CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
RATE OF RETURN REQUIRED FOR THE RATE YEAR
TWELVE MONTHS ENDING September 30, 2009

	Average Capitalization %	Cost Rate %	Weighted Cost Rate %
	Percent		
Long Term Debt	49.74%	5.79%	2.88%
Preferred Stock	1.08%	5.34%	0.06%
Customer Deposits	1.26%	3.76%	0.05%
Common Equity	47.92%	9.10%	4.36%
Total	100.00%		7.35%

Adjusted "Utility" Capital Structure
As of September 30, 2007
($ millions)

	C1	C2	C3	C4 (C 2 + C3)	C5 (C1-C4)	C6	C7 (C1-C6)	C8	C9 (C7-C8)
	CEI, Inc.	Con Edison	O&R	Utility	As Reported Non-Utility Operations	Staff Adj Non-Utility Operations	Staff Adjusted Utility (6/30/07)	Adj to Reflect Chgs thru end of RY	Staff Adjusted Utility (Avg Rate Year)
Assets									
Utility Plant (Original Cost)									
Electric	$15,704	$14,762	$942	$15,704	$0	$0	$15,704		
Gas	3,349	2,952	397	3,349	0	0	3,349		
Steam	1,733	1,733	0	1,733	0	0	1,733		
General	1,680	1,552	128	1,680	0	0	1,680		
Total Utility Plant	22,466	20,999	1,467	22,466	0	0	22,466		
Less: Accumulated Depreciation	4,730	4,313	417	4,730	0	0	4,730		
Net Plant	17,736	16,686	1,050	17,736	0	0	17,736		
Construction Work in Progress	916	888	29	917	-1	0	916		
Net Utility Plant	18,652	17,574	1,079	18,653	-1	0	18,652		
Non-Utility Plant	803	12	0	12	791	791	12		
Net Plant	19,455	17,586	1,079	18,665	790	790	18,665		
Total Current Assets	2,979	2,189	245	2,434	545	545	2,434		
Investments	378	100	12	112	266	266	112		
Total Def.Chgs, Reg Assets and Noncurr Assets	5,096	4,116	461	4,577	519	519	4,577		
Total Assets	$27,908	$23,991	$1,797	$25,788	2,120	$2,120	$25,788		
Capitalization and Liabilities									
Capitalization									
Common Shareholders' Equity	$8,990	$7,918	$421	$8,339	$651	$784	$8,206	$1,266	**$9,472**
Preferred Stock	213	213	0	213	0	0	213	0	**213**
Long-term Debt (incl Curr Mat)	8,840	7,779	437	8,216	624	491	8,349	1,481	**9,830**
Total Capitalization	18,043	15,910	858	16,768	1,275	1,275	16,768		**19,515**
Total Noncurrent Liabilities	1,646	1,240	353	1,593	53	53	1,593		
Total Current Liabilities	2,499	1,747	242	1,989	510	510	1,989		
Total Def Credits and Regulatory Liabilities	5,678	5,094	344	5,438	240	240	5,438		
Total Capitalization and Liabilities	$27,908	$23,991	$1,797	$25,788	$2,120	$2,120	$25,788		
Customer Deposit Total: (Included in Current Liabilities)	243	229	14	243	0	0	243	6	**249**
Long-Term Debt:	48.3%	48.2%	50.1%	48.3%	48.9%	38.5%	49.08%		**49.74%**
Preferred Stock:	1.2%	1.3%	0.0%	1.3%	0.0%	0.0%	1.25%		**1.08%**
Customer Deposit:	1.3%	1.4%	1.6%	1.4%	0.0%	0.0%	1.43%		**1.26%**
Common Equity:	49.2%	49.1%	48.3%	49.0%	51.1%	61.5%	48.24%		**47.92%**

UTILITY COMMONY EQUITY FORECAST

(Begin with Staff Adjusted "Utility" Balance - Reflect Co's Financial Forecast)

	Con Ed Quarter End Bal	Con Ed Net Additions	O&R Quarter End Bal	O&R Net Additions	Staff "Utility" Common Equity Bal.	
9/30/07	7,918,000		421,000		8,205,875	
net change	150,997		4,880			
12/31/07	8,068,997	150,997	425,880	4,880	8,361,752	
net change	120,585		4,576			
03/31/08	8,189,582	120,585	430,456	4,576	8,486,913	
net change	400,293		24,714			
06/30/08	8,589,875	400,293	455,170	24,714	8,911,920	
net change	111,869		5,455			
09/30/08	8,701,744	111,869	460,625	5,455	*9,029,244*	
net change	96,801		25,619			
12/31/08	8,798,545	96,801	486,244	25,619	*9,151,664*	
net change	180,813		6,037			
03/31/09	8,979,358	180,813	492,281	6,037	*9,338,514*	
net change	463,273		26,218			
06/30/09	9,442,631	463,273	518,500	26,218	*9,828,006*	
net change	177,489		7,005			
09/30/09	9,620,120	177,489	525,505	7,005	*10,012,500*	
	Total Net Additions:	1,702,120		104,505		
					9,471,986	**5-Point Average**

UTILITY LONG TERM DEBT FORECAST

(Begin with Staff Adjusted "Utility" Balance - Reflect Co's Financial Forecast)

	Con Ed - LTD Mo End Bal	Con Ed Net Change	O&R LT Debt Mo End Bal	O&R Net Change	Staff "Utility" Long Term Debt Bal.	
09/07	7,779,000		437,000		8,349,125	
10/07	7,779,000		437,000		8,349,125	
11/07	7,779,000		437,000		8,349,125	
12/07	7,449,000	(330,000)	497,000		8,019,125	
01/08	7,449,000		497,000		8,019,125	
02/08	7,769,000	320,000	497,000	60,000	8,399,125	
03/08	8,129,000	360,000	497,000		8,759,125	
04/08	8,129,000		497,000		8,759,125	
05/08	8,129,000		497,000		8,759,125	
06/08	8,129,000		497,000		*8,759,125*	
07/08	8,329,000	200,000	497,000		*8,959,125*	
08/08	8,329,000		497,000		*8,959,125*	
09/08	8,629,000	300,000	497,000		*9,259,125*	
10/08	8,629,000		547,000	50,000	*9,309,125*	
11/08	8,629,000		547,000		*9,309,125*	
12/08	9,159,000	530,000	547,000		*9,839,125*	
01/09	9,159,000		547,000		*9,839,125*	
02/09	9,159,000		547,000		*9,839,125*	
03/09	9,159,000		547,000		*9,839,125*	
04/09	9,159,000		547,000		*9,839,125*	
05/09	9,159,000		547,000		*9,839,125*	
06/09	9,249,000	90,000	547,000		*9,929,125*	
07/09	9,629,000	380,000	547,000		*10,309,125*	
08/09	9,629,000		547,000		*10,309,125*	
09/09	9,654,000	25,000	547,000		*10,334,125*	
	Total Net Additions:	1,875,000		110,000	**9,830,279**	**13-Point Average**

Staff Proxy Group Characteristics

Company	Parent Company Rating S&P[1]	Moody's[2]	S&P Business Profile[1]	Score	S&P Financial Profile[1]	Score	Regulated Revenue (%)[3]	Equity Ratio[4]
1. **Allegheny Energy Inc.**	BBB-	Baa3	Strong	2	Aggressive	4	87.8%	44.50%
2. **ALLETE**	BBB+	Baa2	Strong	2	Intermediate	3	83.3%	55.00%
3. **Alliant Energy Corp.[5]**	BBB+	A3	Excellent	1	Aggressive	4	93.9%	54.00%
4. **Ameren Corp.**	BBB-	Baa2	Satisfactory	3	Aggressive	4	90.0%	53.50%
5. **American Electric Power**	BBB	Baa2	Excellent	1	Aggressive	4	95.6%	40.50%
6. **Cleco Corp.**	BBB	Baa3	Strong	2	Aggressive	4	96.3%	49.00%
7. **Consolidated Edison**	A	A2	Excellent	1	Intermediate	3	83.3%	51.00%
8. **DPL Inc.**	BBB	Baa2	Excellent	1	Aggressive	4	99.4%	37.50%
9. **DTE Energy Co.**	BBB	Baa2	Excellent	1	Aggressive	4	73.0%	44.00%
10. **Duke Energy Corp.**	A-	Baa2	Excellent	1	Intermediate	3	79.2%	62.50%
11. **Edison International**	BBB-	Baa2	Strong	2	Aggressive	4	81.7%	46.50%
12. **Empire District Electric**	BBB-	Baa2	Strong	2	Aggressive	4	99.1%	50.00%
13. **Entergy Corp.**	BBB	Baa3	Strong	2	Aggressive	4	83.7%	42.50%
14. **Exelon Corp.**	BBB+	Baa1	Excellent	1	Intermediate	3	72.0%	46.00%
15. **FPL Group, Inc.**	A	A2	Excellent	1	Intermediate	3	76.3%	51.00%
16. **Hawaiian Electric Industries Inc.**	BBB	Baa2	Strong	2	Aggressive	4	83.5%	45.50%
17. **IDACORP, Inc.**	BBB+	Baa2	Strong	2	Aggressive	4	99.4%	52.50%
18. **MGE Energy Inc.[6]**	AA-	Aa3	Excellent	1	Modest	2	99.3%	61.00%
19. **NiSource Inc.**	BBB-	Baa3	Excellent	1	Aggressive	4	87.1%	47.00%
20. **Northeast Utilities**	BBB	Baa2	Excellent	1	Aggressive	4	87.2%	43.00%
21. **NSTAR**	A+	A2	Excellent	1	Intermediate	3	95.9%	41.00%
22. **PG&E Corp.**	BBB+	A3	Excellent	1	Intermediate	3	100.0%	52.50%
23. **Pinnacle West Capital Corp.**	BBB-	Baa3	Strong	2	Aggressive	4	77.5%	51.00%
24. **Portland General Electric**	BBB+	Baa2	Strong	2	Intermediate	3	90.9%	47.00%
25. **Progress Energy**	BBB+	Baa2	Excellent	1	Aggressive	4	91.1%	48.50%
26. **Southern Co.**	A	A3	Excellent	1	Intermediate	3	98.1%	45.50%
27. **Teco Energy, Inc.**	BBB-	Baa3	Strong	2	Aggressive	4	77.2%	38.50%
28. **Vectren Corp.[7]**	A-	Baa1	Excellent	1	Intermediate	3	81.1%	52.00%
29. **Westar Energy**	BBB-	Baa3	Excellent	1	Aggressive	4	72.2%	50.00%
30. **Wisconsin Energy Corp.**	BBB+	A3	Excellent	1	Aggressive	4	99.6%	44.00%
31. **Xcel Energy, Inc.**	BBB	Baa1	Excellent	1	Aggressive	4	99.2%	45.00%
Staff Proxy Group Average:				1.4		3.6	88.2%	48.1%

[1]Source: *U.S. Electric Utility Companies, Strongest To Weakest* , January 2, 2008.
[2]Source: Moody's, *Credit Opinion or Rating Action* , accessed January 17/18, 2008.
[3]Source: Accessed 10-K report and annual reports for the period at December 31, 2006.
[4]Source: Value Line Investment Survey's 2008 estimate from November 2007, December 2007 and February 2008 publications.
[5]The Moody's rating for Alliant Energy Corp. is for Interstate Power and Light Company.
[6]The Moody's rating for MGE Energy Inc. is for Madison Gas and Electric Company .
[7]The Moody's rating for Vectren Corp. is for Southern Indiana Gas & Electric Company.

Case 07-S-1315

Exhibit___(FP-7)

Staff Proxy Group
Average S&P and Moody's Debt Rating

	Electric Utility Holding Co.	RATINGS		Score(See Legend)	
		S&P[1]	Moody's[2]	S&P	Moody's
1.	Allegheny Energy Inc.	BBB-	Baa3	10	10
2.	ALLETE	BBB+	Baa2	8	9
3.	Alliant Energy Corp.[3]	BBB+	A3	8	7
4.	Ameren Corp.	BBB-	Baa2	10	9
5.	American Electric Power	BBB	Baa2	9	9
6.	Cleco Corp.	BBB	Baa3	9	10
7.	Consolidated Edison	A	A2	6	6
8.	DPL Inc.	BBB	Baa2	9	9
9.	DTE Energy Co.	BBB	Baa2	9	9
10.	Duke Energy Corp.	A-	Baa2	7	9
11.	Edison International	BBB-	Baa2	10	9
12.	Empire District Electric	BBB-	Baa2	10	9
13.	Entergy Corp.	BBB	Baa3	9	10
14.	Exelon Corp.	BBB+	Baa1	8	8
15.	FPL Group, Inc.	A	A2	6	6
16.	Hawaiian Electric Industries, Inc.	BBB	Baa2	9	9
17.	IDACORP, Inc.	BBB+	Baa2	8	9
18.	MGE Energy Inc.[4]	AA-	Aa3	4	4
19.	NiSource Inc.	BBB-	Baa3	10	10
20.	Northeast Utilities	BBB	Baa2	9	9
21.	NSTAR	A+	A2	5	6
22.	PG&E Corp.	BBB+	A3	8	7
23.	Pinnacle West Capital	BBB-	Baa3	10	10
24.	Portland General Electric	BBB+	Baa2	8	9
25.	Progress Energy	BBB+	Baa2	8	9
26.	Southern Co.	A	A3	6	7
27.	Teco Energy, Inc.	BBB-	Baa3	10	10
28.	Vectren Corp.[5]	A-	Baa1	7	8
29.	Westar Energy	BBB-	Baa3	10	10
30.	Wisconsin Energy Corp.	BBB+	A3	8	7
31.	Xcel Energy, Inc.	BBB	Baa1	9	8
			Average:	**8.23**	**8.37**

[1] *Source: U.S. Electric Utility Companies, Strongest To Weakest, January 2, 2008.*
[2] *Source: Moody's, Credit Opinion or Rating Action, accessed January 17/18, 2008.*
[3] *The Moody's rating for Alliant Energy Corp. is for Interstate Power and Light Company.*
[4] *The Moody's rating for MGE Energy Inc. is for Madison Gas and Electric Company .*
[5] *The Moody's rating for Vectren Corp. is for Southern Indiana Gas & Electric Company.*

LEGEND:

S&P	Moody's	Score
AAA	Aaa	1
AA+	Aa1	2
AA	Aa2	3
AA-	Aa3	4
A+	A1	5
A	A2	6
A-	A3	7
BBB+	Baa1	8
BBB	Baa2	9
BBB-	Baa3	10

Calculation of Electric ROE - DCF Method

	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	Company[1]	Beta[2]	8/07 - 1/08 Price[3]	EPS 2010-12	DPS 2007	DPS 2008	DPS 2010-12	BPS 2007	BPS 2008	BPS 2010-12	# of Shares 2007	# of Shares 2010-12
1.	Allegheny Energy Inc.	1.40	$56.94	$3.75	$0.15	$0.64	$1.70	$14.15	$15.95	$20.60	170.00	170.00
2.	ALLETE	0.95	41.52	$3.50	1.64	1.68	1.80	23.35	24.40	28.75	30.85	32.50
3.	Alliant Energy Corp.	0.80	39.21	2.85	1.27	1.40	1.70	22.40	23.80	27.50	107.20	111.00
4.	Ameren Corp.	0.80	51.58	3.40	2.54	2.54	2.54	32.70	33.60	36.50	208.80	216.80
5.	American Electric Power	0.95	46.27	4.00	1.58	1.67	2.20	24.90	26.55	32.00	400.50	413.00
6.	Cleco Corp.	1.15	25.80	2.00	0.90	0.90	1.30	16.25	17.00	19.50	60.00	64.00
7.	Consolidated Edison	0.75	46.86	3.50	2.32	2.34	2.40	34.25	35.90	40.60	272.00	278.00
8.	DPL Inc.	0.85	28.28	2.30	1.04	1.10	1.28	7.00	7.70	11.00	112.40	111.20
9.	DTE Energy Co.	0.80	47.44	3.50	2.12	2.18	2.40	35.00	35.15	38.00	162.50	157.00
10.	Duke Energy Corp.	NMF	19.13	1.50	0.86	0.90	1.02	16.50	16.85	18.25	1,260.00	1,278.00
11.	Edison International	0.85	54.67	3.60	1.18	1.24	1.42	25.65	27.75	34.30	326.00	326.00
12.	Empire District Electric	0.85	22.88	1.75	1.28	1.28	1.35	16.10	16.65	18.00	34.25	36.00
13.	Entergy Corp.	0.85	112.08	7.80	2.58	3.10	3.70	40.70	42.35	56.15	194.00	194.00
14.	Exelon Corp.	0.90	78.08	5.75	1.78	1.86	2.10	15.70	17.05	24.25	660.00	630.00
15.	FPL Group, Inc.	0.75	64.85	5.00	1.64	1.78	2.50	26.65	28.85	36.35	410.00	426.00
16.	Hawaiian Electric	0.75	22.19	1.50	1.24	1.24	1.24	13.60	13.75	14.25	83.50	87.00
17.	IDACORP, Inc.	0.95	33.85	2.25	1.20	1.20	1.20	26.05	27.75	30.95	45.00	47.50
18.	MGE Energy Inc.	0.95	33.87	2.60	1.41	1.43	1.50	17.00	17.90	18.70	21.90	21.90
19.	NiSource Inc.	0.90	19.05	1.50	0.92	0.92	1.00	18.60	18.90	20.25	274.75	277.00
20.	Northeast Utilities	0.80	29.68	2.30	0.78	0.83	0.98	19.00	20.15	22.20	156.20	182.00
21.	NSTAR	0.75	34.12	3.00	1.35	1.43	1.75	15.60	16.45	19.75	106.81	106.81
22.	PG&E Corp.	0.85	45.46	3.10	1.44	1.56	1.92	22.45	24.00	28.45	378.30	389.00
23.	Pinnacle West Capital	0.80	40.86	2.95	2.10	2.12	2.28	35.30	36.25	37.55	100.40	100.80
24.	Portland General Electric	NMF	26.99	2.25	0.93	0.99	1.30	20.90	21.75	24.75	62.50	67.00
25.	Progress Energy	0.85	47.08	3.30	2.45	2.47	2.53	32.75	33.15	35.05	260.00	274.00
26.	Southern Co.	0.70	36.89	2.50	1.60	1.66	1.85	16.30	17.35	19.50	765.00	805.00
27.	Teco Energy, Inc.	0.95	16.48	1.25	0.78	0.80	0.86	8.95	9.35	10.75	210.50	215.00
28.	Vectren Corp.	0.90	27.87	2.05	1.27	1.31	1.43	16.80	17.50	19.55	80.80	81.60
29.	Westar Energy	0.85	25.11	2.00	1.08	1.16	1.28	18.65	20.10	22.35	100.00	102.40
30.	Wisconsin Energy	0.85	46.30	3.75	1.00	1.08	1.60	26.20	27.70	32.75	117.00	117.00
31.	Xcel Energy, Inc.	0.80	21.71	1.75	0.91	0.95	1.10	14.70	15.30	17.00	427.00	435.00
	Median:	0.85										

Sources:

[1]Value Line Investment Survey, Electric Industry Central, December 28, 2007.
Value Line Investment Survey, Electric Industry East, November 30, 2007.
Value Line Investment Survey, Electric Industry West, February 8, 2008.

[2]Beta data is from Value Line Investment Survey.

[3]Historical price data is from Yahoo.com

Calculation of Electric ROE - DCF Method

(B)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)
Company[1]	Retention Rate 2011	Return on Equity 2011	B x R	Increase in Shares	MBR 2007	S Factor	V Factor	S x V	Sustainable Growth	Long-Form ROE
1. Allegheny Energy Inc.	0.55	18.98	10.38	0.00	4.02	0.00	0.75	0.00	10.38	12.93%
2. ALLETE	0.49	12.51	6.07	1.31	1.78	2.33	0.44	1.02	7.09	10.69%
3. Alliant Energy Corp.	0.40	10.61	4.28	0.87	1.75	1.53	0.43	0.66	4.94	8.80%
4. Ameren Corp.	0.25	9.44	2.39	0.94	1.58	1.49	0.37	0.55	2.93	7.48%
5. American Electric Power	0.45	12.89	5.80	0.77	1.86	1.43	0.46	0.66	6.46	10.56%
6. Cleco Corp.	0.35	10.49	3.67	1.63	1.59	2.58	0.37	0.96	4.63	9.23%
7. Consolidated Edison	0.31	8.80	2.76	0.55	1.37	0.75	0.27	0.20	2.97	7.70%
8. DPL Inc.	0.44	22.15	9.82	(0.27)	4.04	(1.08)	0.75	(0.81)	9.01	12.61%
9. DTE Energy Co.	0.31	9.33	2.93	(0.86)	1.36	(1.16)	0.26	(0.30)	2.63	7.38%
10. Duke Energy Corp.	0.32	8.33	2.67	0.36	1.16	0.41	0.14	0.06	2.72	7.73%
11. Edison International	0.61	10.87	6.58	0.00	2.13	0.00	0.53	0.00	6.58	8.74%
12. Empire District Electric	0.23	9.85	2.25	1.25	1.42	1.78	0.30	0.53	2.78	8.28%
13. Entergy Corp.	0.53	14.54	7.64	0.00	2.75	0.00	0.64	0.00	7.64	10.36%
14. Exelon Corp.	0.63	25.10	15.93	(1.16)	4.97	(5.75)	0.80	(4.59)	11.34	13.28%
15. FPL Group, Inc.	0.50	14.28	7.14	0.96	2.43	2.34	0.59	1.38	8.52	11.69%
16. Hawaiian Electric	0.17	10.59	1.84	1.03	1.63	1.68	0.39	0.65	2.49	7.72%
17. IDACORP, Inc.	0.47	7.40	3.45	1.36	1.30	1.77	0.23	0.41	3.86	7.04%
18. MGE Energy Inc.	0.42	14.01	5.93	0.00	1.99	0.00	0.50	0.00	5.93	9.71%
19. NiSource Inc.	0.33	7.49	2.50	0.20	1.02	0.21	0.02	0.00	2.50	7.44%
20. Northeast Utilities	0.57	10.53	6.04	3.90	1.56	6.08	0.36	2.19	8.23	10.90%
21. NSTAR	0.42	15.65	6.52	0.00	2.19	0.00	0.54	0.00	6.52	10.91%
22. PG&E Corp.	0.38	11.21	4.27	0.70	2.02	1.42	0.51	0.72	4.98	8.74%
23. Pinnacle West Capital	0.23	7.90	1.79	0.10	1.16	0.12	0.14	0.02	1.81	7.15%
24. Portland General Electric	0.42	9.29	3.92	1.75	1.29	2.26	0.23	0.51	4.43	8.81%
25. Progress Energy	0.23	9.50	2.22	1.32	1.44	1.90	0.30	0.58	2.79	7.79%
26. Southern Co.	0.26	13.07	3.40	1.28	2.26	2.90	0.56	1.62	5.02	9.44%
27. Teco Energy, Inc.	0.31	11.90	3.71	0.53	1.84	0.98	0.46	0.45	4.16	8.85%
28. Vectren Corp.	0.30	10.68	3.23	0.25	1.66	0.41	0.40	0.16	3.39	8.11%
29. Westar Energy	0.36	9.11	3.28	0.59	1.35	0.80	0.26	0.21	3.48	8.16%
30. Wisconsin Energy	0.57	11.77	6.75	0.00	1.77	0.00	0.43	0.00	6.75	9.75%
31. Xcel Energy, Inc.	0.37	10.47	3.89	0.47	1.48	0.69	0.32	0.22	4.11	8.70%
							Median Result:		4.63	8.80%

Sources:

[1]Value Line Investment Survey, Electric Industry Central, December 28, 2007.
Value Line Investment Survey, Electric Industry East, November 30, 2007.
Value Line Investment Survey,

[2]Beta data is from Value Line Investment Survey.

[3]Historical price data is from Yahoo.com

Calculation of GFC Cost of Equity - Staff Proxy Group

Merrill Lynch Cost of Market[1]:	11.00%	
	Treasury Rates[2]	
	10 year	*30 year*
Aug-07	4.67%	4.93%
Sep-07	4.52%	4.79%
Oct-07	4.53%	4.77%
Nov-07	4.15%	4.52%
Dec-07	4.10%	4.53%
Jan-08	3.74%	4.33%
Risk Free Rate (8/07 - 1/08)	4.47%	
Proxy Group Beta	0.85	
Proxy Group DCF ROE	8.80%	
Traditional CAPM ROE	10.02%	
Zero Beta CAPM ROE	10.27%	
Generic CAPM ROE	10.15%	
2/3 DCF 1/3 CAPM Weighting Return on Equity	9.25%	
Credit Quality Adjustment	-0.36%	
Issuance Expense Adjustment	0.08%	
Steam Weather-Related Risk Adj.	0.15%	
RECOMMENDED ROE (Unrounded)	**9.13%**	

Sources:
[1]Merrill Lynch, *Quantitative Profiles*, February 7, 2008; figure is average of Implied and Required Returns
[2]Federal Reserve Statistical Release, FRB: Federal Reserve Statistical Release H.15 - Historical Data

Case 07-S-1315
Exhibit__(FP-10)

Staff Bond Yield Analysis and Credit Quality Adjustment

Moody's Long-Term Corporate Bond Yield Averages
(Seasoned Utility Bonds, 20Yr +)

Month	Aa	A	Baa
August	6.11%	6.24%	6.51%
September	6.10%	6.18%	6.45%
October	6.04%	6.11%	6.36%
November	5.87%	5.97%	6.27%
December	6.03%	6.16%	6.51%
January	5.87%	6.02%	6.35%
6 Mo. Avg:	6.00%	6.11%	6.41%

Avg Spread

Aa vs A	A vs Baa
0.11%	0.30%

Rating Scales Moody's	S&P	6 Mo Avg Yield	
Aaa1	AAA+		
Aaa2	AAA		
Aaa3	AAA-		
Aa1	AA+		
Aa2	AA	6.00%	
Aa3	AA-	6.04%	
A1	A+	6.08%	
A2	A	6.11%	6.09%
A3	A-	6.21%	
Baa1	BBB+	6.31%	6.34%
Baa2	BBB	6.41%	
Baa3	BBB-		**-0.24%**

Implied Yields For:

Con Edison

Proxy group

Implied Credit Quality Adjustment for Con Ed Debtholders

Con Edison is rated "A1" by Moody's
Con Edison is rated "A" with a "Negative Outlook" by S&P
Proxy Group average bond ratings calculated on FP-7

Ratio of Con Ed debt cost to Proxy Group debt cost:	96.16%
Proxy Group Cost of Equity	**9.25%**
Ratio of Proxy Group Cost of Equity to Proxy Group debt cost:	145.95%
Implied Con Ed Cost of Equity	**8.89%**

Implied Credit Quality Adjustment for

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
AVERAGE COST OF LONG TERM DEBT
TWELVE MONTHS ENDING SEP. 30, 2009
(Thousands of Dollars)

Debentures			Due	Debt Outstanding 9/30/2009	Cost Rate	Average Balance 9/30/2009	Average Cost	Effective Cost Rate
1998	Series	B	02/01/28	105,000	7.100%	105,000	7,455	0.082%
1998	Series	D	10/01/28	75,000	6.900%	75,000	5,175	0.057%
1999	Series	B	12/01/09	200,000	7.150%	200,000	14,300	0.157%
2000	Series	A	05/01/10	325,000	8.125%	325,000	26,406	0.291%
2000	Series	B	09/01/10	300,000	7.500%	300,000	22,500	0.248%
2002	Series	A	07/01/12	300,000	5.625%	300,000	16,875	0.186%
2002	Series	B	02/01/13	500,000	4.875%	500,000	24,375	0.268%
2003	Series	A	04/01/33	175,000	5.875%	175,000	10,281	0.113%
2003	Series	B	06/15/13	200,000	3.850%	200,000	7,700	0.085%
2003	Series	C	06/15/33	200,000	5.100%	200,000	10,200	0.112%
2004	Series	A	02/01/14	200,000	4.700%	200,000	9,400	0.103%
2004	Series	B	02/01/34	200,000	5.700%	200,000	11,400	0.125%
2004	Series	C	06/15/09	275,000	4.700%	263,542	12,386	0.136%
2005	Series	A	03/01/35	350,000	5.300%	350,000	18,550	0.204%
2005	Series	B	07/01/35	125,000	5.250%	125,000	6,563	0.072%
2005	Series	C	12/15/15	350,000	5.375%	350,000	18,813	0.207%
2006	Series	A	03/15/36	400,000	5.850%	400,000	23,400	0.257%
2006	Series	B	06/15/36	400,000	6.205%	400,000	24,820	0.273%
2006	Series	C	09/15/16	400,000	5.500%	400,000	22,000	0.242%
2006	Series	D	12/01/16	250,000	5.300%	250,000	13,250	0.146%
2006	Series	E	12/01/36	250,000	5.700%	250,000	14,250	0.157%
2007	Series	A	08/15/37	525,000	6.300%	525,000	33,075	0.364%
2007	*Series*	*B*	*12/01/37*	500,000	6.210%	500,000	31,050	0.342%
2008	*Series*	*A*	*03/01/18*	360,000	5.389%	360,000	19,400	0.213%
2008	*Series*	*B*	*07/01/38*	300,000	6.210%	300,000	18,630	0.205%
2008	*Series*	*C*	*09/01/18*	300,000	5.389%	237,500	12,799	0.141%
2008	*Series*	*D*	*12/01/38*	530,000	6.210%	419,583	26,056	0.287%
2009	*Series*	*A*	*07/01/19*	380,000	5.389%	79,167	4,266	0.047%
2009	*Series*	*B*	*09/01/39*	300,000	6.210%	12,500	776	0.009%
						$8,002,292	**$466,152**	**5.129%**

Tax Exempt Debt

1999	Series	A	05/01/34	292,700	0.03737957	292,700	10,941	0.120%
2001	Series	A	06/01/36	224,600	0.04556545	224,600	10,234	0.113%
2001	Series	B	10/01/36	98,000	0.03737755	98,000	3,663	0.040%
2004	Series	A	01/01/39	98,325	0.03737605	98,325	3,675	0.040%
2004	Series	B1	05/01/32	127,225	0.03738259	127,225	4,756	0.052%
2004	Series	B2	10/01/35	19,750	0.03736709	19,750	738	0.008%
2004	Series	C	11/01/39	99,000	0.03738384	99,000	3,701	0.041%
2005	Series	A	05/01/39	126,300	0.03737926	126,300	4,721	0.052%
						$1,085,900	**$42,429**	**0.467%**

Subtotal:	$9,088,192	$508,581	5.60%
Plus: Amortization of Debt Expense:		$17,223	0.19%
TOTAL:	**$9,088,192**	**$525,804**	**5.79%**