

Company Name: Con Edison  
Case Description:  
Case: 08-E-0539

Response to NYPA Interrogatories – Set NYPA3  
Date of Response: 07/02/2008  
Responding Witness: Infrastructure Investment Panel

Question No. :70

In the capital budgeting process described by Mr. Rana (at pp. 13-17), does the Company provide any written guidance (i.e. goals and objectives, expenditure constraints, inflation assumptions, etc.) to managers to assist in the development of capital budgets, similar to what many companies provide from the executive or board level at the beginning of the budget cycle? If so, please provide a copy of the guidance materials provided to managers in developing their capital budgets for the past 3 budget years. Also, provide a copy of any studies performed that support the development of the guidance.

Response:

Please see attached for the guidance materials provided to managers in developing their operating and capital budgets. The Company develops its forecast for the upcoming budget year and then compares it to the second year of the previous year's five- year forecast that was presented to the Board of Directors. The forecast is also updated to reflect rate plans currently in effect and pending rate cases filed with the Public Service Commission.