

Consolidated Edison Company of New York, Inc.

Fact Sheet for Steam Rate Case 05-S-1376

Effective October 1, 2006

The New York State Public Service Commission approved a new Rate Plan for Steam Operations on September 20, 2006. The Rate Plan covers the two-year period October 2006 through September 2008.

Highlights

- Earnings improvement resulting from new credits and the phase-in of rate relief from prior rate plan
- Accounting credits (net of debits) will be reflected in pre-tax income in each of the two years, as follows:
 - Rate Year 1 - \$26.3 million
 - Rate Year 2 - \$26.3 million
- No base rate change in first year of Rate Plan
- Rate base in this agreement is:
 - Rate Year 1 - \$652 million
 - Rate Year 2 - \$662 million
- ERRP recovery will be moved into base rates from Fuel Adjustment Clause at the end of the first year of Rate Plan
- Earnings sharing begins at 11% ROE
 - 50/50 between 11% and 12% with deferrals limited to 50%
 - 75/25 customer/shareholder above 12% with no deferrals
 - Sharing calculation excludes cold weather related sales
- 9.8% ROE used to compute revenue requirement
- Equity ratio used in earnings calculation will be actual equity ratio, with a cap of 50%
- True-up reconciliations:
 - Pensions and OPEBs
 - Property taxes and interference (90% of increase / decrease)
 - Environmental remediation
 - World Trade Center costs
- Provides for higher depreciation rates
- Potential penalties of \$4+ million geared toward business development