison
Date of Request: September 16, 2008
Reply Date: September 26, 2008
Responding Witness: Staff Infrastructure Investment Panel
Subject: Productivity Adjustment

Question 107:

On p. 79, lines 8-10, you state that "The Commission has previously utilized 1% as a productivity adjustment." Are you aware of any Commission rule, order or other issuance that requires a utility to include a productivity adjustment of any amount in its rate filing? If yes, please provide copies of such rule, order or other issuance, or references to publicly available documents.

Response to Question 107:

No.

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS36
Date of Response:
Responding Witness:

Question No. :333

Subject: Company Labor – Follow up question to DPS-51 - In its response to DPS-51, the Company provides the annual retiree count for the period from 2004 through 2007 and the monthly retiree count for period from 2008 through May 2009. Out of these retired employees, indicate how many of them are retired union employees. 1. For retired union employees, indicate how many of them were above the minimum rate of pay for his/her job title. 2. For Local 1-2 and Local 3 union employees, fully explain how many wage progression increases an employee new to his/her title will have before he/she reaches the maximum rate of pay for his/her title. 3. For all union employees, how many were promoted to a new title in calendar year 2008? Of these promoted union employees, how many were above the minimum rate of pay for the job title they vacated to take the promotion?

RESPONSE:

Question:

Out of these retired employees, indicate how many of them are retired union employees.

Response:

The number of the retired union employees for the period January 1, 2004 to June 30, 2009 is 1,583.

Question:

1. For retired union employees, indicate how many of them were above the minimum rate of pay for his/her job title.

Response:

All were above the minimum rate of pay for his/her job title.

Question:

2. For Local 1-2 and Local 3 union employees, fully explain how many wage progression increases an employee new to his/her title will have before he/she reaches the maximum rate of pay for his/her title.

Response:

The attached file provides the detail on the number of wage progressions an employee new to his/her title will have before he/she reaches the maximum rate of pay for his/her title. This attachment demonstrates that on average, a union employee does not achieve maximum title, and therefore, the maximum pay rate, without having received an average of 29 progressions with the least number of progressions being 9 and the most being 57.

Question:

3. For all union employees, how many were promoted to a new title in calendar year 2008? Of these promoted union employees, how many were above the minimum rate of pay for the job title they vacated to take the promotion?

Response:

For all union employees, there were 1,268 promotions to a new title in calendar year 2008. In all cases, each of these employees was above the minimum rate of pay for the job title they vacated to take the promotion. Please note that promotions are different than progressions.

**NUMBER OF PROGRESSIONS TO MAXIMUM HOURLY RATE IN TITLE
LOCAL 1-2**

Job Title Description	X Title	Yrs to Max	Progressions to Max	Notes
A CUST FLD REP		11.9	24	
ACCTNG ASST		14.1	28	
ADMINISTR ASST		11.5	23	1
ADMINISTR CLERK		16.9	34	
ASST FIELD OPER	X	16.3	33	
ASST STOREKPR	X	15.5	31	1
ASST SUBS OPER	X	16.3	33	
ASST TREAS CLK		12.4	25	
ASST TREAS REP		9.2	18	
ATTENDANT	X	10.9	22	
AUTO MECH A	X	15.5	31	1
AUTO MECH B	X	15.4	31	
C*SUB ABUS PRGM		9.6	19	1
CABLE LEAD MECHANIC		7.6	15	1
CH LINE CON HV	X	7.2	14	1
CH LINE CON SP	X	7.4	15	1
CH STK HANDLER	X	15.4	31	
CL SUB ABUS PRG		21.7	43	1
CLERK IN CHARGE		17.8	36	
COML TECH REP		16.3	33	1
COMML S REP		17.4	35	1
CONSTR INSP		17.2	34	1
CONSTRUCTN REP		23.9	48	1
CONTROL OPER A	X	8.6	17	1
CONTROL OPER B	X	8.8	18	1
CUST FIELD REP	X	22.8	46	2
CUST FLD REP NX		21.1	42	2
CUST SERV REP		27.6	55	2
CUST SERV REP BILING		27.6	55	2
CUST SERV REP BILING	X	28.4	57	2
CUST SERV REP X	X	28.3	57	2
DESIGNER		21.8	44	
DIST CONTRL REP		14.3	29	
DIST MECH A I&A		17.4	35	1
DIST MTR TEST A		16.4	33	1
DIST OFF TELLER		18.7	37	
DISTRIBUTION SPLICER		20.7	41	1
ELEC MET TECH A	X	15.5	31	1
ELEC MET TECH B	X	15.4	31	
ELECT TECH	X	21.1	42	
ENG INSPECTOR		14.3	29	1
ENG TECHNICIAN		14.1	28	
EQUIP OPER	X	16.3	33	
EQUIP OPR HEAVY	X	18.3	37	
FIELD DESIGNER X	X	21.8	44	1
FIELD OPER	X	16.7	33	
GAS OPER MECH	X	15.5	31	
GEN UTIL WORKER	X	11.6	23	
INSP PLANNING	X	17.1	34	1
INSPECTOR		14.3	29	
INSPECTOR 1 GR	X	14.5	29	1

**NUMBER OF PROGRESSIONS TO MAXIMUM HOURLY RATE IN TITLE
LOCAL 1-2**

Job Title Description	X Title	Yrs to Max	Progressions to Max	Notes
INVESTIGATING INSPEC		17.3	35	1
JANITOR	X	15.8	32	
JR ACCOUNTANT		14.3	29	2
JR ELEC TECH	X	10.7	21	
JR PROD TECH	X	10.7	21	
JUNIOR DESIGNER		14.1	28	
LEAD MECH	X	6.9	14	1
LECTURER GUIDE	X	14.5	29	
LINE CONSTR HV	X	18.6	37	1
LINE CONSTRUCTOR	X	15.5	31	1
LNG PLANT OPERATOR		15.5	31	1
MAIL PROC OPER		25.2	50	
MATERIAL ANAL		19.5	39	1
MATERIAL INSP A		13.4	27	1
MATERIAL INSP B		14.4	29	
MECH A	X	15.5	31	1
MECH B	X	16.3	33	
METER TESTER A	X	15.5	31	1
METER TESTER B	X	16.3	33	
MTCE TECH	X	16.9	34	1
OFFICE ASST		11.8	24	
OPER MECH A	X	15.4	31	1
OPERATNG MECH B	X	16.3	33	
OUTPLANT MECH A	X	15.5	31	1
OUTPLANT MECH B	X	16.3	33	
PHOTOGRPHC SPEC		10.4	21	1
PLANT OPER	X	18.9	38	1
PROD TECH	X	21.1	42	
PROD WORKER	X	11.6	23	
SECRETRL STENO		8.9	18	
SENIOR DESIGNER		18.1	36	1
SENIOR FIELD OPERATO		16.8	34	1
SERV MECHANIC	X	15.7	31	1
SPEC INSPECTOR		15.1	30	1
SPLICER	X	18.6	37	1
SR COORDINATOR		13.4	27	
SR CSR BILINGUAL		19.5	39	1
SR CUST SRV REP		19.5	39	1
SR CUSTOMER FIELD RE		11.2	22	1
SR DIST CTL REP		12.2	24	
SR DISTRIB ELECTRICA		9.6	19	1
SR DISTRIBUTION METE		9.6	19	1
SR ELEC MET TEC	X	8.9	18	1
SR ELEC TECH	X	8.9	18	1
SR ENG DESIGN A		11.1	22	1
SR ENG ESTIMATR		12.2	24	1
SR ENG TECH		14.3	29	1
SR ENG TECH A		14.1	28	1
SR FIELD OPERATOR	X	18.8	38	1
SR LNG PLANT OPERATO		8.8	18	1
SR METER TECH	X	8.9	18	1

**NUMBER OF PROGRESSIONS TO MAXIMUM HOURLY RATE IN TITLE
LOCAL 1-2**

Job Title Description	X Title	Yrs to Max	Progressions to Max	Notes
SR MTCE TECH	X	14.9	30	1
SR OFF ASST A		13.4	27	
SR OFF ASST A X	X	14.8	30	1
SR PHOTOSTAT OP		8.2	16	1
SR PROD TECH	X	8.9	18	1
SR SAFETY INSP		20.4	41	1
SR STR CRANE OP	X	8.7	17	1
SR SUBSTA OPER	X	14.7	29	1
SR TECH		14.3	29	1
STOCK HANDLER	X	11.6	23	
STREET CRANE OP	X	15.5	31	1
SURVEY TECH		10.5	21	
SURVEYOR		14.3	29	1
SURVEYOR FIELD DESIGNER		11.3	23	
TR SHTR DSP HV	X	17.3	35	1
TRBL SHOOTER	X	6.9	14	1
TRBL SHOOTER HV	X	9.0	18	1
TRBL SHTR DSP	X	14.4	29	1
TREASURY REP		14.3	29	
UNIT SUB OPERATIN MEC A		17.4	35	1
UNIT SUB OPERATIN MEC B		8.0	16	
UTILITY MECH	X	8.0	16	

- 1) Pilot program bumps these titles to max after 8 years, 16 progressions.
- 2) Pilot program bumps these titles to max after 12 years, 24 progressions.

**NUMBER OF PROGRESSIONS TO MAXIMUM HOURLY RATE IN TITLE
LOCAL 3**

Job Title Description	X Title	Yrs to Max	Progressions to Max	Notes
Administrative Assistant	N	9.7	19	1
Administrative Clerk	N	14.9	30	
Apparatus Services Technician	N	7.0	14	
Assistant Field Operator	X	17.2	34	
Assistant Storekeeper	X	12.5	25	1
Assistant Substation Operator	X	13.0	26	
Auto Mechanic A	X	12.5	25	1
Auto Mechanic A NX	N	11.3	23	1
Auto Mechanic B	X	13.0	26	
Chief Line Constructor HV	X	6.2	12	1
Chief Line Constructor HV NX	N	6.0	12	1
Chief Splicer	X	17.3	35	1
Chief Splicer	N	15.8	32	1
Chief Stock Handler NX	N	11.8	24	
Commercial Service Representative	N	13.7	27	1
Construction Representative	N	19.6	39	1
Customer Field Representative	X	21.3	43	2
Customer Field Representative NX	N	19.6	39	2
Customer Service Rep Bilingual	N	23.6	47	2
Customer Service Representative	N	23.4	47	2
Designer	N	21.3	43	
District Control Representative (2)	N	11.7	23	
Electrical Technician	X	17.6	35	
Engineering Inspector	N	12.7	25	1
Field Designer	X	20.4	41	1
General Utility Worker	X	11.0	22	
General Utility Worker NX	N	9.9	20	
Inspector	N	11.3	23	1
Junior Designer	N	13.9	28	
Lead Mechanic	X	4.4	9	1
Line Constructor HV NX	N	15.0	30	
Line Constructor NX	N	12.7	25	
Material Analyst	N	16.0	32	1
Mechanic A	X	12.5	25	1
Mechanic B	X	15.2	30	
Mechanic B NX	N	14.9	30	
Meter Services Senior Technician	N	12.0	24	1
Meter Services Technician A	N	14.1	28	1
Office Assistant	N	10.0	20	
Senior Apparatus Services Technician	N	14.0	28	1
Senior Apparatus Services Technician X (1)	X	15.1	30	1
Senior Chief Stock Handler NX	N	4.9	10	
Senior Coordinator (2)	N	10.6	21	1
Senior Customer Service Representative	N	16.0	32	1
Senior Designer	N	18.0	36	1
Senior District Control Representative (2)	N	9.4	19	1
Senior Electrical Technician	X	6.3	13	1
Senior Engineering Technician	N	11.3	23	1
Senior Field Operator	X	13.5	27	1
Senior Office Assistant B (2)	N	7.1	14	
Senior Substation Operator	X	11.7	23	1
Senior Technician	N	11.3	23	1

**NUMBER OF PROGRESSIONS TO MAXIMUM HOURLY RATE IN TITLE
LOCAL 3**

Job Title Description	X Title	Yrs to Max	Progressions to Max	Notes
Splicer	X	15.1	30	
Splicer NX	N	13.8	28	
Substation Mechanic A	X	14.0	28	1
Survey Technician	N	8.2	16	
Surveyor	N	11.3	23	1
Trouble Shooter HV	X	4.7	9	1
Troubleshooter Dispatcher HV	X	13.9	28	1

- 1) Pilot program bumps these titles to max after 8 years, 16 progressions.
- 2) Pilot program bumps these titles to max after 12 years, 24 progressions.

Company Name: Con Edison
Case Description: 2009 Electric Rate Filing
Case: 09-E-0428

Response to DPS Interrogatories – Set DPS24
Date of Response:
Responding Witness:

Question No. :234

Subject: Rate Year Forecast of Interference Expense - Confirm that Exhibits (MISP-2), (MISP-3), and (MISP-6) present the Company's forecast of interference expenditures in rate year dollars.

RESPONSE:

The Company's forecast of O&M interference expenditures shown on Exhibits (MISP-2), (MISP-3) and (MISP-6) is in rate year dollars.

The Company's forecast of Capital interference expenditures shown on Exhibits (MISP-3) and (MISP-6) is in calendar year dollars.