BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of

Consolidated Edison Company of New York, Inc.

Case 06-G-1332

March 2007

Prepared Exhibit of:

Accounting Panel
Office of Accounting, Finance and Economics
State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

Information Requests

From

Consolidated Edison Company of New York, Inc.

Case 06-G-1332

Company Name: Con Edison
Case Description: Rate Filing
Case: 06-G-1332

Response to DPS Interrogatories - Set Staff2
Date of Response: 12/18/2006
Responding Witness: Accounting Panel

Question No. :22
Company Exhibit 26 (EJR-1), Schedule 4, Page 3 of 4, sets forth the calculation for the MGP/Superfund program change reflected in Exhibit 6 (AP-6), Schedule 8, Page 3 of 3, line 52. As explained in Mr. Rasmussen's testimony, page 19, the Company estimates that the projected spending from October 1, 2006 through the end of the first rate year September 30, 2008, will be $128 million, of which gas operations will be responsible for $21 million. When combined with the current deferred balance of approximately $4 million (as of September 30, 2006), the company is seeking to recover in rates a total of $25 million over a three year period or $8.179 million per year. Given that the calculation includes the deferred balance as of September 30, 2006 and all projected expenditures from October 1, 2006 through the end of the rate year ending September 30, 2008, why is it necessary to increase the resulting three year amortization amount of $8.179 by the historical test year amortization amount of $753,000 currently in rates to $8.932 million, Exhibit 6 (AP-6), Schedule 1, Page 3 of 5, line 31? Isn't the program change necessary to reflect a three year amortization expense of $8.179 million only $7.426 million ($8.179 million less $753,000 in rates)?

Response:

The Company's requested MGP / Superfund program change should have reflected the current rate allowance of $753,000 per year as a decrease to the adjustment and not as an increase in the required amount. Please refer to the attachment to Staff 23 for the revised Exhibit __ (EJR-1), Schedule 4, Page 3 of 3. The results of the changes the Company is making pursuant to this response and to the response to Staff 23 are shown in that attachment.

Company Name: Con Edison
Case Description: Rate Filing
Case: 06-G-1332

Response to DPS Interrogatories - Set Staff2
Date of Response: 12/18/2006
Responding Witness: Accounting Panel

Question No. :23
The calculation of the proposed MGP amortization expense for the rate year 12 months ending September 30, 2008 (Exhibit 26 (EJR-1) identifies and includes site investigation and remediation expenditures for the linking period and the amount of gas prepayments through September 2006. Why didn't the company consider, i.e. deduct, the existing MGP amortization of $753,000 recovered in the link period when determining the forecasted spending of $24.536 million to be recovered over 3 years?

Response:

Exhibit __ (EJR-1), Schedule 4, Page 3 should be adjusted to reflect the amortization of $753,000 to be recovered in the linking period (October 2006 - September 2007) from its forecasted spending in the determination of the amount to be recovered in the rate year. See attached.

Consolidated Edison Company of New York, Inc.
Site Investigation and Remediation Expenditures ($ x 1000)
Rate Year (October 2007 - September 2008)

Spending	Oct.2006 - Sept. 2007	RY1	Total
MGP	$ 41,123	$ 68,900	$ 110,023
Superfund	1,824	2,900	4,724
Appendix B	4,179	3,500	7,679
Astoria	3,335	2,400	5,735
Total	50,461	77,700	128,161

Allocation to Gas - 16.2%	$ 20,762
Prepayments through September 2006 (Gas)	3,774
Oct '06 - Sept '07 Environmental Amort.	**(753)**
Balance to be Recovered	**23,783**
Three-Year Amortization	**$ 7,928**

Summary

Rate Year 1 Environmental Amort. Exp.	**$ 7,928**
Amortization Expense in rates	**(753)**
RY1 Program Change	**$ 7,175**

Rate Years Beginning October 1 of 2008 (RY2) & 2009 (RY3)

	RY2	RY3
MGP	$ 32,800	$ 32,800
Superfund	500	500
Appendix B	2,000	2,000
Astoria	2,800	2,800
Total	38,100	38,100
Allocation to Gas - 16.2%	$ 6,172	$ 6,172
Three-Year Amortization	$ 2,057	$ 2,057

Company Name: Con Edison
Case Description: Rate Filing
Case: 06-G-1332

Response to DPS Interrogatories - Set Staff5
Date of Response: 03/06/2007
Responding Witness: Accounting Panel

Question No. :83Rev
The Accounting Panel's testimony states on page 19 that late payment charges include estimates for residential and non-residential customers and were forecasted using a historic three-year average relationship between late payment charge and sales revenues. Work papers provided indicate the total gas sales revenues and late payment charges for the past three years for each of the twelve month periods ending June 30:

	Sales Revenues	LPC Revenues
June 30, 2004	$1,324,820,235	$2,230,258
June 30, 2005	$1,451,415,019	$2,702,423
June 30, 2006	$1,680,228,379	$4,110,000

Please provide the breakdown between residential and non-residential customers for sales and LPC revenues for each twelve month period above.

Response:

The Company is revising the response for the periods ended June 30, 2004 and June 30, 2005. The residential late payments charges were recorded as a deferred liability in account A0958, pursuant to Case 97-G-1305. The deferred late payment charges totaled $1.797 million for the 12 months ended June 2004 and $350,000 for the 12 months ended June 2005. The total late payment charges therefore for residential and non-residential customers for the 12 months ended June 2004 and 2005 is $2.943 million and $3.054 million, respectively. Also, the total gas sales for the 12 months ended June 2004 should be $1.264 billion. See attachment.

Attachment Revised DPS-83

	12 months ended 6/30/04	12 months ended 6/30/05	12 months ended 6/30/06
Residential gas sales revenues	704,303,358	790,078,891	882,922,630
Non-residential gas sales revenues	559,646,818	661,336,128	797,305,749
Total gas sales revenues:	1,263,950,176	1,451,415,019	1,680,228,379
Residential late payment charges	1,796,948	1,865,965	2,316,183
Non-residential late payment charges	1,145,774	1,187,737	1,793,563
Total late payment charges:	2,942,722	3,053,702	4,110,000

Company Name: Con Edison
Case Description: Rate Filing
Case: 06-G-1332

Response to DPS Interrogatories - Set Staff13
Date of Response: 02/06/2007
Responding Witness: Accounting Panel/Support Services Panel

Question No. :250
On page 6 of Support Services Panel testimony, the projected total O&M costs associated with Facilities Programs include software maintenance of approximately $1.8 million and other new IT related applications of $230,000 per year. The Company's Exhibit AP-6, Schedule 8, page 3 of 3, line 37 indicates $730,000 program change for Facilities Programs. Please provide workpapers to support the derivation of these costs.

Response:

The programs listed on page 6 of the Support Services Panel's testimony are for Information Technology programs, not Facilities programs. The Facilities programs are discussed later on in the Support Services Panel testimony.

On page 23 of its testimony, the Panel states that the O&M related to the Local Law 26 floor renovations are projected to be approximately $4.5 million per year. In reviewing this request, the Company realized that the projected cost should be $2.4 million, which represents an estimated average cost of $60/sq. ft. for 40,000 sq. ft., or $2.4 million to move employees out of the building to rental space. The Accounting Panel calculated the allocation to gas O&M on Exhibit __ (AP-6), Schedule 8 more precisely at $598,000 ($4,530,000 x 13.21%). We will revise this number on update to be approximately $317,000 ($2,400,000 x 13.21%).

On page 26 of its testimony, the Support Services Panel states that the O&M related to the Local Law 11 repairs are projected to be $2.0 million per year. This amount is comprised of work on four facades for a cost of $1.4 million and work on two courtyards, which is equivalent to work on 1.25 facades, or $500,000, for a total of approximately $2 million. The amount for these repairs in the historic period was approximately $780,000, resulting in a program change of approximately $1.220 million. The Panel rounded the increase to $1 million and indicated that they would update the amount "once the inspection report has been completed…" (page 26). The Accounting Panel's allocation to gas was $132,000 ($1 million x 13.21%).

The sum of the two is the $730,000 program change for Facilities Programs shown on Exhibit __ (AP-6), Schedule 8, line 37, which will be revised to approximately $450,000 for the reasons noted above.

Company Name: Con Edison
Case Description: Rate Filing
Case: 06-G-1332

Response to DPS Interrogatories - Set Staff13
Date of Response: 02/06/2007
Responding Witness: Accounting Panel

Question No. :252
Pages 37 and 38 of the Accounting Panel testimony address the program change related to gas surveys of $150,000 (Exhibit _ AP-6, Schedule 8, page 3 of 3, line 36). The testimony explains the scope of the gas survey project but does not address the dollars. In the response to CPB #6, the Company states that it has selected Knowledge Networks as the consultant to perform the surveys at an estimated cost of $75,000 without any anticipated travel expenses. Please explain what costs elements are included in the $150,000 program change for gas surveys and provide supporting documentation.

Response:

Per the Company's response to CPB 6, the correct amount is $75,000. The Company will reflect this correction in its Update presentation later in the proceeding.

Company Name: Con Edison
Case Description: Rate Filing
Case: 06-G-1332

Response to DPS Interrogatories - Set Staff14
Date of Response: 02/09/2007
Responding Witness: Accounting Panel

Question No. :263
The AP testimony indicated that the $61,000 program change on line 51, AP-6, schedule 8, represented allocation to gas operation of the cost related to three technology projects involving the scanning of historical regulatory documents ($26,000), the purchase of software to more efficiently manage electronic discovery in major litigation matters ($26,500), and the design and implementation of an on-line catalog of the company's Law Library's collection of documents for easy access from desktop computers ($8,000). Are these ongoing costs or rate year only costs?

Response:

These costs are rate-year only costs. There will, however, be associated software maintenance costs in future years.

Company Name: Con Edison
Case Description: Rate Filing
Case: 06-G-1332

Response to DPS Interrogatories - Set Staff14
Date of Response: 02/12/2007
Responding Witness: Accounting Panel

Question No. :273
Please provide the latest available actuarial forecast of Con Edison's pension and OPEB costs. a) Please update this request should any additional information become known. b) If not provided in response to this request, please indicate when Con Edison expects to have updated pension OPEB actuarial forecast for 2007-2009.

Response:

See attached.

buckconsultants
an ACS company

January 15, 2007

Ms. Edlyn Misquita
Department Manager, Accounting Research and Procedures
Consolidated Edison Company
of New York , Inc.
Four Irving Place
New York, NY 10003-3598

Re: 5-Year Projections of Pension Accounting Cost Based on Assets and Accounting Disclosure Assumptions as of December 31, 2006

Dear Edlyn:

As requested, we are writing to present the results of our latest five-year projections of accounting cost for the pension plans of Consolidated Edison, Inc. (CEI). The projections were based on the data as of January 1, 2006, the assets as of December 31, 2006 as reported for the FAS 158 disclosure information, and the assumptions used for the year-end disclosure. The demographic assumptions are the same as those used for the January 1, 2006 valuation. This letter contains projections of accounting cost for Con Edison (referred to as CECONY, but including costs for employees who transferred from CECONY to the unregulated subsidiaries), Orange & Rockland Utilities (O&R), and CEEMI and Lakewood.

- Tables 1 - 3 show the pension accounting projections for CECONY (Retirement Plan and SRIP)
- Tables 4 - 6 show the pension accounting projections for CEEMI and Lakewood
- Tables 7 - 10 show the pension accounting projections for O&R (Retirement Plan and SERPs)

The projections are based on the following assumptions that differ from those used for our earlier projections:

- Discount rate of 6.00% instead of 5.70%
- CPI assumption of 2.40% instead of 2.20%
- Interest crediting rate of cash balance accounts of 5.50% instead of 5.20%

The projections reflect the following changes resulting from the Pension Protection Act of 2006 ("PPA"):

- Elimination of EGTRRA sunset on compensation limit under IRC Section 401(a)(17) and benefit limits under IRC Section 415(b). This change increases the projected benefit obligation (PBO) and accounting cost for the qualified Retirement Plan and decreases the PBO for SRIP and the O&R SERPs.
- Mandatory three-year vesting in cash balance plans effective January 1, 2008. This change increases the PBO and accounting cost related to cash balance participants.

The regular roll-forward approach used for the projections was adjusted when calculating the SRIP PBO to reflect the retirement of seven executives during 2006. The PBOs calculated as of January 1, 2007 will differ from those calculated as of December 31, 2006 because they will reflect the new valuation data.

Our projections assume that the current plan provisions (modified for PPA as described above) and assumptions will continue to apply for the next five years. However, it is likely that some assumptions will change. Furthermore, it is likely that actual experience will not match the assumptions exactly and will thus result in accounting costs and funding contributions that are different from those projected.

The results of the projections are partially due to the assumptions used and partially due to the level of funding of the plans. The projections assume that the actual return on the market value of assets will equal the FAS 87 expected return of 8.50%. The projections assume that actual experience will conform to the assumptions and that there are no demographic gains or losses. The only asset gains and losses for the accounting projections result from the operation of the market-related value of assets. The projections assume that Company contributions after 2006 are made at the end of the year. As agreed upon earlier, these projections assume that the Company will contribute its accounting cost for the qualified Retirement Plan each year, including the cost of the special retirement programs. An updated projection of funding contributions has not been done at this time.

Since the trends in the accounting cost projections are in line with earlier projections (the actual numbers differ because of the change in assumptions and actual market value as of December 31, 2006), no further comments on the projections are needed at this time.

Please call us if you have any questions.

Very truly yours,

Claire

Claire L. Wolkoff
Principal, Consulting Actuary

CLW:EW
Enc.
DOC:CEI 2006 Projections-Based on Year-end.doc

cc Ms. Kelly McLaughlin
Ms. Grace Scarpitta
Mr. Barry Goldberg

TABLE 1

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
RETIREMENT PLAN

FAS 87 PROJECTION FOR 5 YEARS
BASED ON 2006 VALUATION RESULTS AND
ACTUAL ASSETS AS OF DECEMBER 31, 2006
(all amounts in millions)

Reconciliation of Funded Status	**Actual**	**Projected**				
as of January 1	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Total projected benefit obligation (PBO)	$ (7,611.7)	$ (7,650.5)	$ (7,837.7)	$ (8,019.3)	$ (8,196.8)	$ (8,368.4)
Plan assets at fair value	7,213.8	7,780.1	8,136.6	8,481.0	8,823.6	9,250.3
Funded status	(397.8)	129.7	298.9	461.7	626.8	882.0
Unrecognized:						
Net (gain)/loss	1,874.5	1,354.9	1,199.5	1,048.3	893.2	647.0
Prior service cost	60.3	56.6	47.0	39.6	32.2	25.2
Net transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
(Accrued)/prepaid benefit cost	1,537.0	1,541.2	1,545.4	1,549.7	1,552.2	1,554.2
(Accrued)/prepaid benefit cost prior year	1,491.7	1,537.0	1,541.2	1,545.4	1,549.7	1,552.2
Net periodic benefit cost	(45.3)	58.6	87.6	67.0	57.5	134.6
Contributions to qualified plan	0.0	62.8	91.8	71.2	60.0	136.6
(Accrued)/prepaid benefit cost for year	1,537.0	1,541.2	1,545.4	1,549.7	1,552.2	1,554.2
Pension Charge for Fiscal Year						
Service cost including expenses	120.2	120.2	124.9	129.6	134.3	139.1
Interest cost on PBO	423.8	447.8	458.4	468.8	478.8	488.5
Expected return on market-related assets	(595.3)	(614.7)	(658.4)	(692.9)	(724.6)	(765.0)
Amortization of:						
(Gains)/losses	98.5	124.6	134.7	144.6	239.2	242.0
Unrecognized prior service cost	11.4	9.7	7.4	7.4	6.9	6.4
Transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
Net amortization	109.9	134.3	142.1	152.0	246.1	248.3
Net periodic benefit cost (excluding special retirement programs)	58.6	87.6	67.0	57.5	134.6	110.9
Market-related value of assets	7,163.3	7,418.6	7,942.2	8,357.4	8,741.1	9,225.7
Projected benefit payments	358.0	379.5	400.4	419.5	440.2	460.3

Notes:

(1) Discount rate is 5.70% for 2006 and 6.00% for 2007 on. Assumed rate of inflation is 2.20% for 2006 and 2.40% for 2007 on.
(2) Assumed interest crediting rate for cash balance accounts is 5.20% for 2006 and 5.50% for 2007 on.
(3) Average rate of salary increase is 4.00% for all years.
(4) Assumes 8.50% annual return on market value for 2007 on.
(5) Expected return on market-related value of assets is 8.50% for all years.
(6) Assets assume Company contributes accounting cost including special retirement programs.
(7) Accounting cost for 2007 on reflects the plan amendments on account of the Pension Protection Act.
(8) Active population assumed to remain constant.
(9) Numbers may not add due to rounding.

buckconsultants
an ACS company

TABLE 2

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUPPLEMENTAL RETIREMENT INCOME PLAN (SRIP)

FAS 87 PROJECTION FOR 5 YEARS
BASED ON 2006 VALUATION RESULTS
(all amounts in millions)

Reconciliation of Funded Status as of January 1	**Actual 2006**	**Projected 2007**	**2008**	**2009**	**2010**	**2011**
Total projected benefit obligation (PBO)	$ (116.7)	$ (116.9)	$ (119.8)	$ (122.4)	$ (124.7)	$ (126.6)
Plan assets at fair value	0.0	0.0	0.0	0.0	0.0	0.0
Funded status	(116.7)	(116.9)	(119.8)	(122.4)	(124.7)	(126.6)
Unrecognized:						
Net (gain)/loss	47.2	42.3	36.1	29.9	24.0	18.3
Prior service cost	1.9	(5.3)	(4.8)	(4.4)	(4.0)	(3.5)
Net transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
(Accrued)/prepaid benefit cost	(67.7)	(79.8)	(88.6)	(97.0)	(104.6)	(111.9)
(Accrued)/prepaid benefit cost prior year	(56.8)	(67.7)	(79.8)	(88.6)	(97.0)	(104.6)
Net periodic benefit cost	12.9	15.4	14.1	14.2	14.0	14.1
SRIP benefit payments	2.1	3.3	5.2	5.8	6.4	6.9
(Accrued)/prepaid benefit cost for year	(67.7)	(79.8)	(88.6)	(97.0)	(104.6)	(111.9)
Pension Charge for Fiscal Year						
Service cost including expenses	2.6	1.3	1.4	1.5	1.5	1.6
Interest cost on PBO	6.6	6.9	7.0	7.2	7.3	7.4
Expected return on market-related assets	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of:						
(Gains)/losses	6.1	6.3	6.2	5.8	5.8	5.4
Unrecognized prior service cost	0.1	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
Net amortization	6.3	5.8	5.8	5.4	5.3	4.9
Net periodic benefit cost (excluding special retirement programs)	15.4	14.1	14.2	14.0	14.1	13.9
Market-related value of assets	0.0	0.0	0.0	0.0	0.0	0.0
Projected benefit payments	2.8	5.2	5.8	6.4	6.9	7.3

Notes:

(1) Discount rate is 5.70% for 2006 and 6.00% for 2007 on. Assumed rate of inflation is 2.20% for 2006 and 2.40% for 2007 on.
(2) Assumed interest crediting rate for cash balance accounts is 5.20% for 2006 and 5.50% for 2007 on.
(3) Average rate of salary increase is 4.00% for all years.
(4) Accounting cost for 2007 on reflects the plan amendments on account of the Pension Protection Act.
(5) Active population assumed to remain constant.
(6) Numbers may not add due to rounding.

TABLE 3

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
TOTAL PENSION

FAS 87 PROJECTION FOR 5 YEARS
BASED ON 2006 VALUATION RESULTS AND
ACTUAL ASSETS AS OF DECEMBER 31, 2006
(all amounts in millions)

Reconciliation of Funded Status as of January 1	**Actual 2006**	**Projected 2007**	**2008**	**2009**	**2010**	**2011**
Total projected benefit obligation (PBO)	$ (7,728.4)	$ (7,767.4)	$ (7,957.5)	$ (8,141.7)	$ (8,321.4)	$ (8,494.9)
Plan assets at fair value	7,213.8	7,780.1	8,136.6	8,481.0	8,823.6	9,250.3
Funded status	(514.5)	12.8	179.1	339.3	502.2	755.4
Unrecognized:						
Net (gain)/loss	1,921.7	1,397.2	1,235.6	1,078.2	917.2	665.2
Prior service cost	62.2	51.4	42.1	35.2	28.2	21.7
Net transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
(Accrued)/prepaid benefit cost	1,469.3	1,461.4	1,456.8	1,452.7	1,447.6	1,442.3
(Accrued)/prepaid benefit cost prior year	1,434.8	1,469.3	1,461.4	1,456.8	1,452.7	1,447.6
Net periodic benefit cost	(32.4)	74.0	101.7	81.2	71.5	148.7
Contributions to qualified plan/SRIP payments	2.1	66.1	97.1	77.0	66.4	143.5
(Accrued)/prepaid benefit cost for year	1,469.3	1,461.4	1,456.8	1,452.7	1,447.6	1,442.3
Pension Charge for Fiscal Year						
Service cost including expenses	122.8	121.6	126.3	131.0	135.8	140.6
Interest cost on PBO	430.4	454.7	465.4	475.9	486.1	495.9
Expected return on market-related assets	(595.3)	(614.7)	(658.4)	(692.9)	(724.6)	(765.0)
Amortization of:						
(Gains)/losses	104.6	130.9	140.9	150.5	245.0	247.3
Unrecognized prior service cost	11.5	9.3	7.0	6.9	6.5	5.9
Transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
Net amortization	116.2	140.2	147.8	157.4	251.5	253.2
Net periodic benefit cost (excluding special retirement programs)	74.0	101.7	81.2	71.5	148.7	124.8
Market-related value of assets	7,163.3	7,418.6	7,942.2	8,357.4	8,741.1	9,225.7
Projected benefit payments	360.8	384.8	406.2	425.9	447.1	467.6

Notes:

(1) Discount rate is 5.70% for 2006 and 6.00% for 2007 on. Assumed rate of inflation is 2.20% for 2006 and 2.40% for 2007 on.
(2) Assumed interest crediting rate for cash balance accounts is 5.20% for 2006 and 5.50% for 2007 on.
(3) Average rate of salary increase is 4.00% for all years.
(4) Assumes 8.50% annual return on market value for 2007 on.
(5) Expected return on market-related value of assets is 8.50% for all years.
(6) Assets assume Company contributes accounting cost including special retirement programs.
(7) Accounting cost for 2007 on reflects the plan amendments on account of the Pension Protection Act.
(8) Active population assumed to remain constant.
(9) Numbers may not add due to rounding.

TABLE 4

CONSOLIDATED EDISON ENERGY MASSACHUSETTS, INC. (CEEMI)

FAS 87 PROJECTION FOR 5 YEARS
BASED ON 2006 VALUATION RESULTS AND
ACTUAL ASSETS AS OF DECEMBER 31, 2006
(all amounts in thousands)

Reconciliation of Funded Status as of January 1	**Actual 2006**	**Projected 2007**	**2008**	**2009**	**2010**	**2011**
Total projected benefit obligation (PBO)	$ (4,236.2)	$ (4,525.3)	$ (5,027.2)	$ (5,542.7)	$ (6,068.7)	$ (6,596.7)
Plan assets at fair value	2,732.9	3,571.4	4,270.3	4,978.1	5,691.5	6,394.4
Funded status	(1,503.2)	(954.0)	(756.9)	(564.6)	(377.2)	(202.3)
Unrecognized:						
Net (gain)/loss	1,115.4	635.1	507.0	383.6	265.2	143.1
Prior service cost	387.8	318.9	249.9	180.9	112.0	59.2
Net transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
(Accrued)/prepaid benefit cost	0.0	0.0	0.0	0.0	0.0	0.0
(Accrued)/prepaid benefit cost prior year	0.0	0.0	0.0	0.0	0.0	0.0
Net periodic benefit cost	494.8	493.2	446.6	424.0	401.1	371.4
Contributions to qualified plan	494.8	493.2	446.6	424.0	401.1	371.4
(Accrued)/prepaid benefit cost for year	0.0	0.0	0.0	0.0	0.0	0.0
Pension Charge for Fiscal Year						
Service cost including expenses	282.6	281.1	292.0	303.1	314.3	325.6
Interest cost on PBO	240.8	270.1	299.4	329.4	359.8	390.2
Expected return on market-related assets	(242.6)	(292.9)	(352.9)	(413.8)	(474.6)	(534.7)
Amortization of:						
(Gains)/losses	143.5	119.4	116.5	113.5	119.1	109.7
Unrecognized prior service cost	69.0	69.0	69.0	69.0	52.8	42.8
Transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
Net amortization	212.5	188.4	185.5	182.4	171.9	152.5
Net periodic benefit cost (excluding special retirement programs)	493.2	446.6	424.0	401.1	371.4	333.5
Market-related value of assets	2,726.5	3,469.7	4,188.9	4,920.3	5,655.4	6,384.5
Projected benefit payments	25.3	48.6	75.2	105.8	145.4	190.0

Notes:

(1) Discount rate is 5.70% for 2006 and 6.00% for 2007 on. Assumed rate of inflation is 2.20% for 2006 and 2.40% for 2007 on.
(2) Assumed interest crediting rate for cash balance accounts is 5.20% for 2006 and 5.50% for 2007 on.
(3) Average rate of salary increase is 4.00% for all years.
(4) Assumes 8.50% annual return on market value for 2007 on.
(5) Expected return on market-related value of assets is 8.50% for all years.
(6) Assets assume Company contributes accounting cost.
(7) Accounting cost for 2007 on reflects the plan amendments on account of the Pension Protection Act.
(8) Active population assumed to remain constant.
(9) Numbers may not add due to rounding.

buckconsultants
an ACS company

TABLE 5

LAKEWOOD COGENERATION L.P. (LAKEWOOD)

**FAS 87 PROJECTION FOR 5 YEARS
BASED ON 2006 VALUATION RESULTS AND
ACTUAL ASSETS AS OF DECEMBER 31, 2006
(all amounts in thousands)**

Reconciliation of Funded Status as of January 1	**Actual 2006**	**Projected 2007**	**2008**	**2009**	**2010**	**2011**
Total projected benefit obligation (PBO)	$ (633.0)	$ (771.9)	$ (899.1)	$ (1,054.5)	$ (1,218.6)	$ (1,392.0)
Plan assets at fair value	524.9	733.7	872.3	1,038.1	1,211.3	1,392.9
Funded status	(108.1)	(38.2)	(26.8)	(16.5)	(7.3)	0.9
Unrecognized:						
Net (gain)/loss	108.1	38.2	26.8	16.5	7.3	(0.9)
Prior service cost	0.0	0.0	0.0	0.0	0.0	0.0
Net transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
(Accrued)/prepaid benefit cost	0.0	0.0	0.0	0.0	0.0	0.0
(Accrued)/prepaid benefit cost prior year	0.0	0.0	0.0	0.0	0.0	0.0
Net periodic benefit cost	121.0	135.6	132.9	132.3	131.5	130.7
Contributions to qualified plan	121.0	135.6	132.9	132.3	131.5	130.7
(Accrued)/prepaid benefit cost for year	0.0	0.0	0.0	0.0	0.0	0.0
Pension Charge for Fiscal Year						
Service cost including expenses	133.7	136.9	141.7	146.7	151.8	157.1
Interest cost on PBO	34.9	44.7	52.8	62.0	71.6	81.8
Expected return on market-related assets	(46.0)	(58.1)	(70.9)	(85.3)	(100.2)	(115.8)
Amortization of:						
(Gains)/losses	13.0	9.4	8.8	8.1	7.5	6.7
Unrecognized prior service cost	0.0	0.0	0.0	0.0	0.0	0.0
Transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
Net amortization	13.0	9.4	8.8	8.1	7.5	6.7
Net periodic benefit cost (excluding special retirement programs)	135.6	132.9	132.3	131.5	130.7	129.8
Market-related value of assets	522.8	710.5	853.7	1,024.8	1,203.2	1,390.6
Projected benefit payments	41.7	54.3	39.0	44.5	49.9	58.5

Notes:

(1) Discount rate is 5.70% for 2006 and 6.00% for 2007 on. Assumed rate of inflation is 2.20% for 2006 and 2.40% for 2007 on.
(2) Assumed interest crediting rate for cash balance accounts is 5.20% for 2006 and 5.50% for 2007 on.
(3) Average rate of salary increase is 4.00% for all years.
(4) Assumes 8.50% annual return on market value for 2007 on.
(5) Expected return on market-related value of assets is 8.50% for all years.
(6) Assets assume Company contributes accounting cost.
(7) Accounting cost for 2007 on reflects the plan amendments on account of the Pension Protection Act.
(8) Active population assumed to remain constant.
(9) Numbers may not add due to rounding.

TABLE 6

CONSOLIDATED EDISON ENERGY MASSACHUSETTS, INC. (CEEMI)
LAKEWOOD COGENERATION L.P. (LAKEWOOD)

FAS 87 PROJECTION FOR 5 YEARS
BASED ON 2006 VALUATION RESULTS AND
ACTUAL ASSETS AS OF DECEMBER 31, 2006
(all amounts in thousands)

Reconciliation of Funded Status as of January 1	Actual 2006	Projected 2007	2008	2009	2010	2011
Total projected benefit obligation (PBO)	$ (4,869.2)	$ (5,297.2)	$ (5,926.3)	$ (6,597.2)	$ (7,287.3)	$ (7,988.7)
Plan assets at fair value	3,257.8	4,305.1	5,142.6	6,016.2	6,902.8	7,787.3
Funded status	(1,611.3)	(992.2)	(783.7)	(581.1)	(384.5)	(201.4)
Unrecognized:						
Net (gain)/loss	1,223.5	673.3	533.8	400.1	272.5	142.2
Prior service cost	387.8	318.9	249.9	180.9	112.0	59.2
Net transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
(Accrued)/prepaid benefit cost	0.0	0.0	0.0	0.0	0.0	0.0
(Accrued)/prepaid benefit cost prior year	0.0	0.0	0.0	0.0	0.0	0.0
Net periodic benefit cost	615.8	628.8	579.5	556.3	532.6	502.1
Contributions to qualified plan	615.8	628.8	579.5	556.3	532.6	502.1
(Accrued)/prepaid benefit cost for year	0.0	0.0	0.0	0.0	0.0	0.0
Pension Charge for Fiscal Year						
Service cost including expenses	416.3	418.0	433.7	449.8	466.1	482.7
Interest cost on PBO	275.7	314.8	352.2	391.4	431.4	472.0
Expected return on market-related assets	(288.6)	(351.0)	(423.8)	(499.1)	(574.8)	(650.5)
Amortization of:						
(Gains)/losses	156.5	128.8	125.3	121.6	126.6	116.4
Unrecognized prior service cost	69.0	69.0	69.0	69.0	52.8	42.8
Transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
Net amortization	225.5	197.8	194.3	190.5	179.4	159.2
Net periodic benefit cost (excluding special retirement programs)	628.8	579.5	556.3	532.6	502.1	463.3
Market-related value of assets	3,249.3	4,180.2	5,042.6	5,945.1	6,858.6	7,775.1
Projected benefit payments	67.0	102.9	114.2	150.3	195.3	248.5

Notes:

(1) Discount rate is 5.70% for 2006 and 6.00% for 2007 on. Assumed rate of inflation is 2.20% for 2006 and 2.40% for 2007 on.
(2) Assumed interest crediting rate for cash balance accounts is 5.20% for 2006 and 5.50% for 2007 on.
(3) Average rate of salary increase is 4.00% for all years.
(4) Assumes 8.50% annual return on market value for 2007 on.
(5) Expected return on market-related value of assets is 8.50% for all years.
(6) Assets assume Company contributes accounting cost.
(7) Accounting cost for 2007 on reflects the plan amendments on account of the Pension Protection Act.
(8) Active population assumed to remain constant.
(9) Numbers may not add due to rounding.

TABLE 7

ORANGE AND ROCKLAND UTILITIES, INC.
RETIREMENT PLAN

FAS 87 PROJECTION FOR 5 YEARS
BASED ON 2006 VALUATION RESULTS AND
ACTUAL ASSETS AS OF DECEMBER 31, 2006
(all amounts in thousands)

Reconciliation of Funded Status as of January 1	Actual 2006	Projected 2007	2008	2009	2010	2011
Total projected benefit obligation (PBO)	$ (492,669.5)	$ (494,288.2)	$ (506,471.6)	$ (518,344.7)	$ (529,917.7)	$ (541,261.3)
Plan assets at fair value	293,948.2	339,756.3	374,622.1	407,878.2	440,197.4	468,436.2
Funded status	(198,721.3)	(154,531.9)	(131,849.5)	(110,466.5)	(89,720.3)	(72,825.1)
Unrecognized:						
Net (gain)/loss	158,282.4	115,127.0	93,651.8	73,476.0	53,936.9	38,248.9
Prior service cost	11,902.5	10,868.5	9,661.4	8,454.2	7,247.1	6,039.9
Net transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
(Accrued)/prepaid benefit cost	(28,536.3)	(28,536.3)	(28,536.3)	(28,536.3)	(28,536.3)	(28,536.3)
(Accrued)/prepaid benefit cost prior year	(28,573.5)	(28,536.3)	(28,536.3)	(28,536.3)	(28,536.3)	(28,536.3)
Net periodic benefit cost	29,162.8	34,766.7	33,475.0	30,329.6	27,969.4	22,459.5
Contributions to qualified plan	29,200.0	34,766.7	33,475.0	30,329.6	27,969.4	22,459.5
(Accrued)/prepaid benefit cost for year	(28,536.3)	(28,536.3)	(28,536.3)	(28,536.3)	(28,536.3)	(28,536.3)
Pension Charge for Fiscal Year						
Service cost including expenses	9,717.9	9,690.1	10,060.2	10,434.9	10,813.6	11,195.7
Interest cost on PBO	27,386.3	28,883.0	29,573.5	30,246.1	30,903.1	31,543.0
Expected return on market-related assets	(24,641.9)	(26,521.1)	(29,966.7)	(32,996.9)	(35,846.4)	(38,405.0)
Amortization of:						
(Gains)/losses	21,110.3	20,215.7	19,455.5	19,078.2	15,382.1	14,174.9
Unrecognized prior service cost	1,194.1	1,207.1	1,207.1	1,207.1	1,207.1	1,207.1
Transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
Net amortization	22,304.4	21,422.9	20,662.6	20,285.3	16,589.3	15,382.0
Net periodic benefit cost (excluding special retirement programs)	34,766.7	33,475.0	30,329.6	27,969.4	22,459.5	19,715.7
Market-related value of assets	292,229.9	324,938.3	366,147.0	402,455.6	436,599.2	467,374.9
Projected benefit payments	24,759.4	26,189.8	27,560.7	28,908.0	30,173.1	31,550.1

Notes:

(1) Discount rate is 5.70% for 2006 and 6.00% for 2007 on. Assumed rate of inflation is 2.20% for 2006 and 2.40% for 2007 on.
(2) Assumed interest crediting rate for cash balance accounts is 5.20% for 2006 and 5.50% for 2007 on.
(3) Average rate of salary increase is 4.00% for all years.
(4) Assumes 8.50% annual return on market value for 2007 on.
(5) Expected return on market-related value of assets is 8.50% for all years.
(6) Assets assume Company contributes accounting cost.
(7) Accounting cost for 2007 on reflects the plan amendments on account of the Pension Protection Act.
(8) Active population assumed to remain constant.
(9) Numbers may not add due to rounding.

buckconsultants
an ACS company

TABLE 8

ORANGE AND ROCKLAND UTILITIES, INC.
OFFICERS' SUPPLEMENTAL RETIREMENT PLAN (SERP)

FAS 87 PROJECTION FOR 5 YEARS
BASED ON 2006 VALUATION RESULTS
(all amounts in thousands)

Reconciliation of Funded Status as of January 1	**Actual 2006**	**Projected 2007**	**2008**	**2009**	**2010**	**2011**
Total projected benefit obligation (PBO)	$ (33,519.0)	$ (32,836.6)	$ (32,546.6)	$ (32,320.7)	$ (32,334.7)	$ (31,900.8)
Plan assets at fair value	0.0	0.0	0.0	0.0	0.0	0.0
Funded status	(33,519.0)	(32,836.6)	(32,546.6)	(32,320.7)	(32,334.7)	(31,900.8)
Unrecognized:						
Net (gain)/loss	4,122.0	3,148.6	2,675.3	2,202.0	1,728.7	1,344.9
Prior service cost	138.5	74.2	70.0	65.8	61.6	57.4
Net transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
(Accrued)/prepaid benefit cost	(29,258.5)	(29,613.7)	(29,801.2)	(30,052.9)	(30,544.4)	(30,498.6)
(Accrued)/prepaid benefit cost prior year	(29,223.5)	(29,258.5)	(29,613.7)	(29,801.2)	(30,052.9)	(30,544.4)
Net periodic benefit cost	2,072.5	2,378.4	2,382.8	2,367.8	2,361.5	2,260.0
SERP benefit payments	2,037.5	2,023.1	2,195.3	2,116.1	1,869.9	2,305.8
(Accrued)/prepaid benefit cost for year	(29,258.5)	(29,613.7)	(29,801.2)	(30,052.9)	(30,544.4)	(30,498.6)
Pension Charge for Fiscal Year						
Service cost including expenses	0.0	0.0	0.0	0.0	0.0	0.0
Interest cost on PBO	1,852.2	1,905.3	1,890.2	1,884.0	1,871.9	1,844.9
Expected return on market-related assets	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of:						
(Gains)/losses	518.8	473.3	473.3	473.3	383.8	320.7
Unrecognized prior service cost	7.4	4.2	4.2	4.2	4.2	4.2
Transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
Net amortization	526.2	477.5	477.5	477.5	388.0	324.9
Net periodic benefit cost (excluding special retirement programs)	2,378.4	2,382.8	2,367.8	2,361.5	2,260.0	2,169.8
Market-related value of assets	0.0	0.0	0.0	0.0	0.0	0.0
Projected benefit payments	2,078.3	2,195.3	2,116.1	1,869.9	2,305.8	2,338.4

Notes:

(1) Discount rate is 5.70% for 2006 and 6.00% for 2007 on. Assumed rate of inflation is 2.20% for 2006 and 2.40% for 2007 on.
(2) Accounting cost for 2007 on reflects the plan amendments on account of the Pension Protection Act.
(3) Numbers may not add due to rounding.

buckconsultants
an ACS company

TABLE 9

ORANGE AND ROCKLAND UTILITIES, INC.
NON-OFFICERS' SUPPLEMENTAL RETIREMENT PLAN (SERP)

FAS 87 PROJECTION FOR 5 YEARS
BASED ON 2006 VALUATION RESULTS
(all amounts in thousands)

Reconciliation of Funded Status as of January 1	Actual 2006	Projected 2007	2008	2009	2010	2011
Total projected benefit obligation (PBO)	$ (351.0)	$ (264.7)	$ (281.9)	$ (300.0)	$ (318.1)	$ (336.9)
Plan assets at fair value	0.0	0.0	0.0	0.0	0.0	0.0
Funded status	(351.0)	(264.7)	(281.9)	(300.0)	(318.1)	(336.9)
Unrecognized:						
Net (gain)/loss	161.1	114.4	94.7	75.1	55.4	36.1
Prior service cost	3.6	(85.8)	(77.8)	(69.9)	(61.9)	(53.9)
Net transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
(Accrued)/prepaid benefit cost	(186.3)	(236.1)	(265.0)	(294.8)	(324.6)	(354.8)
(Accrued)/prepaid benefit cost prior year	(136.4)	(186.3)	(236.1)	(265.0)	(294.8)	(324.6)
Net periodic benefit cost	54.4	54.8	34.9	36.2	37.5	38.5
SERP benefit payments	4.5	5.0	5.9	6.4	7.7	8.3
(Accrued)/prepaid benefit cost for year	(186.3)	(236.1)	(265.0)	(294.8)	(324.6)	(354.8)
Pension Charge for Fiscal Year						
Service cost including expenses	13.2	7.5	7.7	8.0	8.3	8.6
Interest cost on PBO	19.9	15.7	16.7	17.8	18.8	19.9
Expected return on market-related assets	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of:						
(Gains)/losses	22.1	19.7	19.7	19.7	19.3	16.2
Unrecognized prior service cost	(0.4)	(8.0)	(8.0)	(8.0)	(8.0)	(8.0)
Transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
Net amortization	21.7	11.7	11.7	11.7	11.3	8.2
Net periodic benefit cost (excluding special retirement programs)	54.8	34.9	36.2	37.5	38.5	36.7
Market-related value of assets	0.0	0.0	0.0	0.0	0.0	0.0
Projected benefit payments	5.4	5.9	6.4	7.7	8.3	10.3

Notes:

(1) Discount rate is 5.70% for 2006 and 6.00% for 2007 on. Assumed rate of inflation is 2.20% for 2006 and 2.40% for 2007 on.
(2) Assumed interest crediting rate for cash balance accounts is 5.20% for 2006 and 5.50% for 2007 on.
(3) Average rate of salary increase is 4.00% for all years.
(4) Accounting cost for 2007 on reflects the plan amendments on account of the Pension Protection Act.
(5) Active population assumed to remain constant.
(6) Numbers may not add due to rounding.

TABLE 10

ORANGE AND ROCKLAND UTILITIES, INC.
TOTAL PENSION

FAS 87 PROJECTION FOR 5 YEARS
BASED ON 2006 VALUATION RESULTS AND
ACTUAL ASSETS AS OF DECEMBER 31, 2006
(all amounts in thousands)

Reconciliation of Funded Status as of January 1	Actual 2006	Projected 2007	2008	2009	2010	2011
Total projected benefit obligation (PBO)	$ (526,539.5)	$ (527,389.5)	$ (539,300.1)	$ (550,965.4)	$ (562,570.5)	$ (573,499.0)
Plan assets at fair value	293,948.2	339,756.3	374,622.1	407,878.2	440,197.4	468,436.2
Funded status	(232,591.3)	(187,633.2)	(164,678.0)	(143,087.2)	(122,373.1)	(105,062.8)
Unrecognized:						
Net (gain)/loss	162,565.5	118,390.0	96,421.8	75,753.1	55,721.0	39,629.9
Prior service cost	12,044.6	10,856.9	9,653.6	8,450.1	7,246.8	6,043.4
Net transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
(Accrued)/prepaid benefit cost	(57,981.1)	(58,386.1)	(58,602.5)	(58,884.0)	(59,405.3)	(59,389.7)
(Accrued)/prepaid benefit cost prior year	(57,933.4)	(57,981.1)	(58,386.1)	(58,602.5)	(58,884.0)	(59,405.3)
Net periodic benefit cost	31,289.7	37,199.9	35,892.7	32,733.6	30,368.4	24,758.0
Contributions to qualified plan/SERP payments	31,242.0	36,794.8	35,676.2	32,452.1	29,847.0	24,773.6
(Accrued)/prepaid benefit cost for year	(57,981.1)	(58,386.1)	(58,602.5)	(58,884.0)	(59,405.3)	(59,389.7)
Pension Charge for Fiscal Year						
Service cost including expenses	9,731.1	9,697.6	10,067.9	10,442.9	10,821.9	11,204.3
Interest cost on PBO	29,258.4	30,804.0	31,480.4	32,147.9	32,793.8	33,407.8
Expected return on market-related assets	(24,641.9)	(26,521.1)	(29,966.7)	(32,996.9)	(35,846.4)	(38,405.0)
Amortization of:						
(Gains)/losses	21,651.2	20,708.7	19,948.5	19,571.2	15,785.2	14,511.8
Unrecognized prior service cost	1,201.1	1,203.3	1,203.3	1,203.3	1,203.3	1,203.3
Transition obligation/(asset)	0.0	0.0	0.0	0.0	0.0	0.0
Net amortization	22,852.3	21,912.1	21,151.8	20,774.5	16,988.6	15,715.1
Net periodic benefit cost (excluding special retirement programs)	37,199.9	35,892.7	32,733.6	30,368.4	24,758.0	21,922.2
Market-related value of assets	292,229.9	324,938.3	366,147.0	402,455.6	436,599.2	467,374.9
Projected benefit payments	26,843.1	28,391.0	29,683.2	30,785.6	32,487.2	33,898.8

Notes:

(1) Discount rate is 5.70% for 2006 and 6.00% for 2007 on. Assumed rate of inflation is 2.20% for 2006 and 2.40% for 2007 on.
(2) Assumed interest crediting rate for cash balance accounts is 5.20% for 2006 and 5.50% for 2007 on.
(3) Average rate of salary increase is 4.00% for all years.
(4) Assumes 8.50% annual return on market value for 2007 on.
(5) Expected return on market-related value of assets is 8.50% for all years.
(6) Assets assume Company contributes accounting cost.
(7) Accounting cost for 2007 on reflects the plan amendments on account of the Pension Protection Act.
(8) Active population assumed to remain constant.
(9) Numbers may not add due to rounding.

buckconsultants
an ACS company

January 19, 2007

Ms. Edlyn Misquita
Department Manager, Accounting Research and Procedures
Consolidated Edison Company
of New York, Inc.
Four Irving Place
New York, NY 10003-3598

Re: 5-Year Projections of OPEB Accounting Cost Based on Assets and Accounting Disclosure Assumptions as of December 31, 2006

Dear Edlyn:

As requested, we are writing to present the results of our latest five-year projections of accounting cost for the OPEB plans of Consolidated Edison, Inc. (CEI). The projections were based on the data as of January 1, 2006, the assets as of December 31, 2006 as reported for the FAS 158 disclosure information, and the assumptions used for the year-end disclosure. The demographic assumptions are the same as those used for the January 1, 2006 valuation. This letter contains projections of accounting cost for Con Edison (referred to as CECONY, but including costs for employees who transferred from CECONY to the unregulated subsidiaries), CEEMI, Orange & Rockland (O&R), and for total CEI.

- Tables 1 - 5 show the OPEB accounting projections for CECONY (in total and separately for the Management and Weekly, health and life insurance plans)
- Tables 6 and 7 show the OPEB funding projections for the Con Edison VEBAs and 401(h)
- Table 8 show the OPEB accounting projections for CEEMI
- Tables 9 - 12 show the OPEB accounting projections for O&R (in total and separately for the Management health, Management life insurance, and Union)
- Table 13 shows the OPEB funding projections for the O&R VEBAs
- Table 14 shows the total OPEB accounting projections for CEI

The accounting projections are based on the following assumptions that differ from those used for our earlier projections:

- Discount rate of 6.00% instead of 5.70%
- CPI assumption of 2.40% instead of 2.20%
- Health care cost trend rates of 9.0% in 2007 decreasing to an ultimate rate 4.5% by 2012 instead of 8.0% in 2007 decreasing to an ultimate rate 4.5% by 2011.

Our projections assume that the current plan provisions and assumptions will continue to apply for the next five years[1]. However, it is likely that some assumptions will change. Furthermore, it is likely that actual experience will not match the assumptions exactly and will thus result in accounting costs and funding contributions that are different from those projected.

[1] The O&R results shown for 2007 and later reflect the plan changes made to the Union plan at the end of 2006 as described in our December 5, 2006 letter.

500 Plaza Drive, Secaucus NJ 07096-1533
Phone: 201-902-2958 Fax: 201-902-2883 Email: Barry.Goldberg@BuckConsultants.com

The results of the projections are partially due to the assumptions used and partially due to the level of funding of the plans. The projections assume that the actual return on the market value of assets will equal the FAS 106 before-tax expected return of 8.50%. The projections assume that actual experience will conform to the assumptions and that there are no demographic gains or losses. The only asset gains and losses for the accounting projections result from the operation of the market-related value of assets. The projections assume that Company contributions after 2006 are made in the middle of the year. These projections assume that the Company will contribute its accounting cost to the extent possible. The funding projections reflect the changes to the health care cost trend rates and CPI assumption.

Since the trends in the accounting cost projections are in line with earlier projections (the actual numbers differ because of the change in assumptions and actual market value as of December 31, 2006), no further comments on the projections are needed at this time.

Please call us if you have any questions.

Very truly yours,

Barry J. Goldberg
Principal, Consulting Actuary

BJG
Enc.
DOC:CEI 2006 OPEB Projections-Based on Year-end.doc

cc Ms. Kelly McLaughlin
Mr. Ross Pivec
Ms. Grace Scarpitta
Mr. Brian Hlava
Ms. Claire Wolkoff

TABLE 1

CECONY WELFARE PLANS
FAS 106 PROJECTION FOR 10 YEARS
TOTAL RETIREE HEALTH AND LIFE
(all dollar amounts in millions)

	Actual	Projected Based on 6.00% Discount Rate				
Reconciliation of Funded Status	2006	2007	2008	2009	2010	2011
as of January 1						
Total APBO	($1,384.4)	($1,375.6)	($1,381.1)	($1,384.9)	($1,385.5)	($1,382.9)
Fair Value of Assets	861.5	927.0	958.9	986.2	1,005.9	1,027.7
Funded Status	($523.0)	($448.6)	($422.2)	($398.7)	($379.6)	($355.2)
Unrecognized transition obligation	25.7	22.0	18.3	14.7	11.0	7.3
Unrecognized prior service cost	(103.2)	(88.6)	(73.9)	(59.3)	(44.7)	(30.1)
Unrecognized net loss/(gain)	497.2	404.8	347.2	292.7	245.2	171.9
(Accrued)/prepaid postretirement benefit cost	($103.3)	($110.3)	($130.6)	($150.6)	($168.0)	($206.1)
Net Periodic Benefit Cost						
Service cost	$13.1	$13.3	$13.5	$13.7	$14.0	$14.3
Interest cost	76.6	79.9	80.2	80.3	80.2	80.1
Expected return on assets	(72.0)	(73.7)	(77.5)	(79.9)	(81.7)	(83.9)
Amortization of transition obligation	3.7	3.7	3.7	3.7	3.7	3.7
Amortization of prior service cost	(14.7)	(14.7)	(14.7)	(14.7)	(14.7)	(12.1)
Amortization of net losses/(gains)	48.8	54.7	53.1	46.4	72.6	62.9
Total FAS cost	$55.7	$63.2	$58.3	$49.9	$74.3	$65.2
Market-Related Value of Assets	$867.2	$891.6	$940.8	$973.2	$996.2	$1,025.2
Expected Employer Contributions						
401(h)	$17.2	$18.5	$17.2	$16.0	$14.9	$13.9
VEBA	34.6	31.5	28.9	25.1	30.7	27.5
Total	$51.7	$49.9	$46.1	$41.1	$45.6	$41.4
Expected Net Benefit Payments						
Without Medicare Part D Subsidy						
401(h)	$17.8	$24.7	$26.7	$29.8	$32.8	$35.4
VEBA	68.7	70.0	71.2	72.5	73.8	74.8
General Assets	0.8	0.9	0.9	0.9	0.8	0.9
Total	$87.3	$95.6	$98.8	$103.2	$107.4	$111.1
With Medicare Part D Subsidy	$80.1	$87.6	$89.9	$93.4	$96.9	$99.9

Notes:
1. Discount rate equals 5.70% for 2006 and 6.00% thereafter.
2. Expected return on assets equals 8.5% (7.5% after-tax rate for the Management Health VEBA).
3. Active population assumed to remain constant.
4. Numbers may not add due to rounding.

TABLE 2

CECONY WELFARE PLANS
FAS 106 PROJECTION FOR 5 YEARS
MANAGEMENT RETIREE HEALTH
(all dollar amounts in millions)

	Actual	Projected Based on 6.00% Discount Rate				
Reconciliation of Funded Status as of January 1	2006	2007	2008	2009	2010	2011
Total APBO	($461.6)	($458.4)	($458.9)	($458.9)	($458.0)	($456.1)
Fair Value of Assets	254.1	276.7	291.8	305.2	314.7	330.1
Funded Status	($207.5)	($181.7)	($167.1)	($153.8)	($143.3)	($126.0)
Unrecognized transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Unrecognized prior service cost	(33.8)	(27.8)	(21.7)	(15.6)	(9.6)	(3.5)
Unrecognized net loss/(gain)	188.5	155.3	132.0	109.6	89.8	62.8
(Accrued)/prepaid postretirement benefit cost	($52.9)	($54.2)	($56.8)	($59.8)	($63.0)	($66.6)
Net Periodic Benefit Cost						
Service cost	$4.1	$4.2	$4.3	$4.3	$4.4	$4.5
Interest cost	25.5	26.6	26.6	26.6	26.5	26.4
Expected return on assets	(21.1)	(22.1)	(23.6)	(24.7)	(25.7)	(27.0)
Amortization of transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of prior service cost	(6.1)	(6.1)	(6.1)	(6.1)	(6.1)	(3.5)
Amortization of net losses/(gains)	20.8	22.5	21.9	19.6	26.7	22.6
Total FAS cost	$23.3	$25.1	$23.1	$19.8	$25.9	$23.1
Market-Related Value of Assets	$254.4	$266.6	$286.8	$301.9	$312.3	$329.5
Expected Employer Contributions						
401(h)	$14.9	$0.0	$0.0	$0.0	$0.0	$0.0
VEBA	8.4	25.1	23.1	19.8	25.9	23.1
Total	$23.3	$25.1	$23.1	$19.8	$25.9	$23.1
Expected Net Benefit Payments						
Without Medicare Part D Subsidy						
401(h)	$10.6	$13.2	$13.8	$15.0	$16.0	$17.0
VEBA	19.5	19.7	20.0	20.2	20.5	20.6
General Assets	0.5	0.6	0.6	0.6	0.5	0.6
Total	$30.6	$33.5	$34.4	$35.8	$37.0	$38.2
With Medicare Part D Subsidy	$27.7	$30.3	$30.8	$31.9	$32.8	$33.8

Notes:
1. Discount rate equals 5.70% for 2006 and 6.00% thereafter.
2. Expected return on assets equals 8.5% (7.5% after-tax rate for the Management Health VEBA).
3. Active population assumed to remain constant.
4. Numbers may not add due to rounding.

TABLE 3

CECONY WELFARE PLANS
FAS 106 PROJECTION FOR 5 YEARS
WEEKLY RETIREE HEALTH
(all dollar amounts in millions)

	Actual	Projected Based on 6.00% Discount Rate				
Reconciliation of Funded Status as of January 1	2006	2007	2008	2009	2010	2011
Total APBO	($757.1)	($756.2)	($760.5)	($763.8)	($765.3)	($764.9)
Fair Value of Assets	546.3	587.8	602.0	613.9	622.9	628.8
Funded Status	($210.9)	($168.4)	($158.6)	($149.9)	($142.4)	($136.1)
Unrecognized transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Unrecognized prior service cost	(69.4)	(60.8)	(52.2)	(43.7)	(35.1)	(26.6)
Unrecognized net loss/(gain)	266.4	213.5	182.7	154.9	130.9	90.7
(Accrued)/prepaid postretirement benefit cost	($13.8)	($15.7)	($28.1)	($38.7)	($46.7)	($71.9)
Net Periodic Benefit Cost						
Service cost	$8.4	$8.5	$8.6	$8.8	$9.0	$9.2
Interest cost	41.9	43.9	44.2	44.3	44.3	44.3
Expected return on assets	(45.5)	(46.4)	(48.5)	(49.7)	(50.5)	(51.3)
Amortization of transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of prior service cost	(8.6)	(8.6)	(8.6)	(8.6)	(8.6)	(8.6)
Amortization of net losses/(gains)	25.4	28.8	26.7	23.3	39.6	34.4
Total FAS cost	$21.8	$26.2	$22.5	$18.3	$34.0	$28.0
Market-Related Value of Assets	$548.2	$562.9	$588.9	$604.5	$616.0	$627.0
Expected Employer Contributions						
401(h)	$2.3	$18.5	$17.2	$16.0	$14.9	$13.9
VEBA	19.5	0.0	0.0	0.0	0.0	0.0
Total	$21.8	$18.5	$17.2	$16.0	$14.9	$13.9
Expected Net Benefit Payments						
Without Medicare Part D Subsidy						
401(h)	$7.1	$11.5	$12.8	$14.8	$16.8	$18.4
VEBA	40.7	41.4	42.0	42.6	43.3	43.8
General Assets	0.0	0.0	0.0	0.0	0.0	0.0
Total	$47.8	$52.9	$54.8	$57.4	$60.1	$62.2
With Medicare Part D Subsidy	$43.4	$48.1	$49.5	$51.6	$53.8	$55.5

Notes:
1. Discount rate equals 5.70% for 2006 and 6.00% thereafter.
2. Expected return on assets equals 8.5%.
3. Active population assumed to remain constant.
4. Numbers may not add due to rounding.

CECONY WELFARE PLANS
FAS 106 PROJECTION FOR 5 YEARS
MANAGEMENT RETIREE LIFE
(all dollar amounts in millions)

	Actual	Projected Based on 6.00% Discount Rate				
Reconciliation of Funded Status as of January 1	2006	2007	2008	2009	2010	2011
Total APBO	($138.6)	($135.0)	($136.2)	($137.1)	($137.7)	($138.1)
Fair Value of Assets	50.5	53.2	55.5	57.1	58.2	58.6
Funded Status	($88.1)	($81.8)	($80.7)	($79.9)	($79.5)	($79.4)
Unrecognized transition obligation	15.2	13.1	10.9	8.7	6.5	4.4
Unrecognized prior service cost	0.0	0.0	0.0	0.0	0.0	0.0
Unrecognized net loss/(gain)	33.6	27.3	25.1	21.9	19.4	14.3
(Accrued)/prepaid postretirement benefit cost	($39.3)	($41.4)	($44.7)	($49.3)	($53.6)	($60.8)
Net Periodic Benefit Cost						
Service cost	$0.6	$0.6	$0.6	$0.6	$0.6	$0.6
Interest cost	7.7	7.9	7.9	8.0	8.0	8.0
Expected return on assets	(4.4)	(4.4)	(4.6)	(4.7)	(4.7)	(4.8)
Amortization of transition obligation	2.2	2.2	2.2	2.2	2.2	2.2
Amortization of prior service cost	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of net losses/(gains)	1.5	2.2	3.2	2.5	5.1	4.7
Total FAS cost	$7.5	$8.4	$9.3	$8.6	$11.1	$10.8
Market-Related Value of Assets	$53.0	$52.6	$55.3	$56.8	$57.8	$58.6
Expected Employer Contributions	$5.3	$4.8	$4.4	$4.0	$3.6	$3.3
Expected Net Benefit Payments						
VEBA	$6.8	$7.0	$7.3	$7.6	$7.9	$8.2
General Assets	0.3	0.3	0.3	0.3	0.3	0.3
Total	$7.1	$7.3	$7.6	$7.9	$8.2	$8.5

Notes:
1. Discount rate equals 5.70% for 2006 and 6.00% thereafter.
2. Expected return on assets equals 8.5%.
3. Active population assumed to remain constant.
4. Numbers may not add due to rounding.

TABLE 5

CECONY WELFARE PLANS
FAS 106 PROJECTION FOR 5 YEARS
WEEKLY RETIREE LIFE
(all dollar amounts in millions)

	Actual	Projected Based on 6.00% Discount Rate				
Reconciliation of Funded Status as of January 1	2006	2007	2008	2009	2010	2011
Total APBO	($27.1)	($26.0)	($25.6)	($25.1)	($24.5)	($23.9)
Fair Value of Assets	10.6	9.3	9.7	10.0	10.1	10.1
Funded Status	($16.5)	($16.7)	($15.9)	($15.1)	($14.4)	($13.7)
Unrecognized transition obligation	10.5	9.0	7.5	6.0	4.5	3.0
Unrecognized prior service cost	0.0	0.0	0.0	0.0	0.0	0.0
Unrecognized net loss/(gain)	8.6	8.7	7.5	6.2	5.2	4.0
(Accrued)/prepaid postretirement benefit cost	$2.6	$0.9	($0.9)	($2.9)	($4.7)	($6.7)
Net Periodic Benefit Cost						
Service cost	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Interest cost	1.5	1.5	1.5	1.4	1.4	1.4
Expected return on assets	(1.0)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)
Amortization of transition obligation	1.5	1.5	1.5	1.5	1.5	1.5
Amortization of prior service cost	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of net losses/(gains)	1.1	1.2	1.3	1.0	1.2	1.2
Total FAS cost	$3.1	$3.5	$3.4	$3.2	$3.3	$3.3
Market-Related Value of Assets	$11.5	$9.5	$9.9	$10.0	$10.1	$10.1
Expected Employer Contributions	$1.4	$1.6	$1.5	$1.4	$1.3	$1.2
Expected Net Benefit Payments						
VEBA	$1.9	$1.9	$2.0	$2.0	$2.1	$2.1
General Assets	0.0	0.0	0.0	0.0	0.0	0.0
Total	$1.9	$1.9	$2.0	$2.0	$2.1	$2.1

Notes:
1. Discount rate equals 5.70% for 2006 and 6.00% thereafter.
2. Expected return on assets equals 8.5%.
3. Active population assumed to remain constant.
4. Numbers may not add due to rounding.

TABLE 6

CON EDISON TOTAL
VEBA FUNDING PROJECTION FOR 5 YEARS
(all dollar amounts in millions)

	2006	2007	2008	2009	2010	2011
Management Retiree Health VEBA						
January 1 total present value	$253.9	$251.1	$248.0	$244.4	$240.3	$235.7
January 1 assets	29.7	20.9	28.1	33.4	35.4	43.7
January 1 unfunded liability	$224.2	$230.2	$219.9	$211.0	$204.9	$192.0
Maximum deductible employer contribution	$32.6	$33.5	$32.0	$30.7	$29.8	$27.9
Weekly Retiree Health VEBA						
December 31 total present value	$467.8	$464.7	$460.6	$455.5	$449.3	$442.1
Projected December 31 assets*	488.6	487.1	484.8	481.5	477.4	472.3
Projected December 31 unfunded liability	$467.8	($22.5)	($24.2)	($26.0)	($28.0)	($30.1)
Maximum deductible employer contribution	$19.6	$0.0	$0.0	$0.0	$0.0	$0.0
Management Life Insurance VEBA						
January 1 total present value	$84.6	$84.0	$83.4	$82.5	$81.2	$79.4
January 1 assets	50.5	53.2	55.5	57.1	58.2	58.6
January 1 unfunded liability	$34.1	$30.8	$27.9	$25.4	$23.0	$20.8
Maximum deductible employer contribution	$5.3	$4.8	$4.4	$4.0	$3.6	$3.3
Weekly Life Insurance VEBA						
January 1 total present value	$20.5	$20.2	$19.8	$19.4	$18.8	$18.2
January 1 assets	10.6	9.3	9.7	10.0	10.1	10.1
January 1 unfunded liability	$9.9	$10.9	$10.1	$9.4	$8.7	$8.1
Maximum deductible employer contribution	$1.4	$1.6	$1.5	$1.4	$1.3	$1.2

Notes:

1. Interest rate equals 8.00% (6.50% after-tax rate for the Management Health VEBA).
2. Expected return on assets equals 8.5% (7.5% after-tax rate for the Management Health VEBA).
3. Active population assumed to remain constant.
4. Numbers may not add due to rounding.

* Prior to company contributions.

TABLE 7

CON EDISON TOTAL
401(h) FUNDING PROJECTION FOR 5 YEARS
(all dollar amounts in millions)

	2006	2007	2008	2009	2010	2011
1. January 1 total present value	$435.4	$480.5	$495.6	$510.0	$522.5	$532.9
2. January 1 assets	320.0	355.8	379.5	402.1	421.9	439.2
3. January 1 unfunded liability	$115.3	$124.7	$116.0	$108.0	$100.6	$93.7
4. Present value of future years of service	84,575	84,575	84,575	84,575	84,575	84,575
5. Current number of active participants	12,577	12,577	12,577	12,577	12,577	12,577
6. Preliminary Maximum Deductible Employer Contribution						
a) Past and current cost limit (3 divided by 4 times 5)	$17.1	$18.5	$17.3	$16.1	$15.0	$13.9
b) Ten year amortization limit (14% of unfunded liability)	16.5	17.9	16.6	15.5	14.4	13.4
c) Greater of a and b	$17.1	$18.5	$17.3	$16.1	$15.0	$13.9
7. Section 401(h) Subordination Limit						
a) Cumulative sum of annual minimum of pension contribution and pension normal cost @ 12/31/2006	$768.1	$829.6	$895.0	$964.3	$1,037.9	$1,115.8
b) Cumulative 401(h) contribution @ 12/31	228.3	249.1	267.6	284.9	300.9	315.9
c) Subordination Limit=(1/3 x a) less b	27.7	27.4	30.7	36.5	45.1	56.0
8. Maximum deductible employer contribution Lesser of 6c and 7c (rounded to the next lowest $100,000)	$17.1	$18.5	$17.3	$16.1	$15.0	$13.9

Notes:

1. Interest rate equals 8.00%.
2. Return on assets equals 8.50%.
3. Active population assumed to remain constant.
4. Numbers may not add due to rounding.

TABLE 8

CEEMI WELFARE PLANS
FAS 106 PROJECTION FOR 5 YEARS
WEEKLY RETIREE HEALTH
(all dollar amounts in thousands)

	Actual	Projected Based on 6.00% Discount Rate				
Reconciliation of Funded Status as of January 1	2006	2007	2008	2009	2010	2011
Total APBO	($1,345.3)	($1,422.4)	($1,515.8)	($1,605.7)	($1,691.0)	($1,764.6)
Fair Value of Assets	705.2	848.3	979.4	1,114.4	1,257.5	1,342.1
Funded Status	($640.1)	($574.0)	($536.4)	($491.3)	($433.4)	($422.5)
Unrecognized transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Unrecognized prior service cost	(9.3)	(8.2)	(7.0)	(5.9)	(4.7)	(3.6)
Unrecognized net loss/(gain)	649.4	582.2	506.0	430.2	354.9	279.9
(Accrued)/prepaid postretirement benefit cost	$-0.0	$-0.0	($37.5)	($67.0)	($83.3)	($146.2)
Net Periodic Benefit Cost						
Service cost	$37.3	$37.6	$38.4	$39.2	$40.1	$41.0
Interest cost	76.1	84.5	89.8	94.9	99.5	103.5
Expected return on assets	(64.7)	(73.4)	(84.4)	(95.9)	(105.4)	(112.7)
Amortization of transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of prior service cost	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)
Amortization of net losses/(gains)	72.1	75.2	75.0	74.6	74.4	77.1
Total FAS cost	$119.6	$122.8	$117.6	$111.7	$107.5	$107.7
Market-Related Value of Assets	$718.9	$835.3	$968.3	$1,105.7	$1,250.0	$1,340.6
Expected Employer Contributions						
401(h)	$12.5	$86.5	$89.8	$97.7	$47.2	$53.3
VEBA	107.2	0.0	0.0	0.0	0.0	0.0
Total	$119.6	$86.5	$89.8	$97.7	$47.2	$53.3
Expected Net Benefit Payments						
Without Medicare Part D Subsidy						
401(h)	$4.9	$9.6	$12.3	$16.3	$21.1	$26.5
VEBA	16.8	20.3	27.7	35.0	47.5	57.7
General Assets	0.0	0.0	0.0	0.0	0.0	0.0
Total	$21.7	$29.9	$40.0	$51.3	$68.6	$84.2
With Medicare Part D Subsidy	$21.6	$28.6	$38.3	$48.9	$65.9	$80.7

Notes:
1. Discount rate equals 5.70% for 2006 and 6.00% thereafter.
2. Expected return on assets equals 8.5%.
3. Active population assumed to remain constant.
4. Numbers may not add due to rounding.

TABLE 9

ORANGE AND ROCKLAND WELFARE PLANS
FAS 106 PROJECTION FOR 10 YEARS
TOTAL RETIREE HEALTH AND LIFE
(all dollar amounts in millions)

	Actual	Projected Based on 6.00% Discount Rate				
	2006	2007	2008	2009	2010	2011
Reconciliation of Funded Status as of January 1						
Total APBO	($179.7)	($188.5)	($193.2)	($197.5)	($201.5)	($205.0)
Market value of assets	64.2	77.0	89.2	101.1	112.7	122.9
Funded status	($115.5)	($111.5)	($104.0)	($96.4)	($88.8)	($82.1)
Unrecognized transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Unrecognized prior service cost	(0.5)	7.4	6.9	6.4	5.9	5.5
Unrecognized net loss/(gain)	75.3	60.9	51.5	41.9	32.4	23.7
(Accrued)/prepaid postretirement benefit cost	($40.7)	($43.3)	($45.7)	($48.1)	($50.5)	($53.0)
Net Periodic Benefit Cost						
Service cost	$3.9	$3.9	$4.2	$4.4	$4.6	$4.7
Interest cost	9.9	11.0	11.2	11.4	11.7	12.0
Expected return on assets	(6.1)	(6.7)	(7.7)	(8.6)	(9.5)	(10.4)
Amortization of transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of prior service cost	(0.1)	0.5	0.4	0.4	0.4	0.6
Amortization of net losses/(gains)	9.6	9.5	9.5	9.5	8.7	8.3
Total	$17.3	$18.2	$17.9	$17.4	$16.0	$15.2
Market-Related Value of Assets	$68.4	$77.6	$89.0	$100.7	$112.1	$122.9
Expected Employer Contributions*	$12.7	$13.4	$13.1	$12.7	$11.4	$10.8
Expected Net Benefit Payments						
Without Medicare Part D Subsidy						
VEBA	$7.1	$7.9	$8.8	$9.8	$10.6	$11.4
General Assets	3.4	3.4	3.4	3.3	3.3	3.2
Total	$10.5	$11.3	$12.2	$13.1	$13.9	$14.6
With Medicare Part D Subsidy	$9.6	$10.3	$11.2	$11.9	$12.7	$13.3

Notes:
1. Discount rate equals 5.70% for 2006 and 6.00% thereafter.
2. Expected return on assets equals 8.5% (8.0% for Management Health VEBA).
3. Active population assumed to remain constant.
4. Numbers may not add due to rounding.

* Contributions are assumed to be made July 1.

TABLE 10

ORANGE AND ROCKLAND WELFARE PLANS
FAS 106 PROJECTION FOR 5 YEARS
MANAGEMENT RETIREE HEALTH
(all dollar amounts in millions)

	Actual	Projected Based on 6.00% Discount Rate				
	2006	2007	2008	2009	2010	2011
Reconciliation of Funded Status as of January 1						
Total APBO	($70.3)	($71.2)	($72.9)	($74.4)	($75.8)	($77.1)
Market value of assets	10.6	11.9	13.8	15.7	17.5	19.3
Funded status	($59.7)	($59.3)	($59.1)	($58.8)	($58.3)	($57.8)
Unrecognized transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Unrecognized prior service cost	(0.4)	(0.3)	(0.2)	(0.1)	(0.1)	0.0
Unrecognized net loss/(gain)	34.4	30.0	25.8	21.5	17.1	13.0
(Accrued)/prepaid postretirement benefit cost	($25.7)	($29.6)	($33.5)	($37.4)	($41.2)	($44.8)
Net Periodic Benefit Cost						
Service cost	$1.5	$1.5	$1.6	$1.7	$1.8	$1.8
Interest cost	3.9	4.2	4.2	4.3	4.4	4.5
Expected return on assets	(1.1)	(1.1)	(1.2)	(1.3)	(1.4)	(1.6)
Amortization of transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of prior service cost	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.0
Amortization of net losses/(gains)	4.2	4.3	4.4	4.4	4.2	4.1
Total	$8.5	$8.9	$9.0	$9.1	$8.9	$8.9
Market-Related Value of Assets	$12.6	$13.0	$14.5	$15.9	$17.6	$19.4
Expected Employer Contributions*	$4.0	$4.0	$4.2	$4.4	$4.5	$4.6
Expected Net Benefit Payments						
Without Medicare Part D Subsidy						
VEBA	$2.9	$3.1	$3.5	$3.8	$4.1	$4.5
General Assets	1.3	1.3	1.3	1.3	1.3	1.2
Total	$4.2	$4.4	$4.8	$5.1	$5.4	$5.7
With Medicare Part D Subsidy	$3.8	$4.0	$4.4	$4.6	$4.9	$5.2

Notes:
1. Discount rate equals 5.70% for 2006 and 6.00% thereafter.
2. Expected return on assets equals 8.0%
3. Active population assumed to remain constant.
4. Numbers may not add due to rounding.

* Contributions are assumed to be made July 1.

TABLE 11

ORANGE AND ROCKLAND WELFARE PLANS
FAS 106 PROJECTION FOR 5 YEARS
MANAGEMENT RETIREE LIFE INSURANCE
(all dollar amounts in millions)

	Actual	Projected Based on 6.00% Discount Rate				
	2006	2007	2008	2009	2010	2011
Reconciliation of Funded Status as of January 1						
Total APBO	($5.9)	($5.8)	($5.9)	($5.9)	($6.0)	($6.0)
Market value of assets	2.2	2.5	2.7	2.9	3.0	3.2
Funded status	($3.8)	($3.3)	($3.2)	($3.1)	($3.0)	($2.8)
Unrecognized transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Unrecognized prior service cost	0.0	0.0	0.0	0.0	0.0	0.0
Unrecognized net loss/(gain)	0.4	(0.1)	0.0	0.1	0.1	0.0
(Accrued)/prepaid postretirement benefit cost	($3.4)	($3.4)	($3.2)	($3.0)	($2.8)	($2.9)
Net Periodic Benefit Cost						
Service cost	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0
Interest cost	0.3	0.3	0.3	0.3	0.3	0.4
Expected return on assets	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)
Amortization of transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of prior service cost	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of net losses/(gains)	0.0	(0.1)	(0.1)	(0.1)	0.2	0.1
Total	$0.2	$0.1	$0.1	$0.1	$0.3	$0.2
Market-Related Value of Assets	$2.1	$2.5	$2.7	$2.9	$3.0	$3.2
Expected Employer Contributions*	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1
Expected Net Benefit Payments						
Without Medicare Part D Subsidy						
VEBA	$0.1	$0.1	$0.1	$0.2	$0.2	$0.2
General Assets	0.2	0.2	0.2	0.1	0.1	0.2
Total	$0.3	$0.3	$0.3	$0.3	$0.3	$0.4
With Medicare Part D Subsidy	$0.3	$0.3	$0.3	$0.3	$0.3	$0.4

Notes:
1. Discount rate equals 5.70% for 2006 and 6.00% thereafter.
2. Expected return on assets equals 8.5%
3. Active population assumed to remain constant.
4. Numbers may not add due to rounding.

* Contributions are assumed to be made July 1.

TABLE 12

ORANGE AND ROCKLAND WELFARE PLANS
FAS 106 PROJECTION FOR 5 YEARS
UNION RETIREE WELFARE PLAN
(all dollar amounts in millions)

	Actual	Projected Based on 6.00% Discount Rate				
	2006	2007	2008	2009	2010	2011
Reconciliation of Funded Status as of January 1						
Total APBO	($103.5)	($111.5)	($114.4)	($117.2)	($119.7)	($121.9)
Market value of assets	51.5	62.6	72.7	82.6	92.1	100.4
Funded status	($52.0)	($48.9)	($41.7)	($34.6)	($27.6)	($21.5)
Unrecognized transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Unrecognized prior service cost	(0.1)	7.7	7.1	6.6	6.0	5.5
Unrecognized net loss/(gain)	40.5	30.9	25.7	20.4	15.1	10.7
(Accrued)/prepaid postretirement benefit cost	($11.6)	($10.3)	($9.0)	($7.7)	($6.5)	($5.3)
Net Periodic Benefit Cost						
Service cost	$2.3	$2.4	$2.6	$2.7	$2.8	$2.9
Interest cost	5.7	6.5	6.7	6.8	7.0	7.1
Expected return on assets	(4.8)	(5.5)	(6.3)	(7.1)	(7.8)	(8.5)
Amortization of transition obligation	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of prior service cost	0.0	0.5	0.5	0.5	0.5	0.6
Amortization of net losses/(gains)	5.4	5.2	5.2	5.2	4.3	4.1
Total	$8.6	$9.3	$8.8	$8.2	$6.8	$6.1
Market-Related Value of Assets	$53.7	$62.1	$71.8	$81.9	$91.5	$100.3
Expected Employer Contributions*	$8.6	$9.3	$8.8	$8.2	$6.8	$6.1
Expected Net Benefit Payments						
Without Medicare Part D Subsidy						
VEBA	$4.1	$4.7	$5.2	$5.8	$6.3	$6.7
General Assets	1.9	1.9	1.9	1.9	1.9	1.8
Total	$6.0	$6.6	$7.1	$7.7	$8.2	$8.5
With Medicare Part D Subsidy	$5.5	$6.0	$6.5	$7.0	$7.5	$7.7

Notes:
1. Discount rate equals 5.70% for 2006 and 6.00% thereafter.
2. Expected return on assets equals 8.5%
3. Active population assumed to remain constant.
4. Numbers may not add due to rounding.

* Contributions are assumed to be made July 1.

TABLE 13

ORANGE AND ROCKLAND WELFARE PLANS
VEBA FUNDING PROJECTION FOR 5 YEARS
(all amounts in millions)

	2006	2007	2008	2009	2010	2011
Management Retiree Welfare Plan (Aggregate Funding)						
January 1 account limit	$40.0	$41.5	$44.6	$47.7	$50.5	$52.8
January 1 assets	12.7	14.4	16.5	18.5	20.6	22.5
January 1 unfunded liability	$27.3	$27.1	$28.1	$29.2	$29.9	$30.3
Maximum deductible employer contribution	$4.2	$4.2	$4.3	$4.5	$4.6	$4.6
Union Retiree Welfare Plan Collective Bargaining Exemption Applies						
December 31 account limit	$95.1	$107.2	$110.3	$113.1	$115.6	$117.8
Projected December 31 assets*	54.3	63.4	73.8	83.9	93.6	102.2
Projected December 31 unfunded liability	$40.8	$43.7	$36.5	$29.2	$22.0	$15.6
Maximum deductible employer contribution	$40.8	$43.7	$36.5	$29.2	$22.0	$15.6

Notes:
1. Interest rate equals 8.00% (7.50% after-tax rate for the Management Health VEBA).
2. Expected return on assets equals 8.5% (8.0% for Management Health VEBA).
3. The VEBAs are expected to pay retiree benefits for employees retired on or after January 1, 1995.
4. Active population assumed to remain constant.
5. Numbers may not add due to rounding.

* Prior to Company contributions, if any.

TABLE 14

CONSOLIDATED EDISON, INC.
FAS 106 PROJECTION FOR 5 YEARS
TOTAL RETIREE HEALTH AND LIFE
(all dollar amounts in millions)

	Actual	Projected Based on 6.00% Discount Rate				
Reconciliation of Funded Status as of January 1	2006	2007	2008	2009	2010	2011
Total APBO	($1,565.4)	($1,565.5)	($1,575.9)	($1,584.0)	($1,588.8)	($1,589.8)
Fair Value of Assets	926.4	1,004.8	1,049.1	1,088.4	1,119.9	1,151.9
Funded Status	($639.1)	($560.7)	($526.7)	($495.7)	($468.8)	($437.8)
Unrecognized transition obligation	25.7	22.0	18.3	14.7	11.0	7.3
Unrecognized prior service cost	(103.7)	(81.2)	(67.0)	(52.9)	(38.8)	(24.6)
Unrecognized net loss/(gain)	573.1	466.3	399.2	335.0	278.0	195.9
(Accrued)/prepaid postretirement benefit cost	($144.0)	($153.6)	($176.3)	($198.8)	($218.7)	($259.2)
Net Periodic Benefit Cost						
Service cost	$17.0	$17.2	$17.7	$18.1	$18.6	$19.0
Interest cost	86.6	91.0	91.5	91.8	92.0	92.2
Expected return on assets	(78.2)	(80.5)	(85.3)	(88.6)	(91.3)	(94.4)
Amortization of transition obligation	3.7	3.7	3.7	3.7	3.7	3.7
Amortization of prior service cost	(14.8)	(14.2)	(14.3)	(14.3)	(14.3)	(11.5)
Amortization of net losses/(gains)	58.5	64.3	62.7	56.0	81.4	71.3
Total FAS cost	$73.1	$81.5	$76.3	$67.4	$90.4	$80.6
Market-Related Value of Assets	$936.3	$970.0	$1,030.8	$1,075.0	$1,109.6	$1,149.4
Expected Employer Contributions						
401(h)	$17.2	$18.6	$17.3	$16.1	$14.9	$14.0
VEBA	47.4	44.9	42.0	37.8	42.1	38.3
Total	$64.5	$63.4	$59.3	$53.9	$57.0	$52.3
Expected Net Benefit Payments						
Without Medicare Part D Subsidy						
401(h)	$17.8	$24.7	$26.7	$29.8	$32.8	$35.4
VEBA	75.8	77.9	80.0	82.3	84.4	86.3
General Assets	4.2	4.3	4.3	4.2	4.1	4.1
Total	$97.8	$106.9	$111.0	$116.4	$121.4	$125.8
With Medicare Part D Subsidy	$89.7	$97.8	$101.1	$105.3	$109.7	$113.3

Notes:
1. Discount rate equals 5.70% for 2006 and 6.00% thereafter.
2. Expected return on assets equals 8.5% (7.5% after-tax rate for the Con Edison Management Health VEBA and 8.0% for O&R Management Health VEBA).
3. Active population assumed to remain constant.
4. Numbers may not add due to rounding.

Company Name: Con Edison
Case Description: Rate Filing
Case: 06-G-1332

Response to DPS Interrogatories - Set Staff14
Date of Response: 02/16/2007
Responding Witness: Accounting Panel

Question No. :275
The company has included the under-recovery of pension OPEB expenses in its rate base request. a) Are the pension and OPEB expenses recorded on the Company's books cash expenses? b) Is there a cash flow impact associated with reconciling actual pension and OPEB expenses to the levels provided in rates? c) Please explain the basis for seeking to include the under recovery of pension and OPEB expenses in the Company's rate base request. d) Please provide the level (if any) of deferred under-recovered pension and OPEB expenses that were included in the Company's earnings base for purposes of measuring the EBCAP adjustment.

Response:

a) Yes, for the majority of these expenses. See response to Staff 276.
b) Yes. See response to a).
c) The inclusion of unamortized deferred pension and OPEB expenses in the Company's rate base should be viewed the same as any other deferred cost (i.e., to the extent that cash has been expended, the Company should be allowed to earn a return on the expenditure until it is reimbursed). The Company's update will reflect the non-cash amount of the expenses.
d) Exhibit __ (AP-9) did not reflect pensions in the EBCAP adjustment. The Company will reflect the attached in the update phase of this proceeding.

Company Name: Con Edison
Case Description: Rate Filing
Case: 06-G-1332

Response to DPS Interrogatories - Set Staff17
Date of Response: 03/08/2007
Responding Witness: Accounting Panel

Question No. :285Rev
The Accounting Panel's testimony on pages 63 through 66 addresses various accumulated deferred Federal and State Income taxes included in Rate Base, Exhibit (AP-9), page 1, lines 41 through 54. Line 42 of Exhibit (AP-9) identifies capitalized overheads, Section 263A of the IRS Code. A review of company workpapers indicates that the projected change (decrease) in the deferred tax balance of this item reflects the monthly amortization of the existing deferred tax balance to offset book versus tax timing differences in the Federal Income tax calculation. However, Con Edison's monthly operating reports (page 17-4) titled Accumulated Deferred Income Tax-Other (PSC Account 283) indicates the monthly deferred tax balance, on a total company basis, for Capitalized Overheads-Section 263A increased by $66.286 million, from $382.330 million in July 2006 to $448.616 million in August 2006. a) Please explain the reason for the change/increase in the deferred tax balance. b) Did this change impact gas operations? If so, what is the impact and was the change included in the forecast? c) If there was a change to gas operations and if the change was not forecasted, does the company intend to make such a change in its updates? If not, why not.

Response:

a) The increase in August 2006 in the deferred tax liability for Section 263A overheads reflects the impact of a tax deduction in the Company's 2005 tax return which was filed in August 29, 2006. (Please note that the Internal Revenue Service has reviewed and is disputing the Company's calculation of this tax deduction claimed for the years 2002 through 2005. The Company has proposed and filed with the Treasury Department an alternative method to calculate this deduction. In 2006, Con Edison reserved interest for the estimated disallowance of approximately 40% of the Section 263A deduction claimed for these tax years.)

b) The Section 263A tax deduction taken by the Company on its 2005 tax return resulted in $11,253,000 of higher deferred income taxes that would be applicable to gas operations. The gas rate filing reflects the deduction claimed for tax years 2002 - 2004 but not 2005 as the Company anticipated resolution prior to the rate filing.

c) Since resolution of this matter is still pending with the Treasury Department and we cannot determine a date for resolution, the Company will update the gas rate filing to reflect the 2005 deduction during the update phase of this proceeding. When a resolution with the Treasury Department is reached, the Company will notify the parties and depending upon the current status of the proceeding, will either update its filing or calculate and defer interest at the allowed pre-tax rate of return on the difference between the 263A deduction reflected in rate base and the ultimate deduction to be allowed by the Treasury Department. Adjustments to the Section 263A deferred tax balance shown on line 42 of Exhibit __ (AP-9), page 1 of 2, will be partially offset by adjustments to line 41 "ADR / ACRS / MCRS Deduction" of this Exhibit.
As a third alternative, the Company is willing to implement the following as part of its update filing in the gas proceeding, if the Treasury Department has not resolved the issue before that filing date: include in rate base 60% of the historical and forecast Section 263A balance with a partial offset to the ADR / ACRS / MCRS Rate Base Deduction; calculate and defer interest on the difference between the 263A deduction reflected in rate base and the ultimate deduction allowed by the Treasury Department.

Company Name: Con Edison
Case Description: Rate Filing
Case: 06-G-1332

Response to DPS Interrogatories - Set Staff18
Date of Response: 03/02/2007
Responding Witness: Accounting Panel

Question No. :290
In response to Staff Interrogatory No. 263, the Accounting Panel (AP) indicated that the costs related to three technology projects in the Law Department are rate year only costs. However, there are costs associated with software maintenance in future years per AP response. Please provide details of the software maintenance costs, by amount and period.

Response:

The maintenance costs associated with the on-line catalog system is estimated to be $8,000 annually based upon a quote from the vendor. We expect that the maintenance costs associated with the other two systems will be in the area of $10,000-$15,000 annually which is based upon prior maintenance costs associated with similar programs.

Company Name: Con Edison
Case Description: Rate Filing
Case: 06-G-1332

Response to CPB Interrogatories - Set CPB5
Date of Response: 02/21/2007

Question No. :34
Refer to Customer Operations Panel testimony. Identify any cost savings in the rate year associated with the installation of the AMR system and indicate where the savings were reflected in the filing. If not reflected explain why not.

Response:

The cost savings for gas during the rate year are estimated to be $1.8 million. The Company's filing did not reflect Gas' allocated share of these savings. They will be reflected in the Company's update submittal.

Consolidated Edison Company of New York, Inc.
Gas Service
Operating Income, Rate Base & Rate of Return
For the Twelve Months Ending September 30, 2008
(000's)

	Original Filing Per Company AP-10	Company Revised 12/08/06	Sch. Ref	RY1 Staff Adjustments	RY1 As Adjusted By Staff	RY1 Revenue Increase	RY1 Per Staff After Increase
Operating Revenues							
Sales Revenues	$ 625,241	$ 625,241	1a	$ 27,191	$ 652,432	$ 32,184	$ 684,616
Other Operating Revenues	25,077	25,077	1b	5,702	30,779		30,779
Total Operating Revenues	650,318	650,318		32,893	683,211	32,184	715,395
Operating Expense							
Fuel	1,389	1,389			1,389		1,389
Operation & Maintenance Expenses	279,433	279,433	Sch. 2	(31,968)	247,465	174	247,639
Depreciation Expense	95,963	95,844	1c	(5,461)	90,383		90,383
Taxes Other Than Income Taxes	154,360	154,360	Sch. 3	(2,425)	151,935	698	152,633
Gains from Disposition of Utility Plant	(6,533)	(6,533)			(6,533)		(6,533)
Total Operating Expenses	524,612	524,493		(39,854)	484,639	872	485,512
Operating Income Before Income Taxes	125,706	125,825		72,747	198,572	31,312	229,884
New York State Income Tax	3,368	3,454	Sch. 4	5,941	9,394	2,348	11,743
Federal Income Tax	20,569	21,084	Sch. 5	23,948	45,033	10,137	55,170
Utility Operating Income	$ 101,769	$ 101,287		$ 42,857	$ 144,145	$ 18,826	$ 162,971
Rate Base	$ 2,503,497	$ 2,468,907	Sch. 6	$ (192,780)	$ 2,276,128		$ 2,276,128
Rate of Return	4.07%	4.10%			6.33%		7.16%
Return on Equity	2.09%	2.17%			7.04%		8.80%

Consolidated Edison Company of New York, Inc.
Gas Service
Operation & Maintenance Expenses
For the Twelve Months Ending September 30, 2008
(000's)

	Original Filing Per Company AP-6 & 10	Company Revised 12/08/06	Sch. 8 Ref	RY1 Staff Adjustments	RY1 As Adjusted By Staff
Admin & General Expenses Capitalized	$ (7,562)	$ (7,562)	2a	$ (705)	$ (8,267)
Bank Collection Fees	24	24			24
Building Services	371	371			371
Collection Agency Fees	463	463			463
Communications - Telephone	1,429	1,429			1,429
Company Labor	106,297	106,297	2b	(258)	106,039
Consultants	1,202	1,202	2c	(27)	1,175
Contract Labor	11,146	11,146	2d	(6,422)	4,724
Disposal of Obsolete M&S	4	4			4
Duplicate Misc. Charges	(1,401)	(1,401)	2e	46	(1,355)
EDP Equipment Rentals & Maintenance	781	781			781
Electric and Gas Used	1,056	1,056	2f	(8)	1,048
Employee Pension / OPEBs - Net	13,953	13,953	2g	(2,970)	10,983
Employee Welfare Expense - Net	16,548	16,548	2h	(874)	15,674
Environmental, Health & Safety	804	804			804
Excess Removal Costs	1,449	1,449			1,449
Executive Incentives Plan	-	-			-
Financial Services	1,474	1,474			1,474
Gas Leaks	8,395	8,395			8,395
Gas Incentives	1,474	1,474	2i	(1,474)	-
Security	284	284			284
Informational Advertising	1,305	1,305			1,305
Information Resources	4,491	4,491			4,491
Injuries and Damages	9,109	9,109	2j	(1,258)	7,851
Institutional Dues & Subscriptions	713	713			713
Insurance Premiums	5,800	5,800			5,800
Interference	16,068	16,068			16,068
Manhour Labor	8,997	8,997			8,997
Marshall's Fees	207	207			207
Material and Supplies	2,541	2,541	2k	(122)	2,419
MGP / Superfund	8,932	8,932	2l	(4,175)	4,757
New York Facilities	9,953	9,953			9,953
Outside Legal Services	148	148			148
Paving	807	807			807
Postage	2,887	2,887			2,887
Gas Efficiency Program	-	-			-
General Outreach and Education	2,431	2,431	2m	(2,014)	417
Power Your Way	3,370	3,370	2n	(3,370)	-
RCA - Pipeline Integrity Costs	913	913			913
RCA - Interference	-	-			-
RCA - Pensions / OPEBs	-	-			-
RCA - POR Program	227	227			227
RCA - WTC Incident	7,830	7,830			7,830
Real Estate Expenses	243	243			243
Regulatory Commission Expenses	6,769	6,769			6,769
Rents	455	455			455
Rents - Interdepartmental	4	4			4
Research and Development	5,856	5,856	2o	(2,199)	3,657
Shared Services	(3,420)	(3,420)	2p	(115)	(3,535)
Trenching	1,435	1,435			1,435
Trustee & Committee Fees	558	558			558
Uncollectibles	8,973	8,973	2q	(5,527)	3,446
Other	13,640	13,640	2r	(495)	13,145
Total O & M Expenses	$ 279,433	$ 279,433	Sch. 1	$ (31,968)	$ 247,465

Consolidated Edison Company of New York, Inc.
Gas Service
Taxes Other Than Income Taxes
For the Twelve Months Ending September 30, 2008
(000's)

	Original Filing Per Company AP-6	Company Revised 12/08/06	Sch. 8 Ref	RY1 Staff Adjustments	RY1 As Adjusted By Staff	RY1 Effect of Revenue Increase	RY1 Per Staff After Increase
Property Taxes							
New York City	$ 98,456	$ 98,456	3a	$ (1,525)	$ 96,931		$ 96,931
Westchester	30,110	30,110	3b	(900)	29,210		29,210
Property Tax Reconciliation Deferral	-	-			-		-
Total Property Taxes	128,566	128,566		(2,425)	126,141		126,141
Revenue taxes	13,839	13,839			13,839	698	14,537
Payroll Taxes	10,409	10,409			10,409		10,409
Subsidiary Capital Tax	654	654			654		654
Corporate Franchise Tax	171	171			171		171
Receipts Tax	461	461			461		461
All Other Taxes	260	260			260		260
Total Taxes Other Than Income Taxes	$ 154,360	$ 154,360	Sch. 1	$ (2,425)	$ 151,935	$ 698	$ 152,633

Consolidated Edison Company of New York, Inc.
Gas Service
New York State Income Tax
For the Twelve Months Ending September 30, 2008
(000's)

	Original Filing Per company AP-10 Sch 2	Company Revised 12/08/06	Ref	RY1 Staff Adjustments	As filed by Staff	Revenue Increase	Per Staff After Increase
Operating Income Before Income Taxes	$ 125,706	$ 125,825	Sch. 1	$ 72,747	$ 198,572	$ 31,312	$ 229,884
Flow Through Items:							
Deduct: Non-Taxable Income and Additional Deductions:							
Interest Expense	75,522	74,487	4a	(6,453)	68,034		68,034
Medicare Part D Subsidy - Post-Employment Benefits	2,106	2,106			2,106		2,106
Total Deductions	77,628	76,593		(6,453)	70,140	-	70,140
Normalized Items:							
Add: Additional Income and Unallowable Deductions							
Book Depreciation	95,963	95,844	Sch. 1	(5,461)	90,383		90,383
Contributions in Aid of Construction	106	106			106		106
Capitalized Interest	644	644			644		644
Pension and OPEB Expenses	13,951	13,951			13,951		13,951
POR Program - Incremental Costs	227	227			227		227
World Trade Center Incident	7,830	7,830			7,830		7,830
Total Additions	118,721	118,602		(5,461)	113,141	-	113,141
Deduct: Non-Taxable Income and Additional Deductions							
NYS Depreciation	125,824	124,585			124,585		124,585
Removal Costs	5,591	5,401			5,401		5,401
Amortization of Capitalized Interest	214	214			214		214
Westchester Property Tax Adjustment	267	267			267		267
Pension / OPEB Funding - Rate Year	25,026	25,026			25,026		25,026
Property Taxes - 2002 Settlement Agreement	556	556			556		556
Interest on WTC Revenues - 2002 Settlement Agreement	332	332			332		332
Non-Firm Revenue Credits - Customers' Share	11,606	11,606			11,606		11,606
Miscellaneous Service Revenues	47	47			47		47
Pipeline Integrity Costs	694	694			694		694
Medicare Rx Legislation Savings	1,914	1,914			1,914		1,914
Interest on Rate Case Deferrals	307	307			307		307
Sale of First Avenue Properties - Interest	183	183			183		183
NYS Income Tax Reconciliation	405	405			405		405
Pensions / OPEBs	(11,463)	(11,463)	4b	4,949	(6,514)		(6,514)
Interference	(2,021)	(2,021)			(2,021)		(2,021)
Property Taxes	(3,333)	(3,333)			(3,333)		(3,333)
POR Program - Interest	(37)	(37)			(37)		(37)
NYS Income Tax Audit Adjustments - Interest	(12)	(12)			(12)		(12)
Sale of First Avenue Properties - Gain	6,533	6,533			6,533		6,533
Total Deductions	162,633	161,204		4,949	166,153	-	166,153
Total Adjustments to Income	$ (121,540)	$ (119,195)		$ (3,957)	$ (123,152)		$ (123,152)
Taxable Income - New York State	$ 4,166	$ 6,630		$ 68,790	$ 75,420	$ 31,312	$ 106,732
Tax Computation							
Current NYS Income Tax Payable @ 7.5%	312	497		5,159	5,656	2,348	8,005
Deferred NYS Income tax	3,293	3,195		781	3,976	-	3,976
Subtotal	$ 3,606	$ 3,692		$ 5,941	$ 9,632	$ 2,348	$ 11,981
Amortization of Previously Deferred Excess SIT	(238)	(238)			(238)		(238)
Total New York State Income Tax	$ 3,368	$ 3,454	Sch. 1	$ 5,941	$ 9,394	$ 2,348	$ 11,743

Consolidated Edison Company of New York, Inc.
Gas Service
Federal Income Tax
For the Twelve Months Ending September 30, 2008
(000's)

	Original Filing Per company AP-10 Sch 2	Company Revised 12/08/06	Ref	RY1 Staff Adjustments	As filed by Staff	Revenue Increase	Per Staff After Increase
Operating Income Before Income Taxes	$ 125,706	$ 125,825	Sch. 1	$ 72,747	$ 198,572	$31,312	$229,884
NYS Income Tax, excluding amortizations	(3,606)	(3,692)	Sch. 4	(5,941)	(9,632)	(2,348)	(11,981)
Operating Income Before Federal Income Tax	122,100	122,133		66,806	188,939	28,964	217,903
Flow Through Items:							
Add: Additional Income and Unallowable Deductions							
Book Depreciation	95,963	95,844	Sch. 1	(5,461)	90,383		90,383
Capitalized Interest	644	644			644		644
Total Additions	96,607	96,488		(5,461)	91,027	-	91,027
Deduct: Non-Taxable Income and Additional Deductions							
Interest Expense	75,522	74,487	5a	(6,453)	68,034		68,034
Statutory Depreciation	47,881	47,552	5b	(629)	46,923		46,923
Removal Costs	5,591	5,401			5,401		5,401
Amortization of Capitalized Interest	86	86			86		86
Medicare Part D Subsidy - Post-Employment Benefits	2,106	2,106			2,106		2,106
Westchester Property Tax Adjustment	267	267			267		267
Dividends Paid on $5 Cumulative Preferred Stock	388	388			388		388
Total Deductions	131,841	130,287		(7,082)	123,205	-	123,205
Normalized Items:							
Add: Additional Income and Unallowable Deductions							
Contributions in Aid of Construction	106	106			106		106
Pension / OPEB Expenses - Rate Year	13,951	13,951			13,951		13,951
POR Program - Incremental Costs	227	227			227		227
World Trade Center Incident	7,830	7,830			7,830		7,830
Deferred NYS Income Tax	3,293	3,195	Sch. 4	781	3,976		3,976
Total Additions	25,407	25,309		781	26,090	-	26,090
Deduct: Non-Taxable Income and Additional Deductions							
Depreciation - ADR / ACRS / MACRS	58,048	57,404	5c	445	57,849		57,849
Loss on ACRS / MACRS Retirements	1,964	1,964			1,964		1,964
Amortization of Capitalized Interest	128	128			128		128
Pension / OPEB Funding - Rate Year	25,026	25,026			25,026		25,026
Property Taxes - 2002 Settlement Agreement	556	556			556		556
Interest on WTC Revenues - 2002 Settlement Agreement	332	332			332		332
Non-Firm Revenue Credits - Customers' Share	11,606	11,606			11,606		11,606
Miscellaneous Service Revenues	47	47			47		47
Pipeline Integrity Costs	694	694			694		694
Medicare Rx Legislation Savings	1,914	1,914			1,914		1,914
Interest on Rate Case Deferrals	307	307			307		307
Sale of First Avenue Properties - Interest	183	183			183		183
NYS Income Tax Reconciliation	405	405			405		405
Pensions / OPEBs	(11,463)	(11,463)			(11,463)		(11,463)
Interference	(2,021)	(2,021)			(2,021)		(2,021)
Property Taxes	(3,333)	(3,333)			(3,333)		(3,333)
POR Program - Interest	(37)	(37)			(37)		(37)
NYS Income Tax Audit Adjustments - Interest	(12)	(12)			(12)		(12)
Sale of First Avenue Properties - Gain	6,533	6,533			6,533		6,533
Total Deductions	90,877	90,233		445	90,678	-	90,678
Total Adjustments to Income	(100,704)	(98,723)		1,957	(96,766)	-	(96,766)
Taxable Income - Federal	$ 21,397	$ 23,410		68,763	$ 92,173	$ 28,964	$ 121,137
Tax Computation							
Current Federal Income Tax @ 35%	7,489	8,193		24,067	32,261	$10,137	$42,398
Deferred Federal Income Tax @ 35%	22,914	22,724		(118)	22,606	-	22,606
Amortization of Previously Deferred Federal Income Tax							
Depreciation / Loss on Retirements	(8,933)	(8,933)			(8,933)		($8,933)
Deferred Excess State Income Tax	83	83			83		83
FIT Refund - Investment Tax Credit	(223)	(223)			(223)		(223)
Investment Tax Credit	(761)	(761)			(761)		(761)
Total Federal Income Tax	$ 20,569	$ 21,084	Sch. 1	$ 23,948	$ 45,033	$ 10,137	$ 55,170

Consolidated Edison Company of New York, Inc.
Gas Service
Rate Base
For the Twelve Months Ending September 30, 2008
(000's)

	Original Filing Per company AP - 9	Company Revised 12/08/06	Ref	RY1 Staff Adjustments	RY1 As Adjusted Staff
Utility Plant:					
Book Cost of Plant	$ 3,381,490	$ 3,349,161	6a	$ (8,232)	$ 3,340,929
Accumulated Reserve for Depreciation	(901,573)	(901,428)	6b	2,660	(898,768)
Net Plant	2,479,917	2,447,733		(5,572)	2,442,161
Non-Interest Bearing CWIP	60,523	57,772			57,772
Gas Stored Underground - Non-Current	1,239	1,239			1,239
Preferred Stock Expense	523	523			523
Unamortized Debt Discount/Premium/Expense	30,278	30,278			30,278
Customer Advances for Construction	(1,807)	(1,807)			(1,807)
MTA Surtax - Net of Income Taxes	2,155	2,155			2,155
Working Capital	206,735	206,675	Sch. 7	(134,404)	72,272
Excess Rate Base Over Capitalization (EBCAP)	78,061	78,061	6c	(46,115)	31,946
Accrual for Unbilled Revenues	43,594	43,594			43,594
Honeoye Storage Corporation	1,244	1,244			1,244
Interference Cost Sharing Agreement - Net of Tax	(5,697)	(5,697)			(5,697)
Pension Deferral - 03-G-1671 - Net of Tax	-	-			-
Divested Stations - Unauthorized Gas Use - Net of Tax	(2,361)	(2,361)			(2,361)
Sale / Appropriation of Property	68	68			68
Customer Refund Associated with Waterside - Net of Tax	-	-			-
Expiring Amortization of Deferred Costs - Net of Tax	-	-			-
Rate Case Reconciliations - Net of Income Taxes					
Refund of Overcollection of Property Taxes - 2002 Settlement	(836)	(836)			(836)
Refund of Interest on WTC Revenues - 2002 Settlement	(499)	(499)			(499)
Refund of Customers' Share of Non-Firm Revenue Credits	(16,905)	(16,905)			(16,905)
Refund of Interest on Customers' Share of Non-Firm Revenue Credits	(541)	(541)			(541)
Refund of Miscellaneous Service Revenues	(71)	(71)			(71)
Refund of Pipeline Integrity Costs	(1,043)	(1,043)			(1,043)
Refund of Medicare Rx Legislation Savings	575	575			575
Refund of Overcollection of NYS Income Tax Reconciliation	(608)	(608)			(608)
Refund of Interest on Rate Case Deferrals - All Other	(570)	(570)	6d	(44)	(614)
Refund of Interest on First Avenue Property Sale	(275)	(275)			(275)
Refund of gains from Disposition of Utility Plants	(9,820)	(9,820)			(9,820)
Refund of FIT - Investment Tax Credits	(557)	(557)			(557)
Recovery of Interest on Rate Case Deferrals - MGP / Superfund	109	109			109
Recovery of Undercollection of Pension / OPEB Costs	17,230	17,230	6e	(11,190)	6,040
Recovery of Undercollection of Interference Costs	3,038	3,038			3,038
Recovery of Undercollection Property Taxes	5,010	5,010			5,010
Recovery of Interest on Previously Deferred POR Costs	56	56			56
Recovery of Interest on NYS Income Tax Audit Adjustments	18	18			18
Recovery of Costs Associated with the POR Program	342	342			342
Recovery of WTC Expenses	18,622	18,622			18,622
Rounding	(1)	(1)			(1)
Accumulated Deferred Income Taxes					
ADR / ACRS / MACRS Deductions	(350,821)	(350,528)	6f	(39)	(350,567)
Change of Accounting Section 263A	(65,699)	(65,699)	6g	12,799	(52,900)
Prepaid Insurance Expenses	(295)	(295)			(295)
ADR Adj. Due Customers	-	-			-
Vested Vacation	1,921	1,921			1,921
Unbilled Revenues	27,704	27,704			27,704
Contributions in Aid of Construction	1,134	1,134			1,134
Capitalized Interest	109	109			109
Advanced Refunding of Mortgage Bonds	(27)	(27)			(27)
Call Premium	(2,905)	(2,905)			(2,905)
Excess Deferred SIT (2000/2001)	(595)	(595)			(595)
Deferred FIT on Excess Deferred SIT	208	208	6h	(208)	-
Deferred SIT	(23,051)	(22,878)			(22,878)
Deferred FIT on SIT	8,068	8,007	6i	(8,007)	-
Total Rate Base	$ 2,503,497	$ 2,468,907	Sch. 1	$ (192,780)	$ 2,276,128

Consolidated Edison Company of New York, Inc.
Gas Service
Working Capital Allowance
For the Twelve Months Ending September 30, 2008
(000's)

	Original Filing Per Company AP-9	Company Revised 12/08/06	Ref	RY1 Staff Adjustments	RY1 As filed by Staff
Materials & Supplies					
Average Balance of Gas Stored Underground Current and LNG in Storage	$ 130,852	$ 130,852	7a	$ (130,852)	$ -
Average Balance of Materials & Supplies Excluding Gas in Storage	10,819	10,819			10,819
Total Materials & Supplies	141,671	141,671		(130,852)	10,819
Prepayments					
Insurance	2,900	2,900			2,900
Property Taxes	32,733	32,733	7b	$ (618)	32,115
PSC Assessment	1,424	1,424			1,424
Other	225	225			225
Total Prepayments	37,282	37,282		(618)	36,664
Cash Working Capital					
Total Operations & Maintenance Expenses	1,278,961	1,278,482	Sch. 2	(31,968)	1,246,514
Less:					
Purchased Gas Expenses	1,025,711	1,025,711			1,025,711
Interdepartmental Rents	4	4	Sch. 2	-	4
Uncollectibles	8,973	8,973	Sch. 2	(5,527)	3,446
Rate Case Amortizations (POR & WTC)	8,057	8,057	Sch. 2	-	8,057
Pensions	13,953	13,953	Sch. 2	(2,970)	10,983
Subtotal	1,056,698	1,056,698		(8,497)	1,048,201
Net	222,263	221,784		(23,470)	198,314
Cash Working Capital @ 1/8	27,782	27,722		(2,934)	24,789
Total cash working capital	27,782	27,722		(2,934)	24,789
Total Working Capital	$ 206,735	$ 206,675	Sch. 6	$ (134,404)	$ 72,272

Consolidated Edison Company of New York, Inc.
Gas Service
Explanation of Adjustments
For the Twelve Months Ending September 30, 2008
(000's)

Adj. No.	Explanation			Amount
	Operating Revenues - Schedule 1			
1a	Sales Revenues			
	To reflect 73 NYCHA customers from interruptible service to firm service. (Gas Rates Panel)		$ 22,294	
	To reflect the price out for the NYCHA customers. (Gas Rates Panel)		4,897	
	Total Adjustment to Sales Revenues			$ 27,191
1b	Other Operating Revenues			
	Late Payment Charge Revenues			
	To reflect corrected ratio of .2291 for LPC. (Accounting Panel)	$ 484		
	To reflect increase to LPC related to Staff's increase of sales. (Accounting Panel)	11		
	Total Adjustment to Late Payment Charge Revenues		$ 495	
	Unbundled Retail Choice Service Revenues			
	To reflect Staff's forecast of ESCOs / Marketers - Bill Charges (CUBS). (Accounting Panel)	$ 138		
	To reflect Staff's forecast of Purchase of Receivable (POR) Discount. (Accounting Panel)	91		
	Total Adjustment to Unbundled Retail Choice Service Revenues		229	
	To reflect interest refund related to ITC refund. (Accounting Panel)		29	
	To reflect recovery of undercollection of pension and OPEBs over 5 years. (Accounting Panel)		4,949	
	Total Adjustment to Other Operating Revenues			5,702
	Total Adjustment to Operating Revenues			$ 32,893
	Depreciation Expense - Schedule 1			
1c	To reflect Staff's elimination of the proposed depreciation rates change. (Gas Rates Panel)		$ (4,965)	
	To reflect Staff's elimination of the accelerated recovery of interruptible from non-firm. (Gas Rates Panel)		(337)	
	To reflect Staff's adjustments to depreciation for forecasted construction expenditures. (GCCOP Panel)		(159)	
	Total Adjustment to Depreciation Expense			$ (5,461)
	Operation and Maintenance Expenses - Schedule 2			
2a	To reflect Staff's adjustment to admin and general expenses capitalized. (Accounting Panel)		$ (705)	
2b	Company Labor			
	To reflect Staff's elimination of 10 positions in shared services. (Accounting Panel)	$ (200)		
	To reflect Staff's elimination of 2 positions in tax department. (Accounting Panel)	(58)		
	Total Adjustment to Company Labor		(258)	
2c	To reflect Staff's adjustment to consultants. (Accounting Panel)		(27)	
2d	Contract Labor			
	To reflect Staff's removal of program changes in contract labor. (GCCOP Panel)	$ (4,622)		
	To reflect the decrease in contract labor related to the savings from AMR. (Accounting Panel)	(1,800)		
	Total Adjustment to Contract Labor		(6,422)	
2e	To reflect Staff's adjustment to duplicate miscellaneous charges. (Accounting Panel)		46	
2f	To reflect Staff's adjustment to electric and gas used. (Accounting Panel)		(8)	
2g	To reflect Staff's adjustment to pensions and OPEBs. (Accounting Panel)		(2,970)	

Consolidated Edison Company of New York, Inc.
Gas Service
Explanation of Adjustments
For the Twelve Months Ending September 30, 2008
(000's)

Adj. No.	Explanation			Amount
2h	Employee Welfare Expense			
	To reflect Staff's adjustment for 2007 rates plus inflation. (Accounting Panel)	$ (927)		
	To reflect employee welfare expense capitalized. (Accounting Panel)	466		
	To reflect employee deduction. (Accounting Panel)	(250)		
	To reflect Staff's elimination of positions in tax and shared services. (Accounting Panel)	(28)		
	To reflect Staff's elimination of Active Health program change. (Accounting Panel)	(135)		
	Total Adjustment to Employee Welfare Expense		(874)	
2i	To reflect the impact of Staff's elimination of gas incentives. (Gas Rates Panel)		(1,474)	
2j	To reflect recovered charges in injuries and damages. (Accounting Panel)		(1,258)	
2k	Materials and Supplies			
	To reflect materials and supply costs related to removal of programs. (GCCOP Panel)	$ (116)		
	To reflect inflation related to program change for materials and supplies. (Accounting Panel)	(6)		
	Total Materials and Supplies		(122)	
2l	MGP/Superfund			
	To reflect current rate allowance of $753,000 per year. (Accounting Panel)	$ (1,004)		
	To reflect Staff's amortization over five years. (Accounting Panel)	(3,171)		
	Total MGP/Superfund		(4,175)	
2m	General Outreach & Education			
	To reflect Staff's gas allocation of general outreach costs. (Insogna)	$ (1,681)		
	To reflect Staff's adjustment for outreach activities funded through electric rates for six months. (Insogna)	(375)		
	To reflect Staff's reclassification of costs from other O&M. (Insogna/Rosenthal)	42		
	Total General Outreach & Education		(2,014)	
2n	To reflect the elimination of retail access through Power Your Way. (Insogna)		(3,370)	
2o	To reflect Staff's forecast of internal R&D expenditures. (Wayand)		(2,199)	
2p	To reflect Staff's adjustment shared services. (Accounting Panel)		(115)	
2q	To reflect Staff's elimination of uncollectible on commodity. (Gas Rates Panel)		(5,527)	
2r	Other O&M			
	To reflect Gas Survey costs acknowledged in IR #252. (Accounting Panel)	$ (75)		
	To reflect the reclassification of bill redesign costs to general O&E. (Insogna/Rosenthal)	(42)		
	To reflect Facilities Programs costs acknowledged in IR #250. (Accounting Panel)	(280)		
	To reflect recovery over three years for law imaging project costs. (Accounting Panel)	(41)		
	To reflect law imaging maintenance costs. (Accounting Panel)	3		
	To reflect inflation adjustment related to program changes for gas surveys, bill redesign, facilities programs, and law imaging project. (Accounting Panel)	(22)		
	To reflect the correct inflation amount for filing (Accounting Panel)	(37)		
	Total Other O&M		(495)	
	Total Adjustment to Operation and Maintenance Expenses			$ (31,968)
	Taxes Other Than Income Taxes - Schedule 3			
3a	To reflect estimated decrease in New York City property tax rate (Accounting Panel)		$ (1,525)	
3b	To reflect estimated escalation based on five years of data (Accounting Panel)		(900)	
	Total adjustments to Taxes Other Than Income Taxes			$ (2,425)

Consolidated Edison Company of New York, Inc.
Gas Service
Explanation of Adjustments
For the Twelve Months Ending September 30, 2008
(000's)

Adj. No.	Explanation			Amount
	New York State Income Tax - Schedule 4			
4a	To reflect the effects on interest expense for changes in cost of debt and rate base. (Accounting Panel)			$ (6,453)
4b	To reflect tracking adjustment for the recovery of under-collection of pension and OPEBs over 5 years.			$ 4,949
	Federal Income Tax - Schedule 5			
5a	To reflect the effects of the interest expense for changes in cost of debt and rate base. (Accounting Panel)			$ (6,453)
5b	To reflect the effects of the flow through federal tax depreciation. (Accounting Panel)			$ (629)
5c	To reflect the effects of the normalized depreciation - ADR/ACRS/MACRS. (Accounting Panel)			$ 445
	Rate Base - Schedule 6			
	Net Plant			
6a	Book Cost of Plant			
	To reflect the reduction in book cost of plant. (GCCOP Panel)	$ (8,147)		
	To reflect Staff's elimination of RAIS/TCIS project. (Rosenthal)	(85)		
	Total Adjustment to Book Cost of Plant		$ (8,232)	
6b	Accumulated Reserve for Depreciation			
	To reflect the reduction in Accumulated Reserve for Depreciation (GCCOP Panel)	$ 35		
	To reflect the reduction in the accumulated reserve for Staff's elimination of the proposed depreciation rate change. (Accounting Panel)	2,625		
	Total Adjustment to Accumulated Reserve for Depreciation		2,660	
	Total Adjustment to Net Plant			$ (5,572)
	To reflect tracking adjustment of prepayments related to property tax. (Schedule 7)			(618)
6c	EBCAP in Rate Base			
	To reflect booked data as opposed to internal analysis data. (Accounting Panel)		$ (12,703)	
	To reflect cash collected for pension and OPEBs. (Accounting Panel)		(1,011)	
	To reflect prepaid pension. (Accounting Panel)		(32,401)	
	Total Adjustment to EBCAP in Rate Base			(46,115)
6d	To reflect the refund of interest on rate case deferral - all other. (Accounting Panel)			(44)
6e	To reflect the elimination of non-cash pension from rate base. (Accounting Panel)			(11,190)
6f	Accumulated Deferred ADR / ACRS/ MACRS			
	To reflect the elimination of the proposed depreciation rate change impact and the accelerated recovery of interruptible plant. (Accounting Panel)		$ (56)	
	To reflect the deferred FIT impact related to Staff's book cost adjustment. (Accounting Panel)		17	
	Total Adjustment to the Accumulated Deferred ADR / ACRS/ MACRS			(39)
6g	To reflect Staff's allowance for accumulated deferred taxes - change of accounting Section 263A. (Accounting Panel)			12,799
6h	To reflect the elimination of item included in error in rate base. (Accounting Panel)			(208)

Consolidated Edison Company of New York, Inc.
Gas Service
Explanation of Adjustments
For the Twelve Months Ending September 30, 2008
(000's)

Adj. No.	Explanation	Amount
6i	To reflect the elimination of item included in error in rate base. (Accounting Panel)	(8,007)
	Total Adjustment to Rate Base	$ (58,994)
	Working Capital - Schedule 7	
7a	To reflect Staff's elimination of gas in storage. (Gas Rates Panel)	$ (130,852)
7b	To reflect effects of property tax expense adjustment on prepayments. (Accounting Panel)	$ (618)