

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

**Exhibit\_\_ (AP-1)**

Revenue Requirement

Consolidated Edison of Company of New York, Inc  
Electric Operating Income, Rate Base & Rate of Return  
For the Rate Year Ending March 31, 2011  
(\$000)

	Company As Originally Filed	Company Update	Per Company as Updated	Adj. No.	Staff Adjustments	As Adjusted by Staff	Revenue Increase	Per Staff After Increase
<u>Operating Revenues</u>								
Sales Revenues	\$7,696,096	(\$19,052)	\$7,677,044	1	(\$185,607)	\$7,491,437	\$477,360	\$7,968,797
Other Operating Revenues	198,957	(8,844)	190,113	2	4,593	194,706	1,790	196,496
Total Operating Revenues	7,895,053	(27,896)	7,867,157		(181,014)	7,686,143	479,150	8,165,293
<u>Operating Expense</u>								
Fuel	2,792,556	0	2,792,556			2,792,556		2,792,556
Operation & Maintenance Expenses	2,151,892	31,653	2,183,545	3	(326,242)	1,857,303	3,389	1,860,692
Depreciation Expense	636,341	(3,912)	632,429	4	(21,239)	611,190		611,190
Taxes Other Than Income Taxes	1,400,577	(22,706)	1,377,871	5	(26,872)	1,350,999	13,271	1,364,270
Gains from Disposition of Utility Plant	0		0			0		0
Total Operating Expenses	6,981,366	5,035	6,986,401		(374,353)	6,612,047	16,660	6,628,707
Operating Income Before Income Taxes	913,687	(32,931)	880,756		193,339	1,074,095	462,490	1,536,585
New York State Income Tax	29,529	(551)	28,978	6	12,893	41,871	32,837	74,708
Federal Income Tax	91,482	(2,687)	88,795		64,143	152,938	150,379	303,317
Net Utility Operating Income	\$792,677	(\$29,694)	\$762,983		\$116,303	\$879,286	\$279,275	\$1,158,561
Rate Base	\$15,596,230	(\$269,959)	\$15,326,271	7	(\$438,273)	\$14,887,997		\$14,887,997
Rate of Return	5.08%		4.98%			5.91%		7.78%

**Consolidated Edison Company of New York, Inc**  
**Other Operating Revenues**  
**For the Rate Year Ending March 31, 2011**  
**(\$000)**

	Company As Originally Filed	Company Update	Per Company as Updated	Adj. No. 2	Staff Adjustments	As Adjusted by Staff	Revenue Increase	Per Staff After Increase
Miscellaneous Service Revenues	\$14,091		\$14,091			\$14,091		\$14,091
Rent from Electric Property	15,918	\$222	16,140	a.	113	16,253		16,253
Interdepartmental Rents	11,772	(58)	11,714			11,714		11,714
<b>Other Electric Revenues:</b>								
Transmission of Energy	11,476		11,476			11,476		11,476
Transmission Service Charges	15,000		15,000			15,000		15,000
Maint. of Interconnection Facilities	2,189		2,189			2,189		2,189
Excess Distribution Facilities	2,663		2,663			2,663		2,663
Late Payment Charges	28,774		28,774	b.	(24)	28,750	1,790	30,540
Meter Reading Services	1,473	(39)	1,434			1,434		1,434
The Learning Center Services	827		827			827		827
Fuel Management Program	80		80			80		80
Facilities Fees - KeySpan and NRG	730		730			730		730
Proceeds from Sales of TCCs	120,000		120,000			120,000		120,000
POR Discount (Revenues from ESCO)	13,439		13,439			13,439		13,439
KeySpan Inside Del Credit	(576)		(576)			(576)		(576)
Sithe Agreement	2,263		2,263			2,263		2,263
ESCOS/Marketers - Bills Charges (CUBS)	5,597		5,597			5,597		5,597
Transmission Netting Credit Adjustment	(347)		(347)			(347)		(347)
ERRP Maintenance Accounting	0		0			0		0
SO2 Allowance	1,370		1,370			1,370		1,370
GHP Interest Accrual	(187)	187	0			0		0
Competitive Metering Costs - MHP Customers	220		220			220		220
Intercompany Rents: 74/59th St (Paid to Stearn)	(6,500)		(6,500)			(6,500)		(6,500)
<b>Total Other Electric Revenues</b>	<b>198,491</b>	<b>148</b>	<b>198,639</b>		<b>(24)</b>	<b>198,615</b>	<b>1,790</b>	<b>200,405</b>
<b>Total Electric Other Operating Revenues</b>	<b>240,272</b>	<b>312</b>	<b>240,584</b>		<b>89</b>	<b>240,673</b>	<b>1,790</b>	<b>242,463</b>
<b>Regulatory Deferrals</b>								
WTC Capital expenses	(2,522)	(478)	(3,000)			(3,000)		(3,000)
Retail Choice Phase 7	(2,562)		(2,562)			(2,562)		(2,562)
Deferrals from Case 04-E-0572 RY3	(3,728)		(3,728)			(3,728)		(3,728)
Interest on Deferrals from Case 04-E-0572 RY3	(133)		(133)			(133)		(133)
T&D Deferral from Case 07-E-0523	(19,498)		(19,498)	c.	53	(19,445)		(19,445)
Pension Deferral	(14,339)	(2,693)	(17,032)			(17,032)		(17,032)
SIR Deferral	(18,259)	(321)	(18,580)	d.	1,182	(17,398)		(17,398)
Property Tax Increase deferral - April 2008 - March 2009	(25,261)		(25,261)	e.	4,853	(20,408)		(20,406)
Business Incentive Rate - Revenue Shortfall	(1,712)		(1,712)			(1,712)		(1,712)
Targeted DSM	(391)		(391)			(391)		(391)
Interest	(472)		(472)			(472)		(472)
Interest on MGP - Electric	(926)		(926)			(926)		(926)
Emergency Demand Response / Demand Reduction Programs	(75)		(75)			(75)		(75)
Power for Jobs Tax Credit	883		883			883		883
Excess Emission Reduction Credits	358		358			358		358
Credits from Case 07-E-0523	29,093		29,093			29,093		29,093
TSC Revenues (with interest)	4,973		4,973			4,973		4,973
Interference Underspending	7,418		7,418	f.	13	7,431		7,431
Network CAIDI Performance Mechanism Revenue Adjustment	1,667		1,667			1,667		1,667
Washington Heights and WTC Security Initiatives	251		251			251		251
SO2 Allowances (with interest)	545		545			545		545
Auction Interest Rate - Case 07-E-0523	610		610			610		610
Property Condemnations	236		236			236		236
Property Tax Refunds	1,623	(26)	1,597	g.	(1,597)	(0)		(0)
Interest - Gain on Sale of First Avenue Properties	906		906			906		906
2-Yr Amort. of Facilities Maint. Cost C 08-E-0539	0	(862)	(862)			(862)		(862)
3-Yr Recovery of East River 6 Generator Rewind C 08-E-0539	0	(876)	(876)			(876)		(876)
2-Yr Amort. of 5-Yr UG Inspection (Incr. Costs per C 08-E-0539)	0	(3,900)	(3,900)			(3,900)		(3,900)
<b>Total Regulatory Deferrals</b>	<b>(41,315)</b>	<b>(9,158)</b>	<b>(50,471)</b>		<b>4,504</b>	<b>(45,967)</b>	<b>0</b>	<b>(45,967)</b>
<b>Total Other Operating Revenues</b>	<b>\$198,957</b>	<b>(\$8,844)</b>	<b>\$190,113</b>		<b>\$4,593</b>	<b>\$194,706</b>	<b>\$1,790</b>	<b>\$196,496</b>

**Consolidated Edison Company of New York, Inc**  
**Operation & Maintenance Expenses**  
**For the Rate Year Ending March 31, 2011**  
**(\$000)**

	Company As Originally Filed	Company Update	Per Company as Updated	Adj. No. 3	Staff Adjustments	As Adjusted by Staff	Revenue Increase	Per Staff After Increase
Austerity Placeholder Adjustment	(\$30,000)	\$30,000	\$0			\$0		\$0
Administrative Expenses Transferred - cr.	(27,013)	(780)	(27,793)			(27,793)		(27,793)
Electric Operation	125,223	1,160	126,383	a.	(354)	126,029		126,029
Asbestos Removal and Abatement	38		38			38		38
Bank Collection Fees	136		136			136		136
System and Transmission Operations	39,160		39,160			39,160		39,160
Substation Operation	29,355		29,355			29,355		29,355
Boiler Cleaning	1,068		1,068			1,068		1,068
Building Service/Facilities	15,476		15,476			15,476		15,476
Central Engineering-Administrative	24		24			24		24
Central Engineering-Distribution	0		0			0		0
Collection Agency/Payment Agent Fees	3,363		3,363			3,363		3,363
Communications - Telephone	6,664	(100)	6,564			6,564		6,564
Other Compensation	2,431		2,431	b.	(2,431)	0		0
Company Labor	293,841	3,277	297,118	c.	(45,714)	251,404		251,404
Company Labor - Elect. Op., STO, SSO	258,426	8,397	266,823			266,823		266,823
Consultants	11,473	(500)	10,973			10,973		10,973
Contract Labor	2,021		2,021			2,021		2,021
Corrective Maintenance	4,859		4,859			4,859		4,859
AMR Savings	(1,834)	(20)	(1,854)			(1,854)		(1,854)
Disposal of Obsolete M&S	6,903		6,903			6,903		6,903
DSM	56,450		56,450			56,450		56,450
Duplicate Misc. Charges	(22,985)		(22,985)			(22,985)		(22,985)
EDP Equipment Rentals & Mtce.	4,300		4,300			4,300		4,300
Electricity & Gas Used	3,999		3,999			3,999		3,999
Employee Pensions / OPEBs	306,781	629	307,410			307,410		307,410
Employee Welfare Expense - Net	101,031	(2,644)	98,387	d.	(3,906)	94,481		94,481
Environmental Expenses	5,081		5,081			5,081		5,081
ERRP - Major Maintenance	11,371	(3,871)	7,500			7,500		7,500
Executive Incentive Plan	0		0			0		0
Facilities Maintenance	1,656		1,656			1,656		1,656
Financial Services	9,631	84	9,715			9,715		9,715
Gas Turbines	2,924		2,924			2,924		2,924
Information Resources	35,377	379	35,756	e.	(327)	35,429		35,429
Informational Advertising	15,300		15,300	f.	(8,700)	6,600		6,600
Injuries & Damages Reserve	40,423	1,184	41,607			41,607		41,607
Instit. Dues & Subscriptions	1,862	(200)	1,662			1,662		1,662
Insurance Premiums	26,514	(4,054)	22,460	g.	(2,482)	19,978		19,978
Interference	95,232		95,232	h.	(26,762)	68,470		68,470
Reserve for Contingencies	0		0			0		0
Corporate and Fiscal Expenses	4,679		4,679	i.	(1,365)	3,314		3,314
LIC Outage	0		0			0		0
Manhour Expense	1,000		1,000			1,000		1,000
Marshall's Fees	1,080		1,080			1,080		1,080
Materials & Supplies	3,713	(508)	3,205	j.	(78)	3,127		3,127
RCA- MGP / Superfund	0		0			0		0
Outreach and Education	5,673	(973)	4,700			4,700		4,700
Other (Fossil)	1,955		1,955			1,955		1,955
Outside Legal Services	965		965			965		965
Paving	11		11			11		11
Plant Component Upgrade	234		234			234		234
Power Your Way	0		0			0		0
Postage	15,531	(19)	15,512			15,512		15,512
Preventive Maintenance	1,926		1,926			1,926		1,926
RCA-Amort. of Hudson-Farragut	477		477			477		477
Renewable Portfolio Standard	47,438		47,438	k.	369	47,807		47,807
Real Estate Expense	3,801		3,801			3,801		3,801
Regulatory Commission Expense	223,723		223,723	l.	(193,975)	29,748		29,748
Rents	56,285		56,285			56,285		56,285
Rents (ERRP)	67,994		67,994			67,994		67,994
Rents (Interdepartmental)	5,884	(870)	5,014			5,014		5,014
Research & Development	21,398		21,398	m.	(3,467)	17,931		17,931
System Benefit Charge	148,698		148,698	n.	(2,610)	146,088		146,088
Scheduled Overhauls	2,348		2,348			2,348		2,348
Security	1,878	(111)	1,767	o.	(100)	1,667		1,667
Shared Services	(8,823)	(57)	(8,880)			(8,880)		(8,880)
Steam Incident	0		0			0		0
Storm Reserve - Electric Op	5,600		5,600			5,600		5,600
Green Power	0		0			0		0
Tree Trimming	0		0			0		0
Trenching	144		144			144		144
Uncollectible	60,017	2,311	62,328	p.	(1,318)	61,010	3,389	64,399
Water	653		653			653		653
Water Chemicals	664		664			664		664
Other	40,385	(1,061)	39,324	q.	(33,022)	6,302		6,302
<b>Total O&amp;M</b>	<b>\$2,151,892</b>	<b>\$31,653</b>	<b>\$2,183,545</b>		<b>(\$326,242)</b>	<b>\$1,857,303</b>	<b>\$3,389</b>	<b>\$1,860,692</b>

**Consolidated Edison Company of New York, Inc**  
**Taxes Other Than Income Tax**  
**For the Rate Year Ending March 31, 2011**  
**(\$000)**

	<u>Company As Originally Filed</u>	<u>Company Update</u>	<u>Per Company as Updated</u>	<u>Adj. No. 4</u>	<u>Staff Adjustments</u>	<u>As Adjusted by Staff</u>	<u>Revenue Increase</u>	<u>Per Staff After Increase</u>
<b>Property Taxes:</b>								
New York City	\$1,011,358	(\$23,551)	\$987,807	a.	(\$13,585)	\$974,222		\$974,222
Upstate and Westchester	95,413	0	95,413	b.	(3,823)	91,590		91,590
Total Property Tax	1,106,771	(23,551)	1,083,220		(17,408)	1,065,812	0	1,065,812
Revenue Taxes	215,339	0	215,339	c.	(4,724)	210,615	13,271	223,886
Payroll Taxes	54,582	845	55,427	d.	(4,419)	51,008		51,008
MTA Mobility Tax	1,878		1,878			1,878		1,878
Subsidiary Capital Tax	5,177		5,177			5,177		5,177
Receipts Tax	15,233		15,233			15,233		15,233
All Other Taxes	1,597		1,597	e.	(321)	1,276		1,276
Taxes Other Than Income Taxes	<u>\$1,400,577</u>	<u>(\$22,706)</u>	<u>\$1,377,871</u>		<u>(\$26,872)</u>	<u>\$1,350,999</u>	<u>\$13,271</u>	<u>\$1,364,270</u>

**Consolidated Edison Company of New York, Inc**  
**New York State Income Tax**  
**For the Rate Year Ending March 31, 2011**  
**(\$000)**

	Company As Originally Filed	Company Update	Per Company as Updated	Adj. No. 5	Staff Adjustments	As Adjusted by Staff	Revenue Increase	Per Staff After Increase
Book Operating Income Before Income Taxes	\$ 913,687	\$ (32,931)	\$ 880,756	Sch. 1	\$193,339	\$1,074,095	\$462,490	\$1,536,585
<b>FLOW THROUGH ITEMS</b>								
<b>Deduct: Non-Taxable Income and Additional Deductions</b>								
Interest Expense	481,191	(25,175)	456,016		(10,788)	445,228		445,228
Medicare Part D Subsidy - Post Employment Benefits	16,599		16,599			16,599		16,599
<b>Total Deductions</b>	<b>497,790</b>	<b>(25,175)</b>	<b>472,615</b>		<b>(10,788)</b>	<b>461,827</b>	<b>0</b>	<b>461,827</b>
<b>NORMALIZED ITEMS</b>								
<b>Add: Additional Income and Unallowable Deductions</b>								
Book Depreciation	636,341	(3,912)	632,429		(21,239)	611,190		611,190
Contributions in Aid of Construction	672		672			672		672
Capitalized Interest	16,833		16,833			16,833		16,833
Pensions / OPEB expense - Per Books	321,120	3,322	324,442		0	324,442		324,442
<b>Total Additions</b>	<b>974,966</b>	<b>(590)</b>	<b>974,376</b>		<b>(21,239)</b>	<b>953,137</b>	<b>0</b>	<b>953,137</b>
<b>Deduct: Non-Taxable Income and Additional Deductions</b>								
NYS Depreciation	681,062	(6,664)	674,398		(22,648)	651,750		651,750
263A Capitalized Overheads	103,125	(2,746)	100,379			100,379		100,379
Removal Costs	167,356	(4)	167,352			167,352		167,352
Repair Allowance	43,475		43,475			43,475		43,475
Loss on MACRS Retirements	45,342		45,342			45,342		45,342
Pensions / OPEB expense - Funding	284,737	165,034	449,771			449,771		449,771
Westchester Property Tax adjustment	1,416		1,416			1,416		1,416
WTC Capital expenses	(2,522)	(478)	(3,000)		0	(3,000)		(3,000)
Retail Choice Phase 7	(2,562)		(2,562)		0	(2,562)		(2,562)
Deferrals from Case 04-E-0572 RY3	(3,728)		(3,728)		0	(3,728)		(3,728)
Interest on Deferrals from Case 04-E-0572 RY3	(133)		(133)		0	(133)		(133)
T&D Deferral from Case 07-E-0523	(19,498)		(19,498)		53	(19,445)		(19,445)
SIR deferral	(18,259)	(321)	(18,580)		1,182	(17,398)		(17,398)
Property Tax Increase deferral - April '08 - March '09	(25,261)		(25,261)		4,853	(20,408)		(20,408)
Business Incentive Rate - Revenue Shortfall	(1,712)		(1,712)		0	(1,712)		(1,712)
Targeted DSM	(391)		(391)		0	(391)		(391)
Interest	(472)		(472)		0	(472)		(472)
Interest on MGP - Electric	(926)		(926)		0	(926)		(926)
Emergency Demand Response/Reduction Programs	(75)		(75)		0	(75)		(75)
Power for Jobs Tax Credit	883		883		0	883		883
Excess Emission Reduction Credits	358		358		0	358		358
Credits from Case 07-E-0523	29,093		29,093		0	29,093		29,093
TSC Revenues	4,973		4,973		0	4,973		4,973
Interference Underspending	7,418		7,418		13	7,431		7,431
Network CAIDI Performance Mechanism Revenue Adj.	1,667		1,667		0	1,667		1,667
Washington Heights and WTC Security Initiatives	251		251		0	251		251
SO2 Allowances	545		545		0	545		545
Auction Interest Rate (Case 07-E-0523)	610		610		0	610		610
Property Condemnations	236		236		0	236		236
Property Tax Refunds	1,623	(26)	1,597		(1,597)	0		0
Interest - Gain on Sale of First Avenue Properties	906		906		0	906		906
Facilities Maintenance Costs (Case 08-E-0539)	0	(862)	(862)		0	(862)		(862)
East River 6 Generator Rewind (Case 08-E-0539)	0	(876)	(876)		0	(876)		(876)
5-Yr UG Inspection Program Costs (Case 08-E-0539)	0	(3,900)	(3,900)		0	(3,900)		(3,900)
Miscellaneous	0	0	0		0	0		0
<b>Total Deductions</b>	<b>1,299,537</b>	<b>149,157</b>	<b>1,448,694</b>	Sch 2	<b>(18,144)</b>	<b>1,430,549</b>	<b>0</b>	<b>1,430,549</b>
<b>Taxable Income - New York State</b>	<b>91,326</b>	<b>(157,503)</b>	<b>(66,177)</b>		<b>201,032</b>	<b>134,856</b>	<b>462,490</b>	<b>597,346</b>
<b>Tax Computation</b>								
Current New York State Income Tax @ 7.1%	6,484	(11,183)	(4,699)		14,273	9,575	32,837	42,412
Deferred New York State Income Tax @ 7.1%	23,045	10,632	33,677		220	33,896	0	33,896
<b>Subtotal New York State Income Tax</b>	<b>29,529</b>	<b>(551)</b>	<b>28,978</b>		<b>14,493</b>	<b>43,471</b>	<b>32,837</b>	<b>76,308</b>
Brownfield Credits	0	0	0	a.	(1,600)	(1,600)	0	(1,600)
<b>Total New York State Income Tax</b>	<b>\$29,529</b>	<b>(\$551)</b>	<b>\$28,978</b>		<b>\$12,893</b>	<b>\$41,871</b>	<b>\$32,837</b>	<b>\$74,708</b>

**Consolidated Edison Company of New York, Inc**  
**Federal Income Tax**  
**For the Rate Year Ending March 31, 2011**  
**(\$'000)**

	Company As Originally Filed	Company Update	Per Company as Updated	Adj. No.6	Staff Adjustments	As Adjusted by Staff	Revenue Increase	Per Staff After Increase
Book Operating Income Before Income Taxes	\$913,687	(\$32,931)	\$880,756	Sch. 1	\$193,339	\$1,074,095	\$462,490	\$1,536,585
New York State Income Tax	29,529	(551)	28,978	Sch. 5	12,893	41,871	32,837	74,708
Book Operating Income Before Federal Income Tax	884,159	(32,381)	851,778		180,446	1,032,224	429,653	1,461,877
<b>FLOW THROUGH ITEMS</b>								
<b>Add: Additional Income and Unallowable Deductions</b>								
Book Depreciation	636,341	(3,912)	632,429		(21,239)	611,190		611,190
Hudson-Farragut Amortization - Per Books	483		483			483		483
Capitalized Interest	16,833		16,833			16,833		16,833
Total Additions	653,657	(3,912)	649,745		(21,239)	628,506	0	628,506
<b>Deduct: Non-Taxable Income and Additional Deductions</b>								
Interest Expense	481,191	(25,175)	456,016		(10,788)	445,228		445,228
Statutory Depreciation - at current book rates	398,599	(3,437)	395,162		(13,271)	381,891		381,891
Statutory Depreciation - change at proposed book rates	1,505		1,505			1,505		1,505
Statutory Depreciation - change with reserve deficiency	8,274		8,274			8,274		8,274
Removal Costs	167,356	(4)	167,352			167,352		167,352
Medicare Part D Subsidy - Post Employment Benefits	16,599		16,599			16,599		16,599
Westchester Property Tax adjustment	1,416		1,416			1,416		1,416
Dividends Paid on \$5 Cumulative Preferred Stock	3,327		3,327			3,327		3,327
Total Deductions	1,078,267	(28,616)	1,049,651		(24,059)	1,025,592	0	1,025,592
<b>NORMALIZED ITEMS</b>								
<b>Add: Additional Income and Unallowable Deductions</b>								
Contributions in Aid of Construction	672	0	672			672		672
Pensions / OPEB Expense - Per Books	321,120	3,322	324,442		0	324,442		324,442
Deferred State Income Tax	23,045	10,632	33,677		220	33,897		33,897
Total Additions	344,837	13,954	358,791			358,791	0	358,791
<b>Deduct: Non-Taxable Income and Additional Deductions</b>								
Statutory Depreciation - at current book rates	268,159	(5,153)	263,006		(8,833)	254,173		254,173
263A Capitalized Overheads	103,125	(2,746)	100,379			100,379		100,379
Statutory Depreciation - change at proposed book rates	(1,505)		(1,505)			(1,505)		(1,505)
Statutory Depreciation - change with reserve deficiency	(8,274)		(8,274)			(8,274)		(8,274)
Repair Allowance	43,475		43,475			43,475		43,475
Loss on MACRS Retirements	45,527		45,527			45,527		45,527
Pensions / OPEB expense - Funding	284,737	165,034	449,771		0	449,771		449,771
WTC Capital expenses	(2,522)	(478)	(3,000)		0	(3,000)		(3,000)
Retail Choice Phase 7	(2,562)		(2,562)		0	(2,562)		(2,562)
Deferrals from Case 04-E-0572 RY3	(3,728)		(3,728)		0	(3,728)		(3,728)
Interest on Deferrals from Case 04-E-0572 RY3	(133)		(133)		0	(133)		(133)
T&D Deferral from Case 07-E-0523	(19,498)		(19,498)		53	(19,445)		(19,445)
SIR Deferral	(18,259)	(321)	(18,580)		1,182	(17,398)		(17,398)
Property Tax Increase deferral - April 2008 - March 2009	(25,261)		(25,261)		4,853	(20,408)		(20,408)
Business Incentive Rate - Revenue Shortfall	(1,712)		(1,712)		0	(1,712)		(1,712)
Targeted DSM	(391)		(391)		0	(391)		(391)
Interest	(472)		(472)		0	(472)		(472)
Interest on MGP - Electric	(926)		(926)		0	(926)		(926)
Emergency Demand Response / Reduction Programs	(75)		(75)		0	(75)		(75)
Power for Jobs Tax Credit	883		883		0	883		883
Excess Emission Reduction Credits	358		358		0	358		358
Credits from Case 07-E-0523	29,093		29,093		0	29,093		29,093
TSC Revenues	4,973		4,973		0	4,973		4,973
Interference Underspending	7,418		7,418		13	7,431		7,431
Network CAIDI Performance Mechanism Rev. Adj.	1,667		1,667		0	1,667		1,667
Washington Heights and WTC Security Initiatives	251		251		0	251		251
SO2 Allowances	545		545		0	545		545
Auction Interest Rate (Case 07-E-0523)	610		610		0	610		610
Property Condemnations	236		236		0	236		236
Property Tax Refunds	1,623	(26)	1,597		(1,597)	0		0
Interest - Gain on Sale of First Avenue Properties	906		906		0	906		906
Facilities Maintenance Costs (Case 08-E-0539)	0	(862)	(862)		0	(862)		(862)
East River 6 Generator Rewind (Case 08-E-0539)	0	(876)	(876)		0	(876)		(876)
5-Yr UG Inspection Program Costs (Case 08-E-0539)	0	(3,900)	(3,900)		0	(3,900)		(3,900)
Miscellaneous	0		0		0	0		0
Total Deductions	708,268	150,672	858,940	Sch. 2	(4,329)	854,611	0	854,611
Total Adjustments to Income	(788,041)	(112,014)	(900,055)		7,148	(892,906)	0	(892,906)
Taxable Income - Federal	96,117	(144,394)	(48,277)		187,594	139,318	429,653	568,971
<b>Tax Computation</b>								
Current Federal Income Tax @ 35%	33,641	(50,538)	(16,897)		65,658	48,761	150,379	199,140
Deferred Federal Income Tax @ 35%	127,201	47,851	175,052		(1,515)	173,537		173,537
<b>Amortization of Previously Deferred Federal Income Tax</b>								
Depreciation - ADR / ACRS / MACRS - at current book rates	(41,097)		(41,097)			(41,097)		(41,097)
Depreciation - MACRS - SCUM	(9,894)		(9,894)			(9,894)		(9,894)
Loss on MACRS Retirements	(3,998)		(3,998)			(3,998)		(3,998)
Repair Allowance	(9,618)		(9,618)			(9,618)		(9,618)
Investment Tax Credit	(4,753)		(4,753)			(4,753)		(4,753)
Total Federal Income Tax	\$91,482	(\$2,687)	\$88,795		\$64,143	\$152,938	\$150,379	\$303,317

**Consolidated Edison Company of New York, Inc**  
**Rate Base**  
**For the Rate Year Ending March 31, 2011**  
**(\$000)**

	Company As Originally Filed	Company Update	Per Company as Updated	Adj. No. 7	Staff Adjustments	As Adjusted by Staff
<u>Utility Plant</u>						
Book Cost of Plant	\$20,002,071	(\$138,800)	\$19,863,271	a.	(221,744)	\$19,641,527
Accumulated Reserve For Depreciation	(4,119,375)	3,742	(4,115,633)	b.	9,961	(4,105,672)
Net Plant	15,882,696	(135,058)	15,747,638		(211,783)	15,535,855
Non-Interest Bearing CWIP	652,841		652,841			652,841
Unbilled Revenues	66,454		66,454	c.	(10,253)	56,201
Preferred Stock Expense	2,414		2,414			2,414
Unamortized Debt Discount Premium And Expense	148,436	(15,518)	132,918			132,918
Deferred Fuel - Net of Tax	86,001		86,001			86,001
Unamortized Balance - Hudson Farragut	846		846			846
Customer Advances For Construction	(540)		(540)			(540)
MTA Surtax - Net of Tax	4,163		4,163			4,163
Working Capital	772,532	(3,110)	769,422	Sch. 8	(128,499)	640,923
Excess Rate Base Over Capitalization Adjustment	393,228	(190,754)	202,474	f.	14,513	216,987
Early Retirement Termination Benefit (1999) - Net of Tax	6,496		6,496			6,496
SBC/RPS - Net of Tax	4,212		4,212	g.	(4,212)	0
Amounts Billed In Advance of Construction - Net of Tax	(5,619)		(5,619)			(5,619)
ERRP Maintenance	0	(2,840)	(2,840)			(2,840)
<u>Rate Case Reconciliations - Net of F.I.T.</u>						
Retail Choice Phase 7	3,868		3,868			3,868
Deferrals From Case 04-E-0572 RY3	5,627		5,627			5,627
Interest on Deferrals From Case 04-E-0572 RY3	201		201			201
T&D Deferral From Case 07-E-0523	88,305		88,305	h.1.	(239)	88,066
SIR Deferral	104,746	1,838	106,584	h.2.	(6,783)	99,801
Facilities Maintenance	0	260	260			260
East River 6 Generator Rewind	0	794	794			794
5-Year Underground Inspection Program	0	1,178	1,178			1,178
Property Tax Increase Deferral - April '08 - March '09	38,135		38,135	h.3.	(7,326)	30,809
Business Incentive Rate - Revenue Shortfall	2,584		2,584			2,584
Targeted DSM	591		591			591
Interest	713		713			713
Interest on Map - Electric	1,397		1,397			1,397
Emergency Demand Response/Reduction Programs	113		113			113
Power For Jobs Tax Credit	(1,333)		(1,333)			(1,333)
Excess Emission Reduction Credits	(540)		(540)			(540)
Credits From Case 07-E-0523	(43,920)		(43,920)			(43,920)
TSC Revenues	(7,507)		(7,507)			(7,507)
Interference Underspending	(11,199)		(11,199)	h.4.	(19)	(11,218)
Network CAIDI Performance Mechanism Rev. Adj.	(2,516)		(2,516)			(2,516)
Washington Heights And Watch Security Initiatives	(379)		(379)			(379)
SO2 Allowances	(823)		(823)			(823)
Auction Interest Rate - Case 07-E-0523	(921)		(921)			(921)
Property Condemnations	(356)		(356)			(356)
Property Tax Refunds	(2,451)	41	(2,410)	h.5.	2,410	0
Interest - Gain on Sale of First Avenue Properties	(1,368)		(1,368)			(1,368)
<u>Accumulated Deferred Income Taxes</u>						
ADR / ACRS / MACRS Deductions	(2,076,166)	16,417	(2,059,749)	i.1.	1,546	(2,058,203)
Change of Accounting Section 263A	(276,195)	(1,088)	(277,283)	i.2.	(86,568)	(363,851)
Vested Vacation	10,919		10,919			10,919
Prepaid Insurance Expenses	(3,827)		(3,827)			(3,827)
Unbilled Revenues	108,202		108,202			108,202
Contributions In Aid of Construction	13,041		13,041			13,041
Capitalized Interest	6,639		6,639			6,639
Repair & Maintenance Allowance - 02 - 06 IRS Audit	4,389		4,389			4,389
Fin 48 - Disallowed Scum	(51,134)		(51,134)			(51,134)
MTA	(17,842)	984	(16,858)	i.3.	(299)	(17,157)
Amortization of Computer Software	(40,984)		(40,984)			(40,984)
Customer Deposits	2,832		2,832			2,832
Call Premium	(15,204)		(15,204)			(15,204)
Deferred S.I.T./F.I.T. - Brownfield Credits	0	(7,210)	(7,210)			(7,210)
Deferred S.I.T.	(255,568)	64,107	(191,461)	i.4.	(761)	(192,222)
Rate Base	\$15,596,230	(\$269,959)	\$15,326,271		(\$438,273)	\$14,887,997

**Consolidated Edison Company of New York, Inc**  
**Working Capital Allowance**  
**For the Rate Year Ending March 31, 2011**  
**(\$000)**

	Company As Originally Filed	Company Update	Per Company as Updated	Adj. No.7	Staff Adjustments	As Adjusted by Staff
<b><u>Materials And Supplies</u></b>						
Liquid Fuel Inventory	\$6,876	\$0	\$6,876			\$6,876
<b><u>Materials And Supplies, Excluding Fuel</u></b>	<b>94,743</b>	<b>0</b>	<b>94,743</b>			<b>94,743</b>
<b>Total Materials And Supplies</b>	<b>101,619</b>	<b>0</b>	<b>101,619</b>		<b>0</b>	<b>101,619</b>
<b><u>Prepayments</u></b>						
Insurance	14,102	(2,156)	11,946	d.1.	(1,117)	10,829
Rents	15,214	0	15,214			15,214
Property Taxes	233,451	(5,075)	228,376	d.2.	(3,671)	224,705
PSC Assessment	8,354	345	8,699			8,699
Regulatory Assessment -- 18a Legislation	56,692	0	56,692	d.3.	(56,692)	0
Interference	7,111	0	7,111	d.4.	(2,002)	5,109
EPRI	280	0	280			280
Other	10,139	0	10,139			10,139
<b>Total Prepayments</b>	<b>345,343</b>	<b>(6,886)</b>	<b>338,457</b>		<b>(63,482)</b>	<b>274,975</b>
<b><u>Cash Working Capital</u></b>						
Total Electric O&M Expenses	4,944,448	31,653	4,976,101		(326,242)	4,649,859
Less: Purchased Power Expenses	2,503,242	0	2,503,242			2,503,242
Gas Portion of Fuel	8,771	0	8,771			8,771
Recoverable Fuel Costs	271,181	0	271,181			271,181
Interdepartmental Rents	5,884	(870)	5,014		0	5,014
Uncollectibles	60,017	2,311	62,328		0	62,328
SBC/RPS	0	0	0		(193,895)	(193,895)
<b>Cash Working Capital Subject To 1/8th Allowance</b>	<b>2,095,353</b>	<b>30,212</b>	<b>2,125,565</b>		<b>(520,137)</b>	<b>1,605,428</b>
<b>Cash Working Capital @ 1/8th</b>	<b>261,919</b>	<b>3,776</b>	<b>265,696</b>		<b>(65,017)</b>	<b>200,678</b>
<b>Add: Cash WC @ 1/12th on Recoverable Fuel Costs</b>	<b>22,598</b>	<b>0</b>	<b>22,598</b>		<b>0</b>	<b>22,598</b>
<b>Total Cash Working Capital</b>	<b>284,518</b>	<b>3,776</b>	<b>288,294</b>	e.	<b>(65,017)</b>	<b>223,277</b>
<b>Total</b>	<b>731,480</b>	<b>(3,110)</b>	<b>728,370</b>		<b>(128,499)</b>	<b>599,871</b>
<b>Add: Working Capital Related To Purchased Power</b>						
	41,053	0	41,053		0	41,053
<b>Working Capital</b>	<b>\$772,533</b>	<b>(\$3,110)</b>	<b>\$769,423</b>		<b>(\$128,499)</b>	<b>\$640,924</b>

**Exhibit\_\_(AP-1)  
Schedule 9**

**Consolidated Edison Company of New York, Inc  
Capitalization  
For the Rate Year Ending March 31, 2011  
(\$000)**

	<b>Capital Structure Per Staff</b>	<b>Ratio</b>	<b>Cost Rate</b>	<b>Weighted Cost</b>	<b>Pre Tax @ 35% / 7.1%</b>
<b>Long term debt</b>	\$ 9,856,665	49.62%	5.67%	2.81%	2.81%
<b>Customer deposits</b>	261,865	1.31%	4.85%	0.06%	0.06%
<b>Total Debt</b>		50.93%		2.88%	2.88%
<b>Preferred stock</b>	212,563	1.07%	5.34%	0.06%	0.09%
<b>Common Equity</b>	9,614,891	48.00%	10.10%	4.85%	8.03%
<b>Total</b>	<u>\$ 19,945,984</u>	<u>100.00%</u>		<u>7.78%</u>	<u>11.00%</u>

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

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

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

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

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

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