

EDWARD J RASMUSSEN and ROBERT MUCCILO
UPDATE AND REBUTTAL - ELECTRIC

1 Q. Please state your names.

2 A. Edward J. Rasmussen and Robert Muccilo.

3 Q. Have you previously filed testimony in this proceeding?

4 A. **(Rasmussen)** Yes, I have.

5 **(Muccilo)** No, I have not.

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

7 A. **(Rasmussen)** I retired as the Vice President and
8 Controller of Con Edison in June 2009, but I continue
9 to assist the Company as a consultant in this
10 proceeding. I will act as the chairperson of this
11 Panel.

12 **(Muccillo)** In July 2009 I was promoted to my current
13 position of Vice President and Controller. In 1978, I
14 graduated from Jersey City State College with a
15 Bachelors Degree in Accounting. I graduated from
16 Fairleigh Dickinson University in May 1983 with a
17 Master Degree in Corporate Finance. I was employed by
18 Con Edison in June 1978 and, from that time until 1998,
19 I worked in the General Accounts and Accounting
20 Research and Procedures ("ARP") sections of Corporate
21 Accounting in increasing levels of responsibility up to
22 and including Manager of ARP. In 1999, I was promoted
23 to Assistant Controller, responsible for General

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1 Accounts and ARP. In 2002, I assumed the
2 responsibilities for Financial Forecasting and Budgets
3 and Electric Revenue and Volume Forecasting sections of
4 Corporate Accounting, and in 2003 continuing through
5 2006, I assumed the additional responsibility of
6 Regulatory Accounting and Regulatory Filings sections
7 of Corporate Accounting.

8 As part of a career developmental opportunity, in 2006
9 I assumed the position of General Manager, Stores
10 Operations where I was responsible for operating and
11 managing the central warehouse and distribution
12 facility for electric, gas and steam materials. In
13 April 2008, I returned to Corporate Accounting to
14 assume a special assignment as Assistant Controller and
15 team leader for the Finance Transformation Project.

16 The team was responsible for implementing process,
17 people, and system changes designed to minimize
18 financial reporting risk.

19 I have also served on and led several corporate teams,
20 including the establishment of the Holding Company Team
21 and the Orange and Rockland ("O&R") Merger Transition
22 Team. In addition, for many years, I have been an

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1 active member of both the EEI and AGA committees on
2 accounting principles.

3 Q. Has Mr. Muccilo previously testified before this
4 Commission?

5 A. **(Muccilo)** Yes. I have testified before the Commission
6 on behalf of the Company in previous electric, gas and
7 steam proceedings.

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

9 A. Our testimony will address seven different topics.
10 First, we will discuss the Company's overall need for
11 rate relief. Second, we will address the City of New
12 York's unwarranted and inappropriate criticisms of the
13 Company. Third, we will discuss updates to the
14 Company's three year rate plan Exhibit __ (EJR-1).
15 Fourth, we will present the Company's viewpoint
16 regarding the three year rate plan proposed by the
17 Staff Policy Panel. Fifth, we discuss the Company's
18 willingness to explore NYPA's theory to introduce new
19 alternative regulatory methods of establishing
20 performance based rates. Sixth, we present the
21 Company's view of the additional austerity measures
22 proposed by the parties above the levels reflected in
23 the Company's filing. Finally, we address the

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1 recently-completed management audit of Con Edison and
2 explain the inappropriateness of proposals by Staff and
3 NYC that savings resulting from implementation of the
4 recommendations of the management audit should be
5 reflected as additional adjustments in the one-year or
6 three-year revenue requirement established in this
7 proceeding or, alternatively, should be deferred for
8 the benefit of customers.

9 • OVERALL NEED FOR RATE RELIEF

10
11 Q. A number of parties complain about the Company's
12 overall size of the rate increase and the additional
13 burden the Company's requested increase would place on
14 customers. For example, Mr. Arnett, on behalf of the
15 City, states (pp. 2-3) that Con Edison's bundled
16 electric rates are already the highest among large U.S.
17 electric utilities. Mr. Bomke, on behalf on NYECC,
18 alleges (pp. 7-8 and 13-15) that the Company's managers
19 in developing their operating and capital programs do
20 not have sufficient direction to consider rate impacts
21 on customers, and he properly notes that utilities
22 should not be made tax collectors, as ever increasing
23 energy costs -- driven by government rather than by the
24 utility's obligation to provide safe and reliable

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1 service -- make the Company's service territory
2 increasingly non-competitive (pp. 22-23). NYPA's Panel
3 points (pp. 5-6) to the Company's large and expensive
4 capital expansion plan as the primary cost drivers of
5 rate increases. Ronald J. Liberty and Frank W.
6 Radigan, on behalf of the County of Westchester,
7 complain (pp. 5-6) about the cost of electric rates to
8 Westchester's residential and business customers in
9 today's tough economic times. How do you respond to
10 these complaints?

11 A. The Company is aware of the economic challenges faced
12 by our customers. The Company no more wants to seek
13 increases in electric rates than do NYC, NYECC, NYPA
14 and Westchester County want to pay those increases.
15 But, even in this difficult economic environment, the
16 increase is necessary to operate and maintain a safe
17 and reliable electric system. While these parties
18 assert that the level of the Company's electric rates
19 is too high as compared to the rates of other electric
20 utilities, none of the parties can reasonably deny that
21 the reasons for these high levels are a direct
22 reflection of the environment in which the Company
23 operates, including higher property taxes and energy

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1 costs in NYC, maintaining an underground delivery
2 network at unsurpassed reliability levels designed to
3 meet PSC-established criteria and customer
4 expectations, and the consequences of performing work
5 in the streets of a major metropolitan area. Nor can
6 these parties reasonably deny, given the vast evidence
7 presented by the Company, that the Company made
8 substantial and significant efforts to mitigate the
9 size of the rate increase. The fact is that the
10 Company requires rate relief because it faces higher
11 costs -- much of which is uncontrollable and a large
12 portion of which is imposed, without any regard to the
13 welfare of customers, by the party that complains here
14 the loudest -- and must continue to maintain and
15 upgrade its infrastructure to maintain safe and
16 reliable service. The proposed rate increase is
17 critical to the Company's ability to maintain the
18 financial strength and flexibility necessary to raise
19 the capital it requires at a reasonable cost to
20 consumers. We would note that, for the rate year
21 ending March 31, 2009, the Company did not even earned
22 its allowed electric rate of return of 9.1%.

23 • NYC'S UNWARRANTED AND INAPPROPRIATE CRITICISM

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- 1 Q. On page 32 of Mr. Arnett's testimony, he states: "These
2 requests suggest either that Con Edison is not willing
3 to voluntarily reduce its spending, or does not
4 understand that continued double-digit rate increases
5 are inappropriate and unacceptable." Further in his
6 testimony, at page 34, he states: " ... Con Edison is
7 continuing to act under the same "business as usual"
8 approach that it has proceeded under for decades."
- 9 Q. Is it fair to claim the Company is ignoring the rate
10 impacts of its rate proposal?
- 11 A. Absolutely not. The City's claims are unwarranted.
12 The Company's filing discusses in great detail how the
13 requested increase is lower than it would otherwise be
14 as a result of the Company's extensive efforts to
15 mitigate costs through ongoing programs of strict cost
16 controls, cost avoidance, and productivity efforts.
17 The Company also submitted voluminous testimony
18 demonstrating that each of the proposed programs are
19 necessary to maintain reliability, meet safety and
20 environmental requirements, support economic growth in
21 the Company's service territory, meet various
22 Commission mandates, and/or modernize its aging
23 infrastructure, among other important objectives.

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1 The filing also reflects the Company's efforts to lower
2 the rate increase request by recommending extended cost
3 recovery periods for various costs, where practicable.
4 As illustrated in the Company's initial filing which
5 contained 24 panels of witness testimony and thousands
6 of pages of supporting exhibits, the requested rate
7 increase reflects the Company's lowest reasonable costs
8 for the continued delivery of safe and reliable
9 service.

10 Q Why are the City's comments inappropriate?

11 A. Respectfully, the City's criticism of the Company's
12 relatively high rates is the height of 'Chutzpa,' given
13 that escalating NYC property taxes at unprecedented
14 levels, which are clearly beyond the Company's ability
15 to control, have probably been the single most
16 significant factor that drives the need for increased
17 revenues on an on-going basis. Ironically, while the
18 City expresses concern as to the impact of Con Edison's
19 rates on its ability to compete with other areas of the
20 country, the testimony is totally silent on the
21 escalating NYC property taxes that exacerbate an
22 already disproportionate tax burden borne by Con
23 Edison's customers. Over this past year, we have also

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1 seen a new MTA payroll tax and higher NYC sales tax
2 rates. We do not dispute that the City has budget
3 challenges, but we do dispute the City's right to
4 criticize the level of our rates when the City itself
5 is responsible for a significant part of the level of
6 our rates.

7 Further discussion regarding property tax issues is
8 detailed in the testimony of the Property Tax Panel.

9 Q. Mr. Arnett intimates (p. 9) that Con Edison does have
10 control over its property taxes in that it can reduce
11 its burden by reducing construction expenditures. Can
12 you comment?

13 A. Mr. Arnett would be correct if reducing the property
14 tax burden were more important than providing safe and
15 reliable service. Moreover, under NYC's current
16 process, even reducing construction expenditures does
17 not guarantee a reduction of taxes. Given the
18 arbitrariness of the allocation of tax levy to each
19 class, the City will likely seek the same tax revenues
20 from the utility class (Class 3) regardless of the
21 level of Con Edison's investments and simply increase
22 the tax rate applicable to the utility class. This is
23 especially true given that, as discussed by the

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1 Property Tax Panel, Con Edison comprises 80 percent of
2 the utility class.

3 Q. Do you have an additional comment regarding the
4 testimony of Mr. Arnett on behalf of NYC?

5 A. Yes. We would note that while Mr. Arnett makes the
6 general observation (p. 34) that Con Edison is
7 "continuing to act under the same 'business as usual'
8 approach that it has proceeded under for decades," and
9 lauds NYC's own purported belt-tightening, the City
10 recently announced salary increases to managers and
11 nonunion employees totaling \$69 million over two years.
12 The announced percentage increases (See Exhibit ____
13 (EJR-RM-1) were 4% retroactive to March 3, 2008 and a
14 compounded 4% raise - or 4.16% - retroactive to March
15 3, 2009. These raises are approximately 33% higher
16 than the average base pay increase awarded the
17 Company's management employees in April 2009, a portion
18 of which was later effectively rescinded as part of the
19 Company's austerity plan.

20 MARK FOR IDENTIFICATION AS EXHIBIT ____ (EJR-RM-1).

21 The Company issued the City a data request to confirm
22 this information and to elicit the City's rationale for

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1 granting these raises in the current economic
2 environment.

3 Q. How did the City respond?

4 A. Like its response to the Company's discovery requests
5 on property tax matters, addressed by the Property Tax
6 Panel, the City objected to these questions on a
7 variety of grounds, including on the ground that the
8 subject matter is beyond the scope of the Commission's
9 jurisdiction, and refused to provide any of the
10 requested information. See attached Exhibit ____ (EJR-
11 RM-2).

12 MARK FOR IDENTIFICATION AS EXHIBIT ____ (EJR-RM-2).

13 Q. Please continue addressing the City's criticisms.

14 A. Contrary to NYC's assertions, the Company is aware that
15 the size of the rate request is significant and may
16 create hardships to some of its customers. But these
17 same customers, including the City, would be unlikely
18 to tolerate deteriorating service. In fact, unlike the
19 City, the Company is subject to a myriad of service
20 standards, some associated with negative rate
21 adjustments, that the City has, as recently as the last
22 Company electric case, affirmatively supported be
23 maintained and not relaxed.

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1 In addition, the proposed rate increase is critical to
2 the Company's ability to maintain the financial
3 strength and flexibility necessary to raise the capital
4 it requires at a reasonable cost to consumers.

5 Q. The parties have implied that the burden to hold the
6 line on rates rest solely with the Company. Are there
7 actions that the Commission can take that would help
8 reduce the Company's rates during these difficult
9 economic times?

10 A. Yes, the Commission has a number of mandated programs
11 that add to the costs paid by customers. We would
12 welcome discussions with Staff to explore alternative
13 programs or solutions that would allow for the
14 relaxation of current requirements in an effort to
15 reduce current operating costs. For example, savings
16 to customers of millions of dollars could be achieved
17 if the Company was able to eliminate toll calling
18 (i.e., 800 numbers), implement call center staffing
19 reductions or close some business offices. We would
20 emphasize that, in making this proposal, the Company is
21 not seeking to reduce any programs that would impact
22 reliability or safety, only those programs that could
23 provide customers with cost savings without any adverse

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1 impacts on safe and reliable service. Certainly these
2 programs could be reinstated in the future as economic
3 conditions warrant.

4 Q. Please comment on the NYPA's testimony (at pages 5-7)
5 and the County of Westchester's testimony (at pages 16-
6 17) concerning the reliability of the Company's
7 electric network system.

8 A. Both parties seem to be suggesting that the reliability
9 of the Company's electric infrastructure is too high,
10 although, we would note, neither suggests that the
11 Commission relax its reliability performance mechanisms
12 and associated penalties.

13 The inference that many parties make that the Company
14 is creating a "gold plated" network that no longer
15 needs additional future investments or additional on-
16 going maintenance is misplaced and wrong. Just as is
17 the case for other critical infrastructure that serves
18 New York City and Westchester - roads, bridges, and
19 water mains, to name a few - Con Edison's electric
20 delivery system must be continually maintained,
21 upgraded and, at times, replaced, so that it remains
22 capable of providing the high levels of reliable
23 electric service that customers have come to expect.

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- 1 Note that the draft State Energy Plan of the State
2 Energy Planning Board states that the State's goal is
3 to "keep the State from backsliding on its high
4 standards of infrastructure reliability." Draft
5 Report, August 2009, p. xiii.
- 6 Q. Please continue.
- 7 A. In addition, we believe the Company's continued
8 infrastructure investment will facilitate economic
9 growth in our service area. A utility company that is
10 investing and building out its infrastructure is
11 employing local people. Continued investment
12 contributes to creating a viable and stable workforce,
13 who in turn purchase other goods and services,
14 perpetuating an economic multiplier effect throughout
15 the local economy. The Company is also seeking federal
16 stimulus funding for various smart grid and energy
17 saving projects that are expected to also create
18 additional economic activity throughout our service
19 area while also contributing to increasing the
20 awareness of the federal and state government's current
21 energy and environmental initiatives.
- 22 Q. Has the Company made other proposals to moderate rates?

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1 A. Yes. Our proposed three-year plan would levelize
2 required rate increases while promoting rate
3 moderation, which in addition to providing the Company
4 with the flexibility to manage its resources, it will
5 also provide customers some stability in estimating
6 monthly energy expenses.

7 • COMPANY UPDATE TO ITS THREE-YEAR RATE PLAN
8 PROPOSAL

9 Q. Have you prepared an exhibit that updates the Company's
10 changes for Rate Years 2 and 3?

11 A. Yes we have. Exhibit ___ (EJR - 1) SEP 2009 UUPDATE,
12 prepared under our direction and supervision, shows the
13 updated amounts the Company is requesting for each
14 period. For the twelve months ending March 31, 2012,
15 the Company is now seeking \$381.9 million as compared
16 to the pre-filed amount of \$461.8 million. For the
17 twelve months ending March 31, 2013, the Company is now
18 seeking \$376.1 million as compared to the pre-filed
19 amount of \$390.7 million.

20 MARK FOR IDENTIFICATION AS EXHIBIT ___ (EJR-1) SEP 2009
21 UPDATE

22 Q. Please continue.

23 A. As shown on the Summary page of this Exhibit, we start

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1 2011 with an updated revenue requirement decrease of
2 \$1.2 million for RY1 from the Company's originally
3 filed Exhibit __ (EJR-1) (i.e., \$854.5 million - \$853.3
4 million). Down the sheet, the next several lines
5 include projected changes in Operating Revenues and
6 Other Expenses, due to labor and general escalations,
7 pension and OPEBs, uncollectibles, amortization of
8 regulatory deferrals/credits, depreciation and
9 amortization, other taxes, rate base additions and
10 related income tax impacts of the above items.
11 Horizontally, we project the expected increases or
12 decreases from Rate Year 1, for the period ending March
13 31, for years 2012 through 2015. When compared to the
14 amounts included in the Company's original Exhibit __
15 (EJR-1), the primary changes are attributable to the
16 Company operating under the Commission imposed
17 austerity program, lower labor expense, depreciation
18 and amortization and rate base return. The levelized
19 annual rate increase would now be \$664.0 million, a
20 decrease of \$30.9 million per year, from the \$694.9
21 million yearly figure contained in the Company's
22 original filing.

23 Q. Please describe Exhibit __ (EJR - 1) SEP 2009 UPDATE,

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1 and explain the changes that were made to the figures
2 contained in the Company's original filing (see,
3 Exhibit EJR - 1), to arrive at revenue requirements for
4 RY-2 and RY-3 of \$381.9 million and \$376.1 million,
5 respectively.

6 A. Exhibit __ (EJR - 1) Sep 2009 UPDATE, is a 35-page
7 document that contains the calculations underlying the
8 Company's cost of service for RY-2 and RY-3. There are
9 ten supporting schedules (i.e., Schedules 2-11), that
10 provide detailed information supporting each line in
11 the revenue requirement calculation contained in
12 Schedule 1. In order to explain the overall increase
13 in the revenue requirement for RY-2 and RY-3, we will
14 discuss some of the changes reflected in Schedules 2 -
15 11 of Exhibit __ (EJR - 1) Sep 2009 UPDATE.

16 **Schedule 2** sets forth Revenue and Purchase power
17 expense. We reduced T&D revenues by approximately \$71
18 million per year for RY-2 and RY-3 compared to the T&D
19 revenue estimate in the Company's original filing, as
20 discussed in the testimony of the Forecasting Panel.

21 **Schedule 3, Pages 1 and 2** is a summary of other
22 operating revenues. Operating revenues increased
23 slightly for both RY-2 and RY-3. Pages 3 and 4 of

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1 Schedule 3, show the estimated annual spending for
2 environmental site investigation and remediation
3 projects. There is a decrease of \$0.9 million per year
4 for RY-2 and RY-3 from the Company's original
5 submission. Company Witness Price discusses the
6 forecast of these expenditures.

7 **Schedule 4, Pages 1 and 2** is the projection of other
8 O&M expenses, excluding purchased power, pension and
9 OPEB expense and environmental programs. The first
10 column in this schedule was updated to reflect the
11 levels of O&M expenses included in RY-1. We removed
12 the \$30 million of expense that we showed in for RY-2
13 in the original filing. This amount served to restore
14 the expenses that the Company eliminated as austerity
15 measures in RY-1. In our September Update filing, we
16 have reflected the austerity measures that the Company
17 has taken by appropriate element of expense and the
18 savings flow through to the outer rate years.

19 **Schedule 4, Pages 3 and 4** is the forecast of the
20 Company's pension and OPEB expense. This forecast
21 reflects the results of updated pension calculations
22 performed by the Company's actuary Buck Consulting in
23 May 2009.

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1 **Schedule 5**, is the projection of depreciation expenses
2 and was updated as a result of the Company's reduction
3 to levels of plant in service.

4 **Schedule 6, Pages 1 and 2** is the summary of taxes other
5 than income taxes; this schedule was updated for the
6 latest estimate of revenue taxes, property taxes and
7 adjustments to payroll taxes.

8 **Schedules 7 and 8** are calculations of New York State
9 and Federal income taxes. These schedules were updated
10 to reflect the tax impact of changes made to the
11 Company's construction budget (e.g., tax depreciation
12 and interest deductions).

13 **Schedule 9** is the forecast of rate base. The first
14 column on page 1 of this schedule was updated to
15 reflect the updated RY-1 rate base. The RY-1 level is
16 a decrease of \$489 million from the Company's
17 originally submission. The RY-2 and RY-3 reductions
18 are \$150 million and \$65 million respectively.

19 **Schedule 10** is the interest synchronization adjustment
20 which is used to calculate the interest deduction
21 reflected in the income tax calculations shown in
22 Schedules 7 and 8. This schedule was updated to
23 reflect the embedded cost of debt from Schedule 2 and

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1 the net rate base balances shown on pages 1, 3, 5 and 7
2 of Schedule 9.

3 **Schedule 11** is the Company's Electric Capital Forecast
4 that reflects reductions from the Company's originally
5 filed rate case.

6 • COMPANY THREE-YEAR RATE PLAN PROPOSAL

7 Q. The Staff Policy Panel discussed their view of
8 Company's three-year rate plan in its direct testimony
9 (pages 31-36). Please indicate which of the Panel's
10 observations you agree with and those that you take
11 issue with.

12 A. The Staff Policy Panel accurately described the
13 features of our proposal, including the true-up
14 mechanisms requested and the primary costs driving the
15 need for rate relief in Rate Years 2 and 3. As Staff
16 pointed out, three items represent approximately 88% of
17 the increase requested in Rate Year 2 and 83% sought
18 for Rate Year 3. Those cost drivers are infrastructure
19 requirements, property taxes and pension and other post
20 retirement benefit ("OPEBs") costs.

21 We believe, however, that the Staff Policy Panel did
22 not accurately describe the cost mitigation adjustments
23 reflected by the Company for other operating expenses.

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1 The assertion that the Company's three-year proposal
2 does not include any plan to control or reduce its
3 other operating costs is completely inaccurate. The
4 Company's proposal for other O&M costs included annual
5 productivity adjustments, carried forward the austerity
6 measures reflected in the base period for all three
7 years and did not seek recovery for any new or expanded
8 operating programs or staffing in the 2nd and 3rd years.
9 The Staff Policy Panel also ignores the historical and
10 ongoing efforts to reduce property taxes, as explained
11 by Mr. Hutcheson and the Property Tax Panel. The Staff
12 Policy Panel (p. 35) also ignores several key facts
13 when describing the increase in base rates from the end
14 of the 2005 rate plan (Case 04-E-0572) through March
15 2013. First, they ignore that the much of the rate
16 increase in Case 07-E-0523 was attributable to
17 deferrals and expiring credits. Had the rate increase
18 applicable to those items been back cast, the indicated
19 rate increase would be much less. Further, more recent
20 increases in rates have been for the most part a result
21 of higher property taxes, pension costs, and
22 infrastructure investment, and not due to increases in
23 other O&M expenses.

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1 Q. The Staff Panel also criticizes the Company's three
2 year proposal for not making a provision for addressing
3 the Staff T&D capital expenditure review, the
4 contractor-related prudence proceeding and the
5 Management Audit. Please comment.

6 A. This criticism is also without basis. We didn't
7 address the T&D capital expenditure review and the
8 contractor-related prudence proceeding in our three-
9 year rate plan because the Commission has already
10 established the mechanisms they deemed necessary to
11 protect customers pending final determinations in those
12 proceedings. That is, a significant portion of the
13 Company's revenues are being collected subject to
14 refund pending the outcome of the audit and the
15 investigation. The Management Audit is discussed later
16 in our testimony.

17 • STAFF THREE-YEAR RATE PLAN PROPOSAL

18 Q. Have you reviewed the three-year rate plan proposed by
19 the Staff Policy Panel?

20 A. Yes, we have.

21 Q. Do you believe that the Staff Policy Panel's proposal
22 would provide adequate cost recovery to allow the

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1 Company to avoid filing new base rate cases in the 2nd
2 and 3rd year?

3 A. No, based on the way the proposal is currently
4 structured, we believe it falls short of providing
5 adequate rate relief to avoid filing new rate cases.

6 Q. By contrast, if the Company's proposal were adopted, is
7 it your belief that the Company could avoid new rate
8 filings and live within the parameters of its rate
9 proposal?

10 A. Yes, as the Company has demonstrated in the past, if it
11 is provided with adequate rate recovery and safeguards,
12 it can and does live within the terms of multi-year
13 rate plans.

14 Q. Please identify the items contained within the Staff
15 Policy's Panel proposal with which you take issue.

16 A. Focusing just on the overall mechanics involved in the
17 two different methods, the Company's proposal differs
18 from Staff's in that it includes a full cost of service
19 approach of calculating the annual revenue
20 requirements. The Company projected sales and
21 revenues, operating expenses and rate base. On the
22 other hand, Staff's proposal was more limited in that
23 it excluded a number of items that would either

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1 increase or decrease the annual revenue requirements.
2 The Staff proposal eliminated other operating revenues,
3 O&M expenses, changes in rate base for items other than
4 T&D plant, income and other miscellaneous taxes. As
5 indicated by the Policy Panel, infrastructure
6 requirements and changes in property taxes and
7 pension/OPEBs costs do make up the lion's share of the
8 costs driving the rates for the 2nd and 3rd rate year,
9 but they are not the only items. Based on the Staff's
10 proposal and calculations, all other things being
11 equal, the Company would have an inherent revenue short
12 fall equivalent to 12% in Rate Year 2 and 17% in Rate
13 Year 3. That is, before taking into account the
14 reduced level of infrastructure investment recommended
15 by the Panel, which has the impact of increasing those
16 percentages. With regards to property taxes, we are
17 unclear as to exactly what Staff has proposed. They
18 have thrown into the mix a number of options ranging
19 from dead bands and "incentives" without any specific
20 recommendations or details. And the absence of a
21 "property tax" reconciliation and an "interference"
22 reconciliation from Staff's list of reconciliations for

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1 its three year rate proposal is somewhat startling
2 considering Staff's historical stance on this matter.
3 Q. Please discuss Staff's proposed treatment of
4 infrastructure investments.
5 A. The Staff recommended that, among other things, the
6 Company submit its capital spending plan and associated
7 revenue requirement impact, which the Company agrees is
8 appropriate. The Company's initial filing included
9 testimony and supporting workpapers for its capital
10 budget and we are not opposed to updating this
11 information as appropriate to establish targets for
12 each year. The Company is, however, strongly opposed
13 to establishing an arbitrary cap on infrastructure
14 investments as proposed by the Staff Panel (page 41).
15 The actual infrastructure spending target should be
16 based on system needs, which may be higher or lower
17 than some arbitrary cap. For example, as a result of
18 the implementation of New York State's Energy Plan, new
19 technologies and federal incentives may impact the
20 level of spending that is required, as would changes in
21 the Company's load forecasts. An infrastructure
22 investment team comprised of Company personnel, Staff
23 and other interested parties would be the best means to

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1 develop targets for infrastructure spending for the
2 second and third years.

3 Q. The Staff Policy Panel indicated that, in the period
4 2004 - 2008, the Company hired a net of approximately
5 1,650 employees. The Panel then assumes that the
6 Company is in a position to not fill new vacancies and
7 thereby achieve considerable cost savings. Do you
8 agree with this assumption?

9 A. No. The staffing increases were primarily in the areas
10 of Construction Management (approximately 800
11 employees); Electric Operations (approximately 600);
12 with the balance hired in substation, transmission,
13 engineering and customer operations. The type of work
14 done by these departments (other than customer
15 operations) is primarily capital or safety related.
16 The Staff Policy Panel pointed to Exhibit___ (SPP-1) to
17 show that the Company has decreased the overall
18 staffing levels in May and June. We would point out,
19 however, that monthly variations are not unusual and
20 that the overall staffing levels for those months were
21 higher than the year end historic test year levels.

22 Q. The Staff Policy Panel indicated (page 46) that the
23 Company's forecasted increase in non-sales revenues for

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1 Rate Years 2 and 3 is a source of funds to offset
2 possible cost increases in O&M. Do you agree with this
3 assertion?

4 A. No. The projected increase in other operating revenues
5 are earmarked primarily for recovery of carrying
6 charges and incremental phone line costs from customers
7 who are being switched to Mandatory Hourly Pricing
8 pursuant to a Commission mandate. This is not a new
9 revenue stream as alluded to the by the Panel that
10 could recover inflationary increases in other O&M
11 expenses, but rather a recovery of new costs to be
12 borne by a particular group of customers. The use of
13 these proceeds for a purpose other than for which they
14 are intended is an unrealistic expectation that will
15 certainly result in the Company unable to recover its
16 legitimately incurred expenses.

17 Q. The Staff Policy Panel recommended that wage and
18 inflationary cost increases of operating expenses not
19 be allowed as part of a stage re-opener, stating (page
20 36): "[m]oreover, the Company's proposal does not
21 include a plan to control or reduce its operating costs
22 including labor. The Company simply escalated the
23 forecasted base year rate allowance by inflation. No

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1 cost control of any kind is discussed in the Company's
2 proposal." Do you agree with this statement?

3 A. No. As indicated previously, the Company's proposal
4 reflects several cost containment adjustments; first,
5 wages were reduced by a 1% productivity adjustment in
6 each year; second, the austerity reductions reflected
7 in the first rate year were carried forward to each
8 subsequent period; and, third, the Company did not
9 request funding for any new or expanded programs beyond
10 the first rate year. Limiting spending to the level
11 established for the first rate year would by its very
12 nature require the Company to reprioritize program
13 spending and seek more efficient ways to do more with
14 less.

15 Q. The Staff Policy Panel proposal (page 48) would not
16 allow for deferred accounting if the Company is earning
17 in excess of the allowed return on equity established
18 by the Commission. Do you find this problematic?

19 A. Yes, we find this very disconcerting. While electric
20 rate plans the Company has operated under have limited
21 deferrals, the thresholds for such limitations have
22 been earnings targets that were in the range of 100
23 basis points or more above the authorized ROE and

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1 effectively capping earnings at the authorized ROE, as
2 proposed by Staff, is a disincentive to operate
3 efficiently and seek new cost savings measures.
4 Furthermore, it sends investors the message that there
5 is no potential for any upside to the authorized
6 earnings level, only downside risk. It is our view
7 that the result of such limitation will ultimately
8 increase the cost of financing.

9 We would also note the asymmetrical nature of Staff's
10 reconciliation proposal - that is, the Company would
11 not recover overpayments so long as it is earning above
12 the allowed ROE, but would be required to defer any
13 underpayments for the benefit of customers regardless
14 of whether the Company is earning its allowed ROE.

15 Q. Please continue.

16 A. Use of the allowed rate of return as a cut-off for
17 issues such as deferred accounting has other
18 implications. A desirable result for rate regulation
19 is to have a company earn above the allowed rate of
20 return, both to incent the Company to be efficient and
21 to increase the likelihood that the stock will trade
22 over book value. Staff's use of the allowed rate of
23 return as a hurdle for deferrals undermines this

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- 1 principle. The fact that Staff, at least in some
2 contexts, appears to be using a standard other than
3 "per books" in assessing whether a company is earning
4 above its rate of return is also very problematic.
- 5 Q. Please discuss the Staff Policy Panel's recommendation
6 regarding the recovery or refund of deferred balances.
- 7 A. The Staff Rate Plan would not allow the Company to
8 recover new deferrals during the rate plan up to \$50
9 million. While the handling of deferred balances was
10 not addressed in direct testimony, this limitation is
11 not unreasonable as long as carrying costs, both
12 positive and negative, are allowed on deferred
13 balances. We would recommend that the Company be
14 allowed to offset outstanding deferred costs and
15 credits after formal review by Staff in order to
16 minimize any large offsetting deferrals.
- 17 Q. The Policy Panel recommends a 12 basis point premium in
18 the authorized ROE for a three year stay out. Do you
19 believe this level is appropriate?
- 20 A. No. As indicated in the testimony of Dr. Morin, the
21 appropriate stay out premium for a three year rate plan
22 is approximately 70 basis points.

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- 1 Q. The Policy Panel also recommends a number of different
2 sharing thresholds if earnings are above the Company's
3 allowed ROE. Do you agree with the thresholds the
4 Panel is recommending?
- 5 A. The Company has agreed to the use of various sharing
6 thresholds as part of negotiated rate settlements in
7 the past and it would certainly not object to the
8 Commission's adoption of the Company's three-year
9 proposal, modified to include a reasonable earnings
10 sharing mechanism. Although the Company has in recent
11 times had electric earnings below its allowed ROE with
12 no provision for any sharing of earnings above or, for
13 that matter, below the authorized ROE, the Company
14 recognizes that earnings sharing mechanisms may be
15 appropriate and desirable in multi-year plans, provided
16 the sharing targets that are set provide meaningful
17 opportunities for the utility to retain a reasonable
18 portion of earnings if the utility exceeds those
19 targets.
- 20 Q. What proposals contained in the Staff Policy Panel's
21 three-year plan would the Company support?
- 22 A. Depending upon the specific parameters set in a multi-
23 year rate plan, the Company is not opposed in concept

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1 to a multi-year plan with staged re-openings for
2 certain elements such as infrastructure investment,
3 pension and OPEB costs, property taxes and general wage
4 and inflationary increases for O&M expenses so long as
5 such a plan also provides for appropriate
6 reconciliations, and does not limit deferrals merely
7 because the Company exceeded its allowed ROE. As
8 indicated above, the Company also does not oppose
9 appropriate earnings sharing mechanisms. Nor is the
10 Company opposed to establishing a target, not a cap,
11 for capital spending amounts and taking on the burden
12 of justifying any changes or modifications to the plan,
13 subject to the Company's assurance that a process is in
14 place to ensure that if capital spending needs to
15 exceed the yearly spending limits that a reconciliation
16 process can be established. The Company understands
17 that multi-year rate plans typically reflect
18 compromises by all parties, but also can produce
19 significant benefits for all parties if properly
20 structured. As indicated previously, deferral
21 limitations are problematic if they "cap" earnings at
22 the authorized ROE. There should always be an
23 incentive for the Company to retain earnings above its

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1 authorized ROE if it is able to find efficiencies above
2 the levels imputed in rates. These efficiencies would
3 be fully captured by customers in future rate cases.

4 • IMPLEMENTING PERFORMANCE BASED REGULATIONS

5 Q. Please discuss the comments of NYPA regarding
6 implementing performance based regulation?

7 A. The specifics behind NYPA's suggestion of bringing to
8 New York State a Performance-Based Regulation ("PBR")
9 model is not fully known. The complexities of a Con
10 Edison electric rate case will most likely not fit
11 neatly into the academic formula-based approach set
12 forth on page 26 of NYPA's testimony.

13 Q. Is the Company opposed to implementing or introducing a
14 change to the current ratemaking framework?

15 A. Certainly not. The Company would be receptive to
16 working with the parties as part of a collaborative to
17 explore the development of performance based rates, or
18 as part of a state wide proceeding. The Company has
19 always been committed to working with the Staff and
20 other parties when it comes to negotiating regulatory
21 changes. But the performance based mechanism must have
22 clear and tangible standards that can be determined
23 objectively and be fair to all parties. The Company

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1 must be able to assist in establishing reasonable
2 performance based mechanisms and the Company's
3 financial interests must be respected and preserved
4 prior to the adoption of any performance based rate
5 mechanism.
6 Subjective changes to a performance based regulatory
7 mechanism based on political issues that are not
8 "formula based" would then defeat the spirit behind the
9 adoption of a performance based regulatory mechanisms
10 and unfairly jeopardize the Company's ability to
11 recover expenses.
12 Furthermore, although the Company is receptive to
13 exploring alternative regulatory methods and perhaps
14 even adopting a more performance based regulatory
15 approach, the Company strongly disagrees with NYPA's
16 assertion on page 28 of its testimony that the
17 Commission should adopt in principle in this case the
18 establishment of a performance-based model for Con
19 Edison and order that a proceeding be opened to develop
20 the specific implementation details. As previously
21 discussed, the development of performance based
22 mechanism would be better handled through collaborative

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1 discussions that would allow all interested parties to
2 participate.

3 • ON-GOING AUSTERITY MEASURES

4 Q. Please discuss the City's recommendation (Mr. Arnett's
5 testimony at p. 23) that the Commission continue the
6 austerity adjustment adopted in the last electric
7 proceeding.

8 A. The recommendations by the City, as well as by Staff
9 and Westchester County, with respect to austerity are
10 addressed in the rebuttal testimony of Mr. Eugene
11 Meehan on behalf of the Company. We would note that
12 the austerity adjustment imposed by the Commission in
13 the 08-E-0539 Order was unprecedented. The adjustment
14 had no support in the record and departed from the
15 Commission's practice respecting consideration of
16 economic impact in rate cases, as embodied in the
17 Commission's *Economic Impact Statement*, as more fully
18 explained in Mr. Meehan's rebuttal testimony.

19 Q. Please continue.

20 A. As discussed in the Company's petition for rehearing,
21 filed in Case 08-E-0539, we believe that the costs were
22 already mitigated down to minimal levels needed for the
23 Company to provide safe, adequate and reliable service.

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1 Further reductions are counterproductive and not in the
2 public's best interest. The Commission's actions are
3 adverse to our Company's investors. The Commission has
4 set unrealistically low operating expense allowances to
5 cover increased costs that the extensive record in Case
6 08-E-0539 clearly showed the Company has faced. This
7 action increased the risk and therefore may hamper the
8 Company's ability to attract needed capital or raise
9 its cost.

10 Q. Do the austerity measures reflected by the Staff
11 Accounting Panel represent a double count of other
12 adjustments they have proposed?

13 A. Yes, we believe it is. Staff proposed a number of
14 specific adjustments to reduce operating expenses
15 ranging from the imputation of additional productivity
16 adjustments, lowering spending on advertising and
17 research and development programs. Staff further
18 eliminated union wage progressions, indicating it was
19 their belief they should be self funded, are proposing
20 to disallow wages for employees authorized by the
21 Commission in Case 08-E-0539, ignored actual medical
22 insurance premium cost increases, and lowered requests
23 for items such as the Enterprise Risk Management System

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1 indicating that the Company should find the savings to
2 support these costs. Staff then imputed its global
3 austerity adjustment on top of all the costs it had
4 eliminated or significantly reduced. In so doing,
5 Staff is in essence lowering operating costs twice and
6 requiring the Company to seek savings in areas that
7 limit the Company's ability to provide save and
8 adequate service.

9 Q. Is Staff's austerity adjustment inappropriate?

10 A. Yes, it is, as more fully explained in Mr. Meehan's
11 rebuttal testimony.

12 Q. What was the Company's austerity proposal that was
13 contained in the supplemental testimony of Mr.
14 Rasmussen?

15 A. The Company indicated that, in addition to the
16 austerity measures undertaken in 2009 that would
17 continue in the rate year, the Company would seek, as
18 part of its 2010 budgeting process, to identify
19 additional austerity reductions it could achieve and it
20 would quantify those savings for inclusion in this
21 filing.

22 Q. Has the 2010 budget been completed yet?

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1 A. No. The Company is currently working on it. We are
2 scheduled to complete the budget process in November
3 and would submit our formal recommendations to the
4 Commission shortly thereafter.

5 • .TREATMENT OF MANAGEMENT AUDIT SAVINGS

6 Q. Please briefly describe the Management Audit.

7 A. The Management Audit was different from a traditional
8 audit in at least two regards. First, the process was
9 more open and collaborative than typical audits that
10 are conducted. The Company had a full-time team of
11 employees dedicated to facilitating the audit that were
12 involved right from the beginning of the process.
13 Second, unlike traditional audits, which involve
14 separate review of individual functional units without
15 linking multiple organizations through a management
16 process review, the audit scope included a
17 comprehensive examination of the multiple aspects of
18 the Company's management process, particularly with
19 respect to planning and implementation of the Company's
20 capital and operations and maintenance (O&M) programs.

21 Q. What were the audit findings?

22 A. The audit report culminated in 119 conclusions and 92
23 recommendations. In addition, the Management Audit also

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1 identified four barriers: cultural, regulatory,
2 environmental, and financial, that are deemed to be
3 major impediments to the Company's sustainability and
4 long-term success. The Company's Plan will address each
5 of these recommendations and barriers in an integrated
6 manner and in the context of improving business
7 processes and operational efficiency for the benefit of
8 customers.

9 Q. Will the Company be presenting any part of its
10 implementation plan in its rebuttal testimony, as
11 recommended by the Staff Policy Panel?

12 A. No. The Company has not yet completed, much less
13 finalized, its extensive implementation plan. Con
14 Edison has been and is continuing to assess the
15 recommendations in the audit report and expects to file
16 its implementation plan by October 5, 2009, as directed
17 by the Order. We would note that many of the audit
18 recommendations reflect initiatives the Company had
19 already been engaged in, some of them over an extended
20 period. To take one of a number of examples, the
21 Company has been working over an extended period to
22 improve the effectiveness of its cost management

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1 program, and Liberty recommends continuation of this
2 effort.

3 Q. Has the Company developed an overall approach on
4 responding to the Management Audit?

5 A. Yes.

6 Q. Please describe the approach the Company is planning to
7 take in its implementation plan.

8 A. The Company has established a senior executive team to
9 evaluate and address each of the barriers identified
10 and the 92 recommendations. Overall executive
11 oversight is assigned to two senior officers who will
12 ensure that recommendations are addressed in an
13 integrated and holistic manner to achieve operating
14 efficiencies for the benefit of customers. The
15 executive oversight officers will work closely with the
16 CEO and the Board of Trustees, who will be fully
17 engaged in the Company's implementation process. The
18 Company's Corporate Leadership Team as a whole will
19 also be engaged and will articulate the imperative for
20 change, facilitate long range planning, integrate work
21 of the various teams, set standards for deliverables,
22 and establish success metrics. The Board of Trustees
23 will receive regular updates on implementation

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1 activities and status. The full Board and certain
2 Board committees will provide guidance on team progress
3 and direction as necessary during the implementation.

4 Q. How does the Company plan on addressing the individual
5 92 recommendations in the Management Audit?

6 A. Con Edison recognizes that all 92 recommendations
7 require thorough evaluation and consideration.
8 Although, in general terms, these recommendations
9 should have some potential long-term benefits in terms
10 of avoided costs in the future, certain key
11 recommendations will be pursued on an accelerated
12 basis, including some that represent continuation or
13 expansion of existing Company initiatives. These high
14 priority items address actions for implementation that
15 will yield either significant strategic or the most
16 immediate benefit to customers. This priority logic
17 seeks to optimize implementation sequencing by
18 advancing actions that maximize impact and minimize
19 time.

20 Q. The Staff Policy Panel recommends that the Company
21 identify in its rebuttal testimony an estimate of costs
22 and benefits associated with recommendations that can
23 be implemented, in whole or in part, in time to reduce

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1 the Company's costs in the rate year. Has the Company
2 identified incremental savings in the rate year
3 associated with eliminating any of the barriers
4 identified in the Management Audit or implementing any
5 of the 92 recommendations?

6 A. No. At this time, we have not identified any
7 immediately obtainable significant savings that would
8 impact the rate year in this proceeding. As explained
9 above, the Company has not completed its review of the
10 Management Audit nor has it finalized an implementation
11 plan. This was a comprehensive audit that took over a
12 year to complete. While the Management Audit has
13 certainly raised the Company's focus on dealing with
14 the items described in the audit report, there is still
15 clearly more analysis that must be done. To
16 effectively review each of these recommendations and
17 identify how to implement them for the benefit of our
18 customers will take time.

19 The Company will, of course, assess each of the
20 recommendations carefully and take the necessary steps
21 to implement those recommendations that will result in
22 short term and long term benefit of our customers.

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1 As indicated above, each of the recommendations has at
2 least some potential value, both when viewed
3 independently and as a combined portfolio of
4 opportunities to pursue, and the Company is committed
5 to keeping customer value a central theme -- through
6 qualitative and, when possible, quantitative analyses
7 of cost, benefit, and risk, acknowledging that some
8 measures of success will be more easily articulated
9 than others. However, Staff's unsupported
10 expectations, apparently shared by Mr. Arnett, that
11 potential savings of some, if not many, audit
12 recommendations can be easily quantified and realized
13 are simply unrealistic.

14 As recognized by the Commission in its Order (p. 17),
15 "successful and sustained changes will likely take
16 months or maybe even years to fully implement." For
17 example, specific costs and benefits of process
18 improvements institutionalized by enhanced long term
19 planning efforts may not be evident for years, and,
20 even when known, cannot be measured in isolation. And
21 while costs associated with improved technology
22 platforms can be fundamentally calculated, the payback
23 associated with the resulting perpetual efficiencies in

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1 work planning will be difficult to address by measure
2 of time and funding alone.
3 Moreover, as the Order (p. 17) correctly recognized,
4 "Con Edison's implementation process will require some
5 flexibility." For example, each recommendation will be
6 evaluated in the context of increasing customer value,
7 and in cases where evaluation offers opportunity to
8 increase benefits above and beyond those prescribed in
9 the audit report, Con Edison will take every step to do
10 so, whether by expanding the scope of the original
11 recommendation or otherwise. Likewise, evaluation of
12 some recommendations will show that the suggested
13 customer benefits will not materialize to an extent to
14 justify action, and in these cases Con Edison will
15 suggest an alternative action, as provided for in the
16 Order. Furthermore, if at any time analysis shows that
17 further action to address an ongoing initiative will
18 create a negative benefit to the customer, Con Edison
19 will change course to minimize this non-desired
20 customer impact.

21 Q. The Staff Policy Panel also recommends that the
22 Commission consider reflecting in the revenue
23 requirement established in this proceeding any net

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1 savings resulting from the implementation plan that
2 could be identified or, alternatively, direct the
3 Company to defer the net impact for future
4 determination. Do you agree?

5 A. No, it would be inappropriate to do so. We would,
6 however, emphasize three points. First, as explained
7 above, it is simply too early in the implementation
8 process to identify specific savings for the rate year,
9 above and beyond savings identified already in the
10 Company's filing or imputed productivity savings.
11 Second, implementation of recommendations is a dynamic
12 process and to try and indentify specific savings
13 associated with a specific recommendation, especially
14 when broad based initiatives such as culture changes,
15 regulatory, environmental and financial barriers are
16 being addressed, seems unrealistic. Third, as
17 previously mentioned, several of the recommendations,
18 in various forms, were based on initiatives already
19 underway reflecting Liberty's endorsement of Company
20 programs and concepts already undertaken is another
21 reason not to seek to address savings as a unique
22 circumstance.

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1 Q. How then will customers benefit from savings associated
2 with implementing recommendations from the Management
3 Audit?
4 A. As noted by the Staff Policy Panel, the long-standing
5 Commission practice is to reflect all savings
6 associated with implementing the recommendations of a
7 management audit in future rate proceedings as part of
8 the rate setting process. Under that process, historic
9 year costs in future rate cases will reflect the lower
10 spending levels achieved through implementation of the
11 audit recommendations and, thus, all savings achieved
12 will permanently inure to the benefit of customers.
13 Similarly, projected rate year costs will reflect the
14 lower capital and O&M costs resulting from
15 implementation of, for example, the audit
16 recommendations related to the improved cost management
17 program, load forecasting capabilities or long-term
18 master plan for the electric system. We believe that
19 the Commission's well-established process, embodied in
20 the statute directing periodic management audits of
21 utilities, is sound from both a policy and practical
22 viewpoint.

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- 1 Q. What steps does the Company plan on taking to keep the
2 Commission abreast of customer benefits related to the
3 Management Audit?
- 4 A. As directed by the Order, the Company's will submit, as
5 part of its implementation plan, a process by which it
6 will periodically communicate progress. At the very
7 least, the Order requires the Company to meet
8 periodically with Staff to discuss the implementation
9 plan, to provide written updates on implementation
10 progress every four months, and to file testimony in
11 subsequent rate cases demonstrating compliance with the
12 Order.
- 13 Q. Do you have any further comments on Mr. Leak's
14 testimony?
- 15 A. Yes. We note that Me Leak reports that the purpose of
16 his testimony regarding the Management Audit is to
17 satisfy the purported requirements of Section 66(19) of
18 the Public Service Law that the Commission addresses
19 the Company's compliance with the Management Audit
20 recommendations in its rate order in this proceeding.
21 Company counsel advises that the requirements of
22 Section 66(19) apply to any "subsequent" rate
23 proceeding as clearly recognized by the second Ordering

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1 Clause of the Order, which requires the Company to
2 address the Management Audit "in any rate proceedings
3 filed on or after the date of this Order."
4 Q. Do you agree with Mr. Leak's recommendation that the
5 Company should be directed to identify the
6 recommendations that would be completed in the next
7 three years and that any associated savings or benefits
8 should be deferred for the customers' benefit?
9 A. No, we don't. For the same reasons explained above and
10 in addressing a similar proposal by the Staff Policy
11 Panel with respect to the rate year in this proceeding,
12 Mr. Leak's three-year recommendation is both
13 impractical and bad policy. The same applies to the
14 Staff Policy Panel's recommendation that any multi-year
15 plan adopted in this proceeding should provide for a
16 re-opener, as part of the staged filings, to reflect
17 implementation plan savings in the second and third
18 year revenue requirement. And, the same reasoning
19 applies to Mr. Arnett's recommendation that the rate
20 increase granted in this proceeding should be
21 considered a placeholder pending the completion of the
22 implementation plan and an analysis of "the actual and

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1 forecast results" of implementation plan on the

2 Company's rate needs.

3 Q. You noted above that a number of the 92 programs
4 contain in the Management Audit reflect or evolve from
5 initiatives the Company already had underway. Why is
6 that important?

7 A. It is important because the productivity improvements
8 that would have happened without the Liberty Audit
9 should be applied to the productivity savings already
10 imputed in the Company's filing. The imputation of
11 labor productivity and a requirement to have the
12 Company track and defer Management Audit savings is a
13 double count. We would note that the Commission has
14 not required deferral of Management audit
15 recommendation savings in the past, and it is our view
16 that it is arbitrary and unfair to require the Company
17 to track Management Audit savings and defer them where
18 (a) what can be characterized as Management Audit
19 savings and what is normal savings is not clear,
20 especially since many of the recommendations are based
21 on pre-existing and ongoing Company initiatives; (b)
22 The audit recommendations covers a wide swath of the
23 Company, leaving little room for the Company to capture

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- 1 an additional imputed 1 or 2% productivity; (c)
2 deferral of audit savings would be undesirable from a
3 policy perspective because it would take what has been
4 an excellent process with significant potential and
5 undermine efforts to build on the excellent start the
6 Management Audit made; and (d) the anticipated savings
7 would be automatically captured for customers through
8 the rate process.
- 9 Q. Does this conclude your testimony?
- 10 A. Yes, it does.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
FIVE-YEAR ELECTRIC REVENUE REQUIREMENT
(\$ millions)

	Exhibit / Schedule	Twelve Months Ending March 31,				
		2011	2012	2013	2014	2015
Base Rate Increase - RY1	AP-9, Sch 1	\$ 853.3				
Stay Out Premium		87.1				
Base Rate Increase with Stay Out Premium		\$ 940.4				
Operating Revenues						
Net Operating Revenues	EJR-1, Sch 2		\$ 3.1	\$ (0.7)	\$ 13.1	\$ (22.9)
Other Operating Revenues	EJR-1, Sch 3		1.9	2.1	0.9	0.9
Net Revenues			\$ 5.0	\$ 1.4	\$ 14.0	\$ (22.0)
Operating Expenses						
Operation & Maintenance Expense (excl. fuel)						
- Labor & General Escalations	EJR-1, Sch 4		33.6	38.6	42.2	38.3
- Pension and OPEBs	EJR-1, Sch 4		37.9	21.5	(3.9)	(40.4)
- Uncollectibles	EJR-1, Sch 1		3.4	3.3	2.3	3.4
- Amortization of Regulatory Deferrals / Credits	EJR-1, Sch 2,3		(1.4)	2.5	5.7	3.4
Depreciation & Amortization	EJR-1, Sch 5		45.8	48.0	29.3	48.1
Taxes Other - excl. revenue taxes	EJR-1, Sch 6		107.8	131.1	145.4	161.2
- revenue taxes	EJR-1, Sch 6		16.1	12.5	0.1	10.9
Federal Income Taxes & Other Variations	EJR-1, Sch 8		1.5	(8.4)	(12.9)	(3.5)
Pre Tax Return on Rate Base (Net of Interest Tax Deduction)	EJR-1, Sch 9		142.2	128.4	72.6	147.2
Subtotal (2)			386.9	377.5	280.8	368.6
Annual True Up Mechanisms						
Revenue Decoupling Mechanism						
Energy Efficiency Programs						
Property Tax Expense						
Interest Rates						
Pensions / OPEBs (Policy Statement)						
Environmental Site Investigation and Remediation						
Inflationary increases above 4 percent						
World Trade Center						
Net Rate Change	EJR-1, Sch 1	\$ 940.4	\$ 381.9	\$ 376.1	\$ 266.8	\$ 390.6
Levelized Annual Rate Increase (RY1 -- RY3)		\$ 664.0	\$ 664.0	\$ 664.0		

Consolidated Edison of New York, Inc.
Electric Department
Operating Income, Rate Base & Rate of Return
(\$000's)

TWELVE MONTHS ENDING MARCH 31, 2012

	Rate Year 1 Exhibit (AP-9)	Sched.	Rate Year 2 Adjustments	Rate Year 2 As Adjusted	Proposed Rate Increase	Rate Year 2 Adjusted for Proposed Increase
Operating Revenues						
Sales Revenues	\$8,353,602	[2]	(\$26,001)	\$8,327,601	\$381,912	\$8,709,512
Other Operating Revenues	197,270	[3]	3,303	200,573	1,432	202,005
Total Operating Revenues	8,550,872		(22,698)	8,528,174	383,344	8,911,517
Operating Revenue Deductions						
Fuel & Purchased Power Costs	2,792,556	[2]	73,208	2,865,763		2,865,763
Other Operations & Maintenance	1,417,146	[4]	33,565	1,450,711	3,361	1,454,072
SBC, RPS, DSM	250,345	[4]	(102,333)	148,012		148,012
Pension / OPEBs	307,410	[4]	37,893	345,303		345,303
Regulatory Assessments	-	[4]	-	-		-
Depreciation	631,914	[5]	45,754	677,668		677,668
Taxes Other Than Income Taxes	1,399,715	[6]	113,341	1,513,056	10,617	1,523,673
Gain from Disposition of Property	-		-	-		-
Total Operating Revenue Deductions	6,799,085		201,428	7,000,514	13,978	7,014,492
Operating Income Before Income Taxes	1,751,787		(224,126)	1,527,660	369,366	1,897,026
Income Taxes						
New York State Income Taxes	89,655	[7]	(17,840)	71,816	26,225	98,041
Federal Income Tax	374,536	[8]	(82,398)	292,138	120,099	412,237
Total Income Taxes	464,191		(100,238)	363,953	146,324	510,277
Operating Income After Income Taxes	\$1,287,595		(\$123,889)	\$1,163,707	\$223,042	\$1,386,748
Rate Base	\$15,106,916	[9]	\$1,163,359	\$16,270,275		\$16,270,275
Overall Rate of Return	8.52%			7.15%		8.52%

TWELVE MONTHS ENDING MARCH 31, 2013

	Rate Year 2	Sched.	Rate Year 3 Adjustments	Rate Year 3 As Adjusted	Proposed Rate Increase	Rate Year 3 Adjusted for Proposed Increase
Operating Revenues						
Sales Revenues	\$8,709,512	[2]	\$59,723	\$8,769,235	\$376,134	\$9,145,369
Other Operating Revenues	202,005	[3]	1,070	203,075	1,411	204,486
Total Operating Revenues	8,911,517		60,792	8,972,310	377,545	9,349,855
Operating Revenue Deductions						
Fuel & Purchased Power Costs	2,865,763	[2]	129,076	2,994,839		2,994,839
Other Operations & Maintenance	1,454,072	[4]	38,616	1,492,689	3,310	1,495,999
SBC, RPS, DSM	148,012	[4]	(68,697)	79,315		79,315
Pension / OPEBs	345,303	[4]	21,462	366,765		366,765
Regulatory Assessments	-	[4]	-	-		-
Depreciation	677,668	[5]	47,982	725,649		725,649
Taxes Other Than Income Taxes	1,523,673	[6]	133,115	1,656,788	10,457	1,667,245
Gain from Disposition of Property	-		-	-		-
Total Operating Revenue Deductions	7,014,492		301,553	7,316,045	13,767	7,329,812
Operating Income Before Income Taxes	1,897,026		(240,761)	1,656,265	363,778	2,020,043
Income Taxes						
New York State Income Taxes	98,041	[7]	(19,193)	78,848	25,828	104,676
Federal Income Tax	412,237	[8]	(91,395)	320,841	118,282	439,123
Total Income Taxes	510,277		(110,588)	399,689	144,110	543,799
Operating Income After Income Taxes	\$1,386,748		(\$130,172)	\$1,256,576	\$219,668	\$1,476,244
Rate Base	\$16,270,275	[9]	\$1,050,018	\$17,320,293		\$17,320,293
Overall Rate of Return	8.52%			7.25%		8.52%

Consolidated Edison of New York, Inc.
Electric Department
Operating Income, Rate Base & Rate of Return
(\$000's)

TWELVE MONTHS ENDING MARCH 31, 2014

	Rate Year 3	Sched.	Rate Year 4 Adjustments	Rate Year 4 As Adjusted	Proposed Rate Increase	Rate Year 4 Adjusted for Proposed Increase
Operating Revenues						
Sales Revenues	\$9,145,369	[2]	\$35,891	\$9,181,261	\$266,846	\$9,448,107
Other Operating Revenues	204,486	[3]	(3,392)	201,094	1,001	202,095
Total Operating Revenues	9,349,855		32,499	9,382,354	267,847	9,650,201
Operating Revenue Deductions						
Fuel & Purchased Power Costs	2,994,839	[2]	59,303	3,054,143		3,054,143
Other Operations & Maintenance	1,495,999	[4]	42,195	1,538,194	2,348	1,540,542
SBC, RPS, DSM	79,315	[4]	(33,490)	45,825		45,825
Pension / OPEBs	366,765	[4]	(3,876)	362,889		362,889
Regulatory Assessments	-	[4]	-	-		-
Depreciation	725,649	[5]	29,264	754,913		754,913
Taxes Other Than Income Taxes	1,667,245	[6]	146,647	1,813,891	7,418	1,821,309
Gain from Disposition of Property	-		-	-		-
Total Operating Revenue Deductions	7,329,812		240,043	7,569,855	9,766	7,579,621
Operating Income Before Income Taxes	2,020,043		(207,544)	1,812,499	258,081	2,070,580
Income Taxes						
New York State Income Taxes	104,676	[7]	(16,072)	88,603	18,324	106,927
Federal Income Tax	439,123	[8]	(86,253)	352,871	83,915	436,786
Total Income Taxes	543,799		(102,325)	441,474	102,239	543,713
Operating Income After Income Taxes	\$1,476,244		(\$105,219)	\$1,371,025	\$155,842	\$1,526,868
Rate Base	\$17,320,293	[9]	\$593,957	\$17,914,250		\$17,914,250
Overall Rate of Return	8.52%			7.65%		8.52%

TWELVE MONTHS ENDING MARCH 31, 2015

	Rate Year 4	Sched.	Rate Year 5 Adjustments	Rate Year 5 As Adjusted	Proposed Rate Increase	Rate Year 5 Adjusted for Proposed Increase
Operating Revenues						
Sales Revenues	\$9,448,107	[2]	(\$138,696)	\$9,309,410	\$390,585	\$9,699,996
Other Operating Revenues	202,095	[3]	0	202,095	1,465	203,560
Total Operating Revenues	9,650,201		(138,696)	9,511,505	392,050	9,903,555
Operating Revenue Deductions						
Fuel & Purchased Power Costs	3,054,143		(68,785)	2,985,357		2,985,357
Other Operations & Maintenance	1,540,542	[4]	38,265	1,578,807	3,438	1,582,245
SBC, RPS, DSM	45,825	[4]	(47,014)	(1,189)		(1,189)
Pension / OPEBs	362,889	[4]	(40,396)	322,493		322,493
Regulatory Assessments	-		-	-		-
Depreciation	754,913	[5]	48,140	803,053		803,053
Taxes Other Than Income Taxes	1,821,309	[6]	150,414	1,971,724	10,858	1,982,582
Gain from Disposition of Property	-		-	-		-
Total Operating Revenue Deductions	7,579,621		80,624	7,660,245	14,296	7,674,541
Operating Income Before Income Taxes	2,070,580		(219,320)	1,851,260	377,754	2,229,015
Income Taxes						
New York State Income Taxes	106,927	[7]	(17,773)	89,154	26,821	115,974
Federal Income Tax	436,786	[8]	(76,032)	360,753	122,827	483,580
Total Income Taxes	543,713		(93,806)	449,907	149,647	599,555
Operating Income After Income Taxes	\$1,526,868		(\$125,515)	\$1,401,353	\$228,107	\$1,629,460
Rate Base	\$17,914,250	[9]	\$1,203,689	\$19,117,939		\$19,117,939
Overall Rate of Return	8.52%			7.33%		8.52%

Consolidated Edison of New York, Inc.
Electric Department
Revenue Requirement Calculation
(\$000's)

	Twelve Months Ended March 31,			
	2012	2013	2014	2015
Rate Base (Exhibit ____ (EJR-1), Schedule 9	\$16,270,275	\$17,320,293	\$17,914,250	\$19,117,939
Rate of Return (Exhibit ____ (AP-12), Schedule 1	8.52%	8.52%	8.52%	8.52%
Required Return	1,386,748	1,476,243	1,526,867	1,629,460
Income Available (Exhibit ____ (EJR-1), Schedule 1	1,163,707	1,256,576	1,371,025	1,401,353
Deficiency	223,041	219,667	155,842	228,107
Retention Factor	58.40%	58.40%	58.40%	58.40%
Additional Revenue Requirement	\$381,912	\$376,134	\$266,846	\$390,585

	<u>Proof</u>				
Revenue Requirement	100.0000%	\$381,912	\$376,134	\$266,846	\$390,585
Less:					
Revenue Taxes	2.78%	10,617	10,457	7,418	10,858
LPC	-0.38%	(1,432)	(1,411)	(1,001)	(1,465)
Informational Advertising	0.10%	382	376	267	391
Uncollectibles	0.78%	2,979	2,934	2,081	3,047
	96.72%	369,366	363,778	258,081	377,754
New York State Income Tax @ 7.1%	6.87%	26,225	25,828	18,324	26,821
	89.85%	343,141	337,950	239,757	350,933
Federal Income Tax @ 35%	31.45%	120,099	118,282	83,915	122,827
Retention Factor	58.40%	\$223,042	\$219,668	\$155,842	\$228,106

Consolidated Edison of New York, Inc.
Electric Department
Revenues & Purchased Power Expense
(\$000's)

	Twelve Months Ending March 31,				
	2011	2012	2013	2014	2015
T&D Revenues					
Full Service (T&D)	\$1,741,614	\$1,704,987	\$1,673,351	\$1,659,584	\$1,650,381
Retail Access (T&D)	1,571,584	1,602,126	1,637,639	1,659,596	1,678,979
NYPA Delivery	440,632	439,833	438,676	439,229	440,287
System Benefit Charge	196,136	120,797	65,396	38,149	-
Economic Development	26,471	26,471	26,471	26,471	26,471
PSC Assessment Surcharge	-	-	-	-	-
Low Income Program	(22,869)	(22,869)	(22,869)	(22,869)	(17,064)
Billing and payment processing	24,522	24,671	24,617	24,973	25,119
Metering	15,536	15,779	15,951	16,117	16,285
Merchant Function Charge	66,089	65,130	84,368	64,055	63,889
Merchant Function Charge - Uncollectables	16,188	16,850	16,277	16,729	16,592
MFC - Additional Uncollectables	956	970	1,005	1,022	973
Sales Adjustments	(70,979)	(70,979)	(70,979)	(70,979)	(70,979)
T&D Revenues	4,005,880	3,929,766	3,870,103	3,862,073	3,839,693
Fuel Revenues					
MSC Revenues	2,356,317	2,436,173	2,508,086	2,760,301	2,788,138
MAC Revenues	698,246	746,996	723,823	648,487	520,218
MSC True-Up	24,225	(105,316)	(114,419)	(300,084)	(304,960)
MAC True-Up	106,455	156,529	233,837	298,318	297,559
MAC Related - Uncollectables	5,472	6,144	6,512	6,438	5,468
Fuel Revenues	3,190,715	3,240,496	3,357,839	3,413,460	3,306,722
Total Revenues (excl. Rev. Taxes)	7,196,595	7,170,262	7,227,943	7,265,538	7,137,615
Unbilled Adjustment (excl. rev. taxes)	3,000	3,000	3,000	-	-
RY 1 Rate Relief (excl. rev. taxes)	914,231	914,231	914,231	914,231	914,231
RY 2 Rate Relief (excl. rev. taxes)	-	-	371,295	371,295	371,295
RY 3 Rate Relief (excl. rev. taxes)	-	-	-	365,677	365,677
RY 4 Rate Relief (excl. rev. taxes)	-	-	-	-	259,428
Revenue Taxes - Existing Rates	213,634	213,966	216,008	217,304	208,530
Rate Increase - revenue taxes	26,142	26,142	36,759	47,216	54,634
Total Revenues	8,353,602	8,327,601	8,769,235	9,181,261	9,309,410
Deferred Fuel Costs					
MSC Deferral	(29,868)	114,599	149,959	291,652	307,567
MAC Deferral	(100,129)	(171,845)	(246,206)	(295,834)	(267,699)
MSC Reversal	24,225	(105,316)	(114,419)	(300,084)	(304,660)
MAC Reversal	106,455	156,529	233,837	298,318	297,559
Cycle Billing Deferral MSC	(9,358)	5,093	(276)	(2,673)	(623)
Cycle Billing Deferral MAC	2,836	(5,419)	(1,734)	1,022	23,485
Net Fuel Deferral	(6,040)	(6,360)	21,161	(7,700)	55,628
Capacity Costs					
East Coast Power	89,104	89,348	89,104	89,104	89,104
Indeck Corinth	52,569	49,506	50,052	50,584	53,911
Selkirk	132,189	136,647	141,328	146,192	62,402
York NYC	50,689	49,476	50,037	50,578	50,860
Silhe	112,377	111,767	112,880	114,866	68,555
Astoria 6	51,077	50,209	50,895	63,333	53,339
IP2 Capacity	28,210	15,845	1,225	-	-
ISO Capacity	271,372	211,119	248,338	299,865	298,858
Total Capacity Costs	787,696	713,916	743,860	804,321	674,029
Energy Costs					
East Coast Power	403,549	446,630	468,847	481,233	499,044
York Warhase	-	-	-	-	-
Indeck Corinth	32,093	35,308	37,024	37,930	38,504
Selkirk	69,115	77,377	81,952	84,553	41,336
York NYC	85,544	85,798	101,570	105,017	107,114
Astoria 6	163,493	176,979	181,757	185,306	188,050
TCC Purchases	21,452	21,477	21,506	21,462	16,097
IP2 Energy	452,641	172,324	-	-	-
ISO Energy	282,018	563,059	725,072	732,528	762,441
Total Energy Costs	1,509,825	1,588,982	1,618,329	1,648,029	1,642,686
Other Miscellaneous Costs					
ISO - Ancillary	96,167	93,749	92,143	92,619	92,677
ISO - NTAC	11,527	11,213	11,012	11,075	11,082
ISO - TUC	93,390	91,308	89,946	90,349	90,517
Nuclear D&D	3,492	3,492	3,492	3,492	3,492
RGGI	7,276	7,276	7,276	7,276	7,276
Oil Burned	8,771	10,309	11,181	10,744	10,512
Gas Burned	271,181	341,940	387,055	384,383	387,692
Pipeline Charges Paid to Gas	6,898	6,898	6,898	6,898	6,898
Storage and Handling	3,981	4,585	4,009	4,035	4,213
Other Fuel Charges	756	751	742	587	821
Total Other Fuel Costs	603,437	571,519	613,753	611,796	615,278
Subtotal	\$2,794,819	\$2,868,027	\$2,997,103	\$3,056,406	\$2,987,621
Silhe Rebate*	(2,263)	(2,263)	(2,263)	(2,263)	(2,263)
Less Deferred purchased power (see below)	-	-	-	-	-
Total Fuel & Purchased Power Costs	2,792,556	2,865,763	2,994,839	3,054,143	2,985,357
Other Recoveries Thru MAC					
Embedded Generation Cost	286,480	271,580	271,580	271,580	266,581
Additional Recovery for East River Repowering	97,995	86,389	98,051	70,357	68,439
Electric Embedded 59th and 74th Recovery	6,500	6,500	6,500	6,500	4,875
Additional Recovery for DSM	56,450	29,456	15,108	8,865	-
Silhe Rebate*	(2,263)	(2,263)	(2,263)	(2,263)	(2,263)
Storage and Handling**	(3,981)	(4,585)	(4,009)	(4,035)	(4,213)
Other Fuel Charges***	(756)	(751)	(742)	(587)	(821)
MAC Related Ubs	5,472	6,144	6,512	6,438	5,468
Total	395,897	372,470	360,737	357,055	338,066

* Recovered in Other Operating Revenues
** Silhe Capacity is shown net of the discount

Line No.		Escalation for 12 Months				Escalation for 12 Months				Line No.	
		Rate Year 1 As Reflected in Exhibit (AP-9)	Rate Year Normalizing Adjustments	Subject to Inflation @ 2.20%	Ending March 31, 2012	Rate Year 2 As Adjusted	Rate Year Normalizing Adjustments	Subject to Inflation @ 2.20%	Ending March 31, 2013		Rate Year 3 As Adjusted
1	Miscellaneous Service Revenues	\$ 4,149	\$ -	Y	\$ 91	\$ 4,240	\$ -	Y	\$ 93	\$ 4,334	1
2	No Access Charges	4,510	-	Y	99	4,609	-	Y	101	4,711	2
3	Meter Recovery Charges	2,083	-	Y	46	2,129	-	Y	47	2,176	3
4	Meter Reconnection Charges	3,349	-	Y	74	3,423	-	Y	75	3,498	4
5	Collection Charges - Field Calls	-	-	Y	-	-	-	Y	-	-	5
	Other	14,091	-	-	310	14,401	-	-	317	14,718	
	Rents:										
6	Rent from Electric Property	16,253	-	N	-	16,253	-	N	-	16,253	6
7	Interdepartmental Rents	11,714	-	N	-	11,714	-	N	-	11,714	7
		27,967	-	-	-	27,967	-	-	-	27,967	
	Other Electric Revenues:										
8	Transmission of Energy	11,476	-	N	-	11,476	-	N	-	11,476	8
9	Transmission Service Charges	15,000	-	N	-	15,000	-	N	-	15,000	9
10	Maint. of Interconnection Facilities	2,189	-	Y	48	2,237	-	Y	49	2,286	10
11	Excess Distribution Facilities	2,663	-	Y	59	2,722	-	Y	60	2,781	11
12	Late Payment Charges	27,800	-	Y	612	28,412	-	Y	625	29,037	12
13	Meter Reading Services	1,434	(478)	N	-	956	(478)	N	-	478	13
14	The Learning Center Services	827	-	Y	18	845	-	Y	19	864	14
15	Fuel Management	80	-	N	-	80	-	N	-	80	15
16	Keyspan Facility Fee	730	-	N	-	730	-	N	-	730	16
17	TCC Credits	120,000	-	N	-	120,000	-	N	-	120,000	17
18	Keyspan Inside Delivery Charge	13,439	-	N	-	13,439	-	N	-	13,439	18
19	Slithe Agreement	(578)	-	N	-	(578)	-	N	-	(578)	19
20	POR Discount	2,263	-	N	-	2,263	-	N	-	2,263	20
21	ESCO / Marketer Charges	5,597	-	N	-	5,597	-	N	-	5,597	21
22	Transmission Netting Credit Adjustment	(347)	-	N	-	(347)	-	N	-	(347)	22
23	SO2 Allowances	1,591	-	N	-	1,591	-	N	-	1,591	23
24	GLP Interest Accrual	-	-	N	-	-	-	N	-	-	24
25	7459th Street - Offset to MAC recovery	(6,500)	-	N	-	(6,500)	-	N	-	(6,500)	25
26	Mandatory Hourly Pricing Program	220	1,364	N	-	1,584	1,461	N	-	3,045	26
		197,886	896	-	737	199,509	983	-	753	201,245	
	Regulatory Accounting										
	Case 04-E-0572 / 07-E-0523										
27	NYS Tax Law Changes	2,825	-	N	-	2,825	-	N	-	2,825	27
28	Passback of DC Incentive over one year	1,000	-	N	-	1,000	-	N	-	1,000	28
29	Amortization of ADR Benefits	5,455	-	N	-	5,455	-	N	-	5,455	29
30	Interest - IRS Audit Adjustments	2,470	-	N	-	2,470	-	N	-	2,470	30
31	Gain - 1st Avenue Properties	14,630	-	N	-	14,630	-	N	-	14,630	31
32	Deferred State Tax Benefits	1,705	-	N	-	1,705	-	N	-	1,705	32
33	Return of deferred property tax refund	89	-	N	-	89	-	N	-	89	33
34	Interest - 1st Avenue Properties	(7)	-	N	-	(7)	-	N	-	(7)	34
35	Subtotal Cases 04-E-0523 / 07-E-0523	26,167	-	-	-	26,167	-	-	-	26,167	35
	Case 08-E-0549										
36	Verizon reimbursement	-	-	N	-	-	-	N	-	-	36
37	SO2 Credits	545	-	N	-	545	-	N	-	545	37
38	2008 Amortizations - Interest on Deferral	(133)	-	N	-	(133)	-	N	-	(133)	38
39	- Deferral Case 04-E-0572	(3,728)	-	N	-	(3,728)	-	N	-	(3,728)	39
40	- Deferred Pension Amortization	(17,032)	-	N	-	(17,032)	-	N	-	(17,032)	40
41	- SIR - MGP 10 Year Amortization	(17,398)	(3,392)	N	-	(20,790)	(3,392)	N	-	(24,182)	41
42	Amort of WTC	(3,000)	-	N	-	(3,000)	-	N	-	(3,000)	42
43	T&D Carrying Charges	(18,445)	-	N	-	(19,445)	-	N	-	(18,445)	43
44	Transmission Service Charges	4,973	-	N	-	4,973	-	N	-	4,973	44
45	Return of deferred property tax refund	-	-	N	-	-	-	N	-	-	45
46	Low Income Program	-	-	N	-	-	-	N	-	-	46
47	Property Tax Increase Deferral 07-E-0543	(20,408)	-	N	-	(20,408)	-	N	-	(20,408)	47
48	Targeted DSM - Case 04-E-0572	(391)	-	N	-	(391)	-	N	-	(391)	48
		(76,017)	(3,392)	-	-	(79,409)	(3,392)	-	-	(82,801)	
	Case 09-E										
49	Municipal Infrastructure Support	7,431	-	N	-	7,431	-	N	-	7,431	49
50	Network CAIDI Performance Mechanism Penalty	1,667	-	N	-	1,667	-	N	-	1,667	50
51	Power for jobs credit	883	-	N	-	883	-	N	-	883	51
52	Interest rates - auction rate debt	610	-	N	-	610	-	N	-	610	52
53	Excess emission reduction credits	358	-	N	-	358	-	N	-	358	53
54	Washington Heights & WTC Security Initiatives	18	-	N	-	18	-	N	-	18	54
55	Property Condemnations	236	-	N	-	236	-	N	-	236	55
56	Retail Choice - Phase 7	(2,562)	-	N	-	(2,562)	-	N	-	(2,562)	56
57	Business Incentive Rate - Revenue Shortfall	(1,712)	-	N	-	(1,712)	-	N	-	(1,712)	57
58	Interest on Deferrals	(472)	-	N	-	(472)	-	N	-	(472)	58
59	Two year amort - Facilities Maint cost per Case 08-E-0539	(862)	862	N	-	-	-	N	-	-	59
60	Three year recov - East Rvr 6 Gen Rewind per Case 08-E-0	(576)	-	N	-	(876)	876	N	-	-	60
61	Two year amort - 5 Year UG Inspect Prog Inc. Costs 08-E-0	(3,900)	3,900	N	-	-	-	N	-	-	61
62	Facility Maintenance	906	-	N	-	906	-	N	-	906	62
63	Emergency Demand Response / Reduction Programs	(75)	-	N	-	(75)	-	N	-	(75)	63
		(46,200)	1,370	-	-	(44,830)	(2,316)	-	-	(47,346)	
	Total Rate Making Adjustments										
	Total Other Operating Revenues	193,744	2,256	-	1,047	197,047	(1,533)	-	1,070	196,584	
	Plus LPC on rate relief	3,526	-	-	-	3,526	-	-	1,432	4,958	
	Total Other Operating Revenues	\$ 197,270	\$ 2,256		\$ 1,047	\$ 200,573	\$ (1,533)		\$ 2,502	\$ 201,542	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
OTHER OPERATING REVENUES - ELECTRIC
FOR THE RATE YEARS ENDING MARCH 31, 2014 AND MARCH 31, 2015
\$ ('000's)

Line No.	Miscellaneous Service Revenues	Rate Year 3		Rate Year Normalizing Adjustments	Subject to Inflation @ 2.20%	Escalation for 12 Months Ending March 31, 2014		Rate Year 4		Rate Year Normalizing Adjustments	Subject to Inflation @ 2.20%	Escalation for 12 Months Ending March 31, 2015		Rate Year 5	Line No.
		As Reflected in Exhibit (AP \$)				As Adjusted		As Adjusted							
1	No Access Charges	\$ 4,334	\$ -	-	Y	\$ 95	\$ 4,429	\$ -	-	-	Y	\$ 97	\$ 4,526	1	
2	Meter Recovery Charges	4,711	-	-	Y	104	4,814	-	-	-	Y	105	4,920	2	
3	Meter Reconnection Charges	2,176	-	-	Y	48	2,224	-	-	-	Y	49	2,272	3	
4	Collection Charges - Field Calls	3,498	-	-	Y	77	3,575	-	-	-	Y	79	3,654	4	
5	Other	-	-	-	Y	-	-	-	-	-	Y	-	-	5	
		14,719	-	-		324	15,042	-	-	-		331	15,373		
	Rents:														
6	Rent from Electric Property	16,253	-	-	N	-	16,253	-	-	-	N	-	16,253	6	
7	Interdepartmental Rents	11,714	-	-	N	-	11,714	-	-	-	N	-	11,714	7	
		27,967	-	-		-	27,967	-	-	-		-	27,967		
	Other Electric Revenues:														
8	Transmission of Energy	11,476	-	-	N	-	11,476	-	-	-	N	-	11,476	8	
9	Transmission Service Charges	15,000	-	-	N	-	15,000	-	-	-	N	-	15,000	9	
10	Maint. of Interconnection Facilities	2,266	-	-	Y	50	2,337	-	-	-	Y	51	2,388	10	
11	Excess Distribution Facilities	2,781	-	-	Y	61	2,843	-	-	-	Y	63	2,905	11	
12	Late Payment Charges	29,037	-	-	Y	639	29,675	-	-	-	Y	653	30,328	12	
13	Meter Reading Services	478	(239)	-	N	-	239	-	(239)	-	N	-	-	13	
14	The Learning Center Services	864	-	-	Y	19	883	-	-	-	Y	19	902	14	
15	Fuel Management	80	-	-	Y	2	82	-	-	-	Y	2	84	15	
16	Keyspan Facility Fee	730	-	-	N	-	730	-	-	-	N	-	730	16	
17	TCC Credits	120,000	-	-	N	-	120,000	-	-	-	N	-	120,000	17	
18	Keyspan Inside Delivery Charge	13,439	-	-	N	-	13,439	-	-	-	N	-	13,439	18	
19	Slite Agreement	(576)	-	-	N	-	(576)	-	-	-	N	-	(576)	19	
20	POR Discount	2,253	-	-	Y	50	2,313	-	-	-	Y	51	2,364	20	
21	ESCO / Marketer Charges	6,697	-	-	N	-	6,697	-	-	-	N	-	6,697	21	
22	Transmission Netting Credit Adjustment	(347)	-	-	N	-	(347)	-	-	-	N	-	(347)	22	
23	SO2 Allowances	1,591	-	-	N	-	1,591	-	-	-	N	-	1,591	23	
24	GHP Interest Accrual	0	-	-	N	-	0	-	-	-	N	-	0	24	
25	74/59th Street - Offset to MAC recovery	(6,500)	-	-	N	-	(6,500)	-	-	-	N	-	(6,500)	25	
26	Mandatory Hourly Pricing Program	3,045	-	-	N	-	3,045	-	-	-	N	-	3,045	26	
		201,245	(239)	-		621	201,827	(239)	-	-		636	202,426		
	Regulatory Accounting														
	Case 04-E-0572 / 07-E-0523														
27	NYS Tax/Law Changes	2,825	(2,825)	-	N	-	-	-	-	-	N	-	-	27	
28	Passback of DC Incentive over one year	1,000	(1,000)	-	N	-	-	-	-	-	N	-	-	28	
29	Amortization of ADR Benefits	5,455	(5,455)	-	N	-	-	-	-	-	N	-	-	29	
30	Interest IRS Audit Adjustments	2,470	(2,470)	-	N	-	-	-	-	-	N	-	-	30	
31	Gain - 1st Avenue Properties	14,630	(14,630)	-	N	-	-	-	-	-	N	-	-	31	
32	Deferred State Tax Benefits	1,705	(1,705)	-	N	-	-	-	-	-	N	-	-	32	
33	Return of deferred property tax refund	89	(89)	-	N	-	-	-	-	-	N	-	-	33	
34	Interest - 1st Avenue Properties	(7)	7	-	N	-	-	-	-	-	N	-	-	34	
35	Subtotal Cases 04-E-0523 / 07-E-0523	28,167	(28,167)	-		-	-	-	-	-		-	-	35	
	Case 08-E-0549														
36	Verizon reimbursement	-	-	-	N	-	-	-	-	-	N	-	-	36	
37	SO2 Credits	545	(545)	-	N	-	-	-	-	-	N	-	-	37	
38	2008 Amortizations - Interest on Deferral	(153)	133	-	N	-	-	-	-	-	N	-	-	38	
39	- Deferral Case 04-E-0572	(3,728)	3,728	-	N	-	-	-	-	-	N	-	-	39	
40	- Deferred Pension Amortization	(17,032)	17,032	-	N	-	-	-	-	-	N	-	-	40	
41	- SIR - MGP 10 Year Amortization	(24,182)	-	-	N	(3,392)	(27,574)	(3,392)	-	-	N	-	(30,966)	41	
42	Amort of WTC	(3,000)	-	-	N	-	(3,000)	-	-	-	N	-	(3,000)	42	
43	T&D Carrying Charges	(19,445)	-	-	N	-	(19,445)	-	-	-	N	-	(19,445)	43	
44	Transmission Service Charges	4,973	(4,973)	-	N	-	-	-	-	-	N	-	-	44	
45	Return of deferred property tax refund	-	-	-	N	-	-	-	-	-	N	-	-	45	
46	Low Income Program	-	-	-	N	-	-	-	-	-	N	-	-	46	
47	Property Tax Increase Deferral 07-E-0543	(20,408)	20,408	-	N	-	-	-	-	-	N	-	-	47	
48	Targeted DSM - Case 04-E-0572	(391)	391	-	N	-	-	-	-	-	N	-	-	48	
		(82,801)	36,174	-		(3,392)	(50,019)	(3,392)	-	-		-	(53,411)	0	
	Case 09-E														
49	Municipal Infrastructure Support	7,431	(7,431)	-	N	-	-	-	-	-	N	-	-	49	
50	Network CAIDI Performance Mechanism Penalty	1,667	(1,667)	-	N	-	-	-	-	-	N	-	-	50	
51	Power for jobs credit	883	(883)	-	N	-	-	-	-	-	N	-	-	51	
52	Interest rates - auction rate debt	610	(610)	-	N	-	-	-	-	-	N	-	-	52	
53	Excess emission reduction credits	358	(358)	-	N	-	-	-	-	-	N	-	-	53	
54	Washington Heights & WTC Security Initiatives	18	(18)	-	N	-	-	-	-	-	N	-	-	54	
55	Property Condemnations	236	(236)	-	N	-	-	-	-	-	N	-	-	55	
56	Retail Choice - Phase 7	(2,562)	2,562	-	N	-	-	-	-	-	N	-	-	56	
57	Business Incentive Rate - Revenue Shortfall	(1,712)	1,712	-	N	-	-	-	-	-	N	-	-	57	
58	Interest on Deferrals	(472)	472	-	N	-	-	-	-	-	N	-	-	58	
59	Two year amort - Facilities Maint cost per Case 09-E-0539	-	-	-	N	-	-	-	-	-	N	-	-	59	
60	Three year recov - East Rvr 6 Gen Rewind per Case 09-E-0	-	-	-	N	-	-	-	-	-	N	-	-	60	
61	Two year amort - 5 Year UG Inspect Prog Inc. Costs 08-E-0	-	-	-	N	-	-	-	-	-	N	-	-	61	
62	Facility Maintenance	906	(906)	-	N	-	-	-	-	-	N	-	-	62	
63	Emergency Demand Response / Reduction Programs	(75)	75	-	N	-	-	-	-	-	N	-	-	63	
	Total Rate Making Adjustments	(47,346)	719	-		(3,392)	(50,019)	(3,392)	-	-		-	(53,411)		
	Total Other Operating Revenues	196,584	480	-		(2,247)	194,816	(3,631)	-	-		1,170	192,355		
	Plus LPC on rate relief	4,958	-	-		-	4,958	-	-	-		-	4,958		
	Total Other Operating Revenues	\$ 201,542	\$ 480	-		\$ (2,247)	\$ 199,774	\$ (3,631)	-	-		\$ 1,170	\$ 197,313		

Consolidated Edison Company of New York, Inc.
Site Investigation and Remediation Expenditures (\$ x 1000)
Linking Period (April 2009 - March 2010) and Rate Year (April 2010 - March 2011)

	<u>Linking</u> <u>Period</u>	<u>Rate Year</u>	<u>Total</u>
MGP	\$ 29,878	\$ 36,027	\$ 65,905
Superfund	344	943	1,287
Appendix B	2,396	3,309	5,705
Astoria	1,295	5,785	7,080
UST	854	4,935	5,789
Total	34,767	50,999	85,766
Allocation to Electric - 78.7%			\$ 67,498
Under (Over) Collection at June 2009 (Electric)			119,388
April 2009 - March 2010 Amortization			(12,913)
Balance to be Recovered			173,973
10-Year Amortization-Sept update			17,397
10-Year Amortization-July update			321
10-Year Amortization-original filing			18,259
Net Increase			<u>(1,183)</u>

Consolidated Edison Company of New York, Inc.
Site Investigation and Remediation Expenditures (\$ x 1000)
Rate Years Beginning April 1 of 2012 (RY2), 2013 (RY3), 2014 (RY4) & 2015 (RY5)

	<u>RY2</u>	<u>RY3</u>	<u>RY4</u>	<u>RY5</u>
MGP	\$ 36,300	\$ 36,300	\$ 36,300	\$ 36,300
Superfund	2,100	2,100	2,100	2,100
Appendix B	2,100	2,100	2,100	2,100
Astoria	2,000	2,000	2,000	2,000
UST	600	600	600	600
Total	<u>43,100</u>	<u>43,100</u>	<u>43,100</u>	<u>43,100</u>
Allocation to Electric - 78.7%	\$ 33,920	\$ 33,920	\$ 33,920	\$ 33,920
Annual Amortization (10 - year recovery)	\$ 3,392	\$ 3,392	\$ 3,392	\$ 3,392
Amortization by Vintage				
RY-1	17,397	17,397	17,397	17,397
RY-2	3,392	3,392	3,392	3,392
RY-3		3,392	3,392	3,392
RY-4			3,392	3,392
RY-5				3,392
Total Amortization	<u>\$ 20,789</u>	<u>\$ 24,181</u>	<u>\$ 27,573</u>	<u>\$ 30,965</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (excl. Purchased Power)
FOR THE RATE YEARS ENDING MARCH 31, 2014 AND MARCH 31, 2015
 (\$000s)

LINE NO.		Escalation								
		for				for				
		12 Months Ending March 31, 2013	Payroll Escl. @ 3.61%	Subject to Inflation @ 2.20%	12 Months Ending March 31, 2014	12 Months Ending March 31, 2014	Payroll Escl. @ 3.61%	Subject to Inflation @ 2.20%	12 Months Ending March 31, 2015	12 Months Ending March 31, 2015
1	Austerity	\$0	N	N	\$0	\$0	N	N	\$0	\$0
2	Administrative Expenses Transferred - or.	(28,970)	N	Y	(\$637)	(\$29,607)	N	Y	(\$651)	(\$30,259)
3	Electric Operation	126,117	N	Y	2,775	128,892	N	Y	2,836	131,728
4	Asbestos Removal and Abatement	40	N	Y	1	41	N	Y	1	41
5	Bank Collection Fees	142	N	Y	3	145	N	Y	3	148
6	System and Transmission Operations	49,677	N	Y	895	41,572	N	Y	915	42,487
7	Substation Operation	30,661	N	Y	675	31,335	N	Y	689	32,024
8	Boiler Cleaning	1,116	N	Y	25	1,140	N	Y	25	1,165
9	Building Service/Facilities	13,581	N	Y	299	13,880	N	Y	305	14,186
10	Central Engineering-Administrative	25	N	Y	1	26	N	Y	1	26
11	Central Engineering-Distribution	0	N	Y	-	-	N	Y	-	-
12	Collection Agency/Payment Agent Fees	3,513	N	Y	77	3,590	N	Y	79	3,669
13	Communications - Telephone	6,974	N	Y	153	7,127	N	Y	157	7,284
14	Other Compensation	2,262	N	Y	50	2,312	N	Y	51	2,363
15	Company Labor	317,855	Y	N	11,485	329,340	Y	N	11,900	341,240
16	Company Labor - Elect. Op., STO, SSO	285,331	Y	N	10,310	295,641	Y	N	10,683	306,324
17	Consultants	11,461	N	Y	252	11,713	N	Y	258	11,971
18	Contract Labor	2,111	N	Y	46	2,157	N	Y	47	2,205
19	Corrective Maintenance	5,075	N	Y	112	5,187	N	Y	114	5,301
20	AMR Savings	(1,983)	Y	N	(72)	(2,055)	Y	Y	(45)	(2,100)
21	Disposal of Obsolete M&S	7,210	N	Y	159	7,369	N	Y	162	7,531
22	DSM	15,108	N	N	(6,243)	8,865	N	N	(8,865)	-
23	Duplicate Misc. Charges	(24,007)	N	Y	(528)	(24,538)	N	Y	(540)	(25,075)
24	EDP Equipment Rentals & Mtce.	4,491	N	Y	99	4,590	N	Y	101	4,691
25	Electricity & Gas Used	4,177	N	Y	92	4,269	N	Y	94	4,363
26	Employee Pensions / OPEBS	366,225	N	N	(3,876)	362,349	N	N	(40,396)	321,953
27	Employee Pensions / OPEBS New Hires	540	N	N	-	540	N	N	-	540
28	Employee Welfare Expense - Net	102,083	N	Y	2,246	104,328	N	Y	2,295	106,624
29	Environmental Expenses	5,272	N	Y	116	5,387	N	Y	119	5,506
30	ERRP - Major Maintenance	7,834	N	Y	172	8,006	N	Y	176	8,182
31	Facilities Maintenance	1,778	Y	Y	39	1,817	N	Y	40	1,857
32	Financial Services	10,147	N	Y	223	10,370	N	Y	228	10,599
33	Gas Turbines	3,054	N	Y	67	3,121	N	Y	69	3,190
34	Information Resources	37,322	N	Y	821	38,144	N	Y	839	38,983
35	Informational Advertising	8,725	N	Y	192	8,917	N	Y	196	9,113
36	Injuries & Damages Reserve	43,458	N	Y	956	44,414	N	Y	977	45,391
37	Instit. Dues & Subscriptions	1,736	N	Y	38	1,774	N	Y	39	1,813
38	Insurance Premiums	23,319	N	Y	513	23,832	N	Y	524	24,356
39	Interference	93,036	N	Y	2,047	95,083	N	Y	2,092	97,175
40	Corporate and Fiscal Expenses	4,887	N	Y	108	4,995	N	Y	110	5,105
41	Manhour Expense	1,044	N	Y	23	1,067	N	Y	23	1,091
42	Marshall's Fees	1,128	N	Y	25	1,153	N	Y	25	1,178
43	Materials & Supplies	3,266	N	Y	72	3,337	N	Y	73	3,411
44	Outreach and Education	4,909	N	Y	108	5,017	N	Y	110	5,127
45	Other (Fossil)	2,042	N	Y	45	2,087	N	Y	46	2,133
46	Outside Legal Services	1,008	N	Y	22	1,030	N	Y	23	1,053
47	Paving	11	N	Y	0	12	N	Y	0	12
48	Plant Component Upgrade	244	N	Y	5	250	N	Y	5	255
49	Postage	16,202	N	Y	356	16,558	N	Y	364	16,923
50	Preventive Maintenance	2,012	N	Y	44	2,056	N	Y	45	2,101
51	RCA-Amort. of Hudson-Farragut	487	N	N	-	487	N	N	-	487
52	Renewable Portfolio Standard	48,859	N	Y	1,075	49,934	N	Y	1,099	51,032
53	Real Estate Expense	3,970	N	N	-	3,970	N	Y	87	4,057
54	Regulatory Commission Expense	33,129	N	Y	729	33,858	N	Y	745	34,603
55	Rents	58,789	N	N	2,806	61,595	N	Y	(2,418)	59,177
56	Rents (ERRP)	68,051	N	Y	1,497	69,548	N	Y	1,530	71,078
57	Rents (Interdepartmental)	5,237	N	Y	115	5,352	N	Y	118	5,470
58	Research & Development	22,350	N	N	(27,247)	(4,897)	N	N	(38,149)	(43,046)
59	System Benefit Charge	15,348	N	Y	338	15,686	N	Y	345	16,031
60	Scheduled Overhauls	2,452	N	Y	54	2,506	N	Y	55	2,562
61	Security	1,741	N	Y	38	1,779	Y	Y	39	1,819
62	Shared Services	(9,254)	N	N	-	(9,254)	N	N	-	(9,254)
63	Storm Reserve - Electric Op	5,600	N	Y	123	5,723	N	Y	126	5,849
64	Trenching	150	N	N	-	150	N	Y	3	154
65	Uncollectible	72,840	N	N	-	72,840	N	N	-	72,840
66	Water	682	N	Y	15	697	N	Y	15	712
67	Water Chemicals	694	N	Y	15	709	N	Y	16	724
68	Other	40,032	N	Y	881	40,913	N	Y	900	41,813
Subtotal		\$ 1,935,407			\$ 4,829	\$ 1,940,237			\$ (49,145)	\$ 1,891,092
Less: SBC/RPM		(15,348)			27,247	11,899			38,149	50,048
: DSM & Renewable Portfolio Standard		(63,967)			6,243	(57,724)			8,865	(48,859)
: Pensions		(366,225)			3,876	(362,349)			40,396	(321,953)
: Regulatory Assessments		(189,885)			-	(189,885)			-	(189,885)
Total		1,299,983			42,195	1,342,178			38,265	1,380,443

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ELECTRIC PENSION / OPEB EXPENSE
FOR THE RATE YEARS ENDING MARCH 31, 2012 AND MARCH 31, 2013
(\$000s)

<u>Electric Expense</u>	<u>12 Months Ending March 31, 2011</u>	<u>Program Changes</u>	<u>12 Months Ending March 31, 2012</u>
Pension Expense - Qualified Plan	\$ 367,253.6	\$ 57,057.5	\$ 424,311.1
Retiree Health / Life Insurance (OPEBs)	90,131.2	1,455.9	91,587.1
Subtotal - Qualified Plans	457,384.8	58,513.4	515,898.2
Direct Pension Payments.	38.0	0.8	38.8
Supplemental Pension Plan	13,847.2	304.6	14,151.8
Gross Pension & OPEBs Expense	471,270.0	58,818.8	530,088.8
Capitalized	(165,358.4)	(20,638.6)	(185,997.0)
Billed to Affiliates	(501.5)	(286.9)	(788.4)
Amort. Of Def Pension Expense	2,000.0	-	2,000.0
Net Current Pension & OPEBs Exp.	<u>\$ 307,410.1</u>	<u>\$ 37,893.3</u>	<u>\$ 345,303.4</u>

<u>Electric Expense</u>	<u>12 Months Ending March 31, 2012</u>	<u>Program Changes</u>	<u>12 Months Ending March 31, 2013</u>
Pension Expense - Qualified Plan	\$ 424,311.1	\$ 35,257.6	\$ 459,568.7
Retiree Health / Life Insurance (OPEBs)	91,587.1	(2,183.9)	89,403.2
Subtotal - Qualified Plans	515,898.2	33,073.7	548,971.9
Direct Pension Payments.	38.8	0.9	39.7
Supplemental Pension Plan	14,151.8	311.3	14,463.1
Gross Pension & OPEBs Expense	530,088.8	33,385.9	563,474.7
Capitalized	(185,997.0)	(11,714.5)	(197,711.5)
Billed to Affiliates	(788.4)	(209.8)	(998.2)
Amort. Of Def Pension Expense	2,000.0	-	2,000.0
Net Current Pension & OPEBs Exp.	<u>\$ 345,303.4</u>	<u>\$ 21,461.6</u>	<u>\$ 366,765.0</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ELECTRIC PENSION / OPEB EXPENSE
FOR THE RATE YEARS ENDING MARCH 31, 2014 AND MARCH 31, 2015
(\$000s)

<u>Electric Expense</u>	<u>12 Months Ending March 31, 2013</u>	<u>Program Changes</u>	<u>12 Months Ending March 31, 2014</u>
Pension Expense - Qualified Plan	\$ 459,568.7	\$ 787.0	\$ 460,355.7
Retiree Health / Life Insurance (OPEBs)	89,403.2	(6,945.3)	82,457.9
Subtotal - Qualified Plans	548,971.9	(6,158.3)	542,813.6
Direct Pension Payments.	39.7	0.9	40.6
Supplemental Pension Plan	14,463.1	318.2	14,781.3
Gross Pension & OPEBs Expense	563,474.7	(5,839.2)	557,635.5
Capitalized	(197,711.5)	2,048.9	(195,662.6)
Billed to Affiliates	(998.2)	(85.7)	(1,083.9)
Amort. Of Def Pension Expense	2,000.0	-	2,000.0
Net Current Pension & OPEBs Exp.	<u>\$ 366,765.0</u>	<u>\$ (3,876.0)</u>	<u>\$ 362,889.0</u>

<u>Electric Expense</u>	<u>12 Months Ending March 31, 2014</u>	<u>Program Changes</u>	<u>12 Months Ending March 31, 2015</u>
Pension Expense - Qualified Plan	\$ 460,355.7	\$ (60,835.1)	\$ 399,520.6
Retiree Health / Life Insurance (OPEBs)	82,457.9	(472.2)	81,985.7
Subtotal - Qualified Plans	542,813.6	(61,307.3)	481,506.3
Direct Pension Payments.	40.6	0.9	41.5
Supplemental Pension Plan	14,781.3	325.2	15,106.5
Gross Pension & OPEBs Expense	557,635.5	(60,981.2)	496,654.3
Capitalized	(195,662.6)	21,397.5	(174,265.1)
Billed to Affiliates	(1,083.9)	187.6	(896.3)
Amort. Of Def Pension Expense	2,000.0	(1,000.0)	1,000.0
Net Current Pension & OPEBs Exp.	<u>\$ 362,889.0</u>	<u>\$ (40,396.1)</u>	<u>\$ 322,492.9</u>

Consolidated Edison of New York, Inc.
Electric Department
Depreciation Expense
(\$000's)

		Twelve Months Ending March 31,				
		2011	2012	2013	2014	2015
Electric						
	Electric Transmission and Distribution	509,088	550,390	586,284	610,473	652,713
	Electric Steam Production	25,021	26,436	27,769	29,518	31,410
	Other Production	1,708	1,708	1,708	1,708	1,708
	Common	96,097	99,134	109,889	113,214	117,223
	Total Electric	631,914	677,668	725,649	754,913	803,053

Consolidated Edison of New York, Inc.
Electric Department
Company Revenue Requirement
Taxes Other than Income Taxes
For the Twelve Months Ending March 31, 2012
(\$000's)

	Rate Year 1 As Reflected in Exhibit (AP-9)	Rate Year 2 Adjustments	Rate Year 2 As Adjusted	Proposed Rate Increase	Rate Year 2 As Adjusted For Proposed Rate Increase
Revenue Taxes - Sales Revenues	\$234,612	\$5,496	\$240,108	\$10,617	\$250,725
- Other Operating Rev.	1,705	-	1,705		1,705
Subsidiary Capital Taxes	5,177	-	\$5,177		5,177
Receipts Tax	16,250	-	16,250		16,250
Property Taxes	1,083,220	107,023	1,190,243		1,190,243
Mobility Taxes	1,878	68	1,946		1,946
Payroll Taxes	55,276	754	56,030		56,030
All Other	1,597	-	1,597		1,597
Taxes Other Than Income Taxes	<u>\$1,399,715</u>	<u>\$113,341</u>	<u>\$1,513,056</u>	<u>\$10,617</u>	<u>\$1,523,673</u>
Less: Gross Receipts Taxes	<u>(236,317)</u>	<u>(5,496)</u>	<u>(241,813)</u>	<u>(10,617)</u>	<u>(252,430)</u>
Total Excluding GRT	<u>\$1,163,398</u>	<u>\$107,845</u>	<u>\$1,271,243</u>	<u>\$0</u>	<u>\$1,271,243</u>

For the Twelve Months Ending March 31, 2013
(\$000's)

	Rate Year 2 As Reflected in Exhibit (AP-9)	Rate Year 3 Adjustments	Rate Year 3 As Adjusted	Proposed Rate Increase	Rate Year 3 As Adjusted For Proposed Rate Increase
Revenue Taxes - Sales Revenues	\$250,725	\$2,042	\$252,767	\$10,457	\$263,224
- Other Operating Rev.	1,705	-	\$1,705		1,705
Subsidiary Capital Taxes	5,177	-	\$5,177		5,177
Receipts Tax	16,250	-	16,250		16,250
Property Taxes	1,190,243	130,221	1,320,464		1,320,464
Mobility Taxes	1,946	70	2,016		2,016
Payroll Taxes	56,030	781	56,812		56,812
All Other	1,597	-	1,597		1,597
Taxes Other Than Income Taxes	<u>\$1,523,673</u>	<u>\$133,115</u>	<u>\$1,656,788</u>	<u>\$10,457</u>	<u>\$1,667,245</u>
Less: Gross Receipts Taxes	<u>(250,725)</u>	<u>(2,042)</u>	<u>(252,767)</u>	<u>(10,457)</u>	<u>(263,224)</u>
Total Excluding GRT	<u>\$1,272,948</u>	<u>\$131,073</u>	<u>\$1,404,021</u>	<u>\$0</u>	<u>\$1,404,021</u>

Consolidated Edison of New York, Inc.
Electric Department
Company Revenue Requirement
Taxes Other than Income Taxes
For the Twelve Months Ending March 31, 2014
(\$000's)

	Rate Year 3 As Reflected in Exhibit (AP-9)	Rate Year 4 Adjustments	Rate Year 4 As Adjusted	Proposed Rate Increase	Rate Year 4 As Adjusted For Proposed Rate Increase
Revenue Taxes - Sales Revenues	\$263,224	\$1,296	\$264,520	\$7,418	\$271,938
- Other Operating Rev.	1,705	-	1,705		1,705
Subsidiary Capital Taxes	5,177	-	\$5,177		5,177
Receipts Tax	16,250	-	16,250		16,250
Property Taxes	1,320,464	144,468	1,464,932		1,464,932
Mobility Taxes	2,016	73	2,089		2,089
Payroll Taxes	56,812	810	57,621		57,621
All Other	1,597	-	1,597		1,597
Taxes Other Than Income Taxes	<u>\$1,667,245</u>	<u>\$146,647</u>	<u>\$1,813,891</u>	<u>\$7,418</u>	<u>\$1,821,309</u>
Less: Gross Receipts Taxes	<u>(263,224)</u>	<u>(1,296)</u>	<u>(264,520)</u>	<u>(7,418)</u>	<u>(271,938)</u>
Total Excluding GRT	<u>\$1,404,021</u>	<u>\$145,351</u>	<u>\$1,549,371</u>	<u>\$0</u>	<u>\$1,549,371</u>

For the Twelve Months Ending September 30, 2015
(\$000's)

	Rate Year 4 As Reflected in Exhibit (AP-9)	Rate Year 5 Adjustments	Rate Year 5 As Adjusted	Proposed Rate Increase	Rate Year 5 As Adjusted For Proposed Rate Increase
Revenue Taxes - Sales Revenues	\$271,938	(\$10,774)	\$261,164	\$10,858	\$272,022
- Other Operating Rev.	1,705	-	\$1,705		1,705
Subsidiary Capital Taxes	5,177	-	\$5,177		5,177
Receipts Tax	16,250	-	16,250		16,250
Property Taxes	1,464,932	160,274	1,625,206		1,625,206
Mobility Taxes	2,089	75	2,164		2,164
Payroll Taxes	57,621	839	58,460		58,460
All Other	1,597	-	1,597		1,597
Taxes Other Than Income Taxes	<u>\$1,821,309</u>	<u>\$150,414</u>	<u>\$1,971,724</u>	<u>\$10,858</u>	<u>\$1,982,582</u>
Less: Gross Receipts Taxes	<u>(271,938)</u>	<u>10,774</u>	<u>(261,164)</u>	<u>(10,858)</u>	<u>(272,022)</u>
Total Excluding GRT	<u>\$1,549,371</u>	<u>\$161,188</u>	<u>\$1,710,560</u>	<u>\$0</u>	<u>\$1,710,560</u>

Consolidated Edison of New York, Inc.
Electric Department
New York State Income Tax
Twelve Months Ending March 31, 2012
(\$000's)

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	Rate Year 1 As Reflected in Exhibit (AP-9)	Rate Year 2 Adjustments	Rate Year 2 As Adjusted	Proposed Rate Increase	Rate Year 2 As Adjusted For Proposed Rate Increase
Operating Income Before Income Taxes	\$1,751,787	(\$224,126)	\$1,527,660	\$369,366	\$1,897,026
<u>Deduct: Non Taxable Inc. & Add'l Deductions</u>					
Interest Expense	449,905	27,142	477,047		477,047
Medicare Part D Subsidy - Post Employment Benefits	16,599	-	16,599		16,599
Total Deductions	466,504	27,142	493,646	-	493,646
<u>Normalized Items:</u>					
<u>Add: Add'l Income & Unallowable Deducts Normal</u>					
Book Depreciation	631,914	45,754	677,668	-	677,668
Capitalized Interest	16,833	(21,542)	(4,709)		(4,709)
Pensions / OPEB expense - Per Books (incl amort)	324,442	37,893	362,335		362,335
Contributions in Aid of Construction	672	-	672		672
Total Additions	973,861	62,106	1,035,966	-	1,035,966
<u>Deduct: Non Taxable Inc. & Add'l Deductions:</u>					
NYS Depreciation	673,521	120,378	793,899		793,899
263A Overheads	100,017	10,661	110,678		110,678
Removal Costs	167,352	(2,964)	164,388		164,388
Repair Allowance	43,475	(7,692)	35,784		35,784
Loss on MACRS Retirements	45,342	(11,082)	34,260		34,260
Pensions / OPEB expense - Funding	449,771	(19,912)	429,859		429,859
Westchester Property Tax adjustment	1,416	-	1,416		1,416
WTC Capital expenses	(3,000)	-	(3,000)		(3,000)
Retail Choice Phase 7	(2,562)	-	(2,562)		(2,562)
Deferrals from Case 04-E-0572 RY3	(3,728)	-	(3,728)		(3,728)
Interest on Deferrals from Case 04-E-0572 RY3	(133)	-	(133)		(133)
T&D Deferral from Case 07-E-0523	(19,445)	-	(19,445)		(19,445)
SIR deferral	(17,398)	-	(17,398)		(17,398)
Property Tax Increase deferral - April 2008 - March 2009	(20,408)	-	(20,408)		(20,408)
Business Incentive Rate - Revenue Shortfall	(1,712)	-	(1,712)		(1,712)
Targeted DSM	(391)	-	(391)		(391)
Interest	(472)	-	(472)		(472)
Interest on MGP - Electric	(926)	-	(926)		(926)
Emergency Demand Response / Demand Reduction Programs	(75)	-	(75)		(75)
Power for Jobs Tax Credit	883	-	883		883
Excess Emission Reduction Credits	358	-	358		358
Credits from Case 07-E-0523	29,093	-	29,093		29,093
TSC Revenues	4,973	-	4,973		4,973
Interference Underspending	7,431	-	7,431		7,431
Network CAIDI Performance Mechanism Revenue Adjustment	1,667	-	1,667		1,667
Washington Heights and WTC Security Initiatives	18	-	18		18
SO2 Allowances	545	-	545		545
Auction Interest Rate - Case 07-E-0523	610	-	610		610
Property Condemnations	236	-	236		236
Property Tax Refunds	-	-	-		-
Interest - Gain on Sale of First Avenue Properties	906	-	906		906
Facilities Maintenance cost per Case 08-E-0539	(862)	-	(862)		(862)
East River 6 Generator Rewind per Case 08-E-0539	(876)	-	(876)		(876)
5 Year Underground Insp. Program per Case 08-E-0539	(3,900)	-	(3,900)		(3,900)
Miscellaneous	-	-	-		-
Total Deductions	1,451,726	89,390	1,541,116	-	1,541,116
Taxable Income-New York State	807,417	(278,553)	528,864	369,366	898,230
Current New York State Income Tax @ 7.1%	57,327	(19,777)	37,550	26,225	63,775
Deferred New York State Income Tax	33,928	1,937	35,866	-	35,866
Subtotal New York State Income Tax	91,255	(17,840)	73,416	26,225	99,641
Brownfield Credits	(1,600)	-	(1,600)		(1,600)

Consolidated Edison of New York, Inc.
Electric Department
New York State Income Tax
Twelve Months Ending March 31, 2013
(\$000's)

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	Rate Year 2 As Reflected in Sch. 7, Page 1	Rate Year 3 Adjustments	Rate Year 3 As Adjusted	Proposed Rate Increase	Rate Year 3 As Adjusted For Proposed Rate Increase
Operating Income Before Income Taxes	\$1,897,026	(\$240,761)	\$1,656,265	\$363,778	\$2,020,043
<u>Deduct: Non Taxable Inc. & Add'l Deductions</u>					
Interest Expense	477,047	29,564	506,611		506,611
Medicare Part D Subsidy - Post Employment Benefits	16,599	-	16,599		16,599
Total Deductions	493,646	29,564	523,210	-	523,210
<u>Normalized Items:</u>					
<u>Add: Add'l Income & Unallowable Deducts Normal</u>					
Book Depreciation	677,668	47,982	725,649	-	725,649
Capitalized Interest	(4,709)	678	(4,031)		(4,031)
Pensions / OPEB expense - Per Books	362,335	21,462	383,797		383,797
Contributions in Aid of Construction	672	-	672		672
Total Additions	1,035,966	70,121	1,106,087	-	1,106,087
<u>Deduct: Non Taxable Inc. & Add'l Deductions</u>					
NYS Depreciation	793,899	(18,122)	775,778		775,778
263A Overheads	110,678	(28,591)	82,087		82,087
Removal Costs	164,388	1,483	165,871		165,871
Repair Allowance	35,784	(6,717)	29,066		29,066
Loss on MACRS Retirements	34,260	(34,260)	-		-
Pensions / OPEB expense - Funding	429,859	67,919	497,778		497,778
Westchester Property Tax adjustment	1,416	-	1,416		1,416
WTC Capital expenses	(3,000)	-	(3,000)		(3,000)
Retail Choice Phase 7	(2,562)	-	(2,562)		(2,562)
Deferrals from Case 04-E-0572 RY3	(3,728)	-	(3,728)		(3,728)
Interest on Deferrals from Case 04-E-0572 RY3	(133)	-	(133)		(133)
T&D Deferral from Case 07-E-0523	(19,445)	-	(19,445)		(19,445)
SIR deferral	(17,398)	-	(17,398)		(17,398)
Property Tax Increase deferral - April 2008 - March 2009	(20,408)	-	(20,408)		(20,408)
Business Incentive Rate - Revenue Shortfall	(1,712)	-	(1,712)		(1,712)
Targeted DSM	(391)	-	(391)		(391)
Interest	(472)	-	(472)		(472)
Interest on MGP - Electric	(926)	-	(926)		(926)
Emergency Demand Response / Demand Reduction Programs	(75)	-	(75)		(75)
Power for Jobs Tax Credit	883	-	883		883
Excess Emission Reduction Credits	358	-	358		358
Credits from Case 07-E-0523	29,093	-	29,093		29,093
TSC Revenues	4,973	-	4,973		4,973
Interference Underspending	7,431	-	7,431		7,431
Network CAIDI Performance Mechanism Revenue Adjustment	1,667	-	1,667		1,667
Washington Heights and WTC Security Initiatives	18	-	18		18
SO2 Allowances	545	-	545		545
Auction Interest Rate - Case 07-E-0523	610	-	610		610
Property Condemnations	236	-	236		236
Property Tax Refunds	-	-	-		-
Interest - Gain on Sale of First Avenue Properties	906	-	906		906
Facilities Maintenance cost per Case 08-E-0539	(862)	-	(862)		(862)
East River 6 Generator Rewind per Case 08-E-0539	(876)	-	(876)		(876)
5 Year Underground Insp. Program per Case 08-E-0539	(3,900)	-	(3,900)		(3,900)
Miscellaneous	-	-	-		-
Total Deductions	1,541,116	(18,288)	1,522,828	-	1,522,828
Taxable Income-New York State	898,230	(181,916)	716,314	363,778	1,080,092
Current New York State Income Tax @ 7.1%	63,774	(12,916)	50,858	25,828	76,686
Deferred New York State Income Tax	35,866	(6,277)	29,589	-	29,589
Subtotal New York State Income Tax	99,640	(19,193)	80,447	25,828	106,275
Brownfield Credits	(1,600)	-	(1,600)		(1,600)
Total New York State Income Tax	98,040	(19,193)	78,847	25,828	104,675

Consolidated Edison of New York, Inc.
Electric Department
New York State Income Tax
Twelve Months Ending March 31, 2014
(\$000's)

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	Rate Year 3 As Reflected in Sch. 7, Page 2	Rate Year 4 Adjustments	Rate Year 4 As Adjusted	Proposed Rate Increase	Rate Year 4 As Adjusted For Proposed Rate Increase
Operating Income Before Income Taxes	\$2,020,043	(\$207,544)	\$1,812,499	\$258,081	\$2,070,580
<u>Deduct: Non Taxable Inc. & Add'l Deductions</u>					
Interest Expense	506,811	18,833	525,444		525,444
Medicare Part D Subsidy - Post Employment Benefits	16,599	-	16,599		16,599
Total Deductions	523,210	18,833	542,043	-	542,043
<u>Normalized Items:</u>					
<u>Add: Add'l Income & Unallowable Deducts Normal</u>					
Book Depreciation	725,649	29,264	754,913	-	754,913
Capitalized Interest	(4,031)	-	(4,031)		(4,031)
Pensions / OPEB expense - Per Books	383,797	(3,876)	379,921		379,921
Contributions in Aid of Construction	672	(168)	504		504
Total Additions	1,106,087	25,220	1,131,307	-	1,131,307
<u>Deduct: Non Taxable Inc. & Add'l Deductions</u>					
NYS Depreciation	775,778	(14,863)	760,914		760,914
263A Overheads	82,087	(25,286)	56,800		56,800
Removal Costs	165,871	31,575	197,446		197,446
Repair Allowance	29,066	(6,150)	22,916		22,916
Loss on MACRS Retirements	-	-	-		-
Pensions / OPEB expense - Funding	497,778	281,431	779,209		779,209
Westchester Property Tax adjustment	1,416	-	1,416		1,416
WTC Capital expenses	(3,000)	-	(3,000)		(3,000)
Retail Choice Phase 7	(2,562)	2,562	-		-
Deferrals from Case 04-E-0572 RY3	(3,728)	3,728	-		-
Interest on Deferrals from Case 04-E-0572 RY3	(133)	133	-		-
T&D Deferral from Case 07-E-0523	(19,445)	-	(19,445)		(19,445)
SIR deferral	(17,398)	-	(17,398)		(17,398)
Property Tax Increase deferral - April 2008 - March 2009	(20,408)	20,408	-		-
Business Incentive Rate - Revenue Shortfall	(1,712)	1,712	-		-
Targeted DSM	(391)	391	-		-
Interest	(472)	472	-		-
Interest on MGP - Electric	(926)	926	-		-
Emergency Demand Response / Demand Reduction Programs	(75)	75	-		-
Power for Jobs Tax Credit	883	(883)	-		-
Excess Emission Reduction Credits	358	(358)	-		-
Credits from Case 07-E-0523	29,093	(29,093)	-		-
TSC Revenues	4,973	(4,973)	-		-
Interference Underspending	7,431	(7,431)	-		-
Network CAIDI Performance Mechanism Revenue Adjustment	1,667	(1,667)	-		-
Washington Heights and WTC Security Initiatives	18	(18)	-		-
SO2 Allowances	545	(545)	-		-
Auction Interest Rate - Case 07-E-0523	610	(610)	-		-
Property Condemnations	236	(236)	-		-
Property Tax Refunds	-	-	-		-
Interest - Gain on Sale of First Avenue Properties	906	(906)	-		-
Facilities Maintenance cost per Case 08-E-0539	(862)	862	-		-
East River 6 Generator Rewind per Case 08-E-0539	(876)	876	-		-
5 Year Underground Insp. Program per Case 08-E-0539	(3,900)	3,900	-		-
Miscellaneous	-	-	-		-
Total Deductions	1,522,828	256,032	1,778,859	-	1,778,859
Taxable Income-New York State	1,080,092	(457,189)	622,904	258,081	880,985
Current New York State Income Tax @ 7.1%	76,687	(32,460)	44,227	18,324	62,551
Deferred New York State Income Tax	29,589	16,388	45,976	-	45,976
Subtotal New York State Income Tax	106,276	(16,072)	90,203	18,324	108,527
Brownfield Credits	(1,600)	-	(1,600)	-	(1,600)
Total New York State Income Tax	104,676	(16,072)	88,603	18,324	106,927

Consolidated Edison of New York, Inc.
Electric Department
New York State Income Tax
Twelve Months Ending March 31, 2015
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	Rate Year 4 As Reflected in Sch. 7, Page 3	Rate Year 5 Adjustments	Rate Year 5 As Adjusted	Proposed Rate Increase	Rate Year 5 As Adjusted For Proposed Rate Increase
Operating Income Before Income Taxes	\$2,070,580	(\$219,320)	\$1,851,260	\$377,754	\$2,229,015
<u>Deduct: Non Taxable Inc. & Add'l Deductions</u>					
Interest Expense	525,444	31,013	556,457		556,457
Medicare Part D Subsidy - Post Employment Benefits	16,599	-	16,599		16,599
Total Deductions	542,043	31,013	573,056	-	573,056
<u>Normalized Items:</u>					
<u>Add: Add'l Income & Unallowable Deducts Normal</u>					
Book Depreciation	754,913	48,140	803,053	-	803,053
Capitalized Interest	(4,031)	-	(4,031)		(4,031)
Pensions / OPEB expense - Per Books	379,921	(40,396)	339,525		339,525
Contributions in Aid of Construction	504	-	504		504
Total Additions	1,131,307	7,744	1,139,051	-	1,139,051
<u>Deduct: Non Taxable Inc. & Add'l Deductions</u>					
NYS Depreciation	760,914	(24,451)	736,464		736,464
263A Overheads	56,800	(64,635)	(7,835)		(7,835)
Removal Costs	197,446	76,710	274,157		274,157
Repair Allowance	22,916	(9,616)	13,301		13,301
Loss on MACRS Retirements	-	-	-		-
Pensions / OPEB expense - Funding	779,209	-	779,209		779,209
Westchester Property Tax adjustment	1,416	-	1,416		1,416
WTC Capital expenses	(3,000)	-	(3,000)		(3,000)
Retail Choice Phase 7	-	-	-		-
Deferrals from Case 04-E-0572 RY3	-	-	-		-
Interest on Deferrals from Case 04-E-0572 RY3	-	-	-		-
T&D Deferral from Case 07-E-0523	(19,445)	-	(19,445)		(19,445)
SIR deferral	(17,398)	-	(17,398)		(17,398)
Property Tax Increase deferral - April 2008 - March 2009	-	-	-		-
Business Incentive Rate - Revenue Shortfall	-	-	-		-
Targeted DSM	-	-	-		-
Interest	-	-	-		-
Interest on MGP - Electric	-	-	-		-
Emergency Demand Response / Demand Reduction Programs	-	-	-		-
Power for Jobs Tax Credit	-	-	-		-
Excess Emission Reduction Credits	-	-	-		-
Credits from Case 07-E-0523	-	-	-		-
TSC Revenues	-	-	-		-
Interference Underspending	-	-	-		-
Network CAIDI Performance Mechanism Revenue Adjustment	-	-	-		-
Washington Heights and WTC Security Initiatives	-	-	-		-
SO2 Allowances	-	-	-		-
Auction Interest Rate - Case 07-E-0523	-	-	-		-
Property Condemnations	-	-	-		-
Property Tax Refunds	-	-	-		-
Interest - Gain on Sale of First Avenue Properties	-	-	-		-
Facilities Maintenance cost per Case 08-E-0539	-	-	-		-
East River 6 Generator Rewind per Case 08-E-0539	-	-	-		-
5 Year Underground Insp. Program per Case 08-E-0539	-	-	-		-
Miscellaneous	-	-	-		-
Total Deductions	1,778,859	(21,991)	1,756,868	-	1,756,868
Taxable Income-New York State	880,985	(220,598)	660,387	377,754	1,038,141
Current New York State Income Tax @ 7.1%	62,550	(15,662)	46,888	26,821	73,709
Deferred New York State Income Tax	45,976	(2,111)	43,865	-	43,865
Subtotal New York State Income Tax	108,526	(17,773)	90,753	26,821	117,574
Brownfield Credits	(1,600)	-	(1,600)		(1,600)
Total New York State Income Tax	106,926	(17,773)	89,153	26,821	115,974

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	Rate Year 1 As Reflected in Exhibit (AP-9)	Rate Year 2 Adjustments	Rate Year 2 As Adjusted	Proposed Rate Increase	Rate Year 2 As Adjusted For Proposed Rate Increase
Operating Income Before Income Taxes	\$1,751,787	\$ (224,126)	\$ 1,527,660	\$369,365	\$1,897,026
New York State Income Taxes	89,655	(17,840)	73,416	26,225	99,641
Book Operating Income before FIT	1,662,131	(206,287)	1,455,844	343,141	1,797,385
Flow Through Items					
<u>Add: Additional Income and Unallowable Deductions</u>					
Book Depreciation	631,914	45,754	677,668	-	677,668
Hudson-Farragut Amortization	483	(3)	480	-	480
Capitalized Interest	16,833	(11,928)	4,905	-	4,905
Total Additions	649,230	33,823	683,053	-	683,053
<u>Deduct: Non-Taxable Income and Additional Deductions</u>					
Interest on Debt	449,905	27,142	477,047	-	477,047
Statutory Depreciation - at current book rates	394,710	32,299	427,009	-	427,009
Statutory Depreciation - at proposed book rates	1,505	-	1,505	-	1,505
Statutory Depreciation - change in reserve deficiency	8,274	-	8,274	-	8,274
Removal Costs	167,352	(2,964)	164,388	-	164,388
Medicare Part D Subsidy - Post Employment Benefits	16,599	-	16,599	-	16,599
Westchester Property Tax Adjustment	1,416	-	1,416	-	1,416
Dividends Paid on \$5 Cumulative Preferred Stock	3,327	-	3,327	-	3,327
Total Deductions	1,043,088	56,477	1,099,566	-	1,099,566
<u>Normalized Items:</u>					
<u>Add: Additional Income & Unallowable Deductions:</u>					
Contributions in Aid of Construction	672	-	672	-	672
Pensions / OPEB Expense - Per Books	324,442	37,893	362,335	-	362,335
Deferred State Income Tax	33,928	1,937	35,866	-	35,866
Total Additions	359,043	39,830	398,873	-	398,873
<u>Deduct: Non-Taxable Income & Other Deductions:</u>					
Statutory Depreciation	262,328	49,972	312,300	-	312,300
263A Overheads	100,017	10,661	110,678	-	110,678
Statutory Depreciation - at proposed book rates	(1,505)	-	(1,505)	-	(1,505)
Statutory Depreciation - change in reserve deficiency	(8,274)	-	(8,274)	-	(8,274)
Repair Allowance	43,475	(7,692)	35,784	-	35,784
Loss on MACRS Retirements	45,527	(4,227)	41,299	-	41,299
Pensions / OPEB expense	449,771	(19,912)	429,859	-	429,859
WTC Capital expenses	(3,000)	-	(3,000)	-	(3,000)
Retail Choice Phase 7	(2,562)	-	(2,562)	-	(2,562)
Deferrals from Case 04-E-0572 RY3	(3,728)	-	(3,728)	-	(3,728)
Interest on Deferrals from Case 04-E-0572 RY3	(133)	-	(133)	-	(133)
T&D Deferral from Case 07-E-0523	(19,445)	-	(19,445)	-	(19,445)
SIR deferral	(17,398)	-	(17,398)	-	(17,398)
Property Tax Increase deferral - April 2008 - March 2009	(20,408)	-	(20,408)	-	(20,408)
Business Incentive Rate - Revenue Shortfall	(1,712)	-	(1,712)	-	(1,712)
Targeted DSM	(391)	-	(391)	-	(391)
Interest	(472)	-	(472)	-	(472)
Interest on MGP - Electric	(926)	-	(926)	-	(926)
Emergency Demand Response / Demand Reduction Programs	(75)	-	(75)	-	(75)
Power for Jobs Tax Credit	883	-	883	-	883
Excess Emission Reduction Credits	358	-	358	-	358
Credits from Case 07-E-0523	29,093	-	29,093	-	29,093
TSC Revenues	4,973	-	4,973	-	4,973
Interference Underspending	7,431	-	7,431	-	7,431
Network CAIDI Performance Mechanism Revenue Adjustment	1,667	-	1,667	-	1,667
Washington Heights and WTC Security Initiatives	18	-	18	-	18
SO2 Allowances	545	-	545	-	545
Auction Interest Rate - Case 07-E-0523	610	-	610	-	610
Property Condemnations	236	-	236	-	236
Property Tax Refunds	-	-	-	-	-
Interest - Gain on Sale of First Avenue Properties	906	-	906	-	906
Other amortizations	(5,638)	-	(5,638)	-	(5,638)
Total Deductions	882,171	28,802	890,972	-	890,972
Total Adjustments to Book Income	(896,987)	(11,625)	(908,612)	-	(908,612)
Taxable Income	765,144	(217,912)	547,232	343,141	888,773
Federal Income Tax Expense					
Composite Rate per Company					
FIT Payable at 35%	267,801	(76,269)	191,531	120,099	311,071
Deferred Income Tax:					
Deferred FIT @ 35%	176,095	(3,860)	172,235	-	172,235
Amortization of Previously Deferred Federal Income Tax					
Depreciation - ADR / ACRS / MACRS	(41,097)	(1,781)	(42,878)	-	(42,878)
Depreciation - MACRS - SSCM	(9,894)	-	(9,894)	-	(9,894)
Loss on MACRS Retirements	(3,998)	(308)	(4,306)	-	(4,306)
Repair Allowance	(9,618)	(185)	(9,803)	-	(9,803)
Investment Tax Credit	(4,753)	5	(4,748)	-	(4,748)
Total F.I.T. Expense Deferred:	108,735	(6,129)	100,606	-	100,606
Total F.I.T. Expense	\$374,536	(\$82,398)	\$292,137	\$120,099	\$411,677

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	Rate Year 2 As Reflected in Sch. 8, Page 1	Rate Year 3 Adjustments	Rate Year 3 As Adjusted	Proposed Rate Increase	Rate Year 3 As Adjusted For Proposed Rate Increase
Operating Income Before Income Taxes	\$1,897,026	(\$240,761)	\$1,656,265	\$363,778	\$2,020,043
New York State Income Taxes	99,641	(19,193)	78,847	25,828	104,675
Book Operating Income before FIT	1,797,385	(221,568)	1,575,817	337,950	1,915,368
Flow Through Items					
Add: Additional Income and Unallowable Deductions					
Book Depreciation	677,668	47,982	725,649	-	725,649
Hudson-Farragut Amortization	480	-	480	-	480
Capitalized Interest	4,905	(18,204)	(13,298)	-	(13,298)
Total Additions	683,053	29,778	712,831	-	712,831
Deduct: Non-Taxable Income and Additional Deductions					
Interest on Debt	477,047	29,564	506,611	-	506,611
Statutory Depreciation - at current book rates	427,009	30,890	457,899	-	457,899
Statutory Depreciation - at proposed book rates	1,505	-	1,505	-	1,505
Statutory Depreciation - change in reserve deficiency	8,274	-	8,274	-	8,274
Removal Costs	154,388	1,927	166,315	-	166,315
Medicare Part D Subsidy - Post Employment Benefits	16,599	-	16,599	-	16,599
Westchester Property Tax Adjustment	1,416	-	1,416	-	1,416
Dividends Paid on \$5 Cumulative Preferred Stock	3,327	-	3,327	-	3,327
Total Deductions	1,099,566	62,381	1,161,946	-	1,161,946
Normalized Items:					
Add: Additional Income & Unallowable Deductions:					
Contributions in Aid of Construction	672	-	672	-	672.00
Pensions / OPEB Expense - Per Books	362,335	21,462	383,797	-	383,797
Deferred State Income Tax	35,866	(6,277)	29,589	-	29,589
Total Additions	398,873	15,185	414,058	-	414,058
Deduct: Non-Taxable Income & Other Deductions:					
Statutory Depreciation	312,300	35,585	347,885	-	347,885
263A Overheads	110,678	(28,591)	82,087	-	82,087
Statutory Depreciation - at proposed book rates	(1,505)	-	(1,505)	-	(1,505)
Statutory Depreciation - change in reserve deficiency	(8,274)	-	(8,274)	-	(8,274)
Repair Allowance	35,784	(6,717)	29,066	-	29,066
Loss on MACRS Retirements	41,299	(3,978)	37,322	-	37,322
Pensions / OPEB expense	429,859	67,919	497,778	-	497,778
WTC Capital expenses	(3,000)	-	(3,000)	-	(3,000)
Retail Choice Phase 7	(2,562)	-	(2,562)	-	(2,562)
Deferrals from Case 04-E-0572 RY3	(3,728)	-	(3,728)	-	(3,728)
Interest on Deferrals from Case 04-E-0572 RY3	(133)	-	(133)	-	(133)
T&D Deferral from Case 07-E-0523	(19,445)	-	(19,445)	-	(19,445)
SIR deferral	(17,398)	-	(17,398)	-	(17,398)
Property Tax Increase deferral - April 2008 - March 2009	(20,408)	-	(20,408)	-	(20,408)
Business Incentive Rate - Revenue Shortfall	(1,712)	-	(1,712)	-	(1,712)
Targeted DSM	(391)	-	(391)	-	(391)
Interest	(472)	-	(472)	-	(472)
Interest on MGP - Electric	(926)	-	(926)	-	(926)
Emergency Demand Response / Demand Reduction Programs	(75)	-	(75)	-	(75)
Power for Jobs Tax Credit	883	-	883	-	883
Excess Emission Reduction Credits	358	-	358	-	358
Credits from Case 07-E-0523	29,093	-	29,093	-	29,093
TSC Revenues	4,973	-	4,973	-	4,973
Interference Underspending	7,431	-	7,431	-	7,431
Network CAIDI Performance Mechanism Revenue Adjustment	1,667	-	1,667	-	1,667
Washington Heights and WTC Security Initiatives	18	-	18	-	18
SO2 Allowances	545	-	545	-	545
Auction Interest Rate - Case 07-E-0523	610	-	610	-	610
Property Condemnations	236	-	236	-	236
Property Tax Refunds	-	-	-	-	-
Interest - Gain on Sale of First Avenue Properties	906	-	906	-	906
Other amortizations	(5,638)	-	(5,638)	-	(5,638)
Total Deductions	890,972	64,218	955,190	-	955,190
Total Adjustments to Book Income	(908,612)	(81,636)	(990,248)	-	(990,248)
Taxable Income	888,773	(303,204)	585,569	337,950	925,120
Federal Income Tax Expense					
Composite Rate per Company					
FIT Payable at 35%	311,071	(106,121)	204,949	118,282	323,792
Deferred Income Tax:					
Deferred FIT @ 35%	172,235	17,162	189,396	-	189,396
Amortization of Previously Deferred Federal Income Tax					
Depreciation - ADR / ACRS / MACRS	(42,878)	# (2,009)	(44,887)	-	(44,887)
Depreciation - MACRS - SSCM	(9,894)	-	(9,894)	-	(9,894)
Loss on MACRS Retirements	(4,306)	(278)	(4,584)	-	(4,584)
Repair Allowance	(9,803)	(149)	(9,952)	-	(9,952)
Investment Tax Credit	(4,748)	-	(4,748)	-	(4,748)
Total F.I.T. Expense Deferred:	100,606	14,726	115,331	-	115,331
Total F.I.T. Expense	\$411,677	\$(91,395)	\$320,280	\$118,282	\$439,123

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	Rate Year 3 As Reflected in Sch. 8, Page 2	Rate Year 4 Adjustments	Rate Year 4 As Adjusted	Proposed Rate Increase	Rate Year 4 As Adjusted For Proposed Rate Increase
Operating Income Before Income Taxes	\$2,020,043	(\$240,761)	\$1,779,282	\$258,081	\$2,037,363
New York State Income Taxes	104,875	(16,072)	88,803	18,324	106,927
Book Operating Income before FIT	1,915,368	(224,688)	1,690,680	239,757	1,930,436
Flow Through Items					
Add: Additional Income and Unallowable Deductions					
Book Depreciation	725,649	29,264	754,913	-	754,913
Hudson-Farragut Amortization	480	-	480	-	480
Capitalized Interest	(13,298)	(3,739)	(17,036)	-	(17,036)
Total Additions	712,831	25,526	738,357	-	738,357
Deduct: Non-Taxable Income and Additional Deductions					
Interest on Debt	506,611	18,833	525,444	-	525,444
Statutory Depreciation - at current book rates	457,899	23,244	481,143	-	481,143
Statutory Depreciation - at proposed book rates	1,505	-	1,505	-	1,505
Statutory Depreciation - change in reserve deficiency	8,274	-	8,274	-	8,274
Removal Costs	169,315	2,938	169,253	-	169,253
Medicare Part D Subsidy - Post Employment Benefits	16,599	-	16,599	-	16,599
Westchester Property Tax Adjustment	1,416	2,259	3,675	-	3,675
Dividends Paid on \$5 Cumulative Preferred Stock	3,327	-	3,327	-	3,327
Total Deductions	1,161,946	47,273	1,209,220	-	1,209,220
Normalized Items:					
Add: Additional Income & Unallowable Deductions:					
Contributions in Aid of Construction	672	(186)	504	-	504.00
Pensions / OPEB Expense - Per Books	383,797	(3,876)	379,921	-	379,921
Deferred State Income Tax	29,589	16,388	45,976	-	45,976
Total Additions	414,058	12,344	426,401	-	426,401
Deduct: Non-Taxable Income & Other Deductions:					
Statutory Depreciation	347,885	23,039	370,924	-	370,924
263A Overheads	82,087	-	82,087	-	82,087
Statutory Depreciation - at proposed book rates	(1,505)	-	(1,505)	-	(1,505)
Statutory Depreciation - change in reserve deficiency	(8,274)	-	(8,274)	-	(8,274)
Repair Allowance	29,066	(9,026)	20,040	-	20,040
Loss on MACRS Retirements	37,322	461	37,783	-	37,783
Pensions / OPEB expense	497,778	281,431	779,209	-	779,209
WTC Capital expenses	(3,000)	-	(3,000)	-	(3,000)
Retail Choice Phase 7	(2,562)	2,562	-	-	-
Deferrals from Case 04-E-0572 RY3	(3,728)	3,728	-	-	-
Interest on Deferrals from Case 04-E-0572 RY3	(133)	133	-	-	-
T&D Deferral from Case 07-E-0523	(19,445)	-	(19,445)	-	(19,445)
SIR deferral	(17,398)	-	(17,398)	-	(17,398)
Property Tax Increase deferral - April 2009 - March 2009	(20,408)	20,408	-	-	-
Business Incentive Rate - Revenue Shortfall	(1,712)	1,712	-	-	-
Targeted DSM	(391)	391	-	-	-
Interest	(472)	472	-	-	-
Interest on MGP - Electric	(926)	926	-	-	-
Emergency Demand Response / Demand Reduction Programs	(75)	75	-	-	-
Power for Jobs Tax Credit	883	(883)	-	-	-
Excess Emission Reduction Credits	358	(358)	-	-	-
Credits from Case 07-E-0523	29,093	(29,093)	-	-	-
TSC Revenues	4,973	(4,973)	-	-	-
Interference Underspending	7,431	(7,431)	-	-	-
Network CAIDI Performance Mechanism Revenue Adjustment	1,667	(1,667)	-	-	-
Washington Heights and WTC Security Initiatives	18	(18)	-	-	-
SO2 Allowances	545	(545)	-	-	-
Auction Interest Rate - Case 07-E-0523	610	(610)	-	-	-
Property Condemnations	236	(236)	-	-	-
Property Tax Refunds	-	-	-	-	-
Interest - Gain on Sale of First Avenue Properties	906	(906)	-	-	-
Other amortizations	(5,638)	5,638	-	-	-
Total Deductions	955,190	285,230	1,240,420	-	1,240,420
Total Adjustments to Book Income	(990,249)	(294,633)	(1,284,882)	-	(1,284,882)
Taxable Income	925,120	(519,322)	405,798	239,757	645,555
Federal Income Tax Expense	-	-	-	-	-
Composite Rate per Company	-	-	-	-	-
FIT Payable at 35%	323,792	(181,763)	142,029	83,915	225,944
Deferred Income Tax:					
Deferred FIT @ 35%	189,396	95,510	284,907	-	284,907
Amortization of Previously Deferred Federal Income Tax					
Depreciation - ADR / ACRS / MACRS	(44,887)	-	(44,887)	-	(44,887)
Depreciation - MACRS - SSCM	(9,894)	-	(9,894)	-	(9,894)
Loss on MACRS Retirements	(4,584)	-	(4,584)	-	(4,584)
Repair Allowance	(9,952)	-	(9,952)	-	(9,952)
Investment Tax Credit	(4,748)	-	(4,748)	-	(4,748)
Total F.I.T. Expense Deferred:	115,331	95,510	210,842	-	210,842
Total F.I.T. Expense	\$439,123	(\$86,253)	\$352,871	\$83,915	\$436,786

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	Rate Year 4 As Reflected in Sch. 8, Page 3	Rate Year 5 Adjustments	Rate Year 5 As Adjusted	Proposed Rate Increase	Rate Year 5 As Adjusted For Proposed Rate Increase
Operating Income Before Income Taxes	\$2,037,363	(\$219,320)	\$1,818,043	\$377,754	\$2,195,798
New York State Income Taxes	105,927	(17,773)	89,153	26,821	115,974
Book Operating Income before FIT	1,930,435	(201,547)	1,728,889	350,933	2,079,824
Flow Through Items					
Add: Additional Income and Unallowable Deductions					
Book Depreciation	754,913	48,140	803,053	-	803,053
Hudson-Farragut Amortization	480	-	480	-	480
Capitalized Interest	(17,036)	-	(17,036)	-	(17,036)
Total Additions	738,357	48,140	786,497	-	786,497
Deduct: Non-Taxable Income and Additional Deductions					
Interest on Debt	525,444	31,013	556,457	-	556,457
Statutory Depreciation - at current book rates	481,143	30,890	512,033	-	512,033
Statutory Depreciation - at proposed book rates	1,505	-	1,505	-	1,505
Statutory Depreciation - change in reserve deficiency	8,274	-	8,274	-	8,274
Removal Costs	189,253	1,927	171,180	-	171,180
Medicare Part D Subsidy - Post Employment Benefits	16,599	-	16,599	-	16,599
Westchester Property Tax Adjustment	3,675	-	3,675	-	3,675
Dividends Paid on \$5 Cumulative Preferred Stock	3,327	-	3,327	-	3,327
Total Deductions	1,209,220	63,830	1,273,050	-	1,273,050
Normalized Items:					
Add: Additional Income & Unallowable Deductions:					
Contributions in Aid of Construction	504	-	504	-	504.00
Pensions / OPEB Expense - Per Books	379,921	(40,396)	339,525	-	339,525
Deferred State Income Tax	45,976	(2,111)	43,865	-	43,865
Total Additions	426,491	(42,507)	383,984	-	383,984
Deduct: Non-Taxable Income & Other Deductions:					
Statutory Depreciation	370,924	27,209	398,133	-	398,133
263A Overheads	82,087	-	82,087	-	82,087
Statutory Depreciation - at proposed book rates	(1,505)	-	(1,505)	-	(1,505)
Statutory Depreciation - change in reserve deficiency	(8,274)	6,442	(1,832)	-	(1,832)
Repair Allowance	20,040	(7,682)	12,358	-	12,358
Loss on MACRS Retirements	37,783	(4,906)	32,877	-	32,877
Pensions / OPEB expense	779,209	-	779,209	-	779,209
WTC Capital expenses	(3,000)	-	(3,000)	-	(3,000)
Retail Choice Phase 7	-	-	-	-	-
Deferrals from Case 04-E-0572 RY3	-	(17,773)	(17,773)	-	(17,773)
Interest on Deferrals from Case 04-E-0572 RY3	-	(17,773)	(37,218)	-	(37,218)
T&D Deferral from Case 07-E-0523	(19,445)	-	(17,398)	-	(17,398)
SIR deferral	(17,398)	-	-	-	-
Property Tax increase deferral - April 2008 - March 2009	-	-	-	-	-
Business Incentive Rate - Revenue Shortfall	-	-	-	-	-
Targeted DSM	-	-	-	-	-
Interest	-	-	-	-	-
Interest on MGP - Electric	-	-	-	-	-
Emergency Demand Response / Demand Reduction Programs	-	-	-	-	-
Power for Jobs Tax Credit	-	-	-	-	-
Excess Emission Reduction Credits	-	-	-	-	-
Credits from Case 07-E-0523	-	-	-	-	-
TSC Revenues	-	-	-	-	-
Interference Underspending	-	-	-	-	-
Network CAIDI Performance Mechanism Revenue Adjustment	-	-	-	-	-
Washington Heights and WTC Security Initiatives	-	-	-	-	-
SO2 Allowances	-	-	-	-	-
Auction Interest Rate - Case 07-E-0523	-	-	-	-	-
Property Condemnations	-	-	-	-	-
Property Tax Refunds	-	-	-	-	-
Interest - Gain on Sale of First Avenue Properties	-	-	-	-	-
Other	-	-	-	-	-
Total Deductions	1,240,420	(14,483)	1,225,937	-	1,225,937
Total Adjustments to Book Income	(1,284,882)	(43,714)	(1,328,596)	-	(1,328,596)
Taxable Income	645,555	(245,261)	400,293	350,933	751,228
Federal Income Tax Expense					
Composite Rate per Company					
FIT Payable at 35%	225,944	(85,841)	140,103	122,827	262,930
Deferred Income Tax:					
Deferred FIT @ 35%	284,907	9,809	294,715	-	294,715
Amortization of Previously Deferred Federal Income Tax					
Depreciation - ADR / ACRS / MACRS	(44,887)	-	(44,887)	-	(44,887)
Depreciation - MACRS - SSCM	(9,894)	-	(9,894)	-	(9,894)
Loss on MACRS Retirements	(4,584)	-	(4,584)	-	(4,584)
Repair Allowance	(9,952)	-	(9,952)	-	(9,952)
Investment Tax Credit	(4,748)	-	(4,748)	-	(4,748)
Total F.I.T. Expense Deferred:	210,842	9,809	220,650	-	220,650
Total F.I.T. Expense	\$436,786	(\$76,032)	\$360,753	\$122,827	\$483,580

Consolidated Edison of New York, Inc.
Electric Department
Rate Base
TWELVE MONTHS ENDING MARCH 31, 2012
(\$000's)

	Rate Year 1 As Reflected in Exhibit (AP-9)	Rate Year 2 Adjustments	Rate Year 2 As Adjusted
UTILITY PLANT			
BOOK COST OF PLANT	\$19,843,701	\$1,516,386	\$21,360,087
ACCUMULATED RESERVE FOR DEPRECIATION	(4,115,423)	(243,845)	(4,359,268)
NET PLANT	15,728,278	1,272,542	17,000,820
NON-INTEREST BEARING CWIP	652,841	(67,025)	585,816
UNBILLED REVENUES	56,201	975	57,176
PREFERRED STOCK EXPENSE	2,414	-	2,414
UNAMORTIZED DEBT DISCOUNT PREMIUM AND EXPENSE	132,918	-	132,918
DEFERRED FUEL - NET OF TAX	88,001	(4,134)	81,867
UNAMORTIZED BALANCE - HUDSON FARRAGUT	846	(314)	532
CUSTOMER ADVANCES FOR CONSTRUCTION	(540)	-	(540)
M.T.A. SURTAX - NET OF TAX	4,163	-	4,163
WORKING CAPITAL	683,146	55,511	738,657
EXCESS RATE BASE OVER CAPITALIZATION ADJUSTMENT	202,474	-	202,474
EARLY RETIREMENT TERMINATION BENEFIT (1999) - NET OF TAX	6,496	(1,299)	5,197
SYSTEM BENEFITS CHARGE/RETAIL PORTFOLIO STANDARD - NET OF TAX	-	-	-
AMOUNTS BILLED IN ADVANCE OF CONSTRUCTION - NET OF TAX	(5,619)	-	(5,619)
ERRP MAINTENANCE	(2,840)	-	(2,840)
RATE CASE RECONCILIATIONS - NET OF F.I.T.			
RECOVERY OF SIR DEFERRALS FROM CASE 07-E-0523	99,801	14,205	114,006
RECOVERY OF VARIOUS DEFERRALS FROM CASE 07-E-0523	88,066	(8,504)	79,562
RECOVERY OF 2008/2009 PROPERTY TAX INCREASE	30,809	(10,270)	20,539
RECOVERY OF DEFERRALS FROM CASE 04-E-0572 RY3	5,627	(1,876)	3,751
RECOVERY OF RETAIL CHOICE PHASE 7	3,868	(1,289)	2,579
RECOVERY OF BUSINESS INCENTIVE RATE SHORTFALL	2,584	(861)	1,723
RECOVERY OF INTEREST ON SIR DEFERRALS	1,397	(468)	931
RECOVERY OF INTEREST ON OTHER REGULATORY DEFERRALS	914	(305)	609
RECOVERY OF TARGETED DSM FROM CASE 04-E-0572	591	(197)	394
RECOVERY OF EMERGENCY RESPONSE / DEMAND REDUCTION PROGRAM	113	(38)	75
REFUND OF CREDITS FROM CASE 07-E-0523	(43,920)	14,640	(29,280)
REFUND OF INTERFERENCE UNDERSPENDING	(11,218)	3,739	(7,479)
REFUND OF TSC REVENUES	(7,507)	2,502	(5,005)
REFUND OF CAIDI PERFORMANCE REVENUE ADJUSTMENT	(2,516)	839	(1,677)
REFUND OF INTEREST FROM SALE OF 1ST AVE PROPERTIES	(1,368)	456	(912)
REFUND OF PROPERTY TAX REFUND	-	-	-
REFUND OF POWER FOR JOBS CREDIT	(1,333)	444	(889)
REFUND OF AUCTION RATE INTEREST	(921)	307	(614)
REFUND OF SO2 CREDITS	(823)	274	(549)
REFUND OF EMISSION REDUCTION CREDITS	(540)	180	(360)
REFUND OF WASHINGTON HEIGHTS & WTC SECURITY INITIATIVES	(27)	9	(18)
REFUND OF PROCEEDS FROM PROPERTY CONDEMNATIONS	(356)	119	(237)
FACILITIES MAINTENANCE	260	(87)	173
EAST RIVER 6 GENERATOR REWIND	794	(265)	529
5 YEAR UNDERGROUND INSPECTION PROGRAM	1,178	(393)	785
ACCUMULATED DEFERRED INCOME TAXES			
ADR / ACRS / MACRS DEDUCTIONS	(2,059,785)	(58,698)	(2,118,483)
CHANGE OF ACCOUNTING SECTION 263A	(363,851)	(28,843)	(392,694)
VESTED VACATION	10,919	-	10,919
PREPAID INSURANCE EXPENSES	(3,827)	-	(3,827)
UNBILLED REVENUES	108,202	-	108,202
CONTRIBUTIONS IN AID OF CONSTRUCTION	13,041	-	13,041
CAPITALIZED INTEREST	6,639	-	6,639
REPAIR & MAINTENANCE ALLOWANCE - 02 - 06 IRS AUDIT	4,389	-	4,389
FIN 48 - DISALLOWED SSCM	(51,134)	-	(51,134)
MTA	(17,157)	-	(17,157)
AMORTIZATION OF COMPUTER SOFTWARE	(40,984)	-	(40,984)
CUSTOMER DEPOSITS	2,832	-	2,832
CALL PREMIUM	(15,204)	-	(15,204)
DEFERRED S.I.T. / F.I.T. - BROWNFIELD TAX CREDITS	(7,210)	(585)	(7,795)
DEFERRED S.I.T.	(192,206)	(17,933)	(210,139)
TOTAL RATE BASE	\$ 15,106,916	\$ 1,163,359	\$ 16,270,275

Consolidated Edison of New York, Inc.
Electric Department
Working Capital Allowance
TWELVE MONTHS ENDING MARCH 31, 2012
(\$000's)

	Rate Year 1 As Reflected in Exhibit (AP-9)	Rate Year 2 Adjustments	Rate Year 2 As Adjusted
<u>M & S</u>			
Liquid Fuel Inventory	\$6,876	\$151	\$7,027
Materials and Supplies, Excluding Fuel	94,743	2,084	96,827
Total Materials and Supplies	<u>101,619</u>	<u>2,236</u>	<u>103,855</u>
<u>Prepayments</u>			
Insurance	11,946	263	12,209
Rents	15,214	335	15,549
Property Taxes	228,376	53,512	281,888
PSC Assessment	8,699	191	8,890
Regulatory Assessment - 18A Legislation	56,692	1,247	57,939
Interference	7,111	156	7,267
EPRI	280	6	286
Other	10,139	223	10,362
Total Prepayments	<u>338,457</u>	<u>55,933</u>	<u>394,390</u>
<u>Cash Working Capital</u>			
Total Operation & Maintenance Expenses	4,976,101	42,333	5,018,434
Less: Purchased Power Expenses	2,503,242	73,208	2,576,450
Gas Portion of Fuel	8,771	-	8,771
Recoverable Fuel Costs	271,181	-	271,181
Interdepartmental Rents	5,014	-	5,014
Uncollectibles	62,328	-	62,328
	<u>2,125,565</u>	<u>(30,875)</u>	<u>2,094,690</u>
Cash Working Capital @ 1/8th	<u>265,696</u>	<u>(3,859)</u>	<u>261,836</u>
Add: Cash Working Capital @ 1/2 on Rec. Fuel Costs	<u>22,598</u>	<u>-</u>	<u>22,598</u>
Total	<u>728,370</u>	<u>\$54,310</u>	<u>\$782,679</u>
Add: Working Capital Related to Purchased Power	<u>41,053</u>	<u>1,201</u>	<u>42,254</u>
Total Working Capital	<u>\$769,423</u>	<u>\$55,511</u>	<u>\$824,933</u>

Consolidated Edison of New York, Inc.
Electric Department
Rate Base
TWELVE MONTHS ENDING MARCH 31, 2013
(\$000's)

	Rate Year 2	Rate Year 3 Adjustments	Rate Year 3 As Adjusted
UTILITY PLANT			
BOOK COST OF PLANT	\$21,360,087	\$1,365,603	\$22,725,690
ACCUMULATED RESERVE FOR DEPRECIATION	(4,359,268)	(303,393)	(4,662,661)
NET PLANT	17,000,820	1,062,210	18,063,030
NON-INTEREST BEARING CWIP	585,816	(7,136)	578,680
UNBILLED REVENUES	57,176	-	57,176
PREFERRED STOCK EXPENSE	2,414	-	2,414
UNAMORTIZED DEBT DISCOUNT PREMIUM AND EXPENSE	132,918	-	132,918
DEFERRED FUEL - NET OF TAX	81,867	13,755	95,622
UNAMORTIZED BALANCE - HUDSON FARRAGUT	532	(312)	220
CUSTOMER ADVANCES FOR CONSTRUCTION	(540)	-	(540)
M.T.A. SURTAX - NET OF TAX	4,163	-	4,163
WORKING CAPITAL	738,657	69,546	808,203
EXCESS RATE BASE OVER CAPITALIZATION ADJUSTMENT	202,474	-	202,474
EARLY RETIREMENT TERMINATION BENEFIT (1999) - NET OF TAX	5,197	-	5,197
SYSTEM BENEFITS CHARGE/RETAIL PORTFOLIO STANDARD - NET OF TAX	-	-	-
AMOUNTS BILLED IN ADVANCE OF CONSTRUCTION - NET OF TAX	(5,619)	-	(5,619)
ERRP MAINTENANCE	(2,840)	-	(2,840)
RATE CASE RECONCILIATIONS - NET OF F.I.T.			
RECOVERY OF SIR DEFERRALS FROM CASE 07-E-0523	114,006	14,205	128,211
RECOVERY OF VARIOUS DEFERRALS FROM CASE 07-E-0523	79,562	(8,504)	71,057
RECOVERY OF 2008/2009 PROPERTY TAX INCREASE	20,539	(10,270)	10,269
RECOVERY OF DEFERRALS FROM CASE 04-E-0572 RY3	3,751	(1,876)	1,875
RECOVERY OF RETAIL CHOICE PHASE 7	2,579	(1,289)	1,290
RECOVERY OF BUSINESS INCENTIVE RATE SHORTFALL	1,723	(861)	862
RECOVERY OF INTEREST ON SIR DEFERRALS	931	(466)	465
RECOVERY OF INTEREST ON OTHER REGULATORY DEFERRALS	609	(305)	304
RECOVERY OF TARGETED DSM FROM CASE 04-E-0572	394	(197)	197
RECOVERY OF EMERGENCY RESPONSE / DEMAND REDUCTION PROGRAM	75	(38)	37
REFUND OF CREDITS FROM CASE 07-E-0523	(29,280)	14,640	(14,640)
REFUND OF INTERFERENCE UNDERSPENDING	(7,479)	3,739	(3,740)
REFUND OF TSC REVENUES	(5,005)	2,502	(2,503)
REFUND OF CAIDI PERFORMANCE REVENUE ADJUSTMENT	(1,677)	839	(838)
REFUND OF INTEREST FROM SALE OF 1ST AVE PROPERTIES	(912)	456	(456)
REFUND OF PROPERTY TAX REFUND	-	-	-
REFUND OF POWER FOR JOBS CREDIT	(889)	444	(445)
REFUND OF AUCTION RATE INTEREST	(614)	307	(307)
REFUND OF SO2 CREDITS	(549)	274	(275)
REFUND OF EMISSION REDUCTION CREDITS	(360)	180	(180)
REFUND OF WASHINGTON HEIGHTS & WTC SECURITY INITIATIVES	(18)	9	(9)
REFUND OF PROCEEDS FROM PROPERTY CONDEMNATIONS	(237)	119	(118)
FACILITIES MAINTENANCE	173	(58)	115
EAST RIVER 6 GENERATOR REWIND	529	(176)	353
5 YEAR UNDERGROUND INSPECTION PROGRAM	785	(262)	523
ACCUMULATED DEFERRED INCOME TAXES			
ADR / ACRS / MACRS DEDUCTIONS	(2,118,483)	(68,866)	(2,187,349)
CHANGE OF ACCOUNTING SECTION 263A	(392,694)	(18,836)	(411,530)
VESTED VACATION	10,919	-	10,919
PREPAID INSURANCE EXPENSES	(3,827)	-	(3,827)
UNBILLED REVENUES	108,202	-	108,202
CONTRIBUTIONS IN AID OF CONSTRUCTION	13,041	-	13,041
CAPITALIZED INTEREST	6,639	-	6,639
REPAIR & MAINTENANCE ALLOWANCE - 02 - 06 IRS AUDIT	4,389	-	4,389
FIN 48 - DISALLOWED SSCM	(51,134)	-	(51,134)
MTA	(17,157)	-	(17,157)
AMORTIZATION OF COMPUTER SOFTWARE	(40,984)	-	(40,984)
CUSTOMER DEPOSITS	2,832	-	2,832
CALL PREMIUM	(15,204)	-	(15,204)
DEFERRED S.I.T / F.I.T. - BROWNFIELD TAX CREDITS	(7,795)	1,040	(6,755)
DEFERRED S.I.T.	(210,139)	(14,794)	(224,933)
TOTAL RATE BASE	\$ 16,270,275	\$ 1,050,018	\$ 17,320,293

Consolidated Edison of New York, Inc.
Electric Department
Working Capital Allowance
TWELVE MONTHS ENDING MARCH 31, 2013
(\$000's)

	<u>Rate Year 2</u>	<u>Rate Year 3 Adjustments</u>	<u>Rate Year 3 As Adjusted</u>
<u>M & S</u>			
Liquid Fuel Inventory	\$7,027	\$155	\$7,182
Materials and Supplies, Excluding Fuel	96,827	2,130	98,958
Total Materials and Supplies	<u>103,855</u>	<u>2,285</u>	<u>106,139</u>
<u>Prepayments</u>			
Insurance	12,209	269	12,477
Rents	15,549	342	15,891
Property Taxes	281,888	65,111	346,998
PSC Assessment	8,890	196	9,086
Regulatory Assessment - 18A Legislation	57,939	-	57,939
Interference	7,267	160	7,427
EPRI	286	6	292
Other	10,362	228	10,590
Total Prepayments	<u>394,390</u>	<u>66,311</u>	<u>460,701</u>
<u>Cash Working Capital</u>			
Total Operation & Maintenance Expenses	5,018,434	120,457	5,138,891
Less: Purchased Power Expenses	2,576,450	129,076	2,705,526
Gas Portion of Fuel	8,771	-	8,771
Recoverable Fuel Costs	271,181	-	271,181
Interdepartmental Rents	5,014	713	5,727
Uncollectibles	62,328	-	62,328
	<u>2,094,690</u>	<u>(9,332)</u>	<u>2,085,358</u>
Cash Working Capital @ 1/8th	<u>261,836</u>	<u>(1,167)</u>	<u>260,670</u>
Add: Cash Working Capital @ 1/2 on Rec Fuel Costs	<u>22,598</u>	<u>-</u>	<u>22,598</u>
Total	<u>782,680</u>	<u>\$67,429</u>	<u>\$850,109</u>
Add: Working Capital Related to Purchased Power	<u>42,254</u>	<u>2,117</u>	<u>44,371</u>
Total Working Capital	<u>\$824,934</u>	<u>\$69,546</u>	<u>\$894,480</u>

Consolidated Edison of New York, Inc.
Electric Department
Rate Base
TWELVE MONTHS ENDING MARCH 31, 2014
(\$000's)

	Rate Year 3	Rate Year 4 Adjustments	Rate Year 4 As Adjusted
UTILITY PLANT			
BOOK COST OF PLANT	\$22,725,690	\$1,063,009	\$23,788,700
ACCUMULATED RESERVE FOR DEPRECIATION	(4,662,661)	(\$320,691)	(4,983,352)
NET PLANT	18,063,030	742,318	18,805,348
NON-INTEREST BEARING CWIP	578,680	60,737	639,417
UNBILLED REVENUES	57,176	-	57,176
PREFERRED STOCK EXPENSE	2,414	-	2,414
UNAMORTIZED DEBT DISCOUNT PREMIUM AND EXPENSE	132,918	-	132,918
DEFERRED FUEL - NET OF TAX	95,622	(5,005)	90,617
UNAMORTIZED BALANCE - HUDSON FARRAGUT	220	-	220
CUSTOMER ADVANCES FOR CONSTRUCTION	(540)	-	(540)
M.T.A. SURTAX - NET OF TAX	4,163	-	4,163
WORKING CAPITAL	808,203	72,010	880,213
EXCESS RATE BASE OVER CAPITALIZATION ADJUSTMENT	202,474	-	202,474
EARLY RETIREMENT TERMINATION BENEFIT (1999) - NET OF TAX	5,197	-	5,197
SYSTEM BENEFITS CHARGE/RETAIL PORTFOLIO STANDARD - NET OF TAX	-	-	(5,619)
AMOUNTS BILLED IN ADVANCE OF CONSTRUCTION - NET OF TAX	(5,619)	-	(5,619)
ERRP MAINTENANCE	(2,840)	-	(2,840)
RATE CASE RECONCILIATIONS - NET OF F.I.T.			
RECOVERY OF SIR DEFERRALS FROM CASE 07-E-0523	128,211	14,205	142,416
RECOVERY OF VARIOUS DEFERRALS FROM CASE 07-E-0523	71,057	(8,504)	62,553
RECOVERY OF 2008/2009 PROPERTY TAX INCREASE	10,269	(10,269)	-
RECOVERY OF DEFERRALS FROM CASE 04-E-0572 RY3	1,875	(1,875)	-
RECOVERY OF RETAIL CHOICE PHASE 7	1,290	(1,290)	-
RECOVERY OF BUSINESS INCENTIVE RATE SHORTFALL	862	(862)	-
RECOVERY OF INTEREST ON SIR DEFERRALS	465	(465)	-
RECOVERY OF INTEREST ON OTHER REGULATORY DEFERRALS	304	(304)	-
RECOVERY OF TARGETED DSM FROM CASE 04-E-0572	197	(197)	-
RECOVERY OF EMERGENCY RESPONSE / DEMAND REDUCTION PROGRAM	37	(37)	-
REFUND OF CREDITS FROM CASE 07-E-0523	(14,640)	14,640	-
REFUND OF INTERFERENCE UNDERSPENDING	(3,740)	3,740	-
REFUND OF TSC REVENUES	(2,503)	2,503	-
REFUND OF CAID PERFORMANCE REVENUE ADJUSTMENT	(838)	838	-
REFUND OF INTEREST FROM SALE OF 1ST AVE PROPERTIES	(456)	456	-
REFUND OF PROPERTY TAX REFUND	-	-	-
REFUND OF POWER FOR JOBS CREDIT	(445)	445	-
REFUND OF AUCTION RATE INTEREST	(307)	307	-
REFUND OF SO2 CREDITS	(275)	275	-
REFUND OF EMISSION REDUCTION CREDITS	(180)	180	-
REFUND OF WASHINGTON HEIGHTS & WTC SECURITY INITIATIVES	(9)	9	-
REFUND OF PROCEEDS FROM PROPERTY CONDEMNATIONS	(118)	118	-
FACILITIES MAINTENANCE	115	(115)	-
EAST RIVER 6 GENERATOR REWIND	353	(353)	-
5 YEAR UNDERGROUND INSPECTION PROGRAM	523	(523)	-
ACCUMULATED DEFERRED INCOME TAXES			
ADR / ACRS / MACRS DEDUCTIONS	(2,187,349)	(283,051)	(2,470,400)
CHANGE OF ACCOUNTING SECTION 263A	(411,530)	(7,014)	(418,544)
VESTED VACATION	10,919	-	10,919
PREPAID INSURANCE EXPENSES	(3,827)	-	(3,827)
UNBILLED REVENUES	108,202	-	108,202
CONTRIBUTIONS IN AID OF CONSTRUCTION	13,041	-	13,041
CAPITALIZED INTEREST	6,639	-	6,639
REPAIR & MAINTENANCE ALLOWANCE - 02 - 06 IRS AUDIT	4,389	-	4,389
FIN 48 - DISALLOWED SSCM	(51,134)	-	(51,134)
MTA	(17,157)	-	(17,157)
AMORTIZATION OF COMPUTER SOFTWARE	(40,984)	-	(40,984)
CUSTOMER DEPOSITS	2,832	-	2,832
CALL PREMIUM	(15,204)	-	(15,204)
DEFERRED S.I.T / F.I.T. - BROWNFIELD TAX CREDITS	(6,755)	1,040	(5,715)
DEFERRED S.I.T.	(224,933)	-	(224,933)
TOTAL RATE BASE	\$ 17,320,293	\$ 593,957	\$ 17,914,250

Consolidated Edison of New York, Inc.
Electric Department
Working Capital Allowance
TWELVE MONTHS ENDING MARCH 31, 2014
(\$000's)

	Rate Year 3	Rate Year 4 Adjustments	Rate Year 4 As Adjusted
<u>M & S</u>			
Liquid Fuel Inventory	\$7,182	\$158	\$7,340
Materials and Supplies, Excluding Fuel	98,958	2,177	101,135
Total Materials and Supplies	<u>106,139</u>	<u>2,335</u>	<u>108,474</u>
<u>Prepayments</u>			
Insurance	12,477	275	12,752
Rents	15,891	350	16,240
Property Taxes	346,998	72,234	419,232
PSC Assessment	9,086	200	9,286
Regulatory Assessment - 18A Legislation	57,939	-	57,939
Interference	7,427	163	7,591
EPRI	292	6	299
Other	10,590	233	10,823
Total Prepayments	<u>460,701</u>	<u>73,461</u>	<u>534,162</u>
<u>Cash Working Capital</u>			
Total Operation & Maintenance Expenses	5,138,891	64,133	5,203,024
Less: Purchased Power Expenses	2,705,526	59,303	2,764,829
Gas Portion of Fuel	8,771	-	8,771
Recoverable Fuel Costs	271,181	-	271,181
Interdepartmental Rents	5,727	713	6,440
Uncollectibles	62,328	42,195	104,523
	<u>2,085,358</u>	<u>(38,079)</u>	<u>2,047,279</u>
Cash Working Capital @ 1/8th	<u>260,670</u>	<u>(4,760)</u>	<u>255,910</u>
Add: Cash Working Capital @ 1/2 on Rec Fuel Costs	<u>22,598</u>	<u>-</u>	<u>22,598</u>
Total	<u>850,110</u>	<u>71,037</u>	<u>921,146</u>
Add: Working Capital Related to Purchased Power	<u>44,371</u>	<u>973</u>	<u>45,343</u>
Total Working Capital	<u>\$894,481</u>	<u>\$72,010</u>	<u>\$966,489</u>

Consolidated Edison of New York, Inc.
Electric Department
Rate Base
TWELVE MONTHS ENDING MARCH 31, 2015
(\$000's)

	Rate Year 4	Rate Year 5 Adjustments	Rate Year 5 As Adjusted
UTILITY PLANT			
BOOK COST OF PLANT	\$23,788,700	\$1,913,519	\$25,702,218
ACCUMULATED RESERVE FOR DEPRECIATION	(4,983,352)	(388,970)	(5,372,322)
NET PLANT	18,805,348	1,524,549	20,329,897
NON-INTEREST BEARING CWIP	639,417	(125,546)	513,871
UNBILLED REVENUES	57,176	-	57,176
PREFERRED STOCK EXPENSE	2,414	-	2,414
UNAMORTIZED DEBT DISCOUNT PREMIUM AND EXPENSE	132,918	-	132,918
DEFERRED FUEL - NET OF TAX	90,817	36,158	126,975
UNAMORTIZED BALANCE - HUDSON FARRAGUT	220	-	220
CUSTOMER ADVANCES FOR CONSTRUCTION	(540)	-	(540)
M.T.A. SURTAX - NET OF TAX	4,163	-	4,163
WORKING CAPITAL	880,213	71,634	951,847
EXCESS RATE BASE OVER CAPITALIZATION ADJUSTMENT	202,474	-	202,474
EARLY RETIREMENT TERMINATION BENEFIT (1999) - NET OF TAX	5,197	-	5,197
SYSTEM BENEFITS CHARGE/RETAIL PORTFOLIO STANDARD - NET OF TAX	-	-	-
AMOUNTS BILLED IN ADVANCE OF CONSTRUCTION - NET OF TAX	(5,619)	-	(5,619)
ERRP MAINTENANCE	(2,840)	-	(2,840)
RATE CASE RECONCILIATIONS - NET OF F.I.T.			
RECOVERY OF SIR DEFERRALS FROM CASE 07-E-0523	142,416	14,205	156,621
RECOVERY OF VARIOUS DEFERRALS FROM CASE 07-E-0523	62,553	(8,504)	54,049
RECOVERY OF 2008/2009 PROPERTY TAX INCREASE	-	-	-
RECOVERY OF DEFERRALS FROM CASE 04 E-0572 RY3	-	-	-
RECOVERY OF RETAIL CHOICE PHASE 7	-	-	-
RECOVERY OF BUSINESS INCENTIVE RATE SHORTFALL	-	-	-
RECOVERY OF INTEREST ON SIR DEFERRALS	-	-	-
RECOVERY OF INTEREST ON OTHER REGULATORY DEFERRALS	-	-	-
RECOVERY OF TARGETED DSM FROM CASE 04 E-0572	-	-	-
RECOVERY OF EMERGENCY RESPONSE / DEMAND REDUCTION PROGRAM	-	-	-
REFUND OF CREDITS FROM CASE 07-E-0523	-	-	-
REFUND OF INTERFERENCE UNDERSPENDING	-	-	-
REFUND OF TSC REVENUES	-	-	-
REFUND OF CAIDI PERFORMANCE REVENUE ADJUSTMENT	-	-	-
REFUND OF INTEREST FROM SALE OF 1ST AVE PROPERTIES	-	-	-
REFUND OF PROPERTY TAX REFUND	-	-	-
REFUND OF POWER FOR JOBS CREDIT	-	-	-
REFUND OF AUCTION RATE INTEREST	-	-	-
REFUND OF SO2 CREDITS	-	-	-
REFUND OF EMISSION REDUCTION CREDITS	-	-	-
REFUND OF WASHINGTON HEIGHTS & WTC SECURITY INITIATIVES	-	-	-
REFUND OF PROCEEDS FROM PROPERTY CONDEMNATIONS	-	-	-
FACILITIES MAINTENANCE	-	-	-
EAST RIVER 6 GENERATOR REWIND	-	-	-
5 YEAR UNDERGROUND INSPECTION PROGRAM	-	-	-
ACCUMULATED DEFERRED INCOME TAXES			
ADR / ACRS / MACRS DEDUCTIONS	(2,470,400)	(283,589)	(2,753,989)
CHANGE OF ACCOUNTING SECTION 263A	(418,544)	(4,325)	(422,869)
VESTED VACATION	10,919	-	10,919
PREPAID INSURANCE EXPENSES	(3,827)	-	(3,827)
UNBILLED REVENUES	108,202	-	108,202
CONTRIBUTIONS IN AID OF CONSTRUCTION	13,041	-	13,041
CAPITALIZED INTEREST	6,639	-	6,639
REPAIR & MAINTENANCE ALLOWANCE - 02 - 06 IRS AUDIT	4,389	-	4,389
FIN 48 - DISALLOWED SSCM	(51,134)	-	(51,134)
MTA	(17,157)	-	(17,157)
AMORTIZATION OF COMPUTER SOFTWARE	(40,984)	-	(40,984)
CUSTOMER DEPOSITS	2,832	-	2,832
CALL PREMIUM	(15,204)	-	(15,204)
DEFERRED S.I.T. / F.I.T. -- BROWNFIELD TAX CREDITS	(5,715)	1,040	(4,675)
DEFERRED S.I.T.	(224,933)	(21,933)	(246,866)
TOTAL RATE BASE	\$ 17,914,250	\$ 1,203,689	\$ 19,117,939

Consolidated Edison of New York, Inc.
Electric Department
Working Capital Allowance
TWELVE MONTHS ENDING MARCH 31, 2015
(\$000's)

	Rate Year 4	Rate Year 5 Adjustments	Rate Year 5 As Adjusted
<u>M & S</u>			
Liquid Fuel Inventory	\$7,340	\$161	\$7,501
Materials and Supplies, Excluding Fuel	101,135	2,225	103,360
Total Materials and Supplies	<u>108,474</u>	<u>2,386</u>	<u>110,861</u>
<u>Prepayments</u>			
Insurance	12,752	281	13,032
Rents	16,240	357	16,598
Property Taxes	419,232	80,137	499,369
PSC Assessment	9,286	204	9,490
Regulatory Assessment - 18A Legislation	57,939	-	57,939
Interference	7,591	167	7,758
EPRI	299	7	305
Other	10,823	238	11,061
Total Prepayments	<u>534,162</u>	<u>81,391</u>	<u>615,553</u>
<u>Cash Working Capital</u>			
Total Operation & Maintenance Expenses	5,203,024	(117,931)	5,085,093
Less: Purchased Power Expenses	2,764,829	(68,785)	2,696,044
Gas Portion of Fuel	8,771	-	8,771
Recoverable Fuel Costs	271,181	-	271,181
Interdepartmental Rents	6,440	713	7,153
Uncollectibles	104,523	38,265	142,788
	<u>2,047,279</u>	<u>(88,123)</u>	<u>1,959,155</u>
Cash Working Capital @ 1/8th	<u>255,910</u>	<u>(11,015)</u>	<u>244,894</u>
Add: Cash Working Capital @ 1/2 on Rec Fuel Costs	<u>22,598</u>	<u>-</u>	<u>22,598</u>
Total	<u>\$921,145</u>	<u>\$72,762</u>	<u>\$993,907</u>
Add: Working Capital Related to Purchased Power	<u>45,343</u>	<u>(1,128)</u>	<u>44,215</u>
Total Working Capital	<u>\$966,488</u>	<u>\$71,634</u>	<u>\$1,038,122</u>

Consolidated Edison of New York, Inc.
Electric Department
Interest Synchronization
For the Twelve Months Ending March 31, 2012
(\$000's)

	Rate Year 1 As Reflected in Exhibit (AP-9)	Rate Year 2 Adjustments	Rate Year 2 As Adjusted
Rate Base	\$15,106,916	\$1,163,359	\$16,270,275
Interest Bearing CWIP (+)	<u>535,439</u>	<u>(193,454)</u>	<u>341,985</u>
Earnings Base	15,642,355	969,905	16,612,260
Embedded Cost of Debt	<u>2.88%</u>	<u>2.88%</u>	<u>2.88%</u>
Interest Deduction	<u>\$450,726</u>	<u>\$27,142</u>	<u>\$477,868</u>

For the Twelve Months Ending March 31, 2013
(\$000's)

	Rate Year 2 As Adjusted	Rate Year 3 Adjustments	Rate Year 3 As Adjusted
Rate Base	\$16,270,275	\$1,050,018	\$17,320,293
Interest Bearing CWIP (+)	<u>341,985</u>	<u>(22,298)</u>	<u>319,687</u>
Earnings Base	16,612,260	1,027,720	17,639,980
Embedded Cost of Debt	<u>2.88%</u>	<u>2.88%</u>	<u>2.88%</u>
Interest Deduction	<u>\$477,868</u>	<u>\$29,564</u>	<u>\$507,432</u>

Consolidated Edison of New York, Inc.
Electric Department
Interest Synchronization
For the Twelve Months Ending March 31, 2014
(\$000's)

	<u>Rate Year 3 As Adjusted</u>	<u>Rate Year 4 Adjustments</u>	<u>Rate Year 4 As Adjusted</u>
Rate Base	\$17,320,293	\$593,957	\$17,914,250
Interest Bearing CWIP (+)	<u>319,687</u>	<u>60,737</u>	<u>380,424</u>
Earnings Base	17,639,980	654,694	18,294,674
Embedded Cost of Debt	<u>2.88%</u>	<u>2.88%</u>	<u>2.88%</u>
Interest Deduction	<u>\$507,432</u>	<u>\$18,833</u>	<u>\$526,265</u>

For the Twelve Months Ending March 31, 2015
(\$000's)

	<u>Rate Year 4 As Adjusted</u>	<u>Rate Year 5 Adjustments</u>	<u>Rate Year 5 As Adjusted</u>
Rate Base	\$17,914,250	\$1,203,689	\$19,117,939
Interest Bearing CWIP (+)	<u>380,424</u>	<u>(125,546)</u>	<u>254,878</u>
Earnings Base	18,294,674	1,078,144	19,372,817
Embedded Cost of Debt	<u>2.88%</u>	<u>2.88%</u>	<u>2.88%</u>
Interest Deduction	<u>\$526,265</u>	<u>\$31,013</u>	<u>\$557,278</u>

Consolidated Edison Company of New York, Inc.
Electric Capital Forecast: 2009 - 2015
(in Millions)

Electric	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Total 5 Year</u>	<u>2014</u>	<u>2015</u>
Transmission & Switching Stations	\$220	\$189	\$102	\$87	\$97	\$694	\$97	\$98
Substations & Sub-Transmission	360	272	240	363	347	1,581	350	354
Distribution	969	868	844	899	890	4,471	899	908
Total Electric T&D	\$1,549	\$1,329	\$1,185	\$1,349	\$1,334	\$6,745	\$1,347	\$1,360
 Electric Production	 \$38	 \$40	 \$36	 \$39	 \$38	 \$190	 \$38	 \$38
 Common Allocated - 83%	 \$189	 \$252	 \$226	 \$171	 \$156	 \$995	 \$158	 \$160
 Austerity	 (\$137)	 \$0	 \$0	 \$0	 \$0	 \$0	 \$0	 \$0
 Increased Pension Costs	 \$0	 \$100	 \$100	 \$0	 \$0	 \$0	 \$0	 \$0
 Total	 \$1,638	 \$1,722	 \$1,547	 \$1,559	 \$1,527	 \$7,930	 \$1,543	 \$1,558

NYDailyNews.com

DAILY NEWS

Shhh! Mayor Bloomberg quietly authorizes \$69 million in bonus managers over two years

BY FRANK LOMBARDI DAILY NEWS CITY HALL BUREAU

Saturday, July 11th 2009, 1:02 AM

What budget crisis?

After crying poverty for months, Mayor Bloomberg authorized fat raises Friday for 6,692 of his managers and nonunion employees, worth \$69 million over two years.

The raises, which will cover virtually all his City Hall staffers, but not himself, will match those given to District 37, the city's largest municipal union.

There will be a 4% raise retroactive to March 3 of last year, and a compounded 4% raise - or 4.16% - retroactive March 3 of this year.

Those getting the raises will get lump-sum retroactive checks covering 16 months.

The seven deputy mayors will get raises ranging from \$16,978 to \$18,541, with the salary of First Deputy Commissioner Patricia Harris rising to \$245,760.

Top commissioners will get a \$23,247 raise, bringing their salaries to \$189,700.

The raises only affect workers in mayoral agencies, not the Department of Education.

They also do not apply to the mayor and other elected officials, whose salaries are set by city law.

The mayor's official salary is \$225,000, but the billionaire accepts only \$1.

The raise was announced in a written statement by Bloomberg Press Secretary Stu Loeser, on a Friday after

Shhh! Mayor Bloomberg quietly authorizes \$69 million in bonuses for managers over two years

time frequently reserved for news meant to slip under the radar.

Bloomberg has been warning of layoffs and other drastic action for months, citing plunging tax revenues and shriveled up economy.

The budget is balanced through next June, with more than \$2 billion in a health fund that could be tapped in : Multibillion-dollar gaps loom for the following years.

Loeser's statement stressed that the salaries of some unionized civil servants are higher than those of their supervisors, discouraging desire for career advancement.

A unionized police deputy chief - one-star - makes \$180,749, while a managerial assistant chief - two-star - n \$166,106, Loeser said.

In the Fire Department, such salary differentials have left 20% of managerial staff chief positions unfilled.

flombardi@nydailynews.com

RECENT COMMENTS FROM DAILY NEWS READERS

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

EXHIBIT - (EJR-Rm-2)

Page 1 of 2

Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of Consolidated Edison
Company of New York, Inc. for Electric Service

Case 09-E-0428

NEW YORK CITY RESPONSES TO INFORMATION REQUESTS
CON EDISON SET NO. 4

26. Request:

Please confirm that in July 2009, the City provided salary increases to managers and nonunion employees.

- a. Please provide the number of managers and nonunion employees that received increases.
- b. Please provide the aggregate dollar amount of the increases and the period of time to which the increases applied.
- c. Was the percentage raise 4% retroactive to March 3, 2008, and a compounded 4% raise - or 4.16% - retroactive to March 3, 2009? If the answer is no, please provide the percentage raise(s) granted and the period(s) to which they apply.
- d. Please provide the level or range of raises given to deputy mayors and commissioners the first deputy commissioner.

Response:

The City objects to this information request on the grounds that: (a) it seeks information that is outside the scope of this proceeding; (b) it seeks information that is not relevant to, or likely to lead to the discovery of information that is relevant to this proceeding; (c) it seeks information that is outside the scope of Mr. Arnett's Direct Testimony in this proceeding; (d) it seeks information that is outside the scope of Dr. Rosenberg's Direct Testimony in this proceeding.

Issues regarding the City's payroll and salary practices are beyond the scope of the Commission's jurisdiction, as established by Section 5 of the New York State Public Service Law, and this proceeding. None of the information sought in this information request has any relevance to Con Edison's revenue requirement or the determination of just and reasonable rates for the utility.

Prepared by: Couch White, LLP
Dated: September 16, 2009

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of Consolidated Edison
Company of New York, Inc. for Electric Service

Case 09-E-0428

27. Request:

Please provide the City's rationale for granting these raises in the current economic environment.

Response:

The City restates the objections set forth in response to CE-26.

Prepared by: Couch White, LLP
Dated: September 16, 2009