Q. Please state your name and business address.

A. My name is Edward J. Rasmussen. My business address is 4 Irving Place, New York, N.Y. 10003.

Q. By whom are you employed and in what capacity?

A. I am employed by Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") as the Vice President and Controller.

Q. Briefly state your educational background.

A. I graduated from St. Francis College in June 1970, with a Bachelor's Degree in Business Administration. In 1977, I received a Masters Degree in Finance from Long Island University.

Q. Please explain your work experience with Con Edison and your current primary responsibilities.

A. From 1970 to 1987, I worked in the Rate Matters Section of Corporate Accounting in increasing levels of responsibility up to and including Director of the section. In 1987, I was promoted to Assistant Controller responsible for Accounting Research, Payroll and Stores Accounting. In 1990, I was transferred to Manhattan Customer Service as General Manager of Operations Service responsible for transportation, stores, budgets and personnel. In 1993, I returned to Corporate Accounting as Assistant Controller responsible for various sections within the department. In December 2000, I was promoted to my current position of Vice President and Controller.

Q. Have you been involved in industry-wide utility issues?

A. Yes. For many years, I have been an active member of both the EEI and AGA finance and accounting committees and I am currently a member of the Executive Accounting Committee of the EEI.

Q. Have you previously testified before this Commission?

A. Yes. I have testified before the Commission in numerous electric, gas and steam rate proceedings.

Q. What is the purpose of your testimony in this proceeding?

A. My testimony covers the following topics:

- I will discuss how provisions of the Company's current rate plan have impacted the rate increase request;
- I will provide an overview of the expense items prompting the Company's request for the rate increase for the rate year, the twelve months ending March 31, 2009;
- I will propose a three-year electric rate plan with staged increases in the 2nd and 3rd years;
- I will outline the Company's request to continue

the use of deferred accounting for certain operating costs, with some modifications, and my proposal to discontinue the T&D plant true-up previously authorized by the Commission;

- I will recommend the unbundling of customer uncollectible accounts expense in order to match the actual costs incurred for this expense with the actual cost of energy billed to customers; and
- I will discuss the Company's proposal for a Revenue Accounting and Rate Incentive Mechanism ("RARIM") in order to implement revenue decoupling.

IMPACT OF CURRENT RATE PLAN

Q. Mr. Rasmussen, please discuss how provisions of the Company's current rate plan have impacted the rate increase that Con Edison is requesting in this filing.

A. The Company is currently operating under the terms of a Joint Proposal adopted by the Commission on March 24, 2005 in Case 04-E-0572 that went into effect on April 1, 2005 ("existing rate plan"). The existing rate plan provided for base rate increases of a $105 million and $220 million in the first and third years (i.e., commencing on April 1, 2005 and April 1, 2007, respectively). It also provided for the Company to retain transmission congestion credit ("TCC") auction proceeds of $60 million each year going forward ($180 million total over the term of the agreement), and to retain approximately $485 million of deferred net accounting credits as well as $65 million of net cash proceeds from the sale of the Chelsea and 45th Street properties over the term of the Agreement. The credits retained were utilized to offset ongoing operating costs.

Q. In addition to utilizing TCC proceeds, net accounting credits and non-recurring proceeds from the sale of property, did the existing rate plan have any other mechanisms that had the effect of mitigating the amount of the base rate increase authorized in Case 04-E-0572?

A. Yes. A key component driving the Company's request for rate relief in Case 04-E-0572 was the level of infrastructure investments that Con Edison identified as being necessary to continue to maintain, replace and upgrade its electric transmission and distribution system. The projected capital expenditures were significantly higher than historic levels because they provided for, among other work, the cost of several new substations, which have either been completed or are underway and expected to come on line in the near future. However, the existing rate plan provided for a level of funding for capital projects less than the Company's forecast, reflecting instead an amount developed by trending the level of historic expenditures and projects actually achieved by the Company. At this point, the Company is projecting that its average net plant balance for the third rate year of the existing rate plan will be $1.5 billion higher than the level included in rates.

Q. Why is this significant?

A. The inclusion of plant added to rate base above the level provided in the existing rate plan accounts for $195 million (or approximately sixteen percent of the requested rate increase).

Q. You indicated previously that the Company utilized approximately $485 million of deferred net accounting credits as well as $65 million of net cash proceeds from the sale of properties over the term of the existing rate plan to mitigate rate increases. How does this impact the level of rate relief the Company is now requesting?

A. The third year of the existing rate plan contained approximately $250 million of deferred net accounting credits and net cash proceeds from the sale of properties that offset the rate increase granted. Base rates must be increased to fill the gap caused by the expiration of the accounting credits. This is equivalent to approximately twenty percent of the requested rate increase in this proceeding.

Q. What other factors attributable to the current rate plan are impacting the rate increase?

A. The Company is seeking to recover, over periods ranging from three to thirty years, approximately $80 million of deferred costs that are projected to accumulate during the existing rate plan for World Trade Center expenditures (O&M and Capital deferrals) and for deferred carrying costs on T&D capital expenditures above the level included in rates during the third year of the existing rate plan. Recognizing that the Company may, in fact, spend significantly more on capital projects than targeted, the rate plan provided for the Company to defer carrying costs on capital expenditures that exceeded the capital funding targets. Additionally, the actual level of pension costs incurred during the current rate plan are more than the level provided in rates, while property taxes are less than the current rate allowance. Resetting these costs to the proper levels accounts for $50 million of the requested increase. Partially offsetting these items are credits that have accumulated during the term of the existing rate plan that would be passed back to customers over three years, amounting to approximately $60 million. These credits include proceeds from the sale of the 1st Avenue properties and for federal and state income tax benefits.

Q. Please summarize the overall impact of the existing rate plan on the rate increase the Company is seeking.

A. Overall, the existing rate plan will account for approximately $515 million or forty two percent of the requested increase. Expiring credits represent $250 million, carrying costs on plant added during the existing rate plan represents $195 million, deferred costs represent $80 million, and updating the rate allowance for current pension and property tax costs amounts to $50 million. Partially offsetting these amounts are $60 million of available credits.

OVERVIEW OF REMAINING RATE INCREASE

Q. In addition to the $515 million required due to the expiration of the existing rate plan, please outline the major cost drivers that account for the balance of the requested increase.

A. The balance of approximately $710 million is primarily from carrying costs for new infrastructure investments, new and expanded operating programs, an increase in the allowed return on equity, and proposed changes in depreciation rates, offset in part by sales growth. The need for additional capital investment and new operating programs are explained in detail by various Company witnesses. The Company continues to upgrade, reinforce and replace its electric infrastructure and plans to spend approximately two billion dollars annually over the next several years to do so. The depreciation and carrying cost on this investment constitutes approximately $40 million and $195 million, respectively, of the requested rate increase.

I note that the Company's success in pursuing and completing a significantly higher level of infrastructure projects than was reflected in current rates demonstrates its commitment and ability to enhance its infrastructure at an accelerated pace. Accordingly, base rates set in this proceeding should reflect the Company's forecast of T&D plant additions.

In addition to the capital infrastructure investment, the Company's request includes $280 million of increased operation and maintenance expenses related primarily to programs to support upgrade and maintain its infrastructure. Also, as discussed in the testimony of

Company witness Morin, the Company seeks a return of 11.5 percent on the equity invested in our business, which accounts for approximately $115 million of the requested increase.

Changes to the Company's depreciation rates and the recovery of a reserve deficiency discussed by Company witness Hutcheson represent $100 million in higher costs.

Q. What impact does sales growth have on the Company's request?

A. The Company's sales forecast, discussed by the Company's Forecasting Panel, projects approximately $20 million in higher net revenues than are currently reflected in rates.

Q. Is the Company's embedded generation costs reflected in the overall proposed rate increase request of approximately $1,225 billion?

A. Yes. As shown on Exhibit____(AP-10), Schedule 1, sponsored by the Accounting Panel, the embedded cost of retained generation represents approximately $53 million of the total increase. This amount would be recovered as part.of the fixed portion of the Company's Market Supply Charge ("MSC")/Monthly Adjustment Clause ("MAC") mechanism.

THREE-YEAR ELECTRIC RATE PLAN

Q. Mr. Rasmussen, are you sponsoring a three-year rate plan proposal as an alternative to a one-year case?

A. Yes.

Q. Please explain how a rate plan of this length would benefit the Company's customers.

A. Multi-year rate plans provide the Company with greater flexibility to schedule and execute critical programs in the most cost-effective manner. They also place a greater responsibility on the Company to manage its resources over several years when there may be larger swings in economic conditions and permit greater focus on operating efficiencies as opposed to the alternative of a relatively constant focus on rate litigation.

When the Company manages its resources in a cost-effective manner, both the Company and customers benefit. That is, the Company could receive a benefit during a portion of the current rate period, and its customers during all successive rate periods, retaining the more significant value of the improvements in the business.

A three-year rate plan that includes the features I discuss later in my testimony balances the impact of future uncertainties on customers and the Company.

Q. Can you explain how your multi-year proposal would work?

A. Yes. The Company essentially proposes that the rates set for the rate year, the twelve months ending March 31, 2009 ("RY1"), become the base from which projections are made for the 2nd and 3rd years of the rate plan. The Company further proposes that the Commission adopt a series of staged rate changes for the twelve months ending March 31, 2010 ("RY2") and the twelve months ending March 31, 2011 ("RY3"). I would like to emphasize that, by proposing a three-year plan in the alternative, the Company does not waive its rights to file for new rates immediately following the conclusion of this case, if the Company views (1) the rate change granted by the Commission for RY1 to be inadequate, or (2) the terms for an additional rate year(s) under a multi-year rate plan to be unreasonable. I would also note that the various three-year amortizations proposed throughout the Company's filing are proposed for both the one-year rate request and the three-year rate proposal.

Q. I show you a 19-page document entitled, "CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. - THREE-YEAR ELECTRIC RATE PLAN" and ask whether it was prepared under your supervision and direction?

A. Yes, it was.

MARK FOR IDENTIFICATION AS EXHIBIT_____(EJR-1)

Q. Please explain your Exhibit_____(EJR-1, Summary).

A. Exhibit_____(EJR-1, Summary) highlights the items for which the Company seeks recovery in RY2 and RY3. The first column represents the calculated increase in revenue requirement of $1,225 billion for RY1 as shown on Exhibit___• (AP-9), Schedule 1. The second and third columns show the annual changes in revenues and costs that the Company believes are appropriate to include in the calculation of the revenue requirement for RY2 and RY3. The bottom of this Exhibit indicates the continuation of existing "true-up" mechanisms for property tax expenses, interference costs (including World Trade Center related interference), pensions and OPEBs, and environmental remediation costs. The Accounting Panel discusses the Company's request to use reserve accounting for Category 2 and 3 storm costs and ERRP overhaul maintenance; these items would also be subject to a true-up mechanism. The Company also proposes to continue to true up and defer costs associated with new legislative and regulatory requirements. We propose these true ups for a one-year rate determination as well, since these costs, which are outside the Company's direct control, could either increase or decrease materially during the first rate year. Moreover, establishing these true-ups in connection with a one-year rate determination could enable the Company to delay the need for rate relief after the expiration of the first year such rates are in effect. I would note that since the Company is subject to the Commission's Policy Statement on Pensions and Other Post Employment Benefits, it is required to true-up its annual pension and OPEB costs to the levels provided in base rates. As discussed below, I propose modifications to some of the existing true up mechanisms.

Q. What modifications do you propose?

A. First, as noted earlier in my testimony, I propose that base rates set in this proceeding reflect the Company's forecasted T&D capital expenditures, in which case, there would be no need to continue the capital true-up mechanism. As I explained, the existing rate plan reflects a level of plant additions that were lower than the level that was projected to be spent by the Company. The Company's acceptance of this target (as part of a resolution of other issues in the last case) provided short term benefits to customers in that the carrying cost of plant above the target was deferred. However, as mentioned by Company witness Hoglund, this same mechanism is now placing upwards pressure on rates going forward as the Company recovers deferred carrying costs and includes its actual plant additions in rate base. As a result, Con Edison projects that it will have deferred carrying costs on plant for Rate Year 3 of $157.9 million at the end of the third rate year. The amounts that had been deferred for Rate Year 1 and Rate Year 2 were $6.0.0 million and $138.7 million, respectively, for a three year total of $356.6 million. The Company was able to offset the deferred carrying charges recorded for the first two rate years by utilizing available credits pursuant to the terms of the existing agreement. Recovery of the deferred carrying costs for the third rate year and the delayed inclusion of amounts spent are a significant portion of the rate increase that the Company is now seeking. In addition, the Company needs cash to fund its capital expenditures. Delayed recognition of capital expenditures in rates has put a tremendous strain on the Company's ability to raise and borrow money as well as maintain its credit rating, all of which are also discussed by Company witness Hoglund. Notwithstanding, should the Commission establish rates in this proceeding that reflect less than the Company's forecasted T&D capital expenditures, the existing true-up mechanism should be continued.

Q. Please discuss the other modifications to the existing true-up mechanisms.

A. I propose to eliminate the 2.5 percent "deadband" that currently exists for property taxes and interference and allow the Company to true up 100 percent of these costs. Historically, as should be expected, the Company has been either over or under the annual targets. Both expenses are outside the direct control of the Company in that they depend on the actions of various governmental entities. A deadband does not provide an incentive or disincentive to the Company to reduce a cost over which it has no direct control. It merely results in either the Company or its customers receiving a windfall at the expense of the other.

Q. Do the amounts shown on Exhibit_____(EJR-1, Summary) for RY2 and RY3 represent the increases the Company seeks for those years, or is it a placeholder for data that is to be updated at a later point in time?

A. With the exception of pension/OPEBs costs, the amounts shown for RY2 and RY3 represent the amounts the Company requests, subject to the true-ups discussed previously.

We propose to update pension and OPEBs costs, which may vary significantly due to fluctuations in the financial markets and underlying assumptions, using the latest available information from our actuary, currently Buck Consultants, when available. The current projected increase in pension and OPEB expense is based on an April 2007 actuarial study.

Q. Mr. Rasmussen, please explain how the forecast of revenues and expenses for RY2 and RY3 that you will not be updating was prepared.

A. The forecast of Sales Revenues was provided to me by the Forecasting Panel. I adjusted the revenues to reflect 365.25 billing days consistent with the adjustment made by the Accounting Panel for RY1. Other Operating Revenues, other than those included in the MSC/MAC, were escalated using a GDP factor of 2.1 percent per year. The projection of operating and maintenance expenses excluding fuel was developed by taking the RY1 level of Operations and Maintenance Expense shown in Exhibit ___ (AP-5), Schedule 1 and escalating net wages by 2.84 percent and other items by the GDP rate of 2.1 percent per year. The 2.84 percent escalation rate for wages assumes the weighted average annual increase for RYl of 3.84 percent less a productivity adjustment of 1.0

percent. Exhibit_____(EJR-1, Schedule 4, page 1 of 3) shows this computation. Amortized expenses were not escalated using these factors.

Exhibit______(EJR-1, Schedule 4, page 2 of 3) shows the projected annual pension and OPEB costs based on a forecast prepared by the Company's actuary Buck Consultants as discussed previously.

Exhibit______(EJR-1, Schedule 4, page 3 of 3) shows the projected annual spending for MGP remediation as explained by Company witness Price. The revenue requirement seeks to recover the annual increase in spending over three years.

Q. Please continue.

A. Depreciation expense is based on the rates proposed by Company witness Hutcheson applied to the Company's Capital Budget and is shown on Exhibit____(EJR-1, Schedule 5). Property taxes were also projected by Mr. Hutcheson and are shown on Exhibit____(EJR-1, Schedule 6). Subsidiary capital taxes, Corporate Franchise, and other miscellaneous taxes also shown on Schedule 6 were escalated using the GDP factor of 2.1 percent. Payroll taxes on this exhibit were escalated using the net wage increase factor of 2.84 percent.

The New York State and Federal Income tax computations utilize the forecast data from the aforementioned schedules and are shown on Exhibit______(EJR-1, Schedule 7 and 8, respectively).

Average rate base is shown on Exhibit____(EJR-1, Schedule 9) and reflects the Company's forecast of plant additions, depreciation accruals and changes in deferred income tax balances. In addition, deferred balances have been adjusted to reflect the impact of amounts amortized each year.

DEFERRED ACCOUNTING

Q. Does the Company currently employ the use of deferred accounting as permitted under SFAS No. 71, Accounting for Regulated Businesses?

A. Yes. The Commission has authorized the Company to utilize deferred accounting to match the recognition of expenditures with the recovery of certain costs when they are either beyond our direct control or the timing of the actual expenditure is not certain.

Q. Are you proposing to continue the use of deferral accounting for the costs that the Commission has previously authorized?

A. Yes. As I discussed earlier in my testimony, I propose to continue the expense true-up mechanisms that are part of the existing rate plan, whether for a one-year rate determination or the proposed three-year rate plan, subject to the modifications discussed above regarding eliminating deadbands and the T&D capital true-up. In addition, for all true-ups, the target levels should be updated to reflect the Company's current projected levels of expense for these items (i.e., property taxes, interference (including interference costs previously included in the WTC deferral), pensions and OPEBs, and environmental remediation) included in this filing.

I also support the use of reserve accounting for Category 2 and 3 storms as well as for overhaul costs of the East River Generating Station Units 1 and 2 as discussed by the Accounting Panel.

Q. Does the Company have a proposal regarding the treatment of property tax refunds and assessment reductions it is able to achieve?

A. Yes, the Commission should continue the current 86/14 customer/Company sharing mechanism in .place for property tax refunds and assessment reductions achieved by the Company. As explained by Company witness Hutcheson, the Company's efforts in this regard have produced material benefits for customers.

Q. Please explain the basis for increasing the target for environmental remediation costs from approximately

$8,935 million to approximately $50.0 million.

A. The target for environmental remediation costs of $8,935 million contained in the existing rate plan was set at the time of the last electric case. The annual allowance was increased by $5 million at that time to recognize the higher level of spending expected to be incurred by the Company. At the time the allowance was reset, it was projected that any environmental costs above the target would be offset by utilizing the remaining funds that had been set aside from a number of sources, including insurance recoveries, divestiture of Con Edison's generating assets, and prior collections from customers. Currently, the Company has exhausted all of these funds and is expending funds far in excess of the $8,935 million annual rate allowance. As of March 31, 2007, Electric operations disbursements for these costs exceeded recoveries by almost $10 million. Exhibit __(EJR-1), Schedule 4, Page 3 of 3 shows that the projected spending from March 31, 2007 through the end of the first rate year, will be approximately $190 million, of which Electric Operations will be responsible for approximately $149 million. When combined with the current deferred balance of approximately $10 million, less amounts to be amortized of approximately $9 million, a total amount of $150 million is required. The Company proposes to increase the level of environmental expenditures reflected in rates to recover this balance over three years. In addition, the Company is requesting an additional increase of $11.1 million in RY2 and $11.1 million in RY3 to start recovering a portion of the projected expenditures to be incurred in each of those periods.

Q. Please explain how the Company accounts for costs related to the restoration of facilities in lower Manhattan that were damaged as a result of the attack on the World Trade Center, and how it proposes to incorporate these costs in RY2 and RY3 if a three-year rate plan is adopted.

A. The Company has deferred and categorized actual spending related to the WTC incident as follows:

- Category 1 - Restoration and emergency response;
- Category 2 - Rebuilding of facilities; and
- Category 3 - Interference (relocation of Company facilities).

The Company has applied for recovery of these costs through the Lower Manhattan Development Corporation ("LMDC"), which, in partnership with the Empire State Development Corporation ("ESDC") and New York City

Economic Development Corporation, has prepared a partial action plan with regard to the $750 million federal appropriation for reimbursing utilities. The Company has received payments totaling $79.1 million as of March 31, 2007 (including interest of $0.7 million) from LMDC for losses incurred by the Electric Department and applied these payments against the deferred expenditures (capital, removal and O&M). The Company has also applied reimbursements received from insurance carriers of $76.6 million against the deferred balance. In addition to what ESDC may determine as ineligible for federal reimbursement during audit review, all reimbursements of the varying categories of costs under the HUD Action Plan are subject to the limitation of funds that remain available based on submissions by all applicants and not just Con Edison. Specifically, the final reimbursement of Category 2 is pending completion of the audit and is eligible for only 75 percent reimbursement. For Category 3, the HUD Action Plan only allocates $60 million for all applicants of which Con Edison's expenditures to date alone exceed this amount. Accordingly, there is no basis to expect that future federal payments will provide for recovery of all of the Company's expenditures. Therefore, as discussed by the

Accounting Panel, we propose a thirty-six month recovery for carrying charges and expenditures incurred through March 31, 2008, that would have normally been expensed. For items that are capital in nature, we are seeking a thirty-year recovery.

Q. At what point will the Company stop its deferral of WTC costs?

A. Under the Partial Action Plan, the Company may submit claims for reimbursements for Category 3 expenditures from Federal Agencies for costs incurred through December 31, 2007. We will continue to defer costs incurred between March 31, 2007 and December 31, 2007, along with any reimbursements received from the federal government. Amounts that become known during the course of the proceeding will be reflected in updates to be filed by the Company. We propose to cease deferring new costs after that date and treat them as normal ongoing capital and operating expenses. Most of the operating expenses are for interference work, which are detailed by Company witness Gencarelli. The Company's requested rate allowance for interference recognizes this anticipated change.

Q. The Company is currently allowed to "net" outstanding deferred balances at the end of each rate year of the existing rate plan, the Joint Proposal approved by the Commission states the following (p. 10):

D. Reconciliations

> The Company will reconcile the following costs to the levels reflected in rates, as set forth in Appendices F and G. The reconciliations in each of RY1, RY2, and RY3 will be deferred and recovered from customers or credited to customers after expiration of this Electric Rate Plan, in a manner to be determined by the Commission. However, at the end of each Rate Year and subject to audit and prudence review, the Company may apply any available credits, except credits associated with TCC's, to offset the deferred balance

Do you propose to continue this annual netting of outstanding deferrals?

A. Yes, the ability to net deferrals has helped simplify the Company's external reporting requirements and made Con Edison's financial statements more meaningful to investors. When regulatory assets and liabilities are reported on a gross basis, it has the effect of inflating the reported assets and liabilities of the Company. Netting gives an investor a clearer understanding of the Company's true financial assets and liabilities.

Q. Please explain how you propose to recover the category of expenses under the annual true-ups shown on Exhibit ______ (EJR-1, Summary), under the proposed three-year rate plan.

A. As discussed previously, the Company would defer the difference between the amount allowed in rates and the actual level of expenditures in property taxes, interference (including WTC related costs), pensions/OPEBs, environmental remediation, World Trade Center costs incurred through December 31, 2007, storm and overhaul costs that are included in this filing. Under a three-year rate plan, the Company proposes to submit to the Commission's Accounting and Finance Staff for its review an annual reconciliation of the items for the purpose of effecting a true-up of the costs. The total net deferrals for any year during the term of the proposed three-year rate plan would be recovered through the use of TCC revenues above the rate level imputation of $60 million along with any other available transmission revenues. The TCC and other transmission revenues could also be used as a source of funds to mitigate any other deferrals that arise such as from a Revenue Decoupling Mechanism. This procedure would help minimize the potential build up of large net deferrals that would be collected from or passed back to customers at some time in the future.

UNBUNDLING UNCOLLECTIBLE ACCOUNTS EXPENSE

Q. Is the Company proposing to unbundle uncollectible expense?

A. Yes. The Electric Rate Panel discusses the Company's current plans for unbundling this element of expense. As I explain below, the Company recommends changes to the current recovery method.

Q. What are the benefits of this change?

A. This change would benefit both customers and the Company because the recovery of this expense would be tied more closely to the actual revenues billed. That is, to the extent that energy costs (e.g., purchased power and fuel cost recoveries) rise or fall, there would be a corresponding change in the level of uncollectible account expense that full service customers would pay. Accordingly, customers would pay no more or less than the appropriate bad debt expense associated with the Company's provision of service and the Company would not receive a windfall associated with this expense if energy prices fall (or absorb a cost outside its direct control if market prices rise). Energy cost recoveries represent approximately 50 percent of total billings and therefore represent approximately 50 percent of the current customer bad debt expense.

Q. Please describe the proposed change.

A. The Company proposes to establish separate rate allowances for the MSC / MAC portions of uncollectible expense, recoverable through the MSC / MAC, calculated by multiplying MSC and MAC revenues by the uncollectible factor of $0.55 per hundred dollars of revenues. The uncollectible expense allowance for the MSC and MAC would be approximately $18.8 million ($3,391 billion x $0.0055), based on the projected MSC and MAC revenues, including revenue taxes, shown on the Forecasting Panel's Exhibit ___ (FP-3), Page 3 of 5.

If the Commission approves the Company's proposal to reflect these costs in the MSC and MAC, the Company would increase the amounts billed in the MSC applicable to full service customers and the MAC applicable to full service and transportation customers to recover the related uncollectible expense and reduce the Company's base rate revenue requirement by the $18.8 million discussed above.

REVENUE ACCOUNTING AND RATE INCENTIVE MECHANISM ("RARIM")

Q. Is the Company proposing to implement a Revenue Accounting and Rate Incentive Mechanism ("RARIM") commencing with the effective date of new rates (i.e., April 1, 2008)?

A. Yes, it is.

Q. Does the RARIM represent the Company's proposal to implement a mechanism that would decouple the impact of sales and revenue growth?

A. The RARIM has two primary goals. The first would be to decouple the impact of sales and revenue growth, and thereby provide an alternate means of removing a financial disincentive the. Company might otherwise have to promoting increased energy efficiency, through demand reduction programs, conservation efforts and the wise use of energy. I would point out that removing a financial disincentive to energy efficiency is not the equivalent of establishing a financial incentive to promote energy efficiency and an incentive regime is a necessary adjunct to revenue decoupling to align consumer and investor interests in that respect. The second goal would be to provide a mechanism to encourage and promote continued economic expansion in our service territory and electric sales that provide environmental benefits, e.g., plug-in hybrid cars.

Q. Has the Company been subject to somewhat similar rate mechanisms in prior periods?

A. Yes, it has. The Company's rates have been subject to both an Electric Revenue Adjustment Mechanism ("ERAM") and Revenue Per Customer ("RPC") mechanism for multi-year terms in prior rate agreements.

Q. What are the overall benefits of a RARIM?

A. The benefits of a RARIM are many fold. To begin with, as I stated, it removes a financial disincentive that the Company might otherwise have to promote the efficient use of energy and our natural resources, which leads to a. cleaner environment and better living conditions for all concerned. Moreover, RARIM provides incentives for the Company to continue to promote and help sustain a strong local economy by continuing to give the Company revenue recognition for adding additional customers. RARIM also includes important provisions addressing the need to provide appropriate incentives for the Company to build and strengthen the electric infrastructure and promote service reliability.

Q. What are the provisions of a RARIM that allows for all of the above stated benefits?

A. The main provision of the RARIM proposed by the Company is a "revenue decoupling mechanism" that eliminates the direct relationship between the Company's level of delivery service revenues and the level of profits for the Company. Actual delivery service revenues (i.e., billed revenue less government surcharges, energy and energy-related adjustments including the monthly MSC and

MAC adjustments), would be compared to the base revenue levels established in this proceeding for each service class, including NYPA, on a weather normalized basis. Shortfalls would be subject to real-time recovery to maintain the financial integrity of the Company. Overcollections will be retained to offset any future shortfalls or used as rate moderators in the future.

Q. With regards to your proposal for the governing principles of a RARIM, would the Company or customers bear the risk for sales resulting from warmer or colder than normal weather?

A. Currently, the Company bears the risk for all electric sales variations resulting from weather. Under the RARIM, it would be the Company's view that it should continue to be at risk for weather related sales.

Q. What about growth in the number of customers during the period of a three-year rate plan?

A. Increased revenues associated with growth in the number of customers would be retained by the Company. As is the case with all such changes during the period of long-term rate plans, customers would receive the full benefits of growth in sales when rates are reset in the next rate filing. This provision is an important aspect of economic development and would serve to compensate the Company for costs related to growth in the number of customers.

Q. In addition to revenue decoupling, what are the other principles that will govern the RARIM to be proposed by the Company?

A. The RARIM would provide for the timely recovery of cost reconciliations that the Company proposes as part of this filing (e.g., interference and property taxes). Ideally, the true-up and recovery of costs should be done monthly. The lesson learned during the period of the current rate plan is that cash flow is very important to the financial integrity of the Company, and the delayed recovery of expenditures in excess of recoveries provided for in the base rate setting process has a detrimental effect on the perception of the Company by the financial community and on the Company's ability to meet its current obligations.

Q. If the Company develops and promotes new markets for environmentally-sound programs such as plug in electric vehicles, how should revenues from these new programs be treated under a RARIM?

A. I propose to carve out and exclude revenues from such programs for the term of the new rate plan.

Q. Does the Company have any specific proposals regarding the recovery of energy efficiency program costs under the RARIM mechanism?

A. Yes. As described in the testimony of Company witness Craft, the recovery of incremental program costs associated with energy efficiency programs would continue through the Monthly Adjustment Clause ("MAC") and not be part of the RARIM mechanism. Additionally, the Company should retain a portion of the long-term financial benefits of its efforts in promoting energy efficiency programs. Company witness Craft discusses the framework for incentives tied to the achievement of energy efficiency goals. These incentives, which are also supported by Company witness Zielinski from a regulatory policy standpoint, are key to the development of a sustainable regulatory framework for achieving important energy efficiency goals.

Q. At this point, can the Company provide Proforma calculations and draft procedures to show how the RARIM would be implemented?

A. The Company is currently working on the mechanics of the RARIM and will provide the details that reflect the principles discussed here during the update phase of this proceeding. Time limitations between the issuance date of the Commission's Order and the filing of this rate case have not afforded the Company an opportunity to fully flesh out the details of this proposal.

Q. Does this conclude your testimony?

A. Yes, it does.

Exhibit____(EJR-1)
Summary

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
THREE-YEAR ELECTRIC RATE PLAN
($ millions)

	Exhibit / Schedule	Rate Year Ending March 31, 2009	2010	2011
Base Rate Increase - RY1	AP-9, Sch 1	$ 1,225.5		
Operating Revenues				
Sales Revenue (Net of Fuel, Purchased Power & Rev. Tax)	EJR-1, Sch 2		$ 23.6	$ 41.7
Other Operating Revenues	EJR-1, Sch 3		3.7	1.6
Subtotal (1)			27.3	43.3
Operating Expenses				
Operation & Maintenance Expense (excl. fuel)				
- Labor & General Escalations	EJR-1, Sch 4		30.9	31.7
- Pension and OPEBs	EJR-1, Sch 4		4.7	34.0
- MGP / Superfund Remediation	EJR-1, Sch 4		11.1	11.1
- Uncollectibles	EJR-1, Sch 2		1.8	2.1
Depreciation & Amortization	EJR-1, Sch 5		54.8	57.1
Taxes Other - excl. revenue taxes	EJR-1, Sch 6		71.6	70.5
- revenue taxes	EJR-1, Sch 6		8.8	8.9
Federal Income Taxes (Book vs. Flow Thru Deductions)	EJR-1, Sch 8		14.7	13.6
Pre Tax Return on Rate Base (Net of Interest Tax Deduction)	EJR-1, Sch 9		163.4	204.1
Subtotal (2)			361.8	433.1
Increase in Net Operating Expenses (2) - (1)			334.5	389.8
Annual True Up Mechanisms				
Property Tax Expense		-	-	-
Interference (excluding Company Payroll)		-	-	-
Pensions / OPEBs (Policy Statement)		-	-	-
Environmental Remediation		-	-	-
World Trade Center		-	-	-
Storm Reserve		-	-	-
ERRP Maintenance Resejve		-	-	-
Net Rate Change	EJR-1, Sch 1	$ 1,225.5	$ 334.5	$ 389.8
Percent Increase Over Base Year		11.5%	3.2%	3.7%

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

TWELVE MONTHS ENDING MARCH 31, 2010

Ooeratina Revenues	Rate Year 1 Exhibit _(AP-10)	Sched.	Rate Year 2 Adjustments	Rate Year 2 As Adjusted	Proposed Rate Increase	Rate Year 2 Adjusted for Proposed Increase
Sales Revenues	$7,884,428	[2]	($69,518)	$7,814,910	$334,469	$8,149,379
Other Operating Revenues	84,545	[3]	3,718	88,263		88,263
Total Operating Revenues	7,968,973		(65,800)	7,903,173	334,469	8,237,642
Ooeratina Revenue Deductions						
Fuel S Purchased Power Costs	3,041,326		(92,215)	2,949,111		2,949,111
Other Operations & Maintenance	1,583,897	[4]	30,943	1,614,840	1,840	1,616,680
Pension / OPEBs	82,098	[4]	4,728	86,826		86,826
MGP / Superfund Remediation	50,002	[4]	11,149	61,151		61,151
Depreciation	599,506	[5]	54,781	654,287		654,287
Taxes Other Than Income Taxes	1,071,428	[6]	70,758	1,142,186	9,700	1,151,886
Gain from Disposition of Property	($30,812)		-	(30,812)		(30,812)
Total Operating Revenue Deductions	6,397,445		80,143	6,477,588	11,540	6,489,128
Operating Income Before Income Taxes	1,571,528		(145,943)	1,425,585	322,929	1,748,514
Income Taxes						
New York State Income Taxes	82,370	[7]	(13,413)	68,958	22,928	91,886
Federal Income Tax	352,615	[8]	(51,616)	300,999	105,000	405,999
Total Income Taxes	434,985		(65,028)	369,957	127,928	497,885
Operating Income After Income Taxes	$1,136,543		($80,915)	$1,055,628	$195,001	$1,250,629
Rate Base	$i3,324;b70	M	'H333,691	$14,657,761		$14,657;761
Overall Rate of Return	8.53%			7.20%		8.53%

TWELVEMONTHS ENDING MARCH 31, 2011

Ooeratina Revenues	Rate Year 2	Sched.	Rate Year 3 Adjustments	Rate Year 3 As Adjusted	Proposed Rate Increase	Rate Year 3 Adjusted for Proposed Increase
Sales Revenues	$8,149,379	[2]	($123,132)	$8,026,247	$389,833	$8,416,080
Other Operating Revenues	88,263	[3]	1,554	89,817		89,817
Total Operating Revenues	8,237,642		(121,579)	8,116,064	389,833	8,505,897
Ooeratina Revenue Deductions						
Fuel	2,949,111		(162,450)	2,78.6,662		2,786,662
Other Operations & Maintenance	1,616,680	[4]	31,712	1,648,392	2,144	1,650,536
Pension/OPEBs	86,826	[4]	34,015	120,841		120,841
MGP / Superfund Remediation	61,151	[4]	11,149	72,300		72,300
Depreciation	654,287	[5]	57,109	711,395		711,395
Taxes Other Than Income Taxes	1,151,886	[6]	68,081	1,219,967	11,305	1,231,272
Gain from Disposition of Property	(30,812)		-	(30,812)		(30,812)
Total Operating Revenue Deductions	6,489,128		39,616	6,528,744	13,449	6,542,193
Operating Income Before Income Taxes	1,748,514		(161,195)	1,587,319	376,384	1,963,703
Income Taxes						
New York State Income Taxes	91,886	m	(14,221)	77,664	26,723	104,387
Federal Income Tax	405,999	[8]	(61,840)	344,159	122,381	466,540
Total Income Taxes	497,885		(76,061)	421,824	149,104	570,928
Operating Income After Income Taxes	$1,250,629		($85,133)	$1,165,496	$227,280	$1,392,776
Rate Base	$14,657,761	[9]	$1,665,988	$16,323,749		$16,323,749
Overall Rate of Return	8.53%			7.14%		8.53%

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

	Twelve Months Ended March 31, 2010	Twelve Months Ended March 31, 2011
Rate Base (Exhibit___(EJR-1), Schedule 10)	$14,657,761	$16,323,749
Rate of Return (Exhibit __ (JC-1), Schedule 1)	8.53%	8.53%
Required Return	1,250,629	1,392,775
Income Available (Exhibit___(EJR-1), Schedule 1)	1,055,628	1,165,496
Deficiency	195,001	227,279
Retention Factor	58.3%	58.3%
Additional Revenue Requirement	$334,469	$389,833

Proof			
Revenues	100.00%	$334,469	$389,833
Less:			
Revenue Taxes	2.900%	9,700	11,305
Uncollectibles	0.550%	1,840	2,144
	96.550%	322,929	376,384
New York State Income Tax @ 7.1%	6.855%	22,928	26,723
	89.695%	300,001	349,661
Federal Income Tax @ 35%	31.393%	105,000	122,381
Retention Factor	58.302%	$195,001	$227,280

Exhibit___(EJR-1)
Schedule 2

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

	2009	2010	2011
T&D Revenues			
Full Service (T&D)	$1,540,690	$1,450,191	$1,379,519
Retail Access (TSD)	1,213,495	1,312,675	1,394,969
NYPA Delivery	301,378	303,640	306,189
System Benefit Charge/Retail Portfolio Standard	118,287	126,391	136,480
Economic Development	20,651	20,652	20,651
T&D Revenues	**3,194,501**	**3,213,549**	**3,237,808**
Fuel Revenues			
MSC Revenues	2,893,494	2,786,820	2,696,307
MAC Revenues	452,208	536,116	520,444
MSC True-Up	(134,105)	(181,886)	(201,197)
MAC True-Up	89,325	60,212	28,559
Fuel Revenues	**3,300,922**	**3,201,262**	**3,044,113**
Total Revenues (excl Rev Taxes)	6,495,423	6,414,811	6,281,921
Billing Day Adjustment (excl rev. taxes)	(13,097)	(1,143)	11,030
RY 1 Rate Relief (excl. rev. taxes)	1,189,913	1,189,913	1,189,913
RY 2 Rate Relief (excl. rev. taxes)	-	-	324,769
Revenue Taxes - Existing Rates	177,057	175,825	173,056
- Rate Increase / Billing Day Adj.	35,132	35,505	45,558
Total Revenues	**7,884,428**	**7,814,910**	**8,026,247**
Deferred Fuel Costs			
MSC Deferral	126,399	191,614	203,071
MAC Deferral	(89,366)	(50,557)	(29,879)
MSC Reversal	(134,105)	(181,886)	(201,1.97)
MAC Reversal	89,325	60,212	28,559
Cycle Billing Deferral MSC	9,888	4,633	1,687
Cycle Billing Deferral MAC	(4,289)	2,222	245
Net Fuel Deferral	**(2,148)**	**26,236**	**2,486**
Capacity Costs			
East Coast Power	90,813	90,813	90,813
Indeck Corinth	61,634	62,762	55,601
Selkirk'	104378	fO9,92i	1i5;509
York NYC	50,957	50,196	46,712
** Sithe	100,653	99,739	103,620
Ramapo Par	225	-	-
Astoria 6	50,923	51,253	51,570
IP2 Capacity	15,660	11,385	8,615
ISO Capacity	298,647	283,881	267,455
total Capacity Costs	**773,990**	**759,949**	**739,894**
Energy Costs			
East Coast Power	434,916	420,728	400,837
Indeck Corinth	51,553	49,533	46,776
Selkirk	82,226	77,915	72,779
York NYC	105,075	102,119	98,020
Astoria 6	188,139	183,064	174,833
IP2 Energy	493,334	356,171	148,470
ISO Energy	346,316	431,689	585,311
Total Energy Costs	**1,701,559**	**1,621,219**	**1,527,025**
Other Miscellaneous Costs			
ISO-Ancillary	98,477	92,812	88,154
ISO-NTAC	12,397	11,677	11,101
ISO-TUC	185,084	174,343	166,239
Nuclear D&D	3,532	3,612	3,692
Oil Burned	25,382	25,491	25,249
Gas Burned	232,879	223,341	213,880
Pipeline Charges Paid to Gas	6,447	4,759	4,759
Mark to Market for NYMEX	2,443	(58)	-
Mark to Market for OTC	(2,792)	1,624	-
Storage and Handling	3,272	3,318	3,404
Other Fuel Charges	803	789	779
Total Other Fuel Costs	**567,925**	**541,708**	**517,256**
Total Fuel & Purchased Power Costs	**$3,041,326**	**$2,949,111**	**$2,786,662**
Other Recoveries Thru MAC			
Embedded Generation Cost	172,095	172,095	172,095
Additional Recovery for East River Repowering	67,213	65,480	63,702
Electric Embedded 59th and 74th Recovery	2,196	-	-
Additional Recovery for DSM	20,356	16,840	23,918
Sithe Rebate*	(2,263)	(2,263)	(2.263)
Total	**$259,597**	**$252,152**	**$257,452**

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

Exhibit____(EJR-1)
Schedule 3

CONSOLIDATED EDISON COMPANY OF NEW YORK. INC.
OTHER OPERATING REVENUES - ELECTRIC
FOR THE RATE YEARS ENDING MARCH 31, 2010 AND MARCH 31, 2011
$ (000's)

Line No.	Miscellaneous Service Revenues	Rate Year 1 As Reflected in Exhibit__(AP-10)	Rate Year Normalizing Adjustments	Subject to Inflation @ 2.10%	Escalation for 12 Months Ending March 31, 2010	Rate Year 2 As Adjusted	Subject to Inflation @ 2.10%	Escalation for 12 Months Ending March 31, 2011	Rate Year 3 As Adjusted	Line No.
1	No Access Charges	$ 3,564	$ -	Y	$ 75	$ 3,639	Y	$ 76	$ 3,715	1
2	Meter Recovery Charges	4,009	-	Y	84	4,093	Y	86	4,179	2
3	Meter Reconnection Charges	2,040	-	Y	43	2,083	Y	44	2,127	3
4	Collection Charges - Field Calls	2,881	-	Y	61	2,942	Y	62	3,003	4
5	Other	354	-	Y	7	361	Y	8	369	5
		12,848	-		270	13,118		275	13,393	
	Rents:									
6	Rent from Electric Property	16,230	-	Y	341	16,571	Y	348	16,919	6
7	Interdepartmental Rents	12,211	-	Y	256	12,467	Y	262	12,729	7
		28,441	-		597	29,038		610	29,648	
	Other Electric Revenues:									
8	Transmission of Energy	11,406	-	N	-	11,406	N	-	11,406	8
8	Maint. of Interconnection Facilities	2,263	-	Y	48	2,311	Y	49	2,359	8
9	Excess Distribution Facilities	2,911	-	Y	61	2,972	Y	62	3,035	9
10	Late Payment Charges	21,329	-	Y	448	21,777	Y	457	22,234	10
11	Meter Reading Services	3,159	-	Y	66	3,225	Y	68	3,293	11
12	The Learning Center Services	769	-	Y	16	785	Y	16	802	12
13	M & C Services	306	-	Y	6	312	Y	7	319	13
14	Fuel Management Program	99	-	Y	2	101	Y	2	103	14
15	KeySpan Settlement	151	-	N	-	151	N	-	151	15
16	TCCTCfedits	60,000	-	N	-	60,000	N	-	60,000	16
17	Sithe Agreement	2,263	-	N	-	2,263	N	-	2,263	17
18	PORDiscount (Revenues from ESCO)	4,346	-	N	-	4,346	N	-	4,346	18
19	ESCOS/Marketers - Bills Charges (CUBS)	3,079	-	N	-	3,079	N	-	3,079	19
20	Steam Carrying Charges 74th/59th Street Stations	(2,196)	-	N	2,196	-	N	-	-	20
21	Miscellaneous	342	-	Y	7	349	Y	7	357	21
22	Low Income Discount Program	(12,500)	-	N	-	(12,500)	N	-	(12,500)	22
		97,727	-		2,851	100,578		668	101,246	
	Reaulatorv Accountina									
23	Amortization of ADR Benefits	16,059	-	N	-	16,059	N	-	16,059	23
24	Interest on IRS Audit Adjustments	7,404	-	N	-	7,404	N	-	7,404	24
25	NYS Corporate Business Tax	9,207	-	N	-	9,207	N	-	9,207	25
26	Interest 1st Avenue Properties	2,752	-	N	-	2,752	N	-	2,752	26
27	Amortization of World Trade Center Costs	(37,270)	-	N	-	(37,270)	N	-	(37,270)	27
28	Amortization of T8.D Carrying Charges	(52,623)	-	N	-	(52,623)	N	-	(52,623)	28
		(54,471)	-		-	(54,471)		-	(54,471)	
	Total Other Operating Revenues	$ 84,545	$ -		$ 3,718	$ 88,263		$ 1,554	$ 89,817	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (excl. Purchased Power)
FOR THE RATE YEARS ENDING MARCH 31,2010 AND MARCH 31, 2011
($000s)

LINE NO.		12 Months Ending March 31, 2009	Payroll Escl. @ 2.84%	Subject to Inflation @ 2.10%	Escalation for 12 Months Ending March 31, 2010	12 Months Ending March 31, 2010	Subject to Inflation @ 2.10%	Escalation for 12 Months Ending March 31, 2011	12 Months Ending March 31, 2011
1	Administrative Expenses Transferred - cr.	($10,896)	N	Y	($229)	($11,125)	Y	($234)	($11,358)
2	Bowline and Roseton Charges	373	N	Y	8	381	Y	8	389
3	Asbestos Removal	813	N	Y	17	830	Y	17	846
4	Bank Collection Fees	230	N	Y	5	235	Y	5	240
5	Benefit Cost - Program Change Labor	7,082	Y	N	201	7,283	N	207	7,490
6	Boiler Cleaning	612	N	Y	13	625	Y	13	638
7	Building Service	30,574	N	Y	642	31,216	Y	656	31,872
8	Central Engineering-Administrative	1	N	Y	0	1	Y	0	1
9	Central Engineering-Distribution	1,145	N	Y	24	1,169	Y	25	1,194
10	Collection Agency Fees	458	N	Y	10	468	Y	10	477
11	Communications - Telephone	21,337	N	Y	448	21,785	Y	457	22,243
12	Company Labor	562,810	Y	N	15,984	578,794	N	16,436	595,232
13	AMR/AMI saturation savings	(1,892)	Y	N	(54)	(1,946)	N	(55)	(2.001)
14	Consultants	10,517	N	Y	221	10,738	Y	225	10,963
15	Contract Labor	1,601	N	Y	34	1,635	Y	34	1,669
16	Corrective Maintenance	4,258	N	Y	69	4,347	Y	91	4,439
17	Disposal of Obsolete M&S	8,051	N	Y	169	8,220	Y	173	8,393
18	DSM	20,356	N	N	-	20,356	N	-	20,356
19	Duplicate Misc. Charges	(19,074)	N	Y	(401)	(19,475)	Y	(409)	(19,884)
20	EDP Equipment Rentals & Mtce.	3,769	N	Y	79	3,848	Y	81	3,929
21	Electricity & Gas Used	215	N	Y	5	220	Y	5	224
22	Employee Welfare Expense - Net	97,482	N	Y	2,047	99,529	Y	2,090	101,619
23	Environmental Affairs	2,379	N	Y	50	2,429	Y	51	2,480
24	Environmental Programs	1,064	N	Y	22	1,086	Y	23	1,109
25	ERRP (Maintenance Reserve)	7,442	N	N	-	7,442	N	-	7,442
26	Facilities Management	4,448	N	Y	93	4,541	Y	95	4,637
27	Financial Services	6,096	N	Y	128	6,224	Y	131	6,355
28	Gas Turbine?	3,108	N	Y	65	3,173	Y	67	3.240
29	Grounds and Buildings	331	N	Y	7	338	Y	7	345
30	Information Resources	24,098	N	Y	506	24,604	Y	517	25,121
31	Informational Advertising	22,123	N	Y	465	22,588	Y	474	23,062
32	Injuries & Damages Reserve	40,110	N	N	-	40,110	N	-	40,110
33	insttt. Dues & Subscriptions	1,421	N	Y	30	1,451	Y	30	1,481
34	Insurance Premiums	29,425	N	Y	618	30,043	Y	631	30,674
35	Interference	106,433	N	Y	2,235	108,668	Y	2,282	110,950
36	Corporate and fiscal expenses	3,607	N	Y	76	3,683	Y	77	3,760
37	Manhour Expense	33,298	N	Y	699	33,997	Y	714	34,711
38	Marshall's Fees	1,345	N	Y	28	1,373	Y	29	1,402
39	Materials & Supplies	14,959	N	Y	314	15,273	Y	321	15,594
40	NYISO	21	N	Y	0	21	Y	0	22
41	Other (Fossil)	2,576	N	Y	54	2,630	Y	55	2,685
42	Outside Legal Services	1,877	N	Y	39	1,916	Y	40	1,957
43	Paving	271	N	Y	6	277	Y	6	283
44	Plant Component Upgrade	292	N	Y	6	298	Y	6	304
45	Postage	14,190	N	Y	298	14,488	Y	304	14,792
46	Preventive Maintenance	2,356	N	Y	49	2,405	Y	51	2,456
47	RCA-Amort of Hudson-Farragut	477	N	N	-	477	N	-	477
48	System Benefit Charge/Renewable Portfolio Standard	118,287	N	N	-	118,287	N	-	118,287
49	Real Estate Expense	2,070	N	Y	43	2,113	Y	44	2,158
50	Regulatory Commission Expense	27,247	N	Y	572	27,819	Y	584	28,403
51	Rents	54,433	N	Y	1,143	55,576	Y	1,167	56,743
52	Rents (ERRP)	67,213	N	N	-	67,213	N	-	67,213
53	Rents (interdepartmental)	4,834	N	N	-	4,834	N	-	4,834
54	Research & Development	22,750	N	Y	478	23,228	Y	488	23,716
55	Scheduled Overhauls	1,273	N	Y	27	1,300	Y	27	1,327
56	Security	2,278	N	Y	48	2,326	Y	49	2,375
57	Shared Services	(6,315)	N	Y	(133)	(6,448)	Y	(135)	(6,583)
58	Steam Transfer Credit (Fossil)	(1)	N	Y	(0)	(1)	Y	(0)	(1)
59	Storm Costs (Reserve)	8,000	N	N	-	8,000	N	-	8,000
60	Transformer Installations	55	N	Y	1	56	Y	1	57
61	Tree Trimming	20,900	N	Y	439	21,339	Y	448	21,787
62	Trenching	7,963	N	Y	167	8,130	Y	171	8,301
63	Uncoilectibies	43,864	N	N	-	43,864	N	-	43,884
64	Water	779	N	Y	16	795	Y	17	812
65	Water Chemicals	88	N	Y	2	90	Y	2	92
66	Other	144,610	N	Y	3,037	147,647	Y	3,101	150,747
	Total O&M Expenses*	$ 1,583,897			$30,943	$ 1,614,840		$ 31,712	$ 1,646,552

*excl. Purchased Power, Pensions/OPEBs, MGP

CONSOLIDATED EDISON COMPANY OF NEW YORK. INC.
ELECTRIC PENSION / OPEB EXPENSE
FOR THE RATE YEARS ENDING MARCH 31, 2010 AND MARCH 31, 2011
($000s)

Electric Expense	12 Months Ending March 31, 2009	Program Changes	12 Months Ending March 31, 2010
Pension Expense - Qualified Plan	$ 72,880.3	$ 8,056.0	$ 80,936,3
Retiree Health / Life Insurance (OPEBs)	48,046.3	(767.3)	47,279.0
Subtotal - Qualified Plans	120,926.6	7,288.7	128,215.3
Direct Pension Payments.	58.8	1.2	60.0
Supplemental Pension Plan	266.7	5.6	272.3
Gross Pension & QPEBs Expense	121,252.1	7,295.5	128,547.6
Capitalized	(38,622.9)	(2,324.0)	(40,946.9)
Billed to Affiliates	(2,531.3)	(243.5)	(2,774.8)
Amort. Of Def Pension Expense	2,000.0	-	2,000.0
NetCurrent Pension & OPEBs Exp.	$ 82,097.9	$ 4,728.0	$ 86,825.9

Electric Expense	12 Months Ending March 31, 2010	Program Changes	12 Months Ending March 31, 2011
Pension Expense - Qualified Plan	$. 80,936.3	$40,281.4	$ 121,217.7
Retiree Health / Life Insurance (OPEBs)	47,279.0	11,549.3	58,828.3
Subtotal - Qualified Plans	128,215.3	51,830.7	180,046.0
Direct Pension Payments.	60.0	1.3	61.3
Supplemental Pension Plan	272.3	5.7	278.0
Gross Pension & OPEBs Expense	128,547.6	51,837.7	180,385.3
Capitalized	(40,946.9)	(16,513.6)	(57,460.5)
Billed to Affiliates	(2,774.8)	(1,309.3)	(4,084.1)
Amort. Of Def Pension Expense	2,000.0	-	2,000.0
Net Current Pension & OPEBs Exp.	$ 86,825.9	$34,014.8	$ 120,840.7

Consolidated Edison Company of New York, Inc.
Site Investigation and Remediation Expenditures ($ x 1000)
Rate Year (April 2008 - March 2009)

	Linking Period	Rate Year	Total
MGP	$67,100	$ 102,633	$ 169,733
Superfund	2,300	2,598	4,898
Appendix B	4,200	3,461	7,661
Astoria	3,300	4,235	7,535
Total	76,900	112,927	189,827
Allocation to Electric - 78.7%			149,394
Under (Over) Collection at March 2007 (Electric)			9,547
April 2007 - March 2008 Amortization			(8,935)
Balance to be Recovered			150,006
Three-Year Amortization			50,002
Level In Rates			(8,433)
Net Increase			$ 41,569

Rate Years Beginning April 1 of 2009 (RY2) & 2010 (RY3)

	RY2	RY3
MGP	$ 36,300	$ 36,300
Superfund	2,100	2,100
Appendix B	2,100	2,100
Astoria	2,000	2,000
Total	42,500	42,500
Allocation to Electric - 78.7%	$ 33,448	$ 33,448
Three-Year Amortization	$ 11,149	$ 11,149

Exhibit____(EJR-1)
Schedule 5

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

	Twelve Months Ending March 31,			
Electric	**2008**	**2009**	**2010**	**2011**
Electric Transmission and Distribution	384,700	438,982	479,603	534,665
Electric Steam Production	10,829	15,629	17,321	19,056
Other Production	1,443	1,524	1,524	1,524
Common	94,685	101,596	114,063	114,375
Amortization of Reserve Deficiency	-	41,775	41,775	41,775
Total Electric	491,657	599,506	654,286	711,395

Consolidated Edison of New York, Inc.
Electric Department
Company Revenue Requirement
Taxes Other than Income Taxes
For the Twelve Months Ending March 31, 2009
($000's)

Exhibit____(EJR-1)
Schedule 6

	Rate Year 1 As Reflected in Exhibit (AP-10)	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	$212,189	($859)	$211,330	$9,700	$221,030
- Other Operating Rev.	1,498	31	1,529		1,529
Subsidiary Capital Taxes	4,228	89	$4,317		4,317
Receipts Tax	15,079	301	15,380		15,380
Property Taxes	781,661	70,024	851,685		851,685
Payroll Taxes	55,094	1,136	56,230		56,230
All Other	1,679	35	1,714		1,714
Taxes Other Than Income Taxes	$1,071,428	$70,758	$1,142,186	$9,700	$1,151,886
Less: Gross Receipts Taxes	(212,189)	859	(211,330)	(9,700)	(221,030)
Total Excluding GRT	$859,239	$71,617	$930,856	$0	$930,856

For the Twelve Months Ending September 30, 2010
($000's)

	Rate Year 2 As Reflected in Exhibit (EJR-1)	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	$221,030	($2,416)	$218,614	$11,305	$229,919
- Other Operating Rev.	1,529	32	$1,562		1,562
Subsidiary Capital Taxes	4,317	91	$4,407		4,407
Receipts Tax	15,380	308	15,688		15,688
Property Taxes	851,685	68,862	920,547		920,547
Payroll Taxes	56,230	1,168	57,399		57,399
All Other	1,714	36	1,750		1,750
Taxes Other Than Income Taxes	$1,151,886	$68,081	$1,219,967	$11,305	$1,231,272
Less: Gross Receipts Taxes	(221,030)	2,416	(218.614)	(11,305)	(229,919)
Total Excluding GRT	$930,856	$70,497	$1,001,353	$0	$1,001,353

Consolidated Edison of New York, Inc.
Electric Department
New York State Income Tax
Twelve Months Ending March 31, 2009
($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
Operating Income Before Income Taxes	$1,571,528	($145,943)	$1,425,585	$322,929	$1,748,514
Deduct: Non Taxable Inc. & Add'l Deductions					
Interest Expense	395,556	42,873	438,429		438,429
Medicare Part D Subsidy - Post Employment Benefits	15,824	91	15,915		15,915
Total Deductions	411,380	42,964	454,344	-	454,344
Normalized Items:					
Add: Add'l Income & Unallowable Deducts Normal					-
Book Depreciation	599,506	54,781	654,287	-	654,287
Capitalized Interest	10,055	3,834	13,889		13,889
Pensions / OPEB expense - Per Books	82,098	4,728	86,826		86,826
Contributions in Aid of Construction	1,855	(1,855)	-		-
Total Additions	693,514	61,487	755,001	-	755,001
Deduct: Non Taxable Inc. & Add'l Deductions					
NYS Depreciation	586,293	44,090	630,383		630,383
Removal Costs	160,688	(4,647)	156,041		156,041
Repair Allowance	14,553	-	14,553		14,553
Amortization of Capitalized Interest	3,881	(3,881)	-		-
Loss on MAGRS Retirements	44,763	223	44,986		44j986
Pensions / OPEB expense - Funding	108,134	(15,976)	92,158		92,158
Westchester Property Tax adjustment	597	(597)	-		-
Correction of ADR Taxes	16,059	-	16,059		16,059
Interest on Federal income tax audit adjustments - net	7,404	-	7,404		7,404
New York State Tax Law Changes	9,207		9,207		9,207
Interest on First Avenue Properties	2,752		2,752		2,752
WTC expenses	(37,270)		(37,270)		(37,270)
Carrying Charges on T&D expenditures	(52,623)		(52,623)		(52,623)
Gain on the Sale of First Avenue Properties	30,812		30,812		30,812
Total Deductions	895,250	19,212	914,462	-	914,462
Taxable Income-New York State	958,412	(146,633)	811,779	322,929	1,134,709
Current New York State Income Tax @ 7.1 %	68,047	(10,411)	57,636	22,928	80,564
Deferred New York State Income Tax	14,323	(3,002)	11,322	-	11,322
Sub-Total NY State Income Tax Expense	82,370	(13,413)	68,958	22,928	91,886
Amortization of Previously Deferred Excess SIT	-	-	-	-	-
Total New York State Income Tax	$82,370	($13,413)	$68,958	$22,928	$91,886

Consolidated Edison of New York, Inc.
Electric Department
New York State Income Tax
Twelve Months Ending March 31, 2010
($000's)

Exhibit ___ (EJR-1)
Schedule 7
Page 2 of 2

	Rate Year 2 As Reflected in Exhibit (EJR-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	$1,748,514	-$161,195	$1,587,319	$376,384	$1,963,703
Deduct: Non Taxable Inc. & Add'l Deductions					
Interest Expense	438,429	39,111	477,540		477,540
Medicare Part D Subsidy - Post Employment Benefits	15,915	-	15,915		15,915
Total Deductions	454,344	39,111	493,455	-	493,455
Normalized Items;					
Add: Add'l Income & Unallowable Deducts Normal					
Book Depreciation	654,287	57,109	711,395	-	711,395
Capitalized Interest	13,889	(7,679)	6,209		6,209
Pensions / OPEB expense - Per Books	86,826	34,015	120,841		120,841
Contributions in Aid of Construction		-	-		-
Total Additions	755,001	83,444	838,445	-	838,445
Deduct: Non Taxable Inc. & Add'l Deductions					
NYS Depreciation	630,383	42,125	672,508		672,508
Removal Costs	156,041	3,023	159,064		159,064
Repair Allowance	14,553	-	14,553		14,553
AmortizationiOf Capitalized Interest	-	-	-		-
Loss on MACRS Retirements	44,986	356	45,342		45,342
Pensions;/ OPEB expertise - Funding	92,158	75,709	167,867		167,867
Westchester Property Tax adjustment	-	-	-		
Correction of ADR Taxes	16,059	-	16,059		16,059
Interest on Federal income tax audit adjustments - net	7,404	-	7,404		7,404
New York State Tax Law Changes	9,207	-	9,207		9,207
Interest on First Avenue Properties	2,752	-	2,752		2,752
WTC expenses	(37,270)	-	(37,270)		(37,270)
Carrying Charges on T&D expenditures	(52,623)	-	(52,623)		(52,623)
Gain on the Sale of First Avenue Properties	30,812	-	30,812		30,812
Total Deductions	914,462	121,213	1,035,675	-	1,035,675
Taxable Income-New York State	1,134,709	(238,075)	896,634	376,384	1,273,018
Current New York State Income Tax @ 7.1 %	80,564	(16,903)	63,661	26,723	90,384
Deferred New York State Income Tax	11,322	2,682	14,003	-	14,003
Sub-Total NY State Income Tax Expense	91,886	(14,221)	77,664	26,723	104,387
Amortization of Previously Deferred Excess SIT	0	-	-	-	
Total New York State Income Tax	$91,886	($14,221)	$77,664	$26,723	$104,387

Consolidated Edison of New York, Inc.
Electric Department
Federal Income Tax
Twelve Months Ending March 31, 2009
($000's)

	Rate Year 1 As Reflected in Exhibit (AP-10)	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	$1,571,528	$ (145,943)	$ 1,425,585	$322,929	$1,748,514
New York State Income Taxes	82,370	(13,413)	68,958	22,928	91,886
Book Operating Income before FIT	1,489,158	(132,531)	1,356,627	300,001	1,656,628
Flow Through Items					
Add: Additional Income and Unallowable Deductions					
Book Depreciation	599,506	54,781	654,287	-	654,287
Hudson-Farragut Amortization - Per Books	477	-	477		477
Capitalized Interest	10,055	3,834	13,889		13,889
Total Additions	610,038	58,614	668,652	-	668,652
Deduct: Non-Taxable Income and Additional Deductions					
Interest on Debt	395,556	42,873	438,429		438,429
Statutory Depreciation - at current book rates	309,263	37,876	347,139		347,139
Removal Costs	160,688	(4,647)	156,041		156,041
Medicare Part D Subsidy - Post Employment Benefits	15,824	91	15,915		15,915
Amortization of Capitalized Interest	2,039	(2,039)	-		-
Westchester Property Tax Adjustment	597	(597)	-		-
Dividends Paid on $5 Cumulative Preferred Stock	3,327	-	3,327		3,327
Total Deductions	887,294	73,557	960,851	-	960,851
Normalized Items:					
Add: Additional Income & Unallowable Deductions:					
Contributions in Aid of Construction	1,855	(1,855)	-		-
Pensions / OPEB Expense - Per Books	82,098	4,728	86,826		86,826
Deferred State Income Tax	14,323	(3,002)	11,322	-	11,322
Total Additions	98,276	(129)	98,148	-	98,148
Deduct: Non-Taxable Income & Other Deductions:					
Statutory Depreciation	344,812	75,947	420,759		420,759
Repair Allowance	14,553	-	14,553		14,553
Loss on MACRS Retirements	26,426	132	26,558		26,558
Amortization of Capitalized Interest	1,842	(1,842)	-		-
Pensions/ OPEB expense - Funding	108,134	(15,976)	92,158		92,158
Correction of ADR Taxes	16,059	-	16,059		16,059
Interest on Federal income tax audit adjustments - net	7,404	-	7,404		7,404
New York State Tax Law Changes	9,207	-	9,207		9,207
Interest on First Avenue Properties	2,752	-	2,752		2,752
WTC expenses	(37,270)	-	(37,270)		(37,270)
Carrying Charges on T&D expenditures	(52,623)	-	(52,623)		(52,623)
Gain on the sale of First Avenue Properties	30,812	-	30,812		30,812
Total Deductions	472,108	58,260	530,368	-	530,368
Total Adjustments to Book Income	(651,088)	(73,332)	(724,420)	-	(724,420)
Taxable Income	838,070	(205,863)	632,207	300,001	932,209
Federal Income Tax Expense					
Composite Rate per Company					
FIT Payable at 35%	293,324	(72,052)	221,273	105,000	326,273
Deferred Income Tax:					
Deferred FIT @ 35%	130,841	20,436	151,277	-	151,277
Amortization of Previously Deferred Federal Income Tax					
Depreciation - ADR / ACRS / MACRS - at current book rates	(38,759)		(38,759)	-	(38,759)
Depreciation - ADR / ACRS / MACRS - proposed book rates	(1,436)		(1,436)	-	(1,436)
Depreciation - ADR / ACRS / MACRS - reserve deficiency	(2,539)		(2,539)	-	(2,539)
Loss on MACRS Retirements	(3,232)		(3,232)	-	(3,232)
Repair Allowance	(9,617)		(9,617)	-	(9,617)
Capitalized Overheads	(11,197)		(11,197)	-	(11,197)
Investment Tax Credit	(4,770)		(4,770)	-	(4,770)
Total F.I.T. Expense Deferred :	59,291	20,436	79,727	-	79,727
Total F.I.T. Expense	$352,615	($51,616)	$301,000	$105,000	$406,000

Consolidated Edison of New York, Inc.
Electric Department
Federal Income Tax
Twelve Months Ending March 31, 2010
($000's)

	Rate Year 2 As Reflected in Exhibit (EJR-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	$1,748,514	($161,195)	$1,587,319	$376,384	$1,963,703
New York State Income Taxes	91,886	(14,221)	77,664	26,723	104,387
Book Operating Income before FIT	1,656,628	(146,973)	1,509,655	349,661	1,859,316
Flow Through Items					
Add: Additional Income and Unallowable Deductions					
Book Depreciation	654,287	57,109	711,395	-	711,395
Hudson-Farragut Amortization - Per Books	477	-	477		477
Capitalized Interest	13,889	(7,679)	6,209		6,209
Total Additions	668,652	49,430	718,082	-	718,082
Deduct: Non-Taxable Income and Additional Deductions					
Interest on Debt	438,429	39,111	477,540		477,540
Statutory Depreciation - at current book rates	347,139	36,942	384,081		384,081
Removal Costs	156,041	3,023	159,064		159,064
Medicare Part D Subsidy - Post Employment Benefits	15,915	65	15,980		15,980
Amortization of Capitalized Interest	-	-	-		0
Westchester Property Tax Adjustment	-		-		0
Dividends Paid on $5 Cumulative Preferred Stock	3,327		3,327		3,327
Total Deductions	960,851	79,142	1,039,993	-	1,039,993
Normalized Items:					
Add: Additional Income & Unallowable Deductions:					
Contributions in Aid of Construction	-	-	-		-
Pensions/ OPEB Expense - Per Books	86,826	34,015	120,841		120,841
Deferred State Income Tax	11,322	2,682	14,003	-	14,003
Total Additions	98,148	36,696	134,844	-	134,844
DeducfctenrTaxable Jncorne-&Other.Deductions:					
Statutory Depreciation	420,759	74,332	495,091		495,091
Repair Allowance	14,553		14,553		14,553
Loss on MACRS Retirements	26,558	133	26,690		26,690
Amortization of Capitalized Interest	-	-	-		0
Pensions^ OPEB expense - Funding	92,158	75,709	167,867		167,867
Correction of ADR Taxes	16,059	-	16,059		16,059
Interest on Federal income tax audit adjustments - net	7,404	-	7,404		7,404
New York State Tax Law Changes	9,207	-	9,207		9,207
Interest on First Avenue Properties	2,752	-	2,752		2,752
WTC expenses	(37,270)	-	(37,270)		(37,270)
Carrying Charges on T&D expenditures	(52,623)	-	(52,623)		(52,623)
Gain on the sale of First Avenue Properties	30,812	-	30,812		30,812
Total Deductions	530,368	150,174	680,542	-	680,542
Total Adjustments to Book Income	(724,420)	(143,189)	(867,609)	-	(867,609)
Taxable Income	932.209	(290,163)	642,046	349,661	991.707
Federal Income Tax Expense					
Composite Rate per Company					
FIT Payable at 35%	326,273	(101,557)	224,716	122,381	347,097
Deferred Income Tax:					
Deferred FIT @ 35%	151,277	39,717	190,994	-	190,994
Amortization of Previously Deferred Federal Income Tax					
Depreciation - ADR / ACRS / MACRS - at current book rates	(38,759)		(38,759)	-	(38,759)
Depreciation - ADR / ACRS / MACRS - proposed book rates	(1,436)		(1,436)	-	(1,436)
Depreciation - ADR / ACRS / MACRS - reserve deficiency	(2,539)		(2,539)	-	(2,539)
Loss on MACRS Retirements	(3,232)		(3,232)	-	(3,232)
Repair Allowance	(9,617)		(9,617)	-	(9,617)
Capitalized Overheads	(11,197)		(11,197)	-	(11,197)
Investment Tax Credit	(4,770)		(4,770)		(4,770)
Total F.I.T. Expense Deferred :	79,727	39,717	119,444		119,444
Total F.I.T. Expense	$406,000	($61,840)	$344,160	$122,381	$466,541

Consolidated Edison of New York, Inc.
Electric Department
Rate Base
TWELVE MONTHS ENDING MARCH 31, 2010
($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	$17,505,526	$1,567,156	$19,072,682
Accumulated Reserve for Depreciation	(3,789,936)	(182,532)	(3,972,468)
Net Plant	13,715,590	1,384,624	15,100,214
Non-Interest Bearing CWIP	347,912	66,487	414,399
Preferred Stock Expense	2,366	-	2,366
Unamortized Debt Discount Premium And Expense	135,204	-	135,204
Deferred Fuel - Net of Tax	37,008	(9,183)	27,826
F.I.T. Refund Deficiency- Incl. Interest - Net of Tax	18,971	-	18,971
Unamortized Balance - Hudson Farragut	1,800	(167)	1,633
Customer Advances For Construction	(206)	-	(206)
M.T.A. Surtax - Net of Tax	1,790	-	1,790
Working Capital	560,994	41,746	602,740
Excess Rate Base Over Capitalization Adjustment	382,035	-	382,035
Early Retirement Termination Benefit (1999) - Net of Tax	9,095	(1,300)	7,795
Dc Service Incentive - Net of Tax	(5,808)	-	(5,808)
System Benefits Charge (Various) - Net of Tax	(3,845)	-	(3,845)
Amounts Billed In Advance Of Construction - Net of Tax	(5,218)	-	(5,218)
B IR Discounts - Recovery - Net of Tax	3339	-	3,339
<u>Rate Case Reconciliations - Net of FIT</u>			
Refund of Gain From Sale of 1st Ave Properties	(46,315)	18,526	(27,789)
Refund of Customer Benefits From the Correction of ADR Taxes	(23,758)	9,503	(14,255)
Refund of Interest On Federal Income Tax Audit Adjustments	(11,129)	4,452	(6,677)
Refund of Over Collection of NYS Tax Law Changes	(12,632)	5,053	(7,579)
Recovery of Carrying Charges on T&D Expenditures	79,099	(31,640)	47,459
Recovery of WTC Costs	156,508	(62,603)	93,905
<u>Accumulated Deferred FIT</u>			
ADR / ACRS / MACRS Deductions	(1,642,582)	(91,683)	(1,734,265)
Change of Accounting Section 263A	(298,381)	11,197	(287,184)
Vested Vacation	12,101	-	12,101
Prepaid Insurance Expenses	(1,729)	-	(1,729)
Unbilled Revenues	105,914	-	105,914
Contributions In Aid of Construction	14,231	-	14,231
Capitalized Interest	4,861	-	4,861
Repair & Maintenance Allowance -1995-97 IRS Audit	6,193	-	6,193
Customer Deposits	33,799	-	33,799
Call Premium	(20,307)	-	(20,307)
Deferred S.I.T.	(232,829)	(11,322)	(244,151)
Rate Base - Total	$13,324,070	$1,333,691	$14,657,761

Consolidated Edison of New York, Inc.
Electric Department
Working Capital Allowance
TWELVE MONTHS ENDING MARCH 31, 2010
($000's)

	Rate Year 1 As Reflected in Exhibit (AP-8)	Rate Year 2 Adjustments	Rate Year 2 As Adjusted
M & S			
Liquid Fuel Inventory	$5,715	$120	$5,835
Materials and Supplies, Excluding Fuel	86,787	1,823	88,610
Total Materials and Supplies	92,502	1,943	94,445
Prepayments			
Insurance	12,653	266	12,918
Rents	15,138	318	15,456
Property Taxes	172,755	35,012	207,767
PSC Assessment	7,949	167	8,115
Interference	1,694	36	1,730
EPRI	173	4	177
Other	12,012	252	12,264
Total Prepayments	222,374	36,054	258,428
Cash Working Capital			
Total Operation & Maintenance Expenses	4,750,583	(45,395)	4,705,188
Less: Purchased Power Expenses	2,781,137	(92,215)	2,688,922
Gas Portion of Fuel	232,879	- -	232,879
Recoverable Fuel Costs	25,382	-	25,382
Interdepartmental Rents	4,834	-	4,834
Uncollectibles	37,124	-	37,124
Pensions	82,098	4,728	86,826
	1,587,129	42,092	1,629,221
Cash Working Capital @ 1 /8th	198,391	5,261	203,653
Add: Cash Working Capital @ 1/2 on Rec. Fuel Costs	2,116	-	2,116
Total	$515,383	$43,258	$558,641
Add: Working Capital Related to Purchased Power	45,611	(1,512)	44,099
Total Working Capital	$560,994	$41,746	$602,740

Consolidated Edison of New York, Inc.
Electric Department
Rate Base
TWELVE MONTHS ENDING MARCH 31, 2011
($000's)

	Rate Year 2	Rate Year 3 Adjustments	Rate Year 3 As Adjusted
Utility Plant:			
Book Cost of Plant	$19,072,682	$1,977,695	$21,050,376
Accumulated Reserve for Depreciation	(3,972,468)	(227,013)	(4,199,482)
Net Plant	15,100,214	1,750,681	16,850,895
Non-Interest Bearing CWIP	414,399	54,686	469,085
Preferred Stock Expense	2,366	-	2,366
Unamortized Debt Discount Premium And Expense	135,204	-	135,204
Deferred Fuel - Net of Tax	27,826	(870)	26,955
F.I.T. Refund Deficiency- Incl. Interest - Net of Tax	18,971	-	18,971
Unamortized Balance - Hudson Farragut	1,633	(167)	1,466
Customer Advances For Construction	(206)	-	(206)
M.T.A. Surtax-Net of Tax	1,790	-	1,790
Working Capital	602,740	40,172	642,912
Excess Rate Base Over Capitalization Adjustment	382,035	-	382,035
Early Retirement Termination Benefit (1999) - Net of Tax	7,795	(1,300)	6,495
Dc Service Incentive - Net of Tax	(5,808)	-	(5,808)
System Benefits Charge (Various) - Net of Tax	(3,845)	-	(3,845)
Amounts Billed In Advance Of Construction - Net of Tax	(5,218)	-	(5,218)
B I R Discounts - Recovery - Net of Tax	3,339		3,339
Rate Case Reconciliations - Net of FIT			
Refund of Gain From Sale of 1st Ave Properties	(27,789)	18,526	(9,263)
Refund of Customer Benefits From the Correction of ADR Taxes	(14,255)	9,503	(4,752)
Refund of Interest On Federal Income Tax Audit Adjustments	(6,677)	4,452	(2,226)
Refund of Over Collection of NYS Tax Law Changes	(7,579)	5,053	(2,526)
Recovery of Carrying Charges on T&D Expenditures	47,459	(31,640)	15,820
Recovery of WTC Costs	93,905	(62,603)	31,302
Accumulated Deferred FIT			
ADR / ACRS / MACRS Deductions	(1,734,265)	(117,699)	(1,851,964)
Change of Accounting Section 263A	(287,184)	11,197	(275,987)
Vested Vacation	12,101	-	12,101
Prepaid Insurance Expenses	(1,729)	-	(1,729)
Unbilled Revenues	105,914	-	105,914
Contributions In Aid of Construction	14,231	-	14,231
Capitalized Interest	4,861	-	4,861
Repair & Maintenance Allowance -1995-97 IRS Audit	6,193	-	6,193
Customer Deposits	33,799	-	33,799
Call Premium	(20,307)		(20,307)
Deferred S.I.T.	(244,151)	(14,003)	(258,154)
Rate Base - Total	$14,657,761	$1,665,988	$16,323,749

Consolidated Edison of New York, Inc.
Electric Department
Working Capital Allowance
TWELVE MONTHS ENDING MARCH 31, 2011
($000's)

	Rate Year 2	Rate Year 3 Adjustments	Rate Year 3 As Adjusted
M & S			
Liquid Fuel Inventory	$5,835	$123	$5,958
Materials and Supplies, Excluding Fuel	88,610	1,861	90,470
Total Materials and Supplies	94,445	1,983	96,428
Prepayments			
Insurance	12,918	271	13,190
Rents	15,456	325	15,781
Property Taxes	207,767	34,431	242,198
PSC Assessment	8,115	170	8,286
Interference	1,730	36	1,766
EPRI	177	4	181
Other	12,264	258	12,522
Total Prepayments	258,428	35,495	293,923
Cash Working Capital			
Total Operation & Maintenance Expenses	4,705,188	(85,574)	4,619,614
Less: Purchased Power Expenses	2,688,922	(162,450)	2,526,472
Gas Portion of Fuel	232,879	-	232,879
Recoverable Fuel Costs	25,382	-	25,382
Interdepartmental Rents	4,834	-	4,834
Uncollectibles	37,124	-	37,124
Pensions	86,826	34,015	120,841
	1,629,221	42,861	1,672,082
Cash Working Capital @ 1/8th	203,653	5,358	209,010
Add: Cash Working Capital @ 1/2 on Rec Fuel Costs	2,115	-	2,115
Total	$558,640	$42,836	$601,476
Add: Working Capital Related to Purchased Power	44,098	(2,664)	41,434
Total Working Capital	$602,738	$40,172	$642,910

Exhibit ___ (EJR-1)
Schedule 10

Consolidated Edison of New York, Inc.
Electric Department
Interest Synchronization
For the Twelve Months Ending March 31, 2010
($000's)

	Rate Year 1 As Reflected in Exhibit __ (EJR-1)	Rate Year 2 Adjustments	Rate Year 2 As Adjusted
Rate Base	$13,324,070	$1,333,691	$14,657,761
Interest Bearing CWIP (+)	458,384	160,140	618,524
Earnings Base	13,782,454	1,493,831	15,276,285
Embedded Cost of Debt	2.87%	2.87%	2.87%
Interest Deduction	$395,556	$42,873	$438,429

For the Twelve Months Ending March 31, 2011
($000's)

	Rate Year 2 As Adjusted	Rate Year 3 Adjustments	Rate Year 3 As Adjusted
Rate Base	$14,657,761	$1,665,988	$16,323,749
Interest Bearing CWIP (+)	618,524	(303,255)	315,269
Earnings Base	15,276,285	1,362,733	16,639,018
Embedded Cost of Debt	2.87%	2.87%	2.87%
Interest Deduction	$438,429	$39,111	$477,540