

Consolidated Edison Company of New York, Inc.
Case 06-G-1332
Gas Revenue Requirement
For The Twelve Months Ending September 30, 2008
\$ 000's

	Rate Year Forecast	Rate Change	Rate Year With Rate Change
Operating Revenues			
Sales Revenues	\$ 645,713	\$ 67,377	\$ 713,090
Other Revenues	33,802	-	33,802
Net Revenues	<u>679,515</u>	<u>67,377</u>	<u>746,892</u>
 Operating Expense			
Other Fuel Charges	1,389	-	1,389
Operations & Maintenance Expenses	255,204	364	255,568
Depreciation	90,111	-	90,111
Taxes Other Than Income Taxes	153,896	1,462	155,358
Gain from Disposition of Utility Plant	(6,533)	-	(6,533)
Total Deductions	<u>494,067</u>	<u>1,826</u>	<u>495,893</u>
 Operating Income Before Income Taxes	<u>185,448</u>	<u>65,551</u>	<u>250,999</u>
 New York State Income Taxes	7,974	4,654	12,628
Federal Income Tax	<u>41,087</u>	<u>21,314</u>	<u>62,401</u>
 Utility Operating Income	<u>\$ 136,387</u>	<u>\$ 39,583</u>	<u>\$ 175,970</u>
 Rate Base	<u>\$ 2,306,594</u>		<u>\$ 2,306,594</u>
 Rate of Return	<u>5.91%</u>		<u>7.63%</u>

Consolidated Edison Company of New York, Inc.
Case OG-G-1332
Average Gas Rate Base
For The Twelve Months Ending September 30, 2008
\$ 000's

Utility plant:		
Average Book Cost of Plant	\$ 3,353,441	
Non-Interest Bearing CWIP	57,772	
Average Accumulated Depreciation	<u>(898,825)</u>	
Net utility plant		\$ 2,512,388
 Rate base additions:		
Working Capital	73,746	
Gas Stored Underground - Non-Current	1,239	
Accrued Unbilled Revenues	43,594	
Honeye Storage Corporation	1,244	
Interference Cost Sharing	(5,697)	
Divested Stations - Unauthorized Gas Use	(2,362)	
Unamortized Debt Discount/Premium/Expense	30,278	
Sale / Appropriation of Property	68	
Preferred Stock Expense	523	
MTA Surtax - Net of Income Taxes	<u>2,155</u>	
Rate base additions		144,788
 Rate base deductions:		
Excess Rate Base Over Capitalization	48,147	
Customer Advances for Construction	<u>(1,807)</u>	
Rate base deductions		46,340
 Regulatory assets & liabilities (net of income taxes):		
<u>Rate Case Reconciliations - Net of FIT</u>		
Refund of Overcollection of Property Taxes - 2002 Settlement	(836)	
Refund of Interest on WTC Revenues - 2002 Settlement	(499)	
Refund of Customers' Share of Non-Firm Revenue Credits	(16,905)	
Refund of Interest on Customers' Share of Non-Firm Revenue Credits	(541)	
Refund of Miscellaneous Service Revenues	(71)	
Refund of Pipeline Integrity Costs	(1,043)	
Refund of Medicare Rx Legislation Savings	575	
Refund of Overcollection of NYS Income Tax Reconciliation	(608)	
Refund of Interest on Rate Case Deferrals - All Other	(614)	
Refund of Interest on First Avenue Property Sale	(275)	
Refund of Gains from Disposition of Utility Plants	(9,820)	
Refund of F.I.T. - Investment Tax Credits	(557)	
Recovery of Interest on Rate Case Deferrals - MGP/Superfund	109	
Recovery of Undercollection of Pension /OPEB Costs	6,376	
Recovery of Undercollection of Interference Costs	3,038	
Recovery of Undercollection Property Taxes	5,010	
Recovery of Interest on Previously Deferred POR Costs	56	
Recovery of Interest on NYS Income Tax Audit Adjustments	18	
Recovery of Costs Associated with the POR Program	342	
Recovery of WTC Expenses	<u>18,622</u>	
Regulatory deferrals		2,377
 Accumulated deferred income taxes		
ADR / ACRS / MACRS Deductions	(350,567)	
Change of Accounting Section 263 A	(52,900)	
Prepaid Insurance Expenses	(295)	
Deferred S.I.T.	(22,878)	
Call Premium	(2,905)	
Excess Deferred SIT (2000/2001)	(595)	
Advanced Refunding of Mortgage Bonds	(27)	
Vested Vacation	1,921	
Contributions In Aid of Construction	1,134	
Capitalized Interest	109	
Unbilled Revenues	<u>27,704</u>	
Accumulated deferred income taxes		(399,299)
Total Rate Base		<u>\$ 2,306,594</u>

Consolidated Edison Company of New York, Inc.
 Steam Case 06-G-1332
 Average Capital Structure & Cost of Money
 For the Twelve Months Ending September 30, 2008

	<u>Capital Structure %</u>	<u>Cost Rate %</u>	<u>Cost of Capital %</u>	<u>Pre Tax Cost % (a)</u>
Long term debt	49.48%	5.78%	2.86%	2.86%
Preferred Stock	1.25%	5.34%	0.07%	0.11%
Customer deposits	<u>1.27%</u>	3.65%	<u>0.05%</u>	<u>0.05%</u>
Preferred Stock & Debt	52.00%		2.97%	3.02%
Common Equity	<u>48.00%</u>	9.70%	<u>4.66%</u>	<u>7.71%</u>
Total	<u><u>100.00%</u></u>		<u><u>7.63%</u></u>	<u><u>10.73%</u></u>

(a) Calculation reflects 7.1% NYS and 35% Federal income tax rates.

Consolidated Edison Company of NY, Inc.

Gas Case 06-G-1332

Gas 2nd & 3rd Stage Increase

\$ million's

Rate Year Ending	Twelve Months Ending September 30,		
	2008	2009	2010
First Year Rate Change	\$ 67.4		
Sales Revenue (Net of Fuel & Rev. Tax)		\$ 6.8	\$ 6.9
Other Operating Revenues		(0.7)	0.4
Subtotal (1)		6.1	7.3
Operating Expenses			
Operation & Maintenance Expense (excl. fuel)			
- Labor & General Escalations		4.2	4.5
- Pension and OPEBs		(1.6)	5.5
- MGP Remediation (Five Year Amortization)		1.3	1.3
- Uncollectibles		0.1	0.1
- Gas Efficiency Program - Staffing		0.7	0.1
- Program Savings - Shared Services and Active Health		(0.5)	-
Depreciation & Amortization		6.2	6.2
Taxes Other - excl. revenue taxes		6.0	7.2
- revenue taxes		0.7	1.0
Federal Income Taxes (Book vs. Flow Thru Deductions)		0.6	0.5
Pre Tax Return on Rate Base (Net of Interest Tax Deduction)		21.1	23.6
Subtotal (2)		38.8	50.0
Net Rate Change (2) - (1)	\$ 67.4	\$ 32.7	\$ 42.7

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

FORECASTED GAS DELIVERY VOLUMES

MDT's

Twelve Months Ended

Line No.	Service Classification	Twelve Months Ended		
		9/30/2008	9/30/2009	9/30/2010
1	SC 1 - Residential & Religious	4,787	4,759	4,731
2	SC 2 - General, Commercial and Industrial (Non-Heating)	17,971	18,146	18,322
3	SC 2 - General, Commercial and Industrial (Heating)	29,424	30,186	30,949
4	SC 2 - Commercial Distributed Generation	100	100	100
5	SC 2 - Firm Bypass (Non-Heating)	1,964	1,964	1,964
6	SC 3 - Residential and Religious (Heating)	60,521	61,214	61,906
7	SC 13 - Seasonal Off Peak Water Heating	71	79	87
8	SC 14 - Natural Gas Vehicles	12	12	12
9	Total Firm Delivery Volumes	114,849	116,460	118,071

**Consolidated Edison Company of New York, Inc.
October 2007**

Service Classification (SC)	Gas Delivery Volumes Therms	Number of Active Accounts**
SC 1		
SC 2NHT*		
SC 2HT		
SC 3 (1-4 Dwelling Units)		
SC 3 (More than 4 Dwelling Units)		
SC 13		
SC 14		
SC 2NHT - Firm Bypass		
Total	-	-
<p>* Includes distributed firm generation volumes. ** As of Trip 21 (October 29, 2007)</p>		

GAS RATE DESIGN

1. Billing Determinants and Rate Design Revenue Targets

Table 1 provides the billing determinants for the delivery rate design. Table 2 provides the rate design revenue targets for the Supply-Related and Credit and Collections (“C&C”) components of the Merchant Function Charge (“MFC”) for RY1, the C&C component of the POR discount rate for RY1, the Supply-Related component of the MFC for RY2 and RY3, the total C&C applicable to the MFC and POR discount rate¹ for RY2 and RY3, the Billing and Payment Processing charges for RY1, RY2 and RY 3, and delivery charges for RY1, RY2 and RY3. The allocation of the C&C rate design “Total” target between C&C for the MFC and C&C for the POR discount rate will be determined prior to RY2 and RY3 based upon the most recent information available.

2. Allocation of Increased Revenue Requirement

The Revenue Allocation for each Rate Year was designed to achieve the rate design revenue targets shown on Table 2. The detailed revenue allocation is shown on Table 3.

For the first Rate Year, the total increase in the Company’s revenue requirement of \$67,377,000, less gross receipts tax of \$1,463,284, was allocated to firm sales and firm transportation customers in SC 1, 2, 3, 9 and 13 in the following manner: (a) Revenue deficiencies/surpluses as indicated in (Table 3) were used to realign Rate Year revenue at current rate levels for SC 1, SC 2 Heating and SC 2 Non-Heating; (b) The average percentage rate increase was applied to the realigned revenues for all classes; (c) The total rate increase for each class was determined by adding the rate increase for each class and the deficiency or surplus indicated in Table 3. The overall average percentage rate increase for RY1 was determined by dividing the RY1 rate increase by delivery revenues at current rates.

For the second Rate Year, the delivery rate increase was determined by subtracting Rate Year 2 forecasted sales priced at Rate Year 1 delivery rates from the Rate Year 2 delivery revenue requirement. The resulting delivery rate increase was divided by revenues resulting from Rate Year 2 sales priced at Rate Year 1 delivery rates to determine the overall average delivery rate percentage increase. The overall average delivery rate increase and delivery rate percentage increase for RY3 were determined in a similar manner.

For the second and third Rate Years all classes will be assigned the average percentage delivery rate increase.

¹ Any C&C charges related to gas transportation customers whose ESCOs participate in the Company’s Purchase of Receivables program (“POR”) will be included in the POR discount rate, based upon the rate design revenue target in Table 2.

3. Unbundling Changes

Con Edison will implement the following unbundling changes:

A. Merchant Function Charge

1. The Merchant Function Charge (“MFC”) will be applicable to full service firm customers only and will consist of the following components:
 - Supply-Related Component.
 - Credit and Collections/Theft (“C&C”) Component.
 - Uncollectible Accounts Expense (“UBs”) associated with supply (this component will change each month, and will be determined in the manner described below).
 - Gas in Storage Working Capital (this component will change each Rate Year, and will be determined in the manner described below).
2. Separate MFC charges will be established for SC 1, SC 2 Heating, SC 2 Non-Heating and SC 13, and SC 3. For the Supply-Related component and for the C&C component, different unit costs will be set for residential and for non-residential classes. At the end of each Rate Year, the Supply-Related and C&C components of the MFC will be trued up to the Rate Year design targets and any reconciliation amount will be included in the subsequent year’s calculation of the MFC.

The charge for UBs associated with supply will be based upon actual supply costs for each month as shown in the Company’s monthly Gas Cost Factor (“GCF”). The UBs associated with supply costs as shown in the GCF will be included in the MFC. Separate UB factors will be calculated for each of the three GCF groupings and will reflect the overall uncollectible rate of 0.543%, with uncollectible rates of .8053% for residential customers and .3466% for non-residential customers for Rate Year 1. The UB rates for residential and non-residential customers will be updated annually, prior to each Rate Year to reflect the overall uncollectible rate of .543%.

The Gas in Storage Working Capital charge will be allocated between full service customers (MFC Component) and all customers (MRA Component) and will be the same for all classes. For RY1, the allocation between full service and all customers will be such that the volumetric rate for full service customers will be twice the rate applicable to all customers. For RY2 and RY3, the volumetric rate for full service customers will be 1½ times and 1 time the rate to all customers, respectively. At the end of each Rate Year, the Gas in Storage Working Capital included in the MFC and MRA will be trued-up to actual costs and the difference included in the subsequent year’s calculation.

B. Billing and Payment Processing Charge

The Billing and Payment Processing (“BPP”) Charge for gas will be set at \$0.94 for single service gas customers who purchase both their commodity and delivery from the Company and for retail access customers receiving separate bills from the Company and the ESCO. Dual service customers will pay no more than \$0.47 for gas BPP. Table 2 provides the rate design targets for BPP for each Rate Year. Table 4 includes the gas BPP charges for single service and dual service gas customers.

C. Transition Adjustment for Competitive Services

The Transition Adjustment for Competitive Services (“TACS”) will reconcile (1) actual revenues received from the C&C component for POR customers included in the discount rate with the amount reflected in the discount rate, and (2) the lost revenue attributable to the BPP charges associated with customers migrating to retail access and being billed for their gas use through an ESCO consolidated bill. The reconciliation in (1) above will be calculated using the Rate Year design target in Table 2 for C&C POR for RY1, and will be based on an allocation of the C&C Total from Table 2 for RY2 and RY3.

The TACS will apply to firm full service customers and to firm transportation customers and will be assessed through the MRA. The rates will be designed so that lost revenues will be recovered at the same rate from all firm customers.

4. Rate Design Within The Service Classes

A summary of the proposed delivery rates resulting from the rate design described below is shown on Table 5.

- A. The minimum charges (the charge for the delivery of the first three therms or less) in all three Rate Years for SC 1, SC 2 Heating, SC 2 Non-Heating, and SC 3, and for the corresponding SC 9 rates, will be increased to better reflect the Company’s cost to provide service. The SC 13 minimum charge and the corresponding SC 9 firm transportation minimum charge, which is designed to collect minimum charges over seven months as opposed to twelve months, will be increased accordingly. For SC 3, the minimum charge will be \$15.38 for RYs 1, 2 and 3. For SC 1, the minimum charge for RY 1, RY 2 and RY 3 will be \$13.90, \$14.64 and 15.23, respectively.
- B. For SC 1 and SC 3 (and their associated SC 9 rates), the remaining revenue increase assigned to those classes in all three Rate Years, after

allocating a portion of the revenue increase to the minimum charge, will be allocated among the blocks on an equal ¢/therm basis.

- C. For SC 2 Heating and SC 2 Non-Heating, the Company will distribute the net revenue increases for each Rate Year, for rate blocks of more than 3 therms in the following manner: The 4-90 block will be assigned the average ¢/therm increase for each class after assigning a portion of the revenue increase to the minimum charge; all remaining blocks in each class will be assigned an equal percentage increase.
- D. For SC 13, for each Rate Year, the remaining blocks will be assigned revenue increases only to the extent that any revenue increase for SC 13 remains after assigning the revenue increase to the SC 13 minimum charge. The air-conditioning rates within SC 2 and SC 3 will be set equal to the proposed block rates in SC 13.
- E. The rates for Riders G and I will be set using the same relationship that exists between SC 2 delivery rates and Riders G and I rates today.
- F. No increase will be allocated to SC 14, and firm bypass rate customers. However distributed generation rates under Riders H and J will be increased by the average rate increase allowed for each Rate Year.

5. **Low Income Rate Changes**

The Company will continue to implement a low-income customer rate program, pursuant to the terms set forth in this Appendix D, targeted at low-income residential customers taking service under SC 1 (non-heating) and 3 (heating), and corresponding SC 9 customers. To qualify for the program, a customer must be receiving benefits under any of the following governmental assistance programs: Supplemental Security Income, Temporary Assistance to Needy Persons, Safety Net Assistance, Medicaid, or Food Stamps, or have received a Home Energy Assistance Program grant in the preceding 12 months.

The Company will set the rate reduction at \$0.2029 per therm in the over-3 therm block for eligible SC 1 customers and in the 4-90 block for eligible SC 3 customers. Similar rate reductions will be set for equivalent SC 9 transportation customers. Eligible SC 3 customers will receive a reduction in their minimum charge as well. The minimum charge for eligible low income SC 3 customers will be set at the minimum charge for SC 1; the Company has designed rates to recover the estimated revenue loss of \$200,000 associated with this reduced minimum charge. A customer receiving the low-income rate reduction will be subject to all other applicable rates and charges of the customer's applicable service classification.

The program will be designed to provide approximately \$5.0 million of rate reductions in total over the RY 1 through the RY 3 period based on the currently

forecasted customer participation levels. If the Company, in consultation with active parties, estimates that the aggregate actual rate reductions to be provided to low income customers over the three Rate Years ending September 30, 2010 will exceed \$6 million or be less than \$5.0 million, the Company may, after consultation with active parties, revise the rate reduction applicable in RY3. Revised rates to implement this revision may be filed on 30 days' notice. If the Company determines to revise such rate(s), the rate reduction established for RY3 shall not increase or decrease by more than 25 percent. At the end of RY3, any difference remaining between \$5.0 million and the aggregate actual level of low income reductions provided over the three Rate Years ending September 30, 2010 shall be credited or surcharged to SC 1, 2, 3 and 13 firm customers and corresponding SC 9 firm transportation customers, including low income customers, as an adjustment to the MRA over a twelve-month period, commencing October 1, 2010.

Any difference remaining between \$4.8 million and the aggregate actual level of low income reductions provided over the three Rate Years ending September 30, 2007, will be credited or surcharged to all firm gas customers through an adjustment to the MRA over the twelve months commencing October 1, 2007.

6. **Recovery of Interruptible Plant**

For the first and second Rate Years recovery of the cost of plant applicable to interruptible and off-peak firm customers through September 30, 2004 will continue to be recovered by reducing the deferred balance of firm customers' share of non-firm revenues at the end of each month. This is a continuation of the amortization established in the prior rate plan which allowed for a five year amortization of the unrecovered plant. Any amount remaining unrecovered at the end of the second Rate Year will be deferred for future recovery.

The revenues for interruptible customers commencing service on or after October 1, 2007 will no longer be used to offset installation costs of those customers. Any interruptible customers commencing service on or after October 1, 2004 whose facility costs have not been fully offset against revenues as of September 30, 2007, will continue to have their revenue applied against those facility costs until such facility costs are completely offset.

APPENDIX D
TABLE 1

Rate Year Billing Determinants			
	Rate Year 1	Rate Year 2	Rate Year 3
Service Classification 1			
Annual Bills	7,250,912	7,208,618	7,166,324
Therms 0-3	14,878,760	14,791,973	14,705,188
Therms >3	<u>26,455,762</u>	<u>26,295,472</u>	<u>26,135,181</u>
Total Annual Sales Volumes (Therms)	41,334,522	41,087,445	40,840,369
Service Classification 1 - Low Income			
Bills	1,111,008	1,105,144	1,099,280
Therms 0-3	2,871,416	2,856,260	2,841,104
Therms >3	<u>3,665,698</u>	<u>3,645,524</u>	<u>3,625,349</u>
Total Annual Sales Volumes (Therms)	6,537,114	6,501,784	6,466,453
Service Classification 2 Heating			
Annual Bills	730,228	748,541	766,856
Therms 0-3	1,957,466	2,006,557	2,055,650
Therms 3-90	39,675,168	40,670,163	41,665,212
Therms 90-3000	175,211,904	179,714,101	184,218,939
Therms >3000	<u>74,136,886</u>	<u>76,074,017</u>	<u>78,012,970</u>
Total Annual Sales Volumes (Therms)	290,981,424	298,464,838	305,952,771
Service Classification 2 Heating - Air Conditioning			
Therms 0-1200	125,323	133,665	141,614
Therms >1200	<u>1,323,247</u>	<u>1,411,335</u>	<u>1,495,264</u>
Total Annual Sales Volumes (Therms)	1,448,570	1,545,000	1,636,878
Service Classification 2 Heating - Economic Development Zone			
Annual Bills	1,162	1,191	1,221
Therms 0-3	2,926	3,001	3,075
Therms 3-90	65,428	67,101	68,775
Therms 90-250	93,395	95,784	98,173
Therms 250-3000	615,229	631,036	646,847
Therms >3000	<u>1,030,577</u>	<u>1,058,016</u>	<u>1,085,482</u>
Total Annual Sales Volumes (Therms)	1,807,555	1,854,938	1,902,352
Service Classification 2 Non-Heating			
Annual Bills	724,355	731,280	738,205
Therms 0-3	1,848,216	1,865,887	1,883,555
Therms 3-90	29,588,218	29,869,600	30,153,391
Therms 90-3000	116,182,244	117,287,131	118,401,473
Therms >3000	<u>30,379,140</u>	<u>30,668,045</u>	<u>30,959,423</u>
Total Annual Sales Volumes (Therms)	177,997,818	179,690,663	181,397,842
Service Classification 2 Non-Heating - Air Conditioning			
Therms 0-1200	63,010	66,190	69,103
Therms >1200	<u>975,123</u>	<u>1,024,329</u>	<u>1,069,410</u>
Total Annual Sales Volumes (Therms)	1,038,133	1,090,519	1,138,513
Service Classification 2 Non-Heating - Economic Development Zone			
Annual Bills	145	146	148
Therms 0-3	388	392	396
Therms 3-90	11,718	11,835	11,954
Therms 90-250	20,054	20,255	20,458
Therms 250-3000	215,840	218,006	220,191
Therms >3000	<u>426,704</u>	<u>430,987</u>	<u>435,304</u>
Total Annual Sales Volumes (Therms)	674,704	681,475	688,303
Service Classification 3 (1 to 4 Housing Units)			
Annual Bills	2,835,987	2,871,899	2,907,810
Therms 0-3	8,523,776	8,631,713	8,739,646
Therms 3-90	159,380,757	161,411,902	163,440,958
Therms 90-3000	167,773,089	169,923,672	172,070,317
Therms >3000	<u>1,109,159</u>	<u>1,125,561</u>	<u>1,141,933</u>
Total Annual Sales Volumes (Therms)	336,786,781	341,092,848	345,392,854
Service Classification 3 (1 to 4 Housing Units) - Low Income			
Annual Bills	79,703	80,755	81,806
Therms 0-3	239,399	242,555	245,711
Therms 3-90	4,181,664	4,237,172	4,292,620
Therms 90-3000	3,226,505	3,269,512	3,312,443
Therms >3000	<u>18,475</u>	<u>18,721</u>	<u>18,967</u>
Total Annual Sales Volumes (Therms)	7,666,043	7,767,960	7,869,741
Service Classification 3 (1 to 4 Housing Units) - Air Conditioning			
Therms 0-1200	-	-	-
Therms >1200	<u>-</u>	<u>-</u>	<u>-</u>
Total Annual Sales Volumes (Therms)	-	-	-
Service Classification 3 (More than 4 Housing Units)			
Annual Bills	172,461	174,633	176,806
Therms 0-3	505,176	511,540	517,904
Therms 3-90	13,593,005	13,764,201	13,935,397
Therms 90-3000	133,060,840	134,732,753	136,402,500
Therms >3000	<u>113,458,895</u>	<u>114,124,228</u>	<u>114,788,367</u>
Total Annual Sales Volumes (Therms)	260,617,916	263,132,722	265,644,168
Service Classification 3 (More than 4 Housing Units) - Low Income			
Annual Bills	88	88	90
Therms 0-3	265	268	272
Therms 3-90	6,493	6,578	6,664
Therms 90-3000	21,383	21,668	21,953
Therms >3000	<u>-</u>	<u>-</u>	<u>-</u>
Total Annual Sales Volumes (Therms)	28,141	28,514	28,889
Service Classification 3 (More than 4 Housing Units) - Air Conditioning			
Therms 0-1200	23,605	24,872	26,045
Therms >1200	<u>86,565</u>	<u>91,212</u>	<u>95,512</u>
Total Annual Sales Volumes (Therms)	110,170	116,084	121,557
Service Classification 13			
Annual Bills	5,851	6,262	6,674
Therms 0-3	8,901	9,528	10,155
Therms 3-1200	398,528	443,646	488,764
Therms >1200	<u>302,571</u>	<u>336,826</u>	<u>371,081</u>
Total Annual Sales Volumes (Therms)	710,000	790,000	870,000
Service Classification 2 - Commercial Distributed Generation			
Total Annual Sales Volumes (Therms)	998,499	998,499	998,499
Service Classification 2 - Non-Heating			
Firm Bypass	19,637,265	19,637,265	19,637,265
Service Classification 14			
Total Annual Sales Volumes (Therms)	120,000	120,000	120,000
Summary of Sales Volumes			
Service Classification 1 Sales Volumes (Therms)	47,871,636	47,589,229	47,306,822
Service Classification 2 Non-Heating Sales Volumes (Therms)	200,346,419	202,098,421	203,860,422
Service Classification 2 Heating Sales Volumes (Therms)	294,237,549	301,864,776	309,492,001
Service Classification 3 Sales Volumes (Therms)	605,209,051	612,138,128	619,057,209
Service Classification 13 Sales Volumes (Therms)	710,000	790,000	870,000
Service Classification 14 Sales Volumes (Therms)	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Total Annual Sales Volumes (Therms)	1,148,494,655	1,164,600,554	1,180,706,454

Appendix D
Table 2

RATE DESIGN REVENUE TARGETS

		Rate Design Revenue Targets					
	Firm Rates	Supply MFC	C&C MFC	C&C POR	C&C Total	BPP	Delivery
Current Rates	\$ 587,770,000						
Rate Year 1 Increase	\$ 67,377,000						
Less Taxes	\$ (1,463,284)						
Rate Year 1	\$ 653,683,716	\$ 7,329,186	\$ 10,564,623	\$ 1,348,006	\$ 11,912,629	\$ 5,850,756	\$ 628,591,145
Growth Rate Year 2	\$ 6,800,000						
Less Taxes	\$ (147,681)						
Rate Year 2 Increase	\$ 32,700,000						
Less Taxes	\$ (716,000)						
Rate Year 2	\$ 692,320,035	\$ 7,762,381	TBD	TBD	\$ 12,616,731	\$ 5,858,731	\$ 666,082,192
Growth Rate Year 3	\$ 6,900,000						
Less Taxes	\$ (149,853)						
Rate Year 3 Increase	\$ 42,700,000						
Less Taxes	\$ (936,000)						
Rate Year 3	\$ 740,834,182	\$ 8,306,328	TBD	TBD	\$ 13,500,845	\$ 5,864,835	\$ 713,162,174

Appendix D
Table 3

RATE YEAR 1															
	1	2	3=(1)+(2)	4	5=(3)+(4)	6	7	8	9=(5)-(6)-(7)-(8)	10=(9)-(1)	11=(6)+(7)+(8)	12=(10)+(11)	13=(10)/(11)	14=(11)/(1)	15=(12)/(1)
Service Class	TME 9/30/08 @ Current Rates	Deficiency/ (Surplus)	Realigned RY1 @ Current Rates	RY 1 Increase	Total	Supply	C&C	B&P	Delivery	Delivery Increase	Competitive Charges	Bill Impact	Delivery	Competitive Percent Increase	Bill
SC 1	\$ 119,402,451	\$ 4,396,677	\$ 123,799,128	\$ 13,909,185	\$ 137,708,313	\$ 451,282	\$ 805,064	\$ 3,691,152	\$ 132,760,816	\$ 13,358,365	\$ 4,947,497	\$ 18,305,862	11.19%	4.14%	15.33%
SC 2 R1 - Non Heat	\$ 66,586,678	\$ (1,254,995)	\$ 65,331,683	\$ 7,340,201	\$ 72,671,884	\$ 712,969	\$ 975,335	\$ 382,194	\$ 70,601,386	\$ 4,014,708	\$ 2,070,498	\$ 6,085,206	6.03%	3.11%	9.14%
SC 2 R1 - NH DG	\$ 148,225	\$ (2,777)	\$ 145,448	\$ 16,342	\$ 161,790	\$ 1,587	\$ 1,492	\$ -	\$ 158,710	\$ 10,485	\$ 3,079	\$ 13,565	7.07%	2.08%	9.15%
SC 2 R2 - Heat	\$ 111,596,542	\$ (3,138,905)	\$ 108,457,637	\$ 12,185,525	\$ 120,643,162	\$ 1,256,696	\$ 1,661,582	\$ 362,041	\$ 117,362,843	\$ 5,766,301	\$ 3,280,319	\$ 9,046,620	5.17%	2.94%	8.11%
SC 3	\$ 288,681,297	\$ -	\$ 288,681,297	\$ 32,434,168	\$ 321,115,465	\$ 4,903,405	\$ 8,465,563	\$ 1,411,267	\$ 306,335,230	\$ 17,653,933	\$ 14,780,235	\$ 32,434,168	6.12%	5.12%	11.24%
SC 13	\$ 251,840	\$ -	\$ 251,840	\$ 28,295	\$ 280,135	\$ 3,248	\$ 3,593	\$ 4,102	\$ 269,192	\$ 17,352	\$ 10,943	\$ 28,295	6.89%	4.35%	11.24%
Subtotal	\$ 586,667,033	\$ -	\$ 586,667,033	\$ 65,913,716	\$ 652,580,749	\$ 7,329,186	\$ 11,912,629	\$ 5,850,756	\$ 627,488,178	\$ 40,821,145	\$ 25,092,571	\$ 65,913,716	6.96%	4.28%	11.24%
SC 14	\$ 216,000	\$ -	\$ 216,000	\$ -	\$ 216,000	\$ -	\$ -	\$ -	\$ 216,000	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
Firm Bypass	\$ 886,966	\$ -	\$ 886,966	\$ -	\$ 886,966	\$ -	\$ -	\$ -	\$ 886,966	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
Total	\$ 587,769,999	\$ -	\$ 587,769,999	\$ 65,913,716	\$ 653,683,715	\$ 7,329,186	\$ 11,912,629	\$ 5,850,756	\$ 628,591,144	\$ 40,821,145	\$ 25,092,571	\$ 65,913,716	6.95%	4.27%	11.21%

RATE YEAR 2															
	1	2	3=(1)+(2)	4	5=(3)+(4)	6	7	8	9=(5)-(6)-(7)-(8)	10=(9)-(1)	11=(6)+(7)+(8)	12=(10)+(11)	13=(10)/(11)	14=(11)/(1)	15=(12)/(1)
Service Class	TME 9/30/09 @ RY1 Rates	Deficiency/ (Surplus)	Realigned RY2 @ Current Rates	RY 2 Increase	Total	Supply	C&C	B&P	Delivery	Delivery Increase	Competitive Charges	Bill Impact	Delivery	Competitive Percent Increase	Bill
SC 1	\$ 131,893,971	\$ -	\$ 131,893,971	\$ 6,469,849	\$ 143,318,193	\$ 460,168	\$ 823,722	\$ 3,670,483	\$ 138,363,819	\$ 6,469,849	\$ 6,876	\$ 6,476,725	4.91%	0.01%	4.91%
SC 2 R1 - Non Heat	\$ 71,243,832	\$ -	\$ 71,243,832	\$ 3,494,753	\$ 76,890,582	\$ 744,160	\$ 1,022,687	\$ 385,151	\$ 74,738,585	\$ 3,494,753	\$ 81,499	\$ 3,576,252	4.91%	0.11%	5.02%
SC 2 R1 - NH DG	\$ 148,000	\$ -	\$ 148,000	\$ 7,260	\$ 158,259	\$ 1,546	\$ 1,454	\$ -	\$ 155,260	\$ 7,260	\$ (80)	\$ 7,180	4.91%	-0.05%	4.85%
SC 2 R2 - Heat	\$ 120,379,591	\$ -	\$ 120,379,591	\$ 5,905,029	\$ 129,765,175	\$ 1,341,409	\$ 1,769,603	\$ 369,543	\$ 126,284,620	\$ 5,905,029	\$ 200,236	\$ 6,105,265	4.91%	0.17%	5.07%
SC 3	\$ 309,888,114	\$ -	\$ 309,888,114	\$ 15,201,068	\$ 340,723,363	\$ 5,211,009	\$ 8,994,849	\$ 1,428,323	\$ 325,089,182	\$ 15,201,068	\$ 853,947	\$ 16,055,015	4.91%	0.28%	5.18%
SC 13	\$ 331,499	\$ -	\$ 331,499	\$ 16,261	\$ 361,496	\$ 4,089	\$ 4,416	\$ 5,231	\$ 347,761	\$ 16,261	\$ 2,793	\$ 19,054	4.91%	0.84%	5.75%
Subtotal	\$ 633,885,007	\$ -	\$ 633,885,007	\$ 31,094,219	\$ 691,217,069	\$ 7,762,381	\$ 12,616,731	\$ 5,858,731	\$ 664,979,226	\$ 31,094,219	\$ 1,145,272	\$ 32,239,491	4.91%	0.18%	5.09%
SC 14	\$ 216,000	\$ -	\$ 216,000	\$ -	\$ 216,000	\$ -	\$ -	\$ -	\$ 216,000	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
Firm Bypass	\$ 886,966	\$ -	\$ 886,966	\$ -	\$ 886,966	\$ -	\$ -	\$ -	\$ 886,966	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
Total	\$ 634,987,973	\$ -	\$ 634,987,973	\$ 31,094,219	\$ 692,320,035	\$ 7,762,381	\$ 12,616,731	\$ 5,858,731	\$ 666,082,192	\$ 31,094,219	\$ 1,145,272	\$ 32,239,491	4.90%	0.18%	5.08%

RATE YEAR 3															
	1	2	3=(1)+(2)	4	5=(3)+(4)	6	7	8	9=(5)-(6)-(7)-(8)	10=(9)-(1)	11=(6)+(7)+(8)	12=(10)+(11)	13=(10)/(11)	14=(11)/(1)	15=(12)/(1)
Service Class	TME 9/30/10 @ RY2 Rates	Deficiency/ (Surplus)	Realigned RY3 @ Current Rates	RY 3 Increase	Total	Supply	C&C	B&P	Delivery	Delivery Increase	Competitive Charges	Bill Impact	Delivery	Competitive Percent Increase	Bill
SC 1	\$ 137,557,775	\$ -	\$ 137,557,775	\$ 8,227,026	\$ 150,765,211	\$ 475,941	\$ 854,655	\$ 3,649,813	\$ 145,784,801	\$ 8,227,026	\$ 26,036	\$ 8,253,062	5.98%	0.02%	6.00%
SC 2 R1 - Non Heat	\$ 75,446,706	\$ -	\$ 75,446,706	\$ 4,512,301	\$ 82,220,650	\$ 787,482	\$ 1,086,053	\$ 388,108	\$ 79,959,007	\$ 4,512,301	\$ 109,646	\$ 4,621,946	5.98%	0.15%	6.13%
SC 2 R1 - NH DG	\$ 148,225	\$ -	\$ 148,225	\$ 8,865	\$ 160,092	\$ 1,547	\$ 1,455	\$ -	\$ 157,090	\$ 8,865	\$ 2	\$ 8,867	5.98%	0.00%	5.98%
SC 2 R2 - Heat	\$ 129,457,043	\$ -	\$ 129,457,043	\$ 7,742,539	\$ 140,921,879	\$ 1,443,775	\$ 1,901,475	\$ 377,046	\$ 137,199,583	\$ 7,742,539	\$ 241,741	\$ 7,984,281	5.98%	0.19%	6.17%
SC 3	\$ 328,883,013	\$ -	\$ 328,883,013	\$ 19,669,765	\$ 365,242,751	\$ 5,592,643	\$ 9,651,950	\$ 1,445,380	\$ 348,552,778	\$ 19,669,765	\$ 1,055,791	\$ 20,725,557	5.98%	0.32%	6.30%
SC 13	\$ 383,040	\$ -	\$ 383,040	\$ 22,909	\$ 420,633	\$ 4,940	\$ 5,256	\$ 4,488	\$ 405,949	\$ 22,909	\$ 948	\$ 23,857	5.98%	0.25%	6.23%
Subtotal	\$ 671,875,803	\$ -	\$ 671,875,803	\$ 40,183,405	\$ 739,731,216	\$ 8,306,328	\$ 13,500,845	\$ 5,864,835	\$ 712,059,208	\$ 40,183,405	\$ 1,434,165	\$ 41,617,570	5.98%	0.21%	6.19%
SC 14	\$ 216,000	\$ -	\$ 216,000	\$ -	\$ 216,000	\$ -	\$ -	\$ -	\$ 216,000	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
Firm Bypass	\$ 886,966	\$ -	\$ 886,966	\$ -	\$ 886,966	\$ -	\$ -	\$ -	\$ 886,966	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
Total	\$ 672,978,769	\$ -	\$ 672,978,769	\$ 40,183,405	\$ 740,834,182	\$ 8,306,328	\$ 13,500,845	\$ 5,864,835	\$ 713,162,174	\$ 40,183,405	\$ 1,434,165	\$ 41,617,570	5.97%	0.21%	6.18%

**Appendix D
Table 4**

BILLING AND PAYMENT PROCESSING CHARGES

A. Single Service (Gas only) accounts BPP charges

	Full Service Single Bill	Retail Choice Utility Single Bill (POR)	Retail Choice Two Bills	Retail Choice ESCO Single Bill
Gas Customer	\$0.94	\$0.00	\$0.94	\$0.00
Gas ESCO	\$0.00	\$0.94	\$0.00	\$0.00

**B. Dual Service (Gas and Electric) BPP charges for accounts served by Single ESCO
(one ESCO for both Gas and Electric)**

	Electric Service Type	Gas Full Service Single Bill	Gas Retail Choice Utility Single Bill (POR)	Gas Retail Choice Two Bills	Gas Retail Choice ESCO Single Bill
Gas Customer	Electric Full Service Single Bill	\$0.47	\$0.00	\$0.47	\$0.00
Gas ESCO	Electric Full Service Single Bill	\$0.00	\$0.47	\$0.00	\$0.00
Gas Customer	Electric Retail Choice Utility Single Bill (POR)	\$0.47	\$0.00	0.47	N/A
Gas ESCO	Electric Retail Choice Utility Single Bill (POR)	\$0.00	\$0.47	0	N/A
Gas Customer	Electric Retail Choice Two Bill	\$0.47	\$0.00	\$0.47	N/A
Gas ESCO	Electric Retail Choice Two Bill	\$0.00	\$0.47	\$0.00	N/A
Gas Customer	Electric Retail Choice ESCO Single Bill	\$0.00	N/A	N/A	\$0.00
Gas ESCO	Electric Retail Choice ESCO Single Bill	\$0.00	N/A	N/A	\$0.00

**C. Dual Service (Gas and Electric) BPP charges for accounts served by Two ESCO's
(one ESCO for Gas and another ESCO for Electric)**

	Electric Service Type	Gas Full Service Single Bill	Gas Retail Choice Utility Single Bill (POR)	Gas Retail Choice Two Bills	Gas Retail Choice ESCO Single Bill
Gas Customer	Electric Full Service Single Bill	\$0.47	\$0.00	\$0.47	\$0.00
Gas ESCO	Electric Full Service Single Bill	\$0.00	\$0.47	\$0.00	\$0.00
Gas Customer	Electric Retail Choice Utility Single Bill (POR)	\$0.47	\$0.00	\$0.47	N/A
Gas ESCO	Electric Retail Choice Utility Single Bill (POR)	\$0.00	\$0.47	\$0.00	N/A
Gas Customer	Electric Retail Choice Two Bill	\$0.47	\$0.00	\$0.47	\$0.00
Gas ESCO	Electric Retail Choice Two Bill	\$0.00	\$0.47	\$0.00	\$0.00
Gas Customer	Electric Retail Choice ESCO Single Bill	\$0.00	N/A	\$0.00	N/A
Gas ESCO	Electric Retail Choice ESCO Single Bill	\$0.00	N/A	\$0.00	N/A

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF PROPOSED GAS RATES
FOR RATE YEARS BEGINNING OCTOBER 1, 2007, OCTOBER 1, 2008 AND OCTOBER 1, 2009

	<u>RATE YEAR 1</u>		<u>RATE YEAR 2</u>		<u>RATE YEAR 3</u>	
<u>SC 1 and SC 9 Rate (A1)</u>						
First 3 Therms (or less)	\$	13.90	\$	14.64	\$	15.23
Over 3 Therms		\$ 0.5702 per therm		\$ 0.5808 per therm		\$ 0.6934 per therm
<u>SC 1 Low Income</u>						
First 3 Therms (or less)	\$	13.90	\$	14.64	\$	15.23
Over 3 Therms		\$ 0.3673 per therm		\$ 0.3779 per therm		\$ 0.4905 per therm
<u>SC 2 Rate 1 and SC 9 Rate (A2)</u>						
First 3 Therms (or less)	\$	17.64	\$	19.79	\$	19.99
Next 87 Therms		\$ 0.5448 per therm		\$ 0.5555 per therm		\$ 0.5796 per therm
Next 2,910 Therms		\$ 0.3019 per therm		\$ 0.3134 per therm		\$ 0.3392 per therm
Over 3,000 Therms		\$ 0.2079 per therm		\$ 0.2158 per therm		\$ 0.2336 per therm
<u>SC 2 Rate II and SC 9 Rate (A4)</u>						
First 3 Therms (or less)	\$	19.13	\$	19.52	\$	20.00
Next 87 Therms		\$ 0.5467 per therm		\$ 0.5656 per therm		\$ 0.5897 per therm
Next 2,910 Therms		\$ 0.3595 per therm		\$ 0.3804 per therm		\$ 0.4070 per therm
Over 3,000 Therms		\$ 0.2443 per therm		\$ 0.2585 per therm		\$ 0.2766 per therm
<u>SC 2 Rate 1 and SC 9 Rate (A7) (A/C)</u>						
First 1,200 Therms		\$ 0.1942 per therm		\$ 0.1942 per therm		\$ 0.2198 per therm
Over 1,200 Therms		\$ 0.1662 per therm		\$ 0.1662 per therm		\$ 0.1881 per therm
<u>SC 2 Rate 1 Riders G & I and SC 9 Rate (A3)</u>						
First 3 Therms (or less)	\$	17.64	\$	19.79	\$	19.99
Next 87 Therms		\$ 0.5448 per therm		\$ 0.5555 per therm		\$ 0.5796 per therm
Next 160 Therms		\$ 0.3019 per therm		\$ 0.3134 per therm		\$ 0.3392 per therm
Next 2,750 Therms		\$ 0.1980 per therm		\$ 0.2055 per therm		\$ 0.2224 per therm
Over 3,000 Therms		\$ 0.1040 per therm		\$ 0.1079 per therm		\$ 0.1168 per therm
<u>SC 2 Rate II Riders G & I and SC 9 Rate (A5)</u>						
First 3 Therms (or less)	\$	19.13	\$	19.52	\$	20.00
Next 87 Therms		\$ 0.5467 per therm		\$ 0.5656 per therm		\$ 0.5897 per therm
Next 160 Therms		\$ 0.3595 per therm		\$ 0.3804 per therm		\$ 0.4070 per therm
Next 2,750 Therms		\$ 0.2374 per therm		\$ 0.2512 per therm		\$ 0.2687 per therm
Over 3,000 Therms		\$ 0.1222 per therm		\$ 0.1293 per therm		\$ 0.1383 per therm
<u>SC 3 and SC 9 Rate (A6)</u>						
First 3 Therms (or less)	\$	15.38	\$	15.38	\$	15.38
Next 87 Therms		\$ 0.5584 per therm		\$ 0.5835 per therm		\$ 0.6157 per therm
Next 2,910 Therms		\$ 0.4056 per therm		\$ 0.4307 per therm		\$ 0.4629 per therm
Over 3,000 Therms		\$ 0.3267 per therm		\$ 0.3518 per therm		\$ 0.3840 per therm
<u>SC 3 Low Income</u>						
First 3 Therms (or less)	\$	13.90	\$	14.64	\$	15.23
Next 87 Therms		\$ 0.3555 per therm		\$ 0.3806 per therm		\$ 0.4128 per therm
Next 2,910 Therms		\$ 0.4056 per therm		\$ 0.4307 per therm		\$ 0.4629 per therm
Over 3,000 Therms		\$ 0.3267 per therm		\$ 0.3518 per therm		\$ 0.3840 per therm
<u>SC 3 and SC 9 Rate (A7) (A/C)</u>						
First 1,200 Therms		\$ 0.1942 per therm		\$ 0.1942 per therm		\$ 0.2198 per therm
Over 1,200 Therms		\$ 0.1662 per therm		\$ 0.1662 per therm		\$ 0.1881 per therm
<u>SC 13 and SC 9 Rate (A9)</u>						
First 3 Therms (or less)	\$	30.24	\$	33.93	\$	34.27
Next 1,197 Therms		\$ 0.1942 per therm		\$ 0.1942 per therm		\$ 0.2198 per therm
Over 1,200 Therms		\$ 0.1662 per therm		\$ 0.1662 per therm		\$ 0.1881 per therm
<u>SC 2 Rates 1 and II - Rider H</u>						
First 3 Therms (or less) <0.25 MW or less	\$	111.23	\$	116.68	\$	123.66
First 3 Therms (or less) 0.25> & <= 1 MW	\$	151.87	\$	159.32	\$	168.85
First 3 Therms (or less) 1 MW> & <= 3 MW	\$	302.67	\$	317.52	\$	336.51
First 3 Therms (or less) 3 MW> & < 5 MW	\$	403.20	\$	422.98	\$	448.28
Over 3 Therms Summer		\$ 0.1344 per therm		\$ 0.1410 per therm		\$ 0.1495 per therm
Over 3 Therms Winter		\$ 0.1680 per therm		\$ 0.1763 per therm		\$ 0.1868 per therm
First 3 Therms (or less) 5MW> and < 50 MW	\$	60.96	\$	63.95	\$	67.78
Contract Demand Charge Per Therm	\$	23.24	\$	24.38	\$	25.84
Over 3 Therms Summer		\$ 0.0268 per therm		\$ 0.0282 per therm		\$ 0.0298 per therm
Over 3 Therms Winter		\$ 0.0337 per therm		\$ 0.0353 per therm		\$ 0.0375 per therm

SC 1 - Rider J

First 3 Therms (or less)	\$ 14.12		\$ 14.81		\$ 15.70	
Over 3 Therms	\$ 0.228	per therm	\$ 0.239	per therm	\$ 0.253	per therm

SC 3 - Rider J - < 4 Dwelling Units

First 3 Therms (or less)	\$ 26.67		\$ 27.98		\$ 29.66	
Over 3 Therms	\$ 0.228	per therm	\$ 0.239	per therm	\$ 0.253	per therm

SC 3 - Rider J - >= 4 Dwelling Units

	Summer	Winter							
First 3 Therms (or less) < 50 KW	\$ 30.17	\$ 30.17	\$ 31.65	\$ 31.65	\$ 33.54	\$ 33.54			
First 3 Therms (or less) 50 KW> & <= 250 KW	\$ 55.84	\$ 55.84	\$ 58.58	\$ 58.58	\$ 62.08	\$ 62.08			
First 3 Therms (or less) 250 KW>	\$ 116.80	\$ 116.80	\$ 122.53	\$ 122.53	\$ 129.86	\$ 129.86			
Next 87 Therms	\$ 0.359	0.410 per therm	\$ 0.377	\$ 0.430 per therm	\$ 0.399	\$ 0.456 per therm			
Next 2,910 Therms	\$ 0.212	0.244 per therm	\$ 0.223	\$ 0.256 per therm	\$ 0.236	\$ 0.272 per therm			
Over 3,000 Therms	\$ 0.136	0.168 per therm	\$ 0.143	\$ 0.176 per therm	\$ 0.151	\$ 0.187 per therm			

GAS LOST AND UNACCOUNTED FOR

A. TOTAL DISTRIBUTION METHODOLOGY

Item	Monthly Volume Data Required	Description
1	Total sendout	Total citygate volumes minus Plants and LNG injections
2	Firm sales & transportation	Firm customers metered volumes prorated into each month*
3	Off-peak firm service/Interruptible transportation	SC12 Rate 2 / SC9 transport volume utilized during calendar month
4	Interruptible sales	SC12 Rate 1 sales utilized during the calendar month
5	Company use	Gas used by Company facilities
6(2+3+4+5)	Total accounted for	Total usage by all gas customers (excluding Plants)**
7 ((1-6)/1)	12-months loss percentage	12-months ending August data

* In most cases, the billing period for firm customer usage crosses over two calendar months. Therefore, for purposes of this calculation, firm customer usage will reflect a prorated volume based on the number of days in each of the two calendar months for the billing period for which the customer's meter is read.

** Includes marketer cash-outs.

The Factor of Adjustment Ratio for line losses will remain the same for RYs 2 and 3, unless the rolling 3-year average varies by +/- 5% from the Line Loss Factor that is in effect.

B. SAMPLE CALCULATIONS FOR ILLUSTRATION PURPOSES ONLY

i. First Rate Year Scenarios

For RY1, calculate the average of:

12-months ending 8/31/05 (actual)	2.3000%
12-months ending 8/31/06 (actual)	1.9000%
12-months ending 8/31/07 (assumed)	<u>2.3000%</u>

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3-year average (36-months ending 8/31/07) 2.1667%

Target for 12-months ending 8/31/07 is 1.9333% which based on the 36-month average for 12-months ending 8/31/04, 8/31/05 and 8/31/06.

If the actual line loss for 8/31/07 is greater than 2.0300% (105% of 1.9333%) or less than 1.8367% (95% of 1.9333%), the Factor of Adjustment Ratio will be calculated using 3-year average to establish a new Factor of Adjustment Ratio.

For RY1, the loss line percentage used to develop the Factor of Adjustment Ratio would be 1.9333%.

The Factor of Adjustment Ratio for line losses will remain the same for RYs 2 and 3, unless the rolling 3-year average varies by +/- 5% from the Line Loss Factor that is in effect.

ii. Second Rate Year Scenarios

For RY2, calculate the average of:

12-months ending 8/31/06 (actual)	1.9000%
12-months ending 8/31/07 (assumed)	2.3000%
12-months ending 8/31/08 (assumed)	<u>1.9000%</u>

3-year average (36-months ending 8/31/08) 2.0333%

Target for 12-months ending 8/31/08 is 2.1667%

If the actual line loss for 8/31/08 is greater than 2.2750% (105% of 2.1667%) or less than 2.0584% (95% of 2.1667%), the Factor of Adjustment Ratio will be calculated using 3-year average to establish a new Factor of Adjustment Ratio.

For RY2, the loss line percentage used to develop the Factor of Adjustment Ratio would be 2.1667%.

iii. Third Rate Year Scenarios

For RY3, calculate the average of:

12-months ending 8/31/07 (assumed)	2.3000%
12-months ending 8/31/08 (assumed)	1.9000%

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12-months ending 8/31/09 (assumed)	<u>2.000%</u>
3-year average (36-months ending 8/31/09)	2.0333%

Target for 12-months ending 8/31/09 is 2.0333%

If the actual line loss for 8/31/09 is greater than 2.1350% (105% of 2.0333) or less than 1.9316% (95% of 2.0333%), the Factor of Adjustment Ratio will be calculated using 3-year average to establish a new Factor of Adjustment Ratio.

For RY3, the loss line percentage used to develop the Factor of Adjustment Ratio would be 2.0333%.

Consolidated Edison Company of New York, Inc.
Case 06-G-1332
Customer Credits and Debits
Amortization of Deferred Liabilities & Assets
For The Twelve Months Ending September 30, 2008, 2009, & 2010
\$ 000's

	<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>	<u>Total</u>
<u>Customer Credits</u>				
<u>Regulatory Liabilities</u>				
1 Property Taxes - 2002 Settlement	\$556	\$556	\$556	\$1,668
2 Interest on WTC Revenues - 2002 Settlement	332	332	332	996
3 Interest on ITC Refunds	29	29	29	87
4 Customers' Share of Non-Firm Revenue Credits	11,606	11,606	11,606	34,818
5 Miscellaneous Service Revenues	47	47	47	141
6 Pipeline Integrity Costs	694	694	694	2,082
7 Medicare Rx Legislation Savings	1,914	1,914	1,914	5,742
8 Interest on Rate Case Deferrals	307	307	307	921
9 Sale of First Avenue Properties - Interest	183	183	183	549
10 New York State Income Tax Reconciliation	405	405	405	1,215
11 Gain on Sale of First Avenue Properties	<u>6,533</u>	<u>6,533</u>	<u>6,533</u>	<u>19,599</u>
Total	<u>\$22,606</u>	<u>\$22,606</u>	<u>\$22,606</u>	<u>\$67,818</u>
<u>Deferred Tax Liabilities</u>				
1 Deferred Excess New York State Income Tax	\$238	\$238	\$238	\$714
2 FIT Refund - Investment Tax Credits	<u>223</u>	<u>223</u>	<u>223</u>	<u>669</u>
Total	<u>\$461</u>	<u>\$461</u>	<u>\$461</u>	<u>\$1,383</u>
<u>Customer Debits</u>				
<u>Regulatory Assets</u>				
1 Pension / OPEB Costs (a)	\$3,491	\$3,491	\$3,491	\$10,473
Amortization of Environmental Remediation Costs (b)				
- RY1 Deferrals	4,757	4,757	4,757	14,271
- RY2 Deferrals	-	1,234	1,234	2,469
- RY3 Deferrals	-	-	1,234	1,234
2 Interference Costs	2,021	2,021	2,021	6,063
3 Property Taxes	3,333	3,333	3,333	9,999
4 POR Program - Interest	37	37	37	111
5 NYS Income Tax Audit Adjustments - Interest	12	12	12	36
6 POR Program - Incremental Costs	227	227	227	681
7 WTC Incident Costs	<u>7,830</u>	<u>7,830</u>	<u>7,830</u>	<u>23,490</u>
Total	<u>\$21,708</u>	<u>\$22,942</u>	<u>\$24,177</u>	<u>\$68,827</u>

- (a) Deferred Pension Balance at September 30, 2007 is estimated to be \$32.6 million, unamortized balance at September 30, 2010 of \$22.1 million (\$32.6 million - \$10.5 million) will be addressed in next rate proceeding.
- (b) Environmental deferrals to be amortized over five year period.
RY1 total deferrals = \$23.8 million, RY2 deferrals = \$6.2 million, RY3 deferrals = \$6.2 million

Consolidated Edison Company of New York, Inc.
Case 05-G-1332
Gas Expense True Up Targets
\$ 000's

Gas Operations	Twelve Months Ending September 30,				
	2008	RY2 Update	2009	RY3 Update	2010
Property Tax Expense					
New York City	\$98,333	\$4,716	\$103,049	\$5,658	\$108,707
Westchester County	29,791	1,429	31,220	1,714	32,934
Net Property Tax Expense (90/10 True up)	<u>128,124</u>	<u>6,145</u>	<u>134,269</u>	<u>7,372</u>	<u>141,641</u>
Employee Pensions (a)	6,529	(987)	5,542	4,151	9,693
Other Post Employment Benefits (a)	4,454	(567)	3,887	1,213	5,100
Total Pension / OPEB Expense (100%)	<u>10,983</u>	<u>(1,554)</u>	<u>9,429</u>	<u>5,364</u>	<u>14,793</u>
Medicare Part D Accrued Reimbursements	2,106	-	2,106	-	2,106
x effective State & Federal Income Tax Rate	39.615%	-	39.615%	-	79.230%
Medicare Part D - Tax Savings (100%)	<u>834</u>	<u>-</u>	<u>834</u>	<u>-</u>	<u>1,669</u>
Environmental remediation spending to be deferred (MGP / Superfund) (100%) (b)	<u>12,587</u>	<u>6,172</u>	<u>18,759</u>	<u>6,172</u>	<u>24,931</u>
O&M Interference Costs - Other than labor (90/10 True up)	<u>15,307</u>	<u>-</u>	<u>15,307</u>	<u>-</u>	<u>15,307</u>
NY Facilities - Keyspan portion (100%)	<u>1,845</u>	<u>-</u>	<u>1,845</u>	<u>-</u>	<u>1,845</u>
Research & Development (100% up to Cap of \$4,020) (c)	<u>2,920</u>	<u>-</u>	<u>2,920</u>	<u>-</u>	<u>2,920</u>
Section 263A Rate Base Reduction	<u>(52,900)</u>	<u>(6,428)</u>	<u>(59,328)</u>	<u>6,321</u>	<u>(53,007)</u>

(a) Amortization for prior deferrals shown in Appendix F

(b) Amounts shown above represent estimated spending, Appendix F contains rate allowance / recovery

(c) Excludes spending recovered in GSC for Millennium fund of \$1,836

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
AVERAGE PLANT BALANCES
CASE 06-G-1332
OCTOBER 1, 2007 - SEPTEMBER 31, 2010
(\$ 000's)

GAS DISTRIBUTION PLANT TARGET (excl Interference) *

<u>Gas Distribution</u>	<u>PLANT IN SERVICE</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>NET PLANT</u>
RY1	\$ 2,977,888	\$ 775,409	\$ 2,202,479
RY2	3,200,028	833,341	2,366,687
RY3	3,423,474	893,432	2,530,042

GAS INTERFERENCE PLANT TARGET *

<u>Gas Distribution</u>	<u>PLANT IN SERVICE</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>NET PLANT</u>
RY1	\$ 46,927	\$ 814	\$ 46,113
RY2	78,979	2,200	76,779
RY3	111,507	4,307	107,200

CAP ON GAS DISTRIBUTION PLANT (excl. Interference) *

<u>Gas Distribution</u>	<u>PLANT IN SERVICE</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>NET PLANT</u>
RY1	\$ 2,989,223	\$ 775,513	\$ 2,213,710
RY2	3,250,880	834,613	2,416,267
RY3	3,516,416	896,866	2,619,550

Gas Carrying Charge - Distribution Plant

- Before Tax ROR	10.7%
- Composite Depr. Rate	2.3%
Total	13.0%

* Targets and "Cap" exclude General Plant and LNG Project Spending as well as AMI project.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

GAS DEPRECIATION RATES

<u>Account No.</u>			<u>Average</u>	<u>Net</u>	<u>Annual</u>	<u>Life</u>
<u>P.S.C.</u>	<u>Co.</u>	<u>Account</u>	<u>Life</u>	<u>Salvage</u>	<u>Rate</u>	<u>Table</u>
			<u>In Years</u>	<u>%</u>	<u>%</u>	
		<u>Gas Plant in Service</u>				
		<u>Natural Gas Storage Plant</u>				
		<u>Other Storage Plant</u>				
361		Structures and Improvements				
	9641	- Liquefied Storage	40	20 Neg.	3.00	h2.50
362		Gas Holders				
	9643	- Liquefied Storage	30	10 Neg.	3.67	h4.00
363	9644	Purification Equipment	25	10 Neg.	4.40	h3.00
363.1	9645	Liquefaction Equipment	25	10 Neg.	4.40	h3.00
363.2	9646	Vaporizing Equipment	25	10 Neg.	4.40	h3.00
363.3		Compressor Equipment				
	9647	- Liquefied Storage	25	10 Neg.	4.40	h3.00
363.4		Measuring and Regulating Equipment				
	9648	- Liquefied Storage	25	10 Neg.	4.40	h3.00
363.5		Other Equipment				
	9649	- Liquefied Storage	25	10 Neg.	4.40	h3.00
		<u>Transmission Plant</u>				
366	9682	Structures and Improvements	40	35 Neg.	3.38	h1.50
367	9684	Mains				
		Steel Mains and Other	80	60 Neg.	2.00	h2.00
		Cast Iron Mains and Sleeves	70	100 Neg.	2.86	h0.75
		Tunnels	85	50 Neg.	1.76	h5.00
368	9686	Compressor Station Equipment	15	10 Neg.	7.33	h3.00
369	9688	Measuring and Regulating				
		Station Equipment	55	45 Neg.	2.64	h1.00
		<u>Distribution Plant</u>				
376	9656	Mains				
		Steel Mains and Other	80	60 Neg.	2.00	h2.00
		Cast Iron Mains and Sleeves	70	100 Neg.	2.86	h0.75
380	9666	Services	55	30 Neg.	2.36	h1.25
381	9668	Meters	40	10 Neg.	2.75	h1.75
382	9670	Meter Installations	40	0	2.50	-
383	9673	House Regulators	30	20 Neg.	4.00	h2.50
384	9676	House Regulator Installations	30	0	3.33	-
303	9678	Capitalized Software	5	-	20.00	AMORT.(A)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

DEPRECIATION RATES

<u>Account No.</u>		<u>Account</u>	<u>Average</u>	<u>Net</u>	<u>Annual</u>	<u>Life</u>
<u>P.S.C.</u>	<u>Co.</u>		<u>Service</u>	<u>Salvage</u>	<u>Rate</u>	
			<u>In Years</u>	<u>%</u>	<u>%</u>	<u>Table</u>
		<u>Common Utility Plant in Service</u>				
		<u>Intangible Plant</u>				
303		Miscellaneous Intangible Plant				
	9814	Capitalized Software - 5 years	5	-	20.00	AMORT.(A)
	9814	Capitalized Software - 10 years	10	-	10.00	AMORT.(A)
		<u>General Plant</u>				
390	9812	Structures and Improvements	50	30 Neg.	2.60	h1.25
391		Office Furniture and Equipment				
	9815	Electronic Data Processing Equipment	8	5	11.88	- (B)
	9816	Other Office Furniture and Equipment	18	0	5.56	- (B)
392	9820	Transportation Equipment	8	10	11.25	- (B)
393	9824	Stores Equipment	20	5	4.75	- (B)
394	9830	Tools, Shop and Garage Equipment	18	5	5.28	- (B)
395	9828	Laboratory Equipment	20	0	5.00	- (B)
396	9829	Power Operated Equipment	12	10	7.50	- (B)
397	9832	Communication Equipment	15	0	6.67	- (B)
398	9834	Miscellaneous Equipment	20	0	5.00	- (B)

NOTES (A) Amortization in accordance with the Software Accounting Guideline.

(B) Effective 1/1/95, investment in account is being amortized in accordance with the method specified in Case No. 93-M-1098.

Consolidated Edison Company of New York, Inc.

Case 06-G-1332

Common Allocation Factors

	Electric	Gas	Steam
<u>Administrative & General Expenses</u>			
A&G - Labor Related	78.70%	16.20%	5.10%
A&G - Other than Labor	81.14%	13.21%	5.65%
Pensions/OPEBs and Health Ins. Capitalized	72.67%	23.63%	3.70%
A&G Transferred - Other	76.55%	17.80%	5.65%
<u>Customer Accounting Expenses</u>			
Uncollectible Accounts	86.00%	14.00%	0.00%
Other Customer Accounts	82.00%	18.00%	0.00%
Energy Services	89.00%	11.00%	0.00%
Other Customer Assistance and Informational & Promotional Advertising	82.00%	18.00%	0.00%
<u>Taxes Other than FIT</u>			
Sales & Use	77.75%	15.50%	6.75%
Vehicle/Gasoline	81.00%	16.50%	2.50%
Payroll Taxes	78.75%	16.25%	5.00%
Payroll Taxes Transferred to Construction	72.50%	23.75%	3.75%
Other	81.25%	13.25%	5.50%
<u>Plant</u>			
Common Plant	83.00%	17.00%	0.00%
Common M&S	77.00%	17.00%	6.00%

Dispute Resolution Procedure

1. For the purpose of this procedure, a “dispute” is a customer claim related to an amount billed and purchased as of the date of billing by Con Edison for ESCO charges under the Purchase of Receivables program.
2. The ESCO will examine, investigate, and seek to resolve all customer disputes. The ESCO will acknowledge receipt of the dispute or respond to the customer within two days or, if only an acknowledgement is provided, will respond to the customer within 14 days of receipt.
3. If the dispute was one brought to the ESCO’s attention by Con Edison, the ESCO will report to the utility the outcome of the dispute and the reason for its determination with a copy of any close-out correspondence from the ESCO to the customer.
4. In the event the ESCO decides to reduce the ESCO charges for which the customer is liable, the ESCO will promptly send Con Edison a check for the credit amount for application to the customer's open balance and promptly contact the customer to explain the account credit.
5. If the dispute is the basis of a proceeding before the Department of Public Service or any legal action initiated by the customer, the ESCO will participate and/or cooperate with Con Edison in the proceeding even if not a named party.
6. ESCO compliance with this procedure is a material part of Con Edison’s agreement to provide billing services. If Con Edison determines, in its sole discretion to be reasonably exercised, that ESCO is not in compliance with this procedure, Con Edison will assess a charge on the ESCO equal to the amount disputed by the customer.

Revenue Per Customer (RPC) Factors

Groups	Column (1)	Column (2)	Column (3)	Column (4)
	Rate Year Pure Base Revenue*	Rate Year Total Number of Bills	Average Number of Customers Col (2) / 12	RPC Factors * Col (1) / Col (3)
RY 1				
SC 2 Heat	\$ 116,759,997	730,228	60,852	\$ 1,918.74
SC 2 Non-Heat	\$ 70,288,526	724,355	60,363	\$ 1,164.43
SC 3 (1 - 4 DU's)	\$ 201,026,822	2,835,987	236,332	\$ 850.61
SC 3 (> 4 DU's)	\$ 101,279,282	172,461	14,372	\$ 7,047.11
RY 2 **				
SC 2 Heat	\$ 125,642,942	748,541	62,378	\$ 2,014.21
SC 2 Non-Heat	\$ 74,440,545	731,280	60,940	\$ 1,221.54
SC 3 (1 - 4 DU's)	\$ 211,935,734	2,871,899	239,325	\$ 885.56
SC 3 (> 4 DU's)	\$ 108,895,567	174,633	14,553	\$ 7,482.82
RY 3 **				
SC 2 Heat	\$ 136,462,591	766,856	63,905	\$ 2,135.41
SC 2 Non-Heat	\$ 79,627,524	738,205	61,517	\$ 1,294.40
SC 3 (1 - 4 DU's)	\$ 225,442,568	2,907,810	242,318	\$ 930.36
SC 3 (> 4 DU's)	\$ 118,518,750	176,806	14,734	\$ 8,043.99

* At proposed rates

** Assuming continuation of RPC method for Rate Years 2 and 3
DU's = Dwelling Units