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Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York NY 10003
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Corresp.
03-S-1672
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2005 NOV 30 PM 2:10
November 29, 2005

Mr. Charles M. Dickson
Director of the Office of Accounting and Finance – 6th Floor
Department of Public Service
Three Empire State Plaza
Albany, New York 12223

Re: PSC Case No. 03-S-1672
Compliance Filing

Dear Mr. Dickson:

In accordance with Section D of the Joint Proposal adopted by the Commission's September 27, 2004 Order in Case No. 03-S-1672¹, Consolidated Edison Company of New York, Inc. ("the Company") hereby files its calculation of its steam rate of return on common equity capital for the rate year ended September 30, 2005 which is the first rate year of the rate plan. For Rate Year 2005, page 1 of Attachment 1 shows the Company earned a rate of return on steam common equity capital of 8.62 percent after adjusting for the Commission-approved incentives and penalties. The calculation also shows that the Company did not exceed the earnings threshold of 11.75% for the first rate year period.

Respectfully submitted,

CONSOLIDATED EDISON COMPANY
OF NEW YORK, INC.

By: *Robert Muccilo*

Robert Muccilo
Assistant Controller

¹ Case No. 03-S-1672, Order Concerning Steam Rates, Restructuring, Competition, and Other Issues, issued September 27, 2004.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CALCULATION OF EXCESS/DEFICIENCY IN RETURN ON COMMON EQUITY - STEAM
PER THE 2004 STEAM SETTLEMENT AGREEMENT
TWELVE MONTHS ENDED SEPTEMBER 30, 2005
(THOUSANDS OF DOLLARS)

	<u>ACTUAL</u>
OPERATING INCOME (A)	\$ 60,594
AVERAGE RATE BASE (B)	\$ 857,364
RATE OF RETURN ON RATE BASE	7.07%
RATE OF RETURN ON COMMON EQUITY (C)	8.62%
RATE OF RETURN ON COMMON EQUITY - SHARING THRESHOLD	11.75%
DEFICIENCY IN RATE OF RETURN ON COMMON EQUITY	-3.13%

(A) SEE PAGE 2 OF 4

(B) SEE PAGE 3 OF 4

(C) SEE PAGE 4 OF 4

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STEAM OPERATING INCOME
TWELVE MONTHS ENDED SEPTEMBER 30, 2005
(THOUSANDS OF DOLLARS)

<u>PER BOOKS</u>	<u>ACTUAL</u>
TOTAL OPERATING REVENUES	\$ 647,075
FUEL AND PURCHASED POWER	325,865
OTHER PRODUCTION EXPENSES	80,595
DISTRIBUTION EXPENSES	30,793
CUST. ACCTS., CUST. SERVICE AND ADMIN & GENERAL EXPENSES	<u>27,525</u>
TOTAL OPERATING & MAINTENANCE EXPENSES	464,778
DEPRECIATION & AMORTIZATION	31,027
TAXES, OTHER THAN INCOME TAXES	<u>64,071</u>
TOTAL OPERATING EXPENSES, OTHER THAN INCOME TAXES	559,876
OPERATING INCOME BEFORE INCOME TAXES	87,199
FEDERAL INCOME TAX	23,471
STATE INCOME TAX	<u>3,134</u>
OPERATING INCOME AFTER INCOME TAXES PER BOOKS	<u>\$ 60,594</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
AVERAGE STEAM RATE BASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2005
(THOUSANDS OF DOLLARS)

	<u>ACTUAL</u>
1. BOOK COST OF PROPERTY	\$ 1,162,765
2. ACCUMULATED RESERVE FOR DEPRECIATION	<u>(233,944)</u>
3. NET UTILITY PROPERTY	928,821
4. NIB - CWIP	26,128
5. PREFERRED STOCK EXPENSE	310
6. UNAMORTIZED DEBT DISC., PREMIUM & EXPENSES	16,639
7. DEFERRED FUEL - NET OF TAX	5,775
8. CUSTOMER ADVANCES FOR CONSTRUCTION	(2,133)
9. UNAMORTIZED BALANCE OF MTA SURTAX - NET OF TAX	135
10. WORKING CAPITAL	136,769
11. EXCESS RATE BASE OVER CAPITALIZATION ADJUSTMENT	(33,130)
12. PROPERTY TAX RECONCILIATIONS - NET OF F.I.T.	20
13. PROVISION FOR REFUND-NET POST MERGER BENEFITS-O&R-NET OF TAX	59
14. NYS TAX LAW CHANGES - OVERCOLLECTION	411
15. SALE / APPROPRIATION OF PROPERTY (VARIOUS SITES)	(887)
16. SALE OF SO2 CREDITS (VARIOUS) - NET OF TAX	(3,915)
17. STEAM SPECIAL FRANCHISE TAX REFUND - NET OF TAX	47
18. CUSTOMER REFUND ASSOCIATED WITH WATERSIDE - NET OF TAX	(1,610)
19. ONE TIME SETTLEMENT - NET OF TAX	(4,030)
20. STEAM MAKE WHOLE REVENUE ACCRUAL - NET OF TAX	7,999
21. STEAM RATE CASE PENSION DEFERRAL 03-S-1672 - NET OF TAX	411
22. STEAM BUSINESS DEVELOPMENT 03-S-1672 - NET OF TAX	73
23. STEAM PRODUCTION STUDY 03-S-1672 - NET OF TAX	3
24. ERRP ESPLANADE, STEAM CONVERSION AND FUEL SWITCHING - NET OF TAX	(707)
 DEFERRED TAXES	
25. ADR/ACRS/MACRS DEDUCTIONS	(144,970)
26. ADDITIONAL PENSION DEDUCTION	(19,421)
27. EXCESS DEFERRED TAX RESERVES	(7,314)
28. PREPAID INSURANCE EXPENSES	(5)
29. VESTED VACATION	724
30. UNBILLED REVENUES	10,000
31. CONTRIBUTIONS IN AID OF CONSTRUCTION	333
32. CAPITALIZED INTEREST	7,013
33. ADVANCE REFUNDING OF MORTGAGE BONDS	(21)
34. CHANGE OF ACCOUNTING SECTION 263A	(47,660)
35. CALL PREMIUM	(759)
36. DEFERRED S.I.T.	<u>(17,744)</u>
37. TOTAL AVERAGE RATE BASE	<u>\$ 857,364</u>

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
AVERAGE CAPITALIZATION FOR THE
TWELVE MONTHS ENDED SEPTEMBER 30, 2005

	<u>AMOUNT (\$ MILLIONS)</u>	<u>PERCENT</u>	<u>WEIGHTED COST</u>	<u>RATE OF RETURN</u>
LONG-TERM DEBT	\$5,936.9	46.68%	5.75%	2.68%
PREFERRED STOCK	212.6	1.67%	5.48%	0.09%
SHORT-TERM DEBT	97.2	0.76%	2.62%	0.02%
CUSTOMER DEPOSITS	<u>216.0</u>	<u>1.70%</u>	<u>2.63%</u>	<u>0.04%</u>
SUB-TOTAL	\$6,462.7	50.81%		2.83%
COMMON EQUITY	<u>6,256.6</u>	<u>49.19%</u>	8.62%	<u>4.24%</u>
TOTAL	<u><u>\$12,719.3</u></u>	<u><u>100.00%</u></u>		<u><u>7.07%</u></u>