Q. Please state your name and business address.

A. My name is Hector J. Reyes. My business address is 4 Irving Place, New York, NY 10003.

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

A. I am employed by Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") as Director of Benefits and Compensation.

Q. How long have you been employed by Con Edison?

A. I have been employed by Con Edison for 32 years.

Q. Please describe your educational background.

A. I graduated from Fordham University with a Bachelor of Science degree in Accounting in 1976. In 1982, I earned a Master of Science degree in Taxation from Pace University.

Q. Please describe your work experience.

A. I joined Con Edison in 1976 as a Staff Accountant in Corporate Accounting. Between 1979 and 1981, I was promoted to different supervisory positions in Corporate Accounting. In 1983, I was promoted to Assistant Manager, Accounting Research and Procedures. My responsibilities as Assistant Manager included accounting for the Company's health and welfare expenses. In 1988, I was promoted to the position of Manager, Retirement and Insurance Benefits and in 1989, I was promoted to the position of Manager of Employee Benefits. In September 1999, I was promoted to Director of Benefits and Compensation.

Q. Please generally describe your current responsibilities.

A. My responsibilities as Director of Benefits and Compensation include the development, implementation, communication, and administration of the Company's employee benefit and compensation programs.

Q. Do you belong to any professional societies or organizations?

A. Yes. I am a member of the Board of Directors of the New York Business Group on Health ("NYBGH"). NYBGH is a not-for-profit coalition of 150 health plan sponsors and health-related organizations whose mission is to find practical solutions to contemporary health care issues in the New York metropolitan area.

Q. Have you previously submitted testimony on behalf of the Company before this Commission?

A. Yes. I submitted testimony in Case Nos. 99-S-1621, 03-G-1671, 03-S-1672, 04-E-0572, 05-S-1376, 06-G-1332, 07-E-0523 and 07-S-1315.

Q. What is the purpose of your testimony?

A. My testimony addresses the Company's forecast of employee welfare expenses, including group life insurance, health insurance costs, and four program changes to the Company's employee benefit programs.

Q. Please summarize your testimony.

A. As further explained in this testimony, the forecast of employee welfare expenses is based upon historical costs and reflects the escalation of existing programs after imposing cost-sharing changes on employees and other efforts directed at managing care and employee wellness. Employee welfare expenses net of capitalization are estimated to increase approximately $12.3 million between the historic year (12 months ended December 31, 2007) and the rate year (12 months ending March 31, 2010).

Q. Please describe the methods used for escalating employee benefit costs.

A. Three different methods are used to escalate historic year costs to the rate year costs. First, a labor factor of 7.78 percent is used to escalate employee welfare costs that are a function of salaries and wages. Second, a non-labor factor of 5.2 percent is used to escalate employee welfare costs that are unrelated to salaries and wages. The Accounting Panel discusses these labor and non-labor factors. Third, projected health care trend rates of 8.0 percent are used to escalate health care costs. The 8.0 percent is based on the Company's historical increases over the last three years and expected increases in health care inflation trends as reported by Buck Consultants and by our health care carriers.

EMPLOYEE WELFARE EXPENSES

Q. Did you prepare a two-page Exhibit entitled "CONSOLIDATED EDISON COMPANY OF NEW YORK, INC., ADMINISTRATIVE AND GENERAL EXPENSES - MAJOR ACCOUNT

GROUP 49, EMPLOYEE WELFARE EXPENSES - PSC ACCOUNT 926.2?"

A. Yes.

MARK FOR IDENTIFICATION AS EXHIBIT __ (HJR-1)

Q. What does this Exhibit show?

A. Page 1 of this Exhibit is a summary of the Company's forecast of employee welfare expenses for the rate year ending March 31, 2010. This forecast is based on costs incurred in the historic year, the twelve months ended December 31, 2007. Lines 1 through 20 show costs for the Company's employee benefit programs and lines 21 to 25 show health care costs net of employee deductions. Total employee welfare expenses are shown on line 26. Total employee welfare expenses, net of capitalized amounts (line 27), are shown on line 28. Page 2 of the Exhibit is a summary of projected health care costs and employee deductions for twelve months ending March 31, 2010.

Q. Did you prepare a two-page Exhibit entitled "CONSOLIDATED EDISON COMPANY OF NEW YORK, INC., ADMINISTRATIVE AND GENERAL EXPENSES - MAJOR ACCOUNT

GROUP 49, EMPLOYEE WELFARE EXPENSES - PSC ACCOUNT 926.2 - FORECAST?"

A. Yes. MARK FOR IDENTIFICATION AS EXHIBIT _ (HJR-2).

Q. What does Exhibit_(HJR-2) show?

A. The exhibit indicates the projected welfare expenses for 12 months ending March 31, 2010, 2011, 2012, 2013 and 2014. A summary of the health insurance expenses are shown on page 2 of the exhibit.

Q. What are the projected employee welfare expenses for the 12 months ending in each rate year subsequent to the rate year ending March 31, 2010, through March 31, 2014, as allocated to electric service?

A. The total projected employee welfare expenses (line 26) are: $157.4 million for the rate year ending March 31, 2011; $171.2 million for the rate year ending March 31, 2012; $186.3 million for the rate year ending March 31, 2013; and $202.4 million for the rate year ending March 31, 2014.

Net of capitalization, the total projected employee welfare expenses (line 28) are: $116.0 million for the rate year ending March 31, 2011; $125.8 million for the rate year ending March 31, 2012; $136.4 million for the rate year ending March 31, 2013; and $147.8 million for the rate year ending March 31, 2014.

Q. What assumptions did you make when projecting employee welfare expenses?

A. The non-labor escalation factor decreases to 2.2 percent in year two and then declines to 2.1 percent in year three and beyond. The labor escalation factor is the same factor used for the rate year. Health care costs are projected to increase by 8 percent per year.

Q. Does the projection include any programs currently not available to employees?

A. No. It was assumed that the programs being offered today will continue to be available to employees over the next several years. During this period, the Company will continue to evaluate the programs and if other, more appropriate substitutes become available, the Company will consider using such programs.

GROUP LIFE INSURANCE

Q. Please discuss group life insurance shown on page 1, line 2 of Exhibit_(HJR-1).

A. For management employees, the Company provides group term life insurance equal to their annual base salary. The Company provides $30,000 of group term life insurance for members of Local 1-2 and Local 3 in accordance with the currently effective collective bargaining agreements.

Q. How did you estimate the costs for Group Life Insurance for the rate year?

A. Rate year amounts for management, Local 1-2 members and Local 3 members are calculated using the 2008 premium costs and employee participation levels. Total management employee costs are escalated using 7.78 percent labor factor. Local 1-2 and Local 3 member costs are escalated by the 5.2 percent non-labor factor since the value of the life insurance benefit does not change as a result of changes in the base salary. At the end of each calendar year, MetLife prepares a reconciliation of group life insurance premiums paid versus actual claims experience plus administrative expenses. Depending on the number of claims paid, a dividend may be due to the Company or the Company may be assessed additional charges to cover claim costs exceeding premiums paid. If a dividend is received from MetLife, MetLife uses the dividend to offset the following year's premiums. If claims are greater than premium level, then there is no dividend, and the Company incurs additional costs for group life insurance. In the last four out of five years, the Company received a dividend because the actual claims experience was less than premiums paid.

Q. Did you reflect the receipt of a dividend in your rate-year forecast?

A. Yes. I calculated an average of dividends received for the last five years, and then reduced our estimated premium costs for the rate year by this amount. The result was then adjusted to reflect the common cost factor for electric to arrive at a rate year forecast of $1.2 million.

PROGRAM CHANGES

Q. Please explain the program change on line 10, page 1, of your Exhibit labeled "Occupational Supplement."

A. Occupational Supplement encompasses various accounts including workers' compensation, severance, pay for injury and lung/hearing. The total cost for these various accounts in the historic year was approximately $3.4 million, but it would have been approximately $3.6 million if the New York University lung cancer screening was fully operational in 2007. In this category, the program change under Occupational Supplement is attributed to the lung/hearing account. The programs under this account are intended to provide various screenings to field employees that are at risk for asbestos related diseases and provide for preventative testing including: lung cancer screenings; ear, nose and throat screenings; lead screenings; and hearing conservation. The increased costs are the result of an increase in the number of employees receiving screenings as well as the introduction of a new lead screening program in 2008. The Company intends to test all underground splicers for lead levels in their blood as these employees may be in contact with lead on a regular basis. At this time, 125 employees in Brooklyn/Queens Electric Operations are expected to participate in the lead screening program. Employees in Bronx/Westchester and Staten Island Electric Operations are expected to be the next group to be screened for lead. Other field employees will be tested, if requested by the employee or as deemed necessary. Increased levels of lead in the blood have been shown to affect the brain, nervous system, reproductive system, kidneys, digestive system and red blood cell chemistry. The most obvious symptoms of lead exposure include excessive lethargy or hyperactivity, reduced appetite, nausea, headache, and abdominal pain. During the follow-up World Trade Center exams, it was found that a number of employees had an unsafe level of lead in their blood.

Q. Please explain the program changes on line 14, page 1, of your Exhibit, labeled Child Care and Elder Care Consulting Services.

A. Child Care and Elder Care Consulting Services are programs that provide employees with the resources necessary to help balance their work/life responsibilities. These programs provide either emergency child care or elder care (when the employees normal care giving arrangements face an unexpected change) and counseling regarding caring for the elderly. The $25,000 program change for these two programs reflects increased utilization of the emergency child care and emergency elder care programs. In fact, in 2007, there was a 60 percent increase in the number of employees utilizing the programs from 2006. Due to the combination of many new young employees needing child care support and employees caring for elderly family members, we project that this increased level of usage will continue.

Q. What are the program changes associated with Work Home Wellness Program, line 18 on page 1 of your Exhibit?

A. The $517,000 program change reflect additional costs resulting from increased participation by employees in current programs, including Smoking Cessation Program, Workplace Health Promotion Program, Flu Vaccination Program, and Stress Management as well as the addition of certain new initiatives including distribution of a newsletter, retaining the services of a nutritionist and Muscular Skeletal Rehabilitation Program. The participation rate is rising in these programs due to an increased awareness of their availability as well as an increased focus on wellness by employees and the Company.

Q. Please describe the Stress Management Program under the Work Home Wellness account.

A. Occupational Health promotes a Stress Management Program designed to assist employees in identifying the daily signs of stress such as anxiety, back pain, depression, fatigue, headaches, insomnia, or even problems in relationships. The goal of the program is to help employees understand and manage their daily stressors that may lead to health problems, if left unresolved. In March 2008, approximately 60 Customer Operations employees participated in the first phase of the program. The Company expects to spend approximately $255,000 for this program in the rate year.

Q. Please describe the new wellness initiatives under the Work Home Wellness Program.

A. Some of the new wellness initiatives being introduced include the mailing of a quarterly newsletter to employees' homes reinforcing the benefits of adopting a healthy lifestyle for themselves and their dependents as well as providing the employees and dependents with additional resources available on the Internet at a cost of $126,000. The Company has also retained the services of a nutritionist to educate employees about the appropriate food choices to manage their weight and manage various health conditions including diabetes at a cost of $70,000. A Muscular Skeletal Rehabilitation Program is being introduced to address the needs of employees who have experienced a significant amount of sick time as a result of a muscular skeletal condition, have chronic back problems, or have recently experienced back and/or shoulder injuries. Occupational Health has partnered with the Occupational and Industrial Orthopaedic Center of New York University to implement this program. The estimated cost of the program is $100,000. Beginning in 2008, the Company will conduct a health fair each quarter which will provide employees with an opportunity to meet with the Occupational Health staff including nurses, nutritionist, wellness staff and outside vendors (wellness related) to discuss various health issues, including managing stress through yoga, making healthy food choices, and addressing substance abuse at a yearly cost of $20,000. All of these programs listed previously in the testimony are designed to increase awareness of a healthy lifestyle and encourage employees to adopt these lifestyle choices.

Q. Please explain the program changes on line 19, page 1, of your Exhibit labeled World Trade Center.

A. The World Trade Center program change of approximately $350,000 reflects the continued monitoring and follow-up tests with specialists of those employees who responded to and supported the restoration of service to the World Trade Center area. The World Trade Center screening program meets or exceeds all diagnostic and treatment guidelines published by the New York City

Department of Health. The program includes physical examinations, pulmonary function exams, hearing and vision tests, electrocardiograms, mental health screenings and chest x-rays. The increased costs for the World Trade Center program include the salary increases to the medical staff; these are outside contractors. In addition, during the course of the routine World Trade Center exam, some of the employees are being referred to specialists for more extensive testing especially pulmonary related exams.

HEALTH INSURANCE COSTS

Q. Please explain the increase for health insurance shown on line 25, page 1 of Exhibit _ (HJR-1).

A. The health insurance increase is the cost increase associated with health care, long-term disability and benefits administration less employees' payroll deductions. Projected health care costs for the rate year were developed by applying the number of employee contracts as of February 2008 to the forecasted premium rates for the rate year ending March 31, 2010. The forecasted premium rates are based on year 2008 premiums that have been derived from the actual claims experience, projected health care cost trends, and information provided by each of the insurance carriers. Historic year costs for the long-term disability plan are escalated using the labor factor. Historic year costs for benefits administration are escalated using the non-labor factor. The common cost factor for electric was applied to total projected health care costs and long-term disability costs to arrive at the rate year forecast.

Q. Please explain why you are escalating health care costs at a rate of 8.0 percent, rather than the general inflation rate, known as the CPI?

A. The Company's actual health care costs increased by 12.7 percent between 2005 and 2006 and 8.4 percent between calendar year 2006 and 2007. Over the last decade, health care costs for the Company and the North East region have increased at a rate well above the CPI inflation rate and are expected to continue to increase at the same pace into the near future. According to a Mercer survey of 1,557 employers, health insurance costs are expected to increase by nearly 9 percent on average in 2008. In a survey conducted by Buck Consultants, survey participants indicated that the rate of increase for preferred provider organizations is expected to be 10.7 percent in 2008 and health maintenance organization plan costs are projected to be 11.1 percent in 2008.

Q. Are you aware that the Commission has rejected similar proposals by Con Edison and other utilities in past rate cases?

A. Yes, the continued trend in health care costs makes it incumbent upon the Commission to revisit this issue in light of the facts before it. The Company's actual experience is supported by numerous surveys and studies indicating that health care costs are increasing year to year at levels greater than the inflation rate. For example, Watson Wyatt and the National Business Group on Health conducted a survey of 573 large employers that indicates that health care costs will increase by 8 percent in 2008. National surveys prepared by Buck Consultants, PricewaterhouseCoopers, and National

Business Group on Health/Watson Wyatt report that year after year, health care costs have seen increases above and beyond the general inflation level, and this upward trend is not expected to end any time soon. Health care costs are increasing at a faster rate than that of general inflation. The use of the general inflation level does not result in a reasonably accurate estimate of the costs, understates the probable increases in health care costs and, therefore, understates the revenue requirement. Simply put, the application of the general inflation escalator does not produce a reasonable forecast for health care costs and should not be used.

Q. Please discuss the Company's cost containment strategies related to health care expenses.

A. To help manage the continued rise in health care costs and mitigate future cost increases, the Company continues to include as part of its health care management strategy cost containment programs such as Case Management, Value Options, Cancer Resources Services and Optum NurseLine. Case Management services are available to assist employees and their dependents when they have a serious illness requiring a lengthy hospitalization. For mental health care, Value Options reviews and manages the mental health treatment plan developed for the employee/dependent. Cancer Resources Services is available to United Healthcare participants. The service helps employees/dependents identify providers for treatment and provides information on cancer centers and other clinical topics. Optum NurseLine offers the employees and dependents an opportunity to speak with registered nurses 24 hours a day, seven days a week. Nurses are prepared to answer health questions, share self-care techniques, offer tips for staying healthy, and recommend Internet sources for additional research. All of these programs are designed to assist the employee/dependent in receiving the most appropriate treatment and avoid unnecessary medical procedures and tests. We believe that steering employees to appropriate avenues of care and encouraging them to engage in healthy behavior helps to mitigate the future health care cost increases.

Q. What other measures has the Company taken to control the growth in health insurance costs?

A. As explained below, the Company has continued its trend of placing greater responsibility for the costs of health care onto its employees. Pre-notification is required prior to services being rendered or purchases made for durable medical equipment and prosthetic devices. Treatment plans are required by the claims administrator for physical and occupational therapy, speech therapy, and services performed for diagnosis or treatment of dislocations, subluxations or misalignment of the vertebrae. Emergency room visits will only be covered for an accidental injury or a sudden/serious illness.

Q. Does the Company have any employee wellness programs?

A. As I mentioned earlier in my testimony, there are a number of wellness initiatives being expanded or introduced in 2008. These programs are designed to promote wellness, which, in turn, is expected to decrease health benefit costs.

The Company has been an advocate of using the wellness approach. In fact, in 2006, it introduced to all employees and dependents the Active Health program. This promotes employee wellness by providing information to employees, dependents and their health care providers regarding the most up-to-date and nationally recognized treatment options. The Active Health program monitors medical, lab, pharmacy and hospital claims submitted by the health care providers to identify potential health risks. If the data indicates an opportunity for better care or potential medical error, clinical staff from the Active Health program notify the health care provider first and then the patient. For example, the Active Health program notifies an employee/dependent with Crohn's disease for at least 10 years that it is important to have a colonoscopy at least every two years to check for colon cancer. Regular screening and testing is one of the most powerful weapons for the prevention or early detection of colon cancer. In the end, the final decision on medical care always remains with the employee/dependent and the physician.

Q. What other measures has the Company taken to manage health care costs?

A. The Company initiates periodic independent audits of the hospital, medical and prescription drug vendors (Blue Cross, United Healthcare, GHI and Caremark) to ensure that the programs are in compliance with the plan design and claims are processed correctly.

Q. Does the Company have any other programs to assist employees with their health care needs?

A. Yes. As discussed in the testimony of the Shared Services Panel, the Care Management Program is designed to assist employees in managing their sickness in a more informed manner and help in the long run to decrease costs associated with various medical expenses.

Q. Are there any programs to educate employees about the costs of health care?

A. Yes. To educate employees on to how to effectively use their prescription drug program, we have worked with Caremark at developing a personalized report which is sent to employees and dependents twice a year listing prescription drugs taken by the employee/dependent. For each prescription drug listed in the report, Caremark indicates whether the company and employee/dependent could have realized additional savings by using the mail order program and/or switching to a generic drug.

Q. What measures has the Company taken to manage the non-health insurance expenses?

A. The Tuition Aid Program now requires employees to remain employed by the Company for at least two years after completion of any course for which they have been reimbursed. Otherwise, the employee will be required to repay the amount received during the two years prior to leaving the Company.

Q. Please describe the information found in Exhibit _ (HJR-1), page 2 of 2.

A. Page 2 of the Exhibit is a summary of the health insurance costs less employee deductions for the rate year. The costs reflect the forecast applicable to electric for each of the Company's various health insurance plans.

Q. Please explain the $4.7 million increase for the rate year in the amount of employee deductions for health insurance, as shown on page 1, line 24, of your exhibit.

A. Projected employee deductions for health care expenses are based on the number of employee contracts as of February 2008 and the 2008 employee contribution rates. Forecasted employee contributions for the long-term disability plans are calculated by applying the labor factor to the historic amounts. The common cost factor for electric is then applied to the total employee deduction amount to arrive at the rate year forecast. The Company has been able to offset some of the recent escalation in health care expenses through various employee cost sharing mechanisms, such as increased co-payments and employee deductions.

Q. Do you plan to update this Exhibit?

A. Yes. If there are any changes in employee benefits, I will provide an update to this Exhibit at the appropriate time during the course of this proceeding. I would note that the Company's contract with Local 1-2 expires in June 2008 and is being renegotiated, so I would expect an update. In addition, the Company generally receives its projected health care costs for the following calendar year in August or September.

Q. Does this conclude your testimony?

A. Yes, it does.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ADMINISTRATIVE AND GENERAL EXPENSES - MAJOR ACCOUNT GROUP 49
EMPLOYEE WELFARE EXPENSES - PSC ACCOUNT 926.2
ELECTRIC

LINE NO.		12 MONTHS ENDED 12/31/07 ACTUAL	NORMALIZATION	PROGRAM CHANGE	ESCALATION		12 MONTHS ENDING 3/31/10 RATE YEAR	LINE NO.
1.	Thrift Savings Plan	$14,759,874	$0	$0	$854,429	[N]	$15,614,303	1.
2.	Group Life Insurance	988,987	105,757	0	138,836	[O]	1,233,580	2.
3.	Military Duty Allowance	134,327	0	0	10,448	[L]	144,775	3.
4.	Restaurants & Newsstands	89,756	0	0	4,667	[M]	94,423	4.
5.	Stock Purchase Plan	2,490,133	0	0	169,393	[A]	2,659,526	5.
6.	Stock Option Plan	38,532	0	0	2,004	[M]	40,536	6.
7.	Deferred Income Plan	4,187,473	(4,187,473)	0	0	[P]	0	7.
8.	DIP Life Insurance	156,327	(156,327)	0	0	[P]	0	8
9.	Tuition Aid	2,663,078	0	0	138,480	[M]	2,801,558	9
10.	Occupational Supplement	3,367,307	0	265,600	235,658	[D]	3,868,565	10.
11.	Company Clubs	15,211	0	0	791	[M]	16,002	11.
12.	Employee Publications & Communications	373,583	0	0	26,339	[C]	399,922	12.
13.	Scholarship for Employees' Children	103,265	0	0	5,370	[M]	108,635	13.
14.	Child Care & Elder Care Consulting Serv.	70,357	0	25,971	4,204	[F]	100,532	14.
15.	Financial Counseling Service	166,176	0	0	8,641	[J]	174,817	15.
16.	Consulting Services	932,882	0	0	48,510	[E]	981,392	16.
17.	Occupational Accidental Death	42,499	0	0	2,210	[M]	44,709	17.
18.	Work Home Wellness Program	678,301	0	517,172	46,133	[G]	1,241,606	18.
19.	World Trade Center	1,145,987	0	351,460	59,591	[I]	1,557,038	19.
20.	Sub-Total	32,404,055	(4,238,043)	1,160,203	1,755,704		31,081,919	20.
	Health Insurance							
21.	Dental	9,650,414	0	867,266	0		10,517,680	21.
22.	Prescription Drug Plan	18,300,473	0	1,463,708	0		19,764,181	22.
23.	Hospital & Medical Insurance	94,425,587	0	23,425,027	0		117,850,614	23.
24.	Employee Deductions	(29,910,360)	0	(4,744,368)	0		(34,654,728)	24.
25.	Sub-Total	92,466,114	0	21,011,633	0		113,477,747	25.
26.	Total Employee Welfare Expenses	$124,870,169	($4,238,043)	$22,171,836	$1,755,704		$144,559,666	26.
27.	Capitalization	30,201,621	0	7,355,227	45,510		37,602,358	27.
28.	Net of Capitalization	$94,668,548	($4,238,043)	$14,816,609	$1,710,194	[Q]	$106,957,308	28.

[A] to [J] Labor escalation 7.78%; non-labor escalation 5.2%; new/expanded programs
[K] Escalation - labor 7.78%; non-labor 5.2%
[L] Escalation is based on labor factor of 7.78%
[M] Escalation is based on non labor factor of 5.2%
[N] Escalation-labor 7.78%; non labor factor 5.2%; employee contributions/match
[O] premiums & 5 yr avg for dividends
[P] refer to Accounting Panel's testimony
[Q] does not include fringe benefits for of new hires; see testimony of Accounting Panel

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF HEALTH INSURANCE COSTS
ELECTRIC CASE
RATE YEAR FORECAST
TWELVE MONTHS ENDING MARCH 31, 2010

DENTAL - MET LIFE & JARDINE		$10,517,680
PRESCRIPTION DRUG - CAREMARK	19,563,986	
RETIRED KEY OFFICERS' PRESCRIPTION DRUG	200,195	
TOTAL PRESCRIPTION DRUG		19,764,181
HOSPITALIZATION - BLUE CROSS	39,248,419	
MEDICAL - UNITED HEALTHCARE	47,872,038	
MEDICAL - GROUP HEALTH INSURANCE	17,982,281	
RETIRED OFFICERS' MEDICAL - UHC	677,550	
HMO - BLUE CROSS/BLUE CHOICE	1,273,173	
HMO - HIP	1,558,000	
HMO - AETNA/U.S. HEALTHCARE	2,890,715	
HMO - MVP	813,439	
VISION - COMPREHENSIVE VISION	493,440	
MANAGEMENT LONG TERM DISABILITY	2,194,950	
WEEKLY LONG TERM DISABILITY	1,994,161	
FLEXIBLE BENEFITS ADMINISTRATION	311,616	
PRINTING & MAILING OF HEALTH PLANS	100,705	
CASE MGMT. PROGRAMS	82,023	
ACTIVE HEALTH/HDMS	358,104	
TOTAL HOSPITALIZATION & MEDICAL		117,850,614
TOTAL GROSS HEALTH INSURANCE COSTS		148,132,475
EMPLOYEE DEDUCTIONS		(34,654,728)
TOTAL NET HEALTH INSURANCE COSTS		**$113,477,747**

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
ADMINISTRATIVE AND GENERAL EXPENSES - MAJOR ACCOUNT GROUP 49
EMPLOYEE WELFARE EXPENSES - PSC ACCOUNT 926.2 - FORECAST
ELECTRIC

LINE NO.		12 MONTHS ENDED 12/31/07 ACTUAL	12 MONTHS ENDING 3/31/10 RATE YEAR	12 MONTHS ENDING 3/31/11 RATE YEAR	12 MONTHS ENDING 3/31/12 RATE YEAR	12 MONTHS ENDING 3/31/13 RATE YEAR	12 MONTHS ENDING 3/31/14 RATE YEAR	LINE NO.
1.	Thrift Savings Plan	$14,759,874	$15,614,303	$16,371,468	$17,187,312	$18,066,504	$19,013,971	1.
2.	Group Life Insurance	988,987	1,233,580	1,313,812	1,399,651	1,491,825	1,590,819	2.
3.	Military Duty Allowance	134,327	144,775	156,038	168,178	181,263	195,365	3.
4.	Restaurants & Newsstands	89,756	94,423	96,501	98,527	100,596	102,709	4.
5.	Stock Purchase Plan	2,490,133	2,659,526	2,811,133	2,972,305	3,144,807	3,329,496	5.
6.	Stock Option Plan	38,532	40,536	41,427	42,297	43,186	44,093	6.
7.	Deferred Income Plan	4,187,473	0	0	0	0	0	7.
8.	DIP Life Insurance	156,327	0	0	0	0	0	8
9.	Tuition Aid	2,663,078	2,801,558	2,863,192	2,923,319	2,984,709	3,047,388	9
10.	Occupational Supplement	3,367,307	3,868,565	4,081,659	4,308,087	4,550,217	4,809,231	10.
11.	Company Clubs	15,211	16,002	16,354	16,697	17,048	17,406	11.
12.	Employee Publications & Communications	373,583	399,922	424,845	451,459	480,008	510,640	12.
13.	Scholarship for Employees' Children	103,265	108,635	111,025	113,356	115,737	118,167	13.
14.	Child Care & Elder Care Consulting Serv.	70,357	100,532	102,717	104,875	107,077	109,326	14.
15.	Financial Counseling Service	166,176	174,817	178,663	182,415	186,246	190,157	15.
16.	Consulting Services	932,882	981,392	1,002,983	1,024,046	1,045,551	1,067,508	16.
17.	Occupational Accidental Death	42,499	44,709	45,693	46,652	47,632	48,632	17.
18.	Work Home Wellness Program	678,301	1,241,606	1,268,394	1,241,606	1,322,226	1,349,993	18.
19.	World Trade Center	1,145,987	1,557,038	1,591,293	1,624,710	1,658,829	1,693,664	19.
20.	Sub-Total	32,404,055	31,081,919	32,477,197	33,905,492	35,543,461	37,238,565	20.
	Health Insurance							
21.	Dental	9,650,414	10,517,680	11,348,801	12,256,572	13,254,533	14,320,707	21.
22.	Prescription Drug Plan	18,300,473	19,764,181	21,345,315	23,052,941	24,897,175	26,888,949	22.
23.	Hospital & Medical Insurance	94,425,587	117,850,614	127,240,110	137,361,734	148,309,745	160,119,154	23.
24.	Employee Deductions	(29,910,360)	(34,654,728)	(34,981,459)	(35,333,610)	(35,713,159)	(36,122,236)	24.
25.	Sub-Total	92,466,114	113,477,747	124,952,767	137,337,637	150,748,294	165,206,574	25.
26.	Total Employee Welfare Expenses	$124,870,169	$144,559,666	$157,429,964	$171,243,129	$186,291,755	$202,445,139	26.
27.	Capitalization	30,201,621	37,602,358	41,390,169	45,478,065	49,904,291	54,676,165	27.
28.	Net of Capitalization	$94,668,548	$106,957,308	$116,039,795	$125,765,064	$136,387,464	$147,768,974	28.

EXHIBIT_(HJR-2)

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
SUMMARY OF HEALTH INSURANCE COSTS
ELECTRIC CASE
RATE YEAR FORECAST
TWELVE MONTHS ENDING MARCH 31, 2014

	12 months ending 3/31/2010		12 months ending 3/31/2011		12 months ending 3/31/2012		12 months ending 3/31/2013		12 months ending 3/31/2014	
Dental - MetLife & ASO		$10,517,680		$11,348,801		$12,256,572		$13,254,533		$14,320,707
Prescription Drug - Caremark	19,563,986		21,129,104		22,819,433		24,644,987		26,616,586	
Retired Key Officers' Prescription Drug	200,195		216,211		233,508		252,188		272,363	
Total Prescription Drug		19,764,181		21,345,315		23,052,941		24,897,175		26,888,949
Hospitalization - Blue Cross	39,248,419		42,398,412		45,791,986		49,468,264		53,447,091	
Medical - United Healthcare	47,872,038		51,709,672		55,846,780		60,322,792		65,143,896	
Medical - Group Health Insurance	17,982,281		19,411,499		20,965,672		22,644,211		24,449,523	
Retired Officers' Medical - UHC	677,550		731,702		790,463		853,832		922,097	
HMO - Blue Cross/Blue Shield	1,273,173		1,375,010		1,485,378		1,604,383		1,732,898	
HMO - HIP	1,558,000		1,683,003		1,817,843		1,962,394		2,118,548	
HMO - Aetna/US Healthcare	2,890,715		3,121,760		3,371,166		3,641,454		3,933,086	
HMO - MVP	813,439		878,572		948,885		1,024,582		1,106,306	
VISION - Comprehensive	493,440		532,915		575,549		621,593		671,320	
Management Long Term Disability	2,194,950		2,371,659		2,556,174		2,755,045		2,969,387	
Weekly Long Term Disability	1,994,161		2,154,704		2,322,340		2,503,018		2,697,753	
Flexible Benefits Administration	311,616		318,471		325,159		331,987		338,959	
Printing & Mailing	100,705		102,921		105,082		107,289		109,542	
Case Mgmt Programs	82,023		83,828		85,589		87,386		89,221	
Active Health/HDMS	358,104		365,982		373,668		381,515		389,527	
Total - Hospital/Medical		117,850,614		127,240,110		137,361,734		148,309,745		160,119,154
Total Gross Health Insurance Costs		148,132,475		159,934,226		172,671,247		186,461,453		201,328,810
Employee Deductions		(34,654,728)		(34,981,459)		(35,333,610)		(35,713,159)		(36,122,236)
Total Net Health Insurance Costs		$113,477,747		$124,952,767		$137,337,637		$150,748,294		$165,206,574