

NEW YORK STATE DEPARTMENT OF PUBLIC SERVICE  
Proposed Depreciation Rate Changes for Electric and Common Utility Plant  
at December 31, 2006

| P.S.C.<br>ACCT.<br>NO.           | ACCOUNT TITLE                        | CO.<br>ACCT.<br>NO. | BOOK BASIS         |         |                 |                        |                    | COMPANY PROPOSAL |                 |                        |                    | STAFF'S PROPOSAL |                 |                        |            |  |
|----------------------------------|--------------------------------------|---------------------|--------------------|---------|-----------------|------------------------|--------------------|------------------|-----------------|------------------------|--------------------|------------------|-----------------|------------------------|------------|--|
|                                  |                                      |                     | AVERAGE<br>SERVICE | NET     | ANNUAL<br>DEPR. | ANNUAL<br>DEPRECIATION | AVERAGE<br>SERVICE | NET              | ANNUAL<br>DEPR. | ANNUAL<br>DEPRECIATION | AVERAGE<br>SERVICE | NET              | ANNUAL<br>DEPR. | ANNUAL<br>DEPRECIATION |            |  |
|                                  |                                      |                     | LIFE               | SALVAGE | RATE            | EXPENSE                | LIFE               | SALVAGE          | RATE            | EXPENSE                | LIFE               | SALVAGE          | RATE            | EXPENSE                |            |  |
| (1)                              | (2)                                  | (3)                 | (4)                | (5)     | (6)             | (7)                    | (8)                | (9)              | (10)            | (11)                   | (12)               | (9)              | (10)            | (11)                   | (12)       |  |
| <u>ELECTRIC PLANT IN SERVICE</u> |                                      |                     |                    |         |                 |                        |                    |                  |                 |                        |                    |                  |                 |                        |            |  |
| <u>PRODUCTION PLANT</u>          |                                      |                     |                    |         |                 |                        |                    |                  |                 |                        |                    |                  |                 |                        |            |  |
| <u>STEAM PRODUCTION</u>          |                                      |                     |                    |         |                 |                        |                    |                  |                 |                        |                    |                  |                 |                        |            |  |
| 310                              | LAND AND LAND RIGHTS                 | 9510                | 4,192,610          | -       | -               | -                      | -                  | -                | -               | -                      | -                  | -                | -               | -                      | -          |  |
| 311                              | STRUCTURES AND IMPROVEMENTS          | 9514                | 94,465,043         | 65      | (35)            | 2.08                   | 1,964,873          | 40               | (50)            | 3.75                   | 3,542,439          | 55               | (50)            | 2.73                   | 2,578,896  |  |
| 312                              | BOILER PLANT EQUIPMENT               | 9516                | 137,585,022        | 35      | (35)            | 3.86                   | 5,310,782          | 30               | (50)            | 5.00                   | 6,879,251          | 30               | (50)            | 5.00                   | 6,879,251  |  |
| 314                              | TURBOGENERATOR UNITS                 | 9522                | 36,333,192         | 35      | (20)            | 3.43                   | 1,246,228          | 30               | (25)            | 4.17                   | 1,515,094          | 30               | (25)            | 4.17                   | 1,515,094  |  |
| 315                              | ACCESSORY ELECTRIC EQUIPMENT         | 9524                | 24,409,392         | 35      | (20)            | 3.43                   | 837,242            | 30               | (25)            | 4.17                   | 1,017,872          | 30               | (25)            | 4.17                   | 1,017,872  |  |
| 316                              | MISC POWER PLANT EQUIPMENT           | 9526                | 3,663,167          | 50      | (10)            | 2.20                   | 80,590             | 40               | (10)            | 2.75                   | 100,737            | 45               | (10)            | 2.44                   | 89,381     |  |
| TOTAL STEAM PRODUCTION           |                                      |                     | 300,648,426        |         |                 |                        |                    | 9,439,715        |                 |                        |                    |                  | 13,055,393      |                        |            |  |
| <u>OTHER PRODUCTION</u>          |                                      |                     |                    |         |                 |                        |                    |                  |                 |                        |                    |                  |                 |                        |            |  |
| 340                              | LAND AND LAND RIGHTS                 | 9430                | 308,261            | -       | -               | -                      | -                  | -                | -               | -                      | -                  | -                | -               | -                      | -          |  |
| 341                              | STRUCTURES AND IMPROVEMENTS          | 9431                | 6,000,624          | 25      | (5)             | 4.20                   | 252,026            | 25               | (20)            | 4.80                   | 288,030            | 25               | (20)            | 4.80                   | 288,030    |  |
| 342                              | FUEL HOLDERS, PROD. & ACCESSORIES    | 9432                | 1,867,877          | 25      | (5)             | 4.20                   | 78,451             | 25               | (20)            | 4.80                   | 89,658             | 25               | (20)            | 4.80                   | 89,658     |  |
| 344                              | GENERATORS                           | 9434                | 17,692,206         | 25      | (5)             | 4.20                   | 743,073            | 25               | (20)            | 4.80                   | 849,226            | 25               | (20)            | 4.80                   | 849,226    |  |
| 345                              | ACCESSORY ELECTRIC EQUIPMENT         | 9435                | 6,129,195          | 25      | (5)             | 4.20                   | 257,426            | 25               | (20)            | 4.80                   | 294,201            | 25               | (20)            | 4.80                   | 294,201    |  |
| TOTAL OTHER PRODUCTION           |                                      |                     | 31,998,163         |         |                 |                        |                    | 1,330,976        |                 |                        |                    |                  | 1,521,115       |                        |            |  |
| TOTAL PRODUCTION PLANT           |                                      |                     | 332,646,589        |         |                 |                        |                    | 10,770,691       |                 |                        |                    |                  | 14,576,508      |                        |            |  |
| <u>TRANSMISSION PLANT</u>        |                                      |                     |                    |         |                 |                        |                    |                  |                 |                        |                    |                  |                 |                        |            |  |
| 350                              | LAND AND LAND RIGHTS                 | 9530                | 36,875,022         | -       | -               | -                      | -                  | -                | -               | -                      | -                  | -                | -               | -                      | -          |  |
| 352                              | STRUCTURES AND IMPROVEMENTS          | 9532                | 140,377,580        | 70      | (25)            | 1.79                   | 2,512,759          | 70               | (35)            | 1.93                   | 2,709,287          | 70               | (35)            | 1.93                   | 2,709,287  |  |
| 353                              | STATION EQUIPMENT                    | 9534                | 1,140,021,993      | 50      | (20)            | 2.40                   | 27,360,528         | 45               | (30)            | 2.89                   | 32,946,636         | 50               | (25)            | 2.50                   | 28,500,550 |  |
| 354                              | TOWERS AND FIXTURES                  | 9536                | 142,094,886        | 45      | (40)            | 3.11                   | 4,419,151          | 45               | (40)            | 3.11                   | 4,419,151          | 45               | (40)            | 3.11                   | 4,419,151  |  |
| 356                              | OVERHEAD CONDUCTORS AND DEVICES      | 9540                | 82,029,638         | 35      | (35)            | 3.86                   | 3,166,344          | 35               | (35)            | 3.86                   | 3,166,344          | 35               | (35)            | 3.86                   | 3,166,344  |  |
|                                  | UNDERGROUND CONDUIT - CAPITAL LEASES | 9543                | 6,989,000          | -       | -               | -                      | -                  | -                | -               | -                      | -                  | -                | -               | -                      | -          |  |
| 357                              | UNDERGROUND CONDUIT                  | 9544                | 244,116,392        | 55      | (5)             | 1.91                   | 4,662,623          | 55               | (20)            | 2.18                   | 5,321,737          | 55               | (20)            | 2.18                   | 5,321,737  |  |
| 357                              | UNDERGROUND CONDUIT-MAN. & BRONX     | 9545                | 122,472,519        | 55      | (5)             | 1.91                   | 2,339,225          | 55               | (20)            | 2.18                   | 2,669,901          | 55               | (20)            | 2.18                   | 2,669,901  |  |
| 358                              | UNDERGROUND CONDUCTORS & DEVICES     | 9546                | 340,584,933        | 50      | (15)            | 2.30                   | 7,833,453          | 50               | (25)            | 2.50                   | 8,514,623          | 50               | (25)            | 2.50                   | 8,514,623  |  |
| TOTAL TRANSMISSION PLANT         |                                      |                     | 2,255,561,963      |         |                 |                        |                    | 52,294,083       |                 |                        |                    |                  | 59,747,679      |                        |            |  |

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| P.S.C.<br>ACCT.<br>NO. | ACCOUNT TITLE                      | CO.<br>ACCT.<br>NO. | BOOK COST      | BOOK BASIS                 |                |                         |                                   | COMPANY PROPOSAL           |                |                         |                                   | STAFF'S PROPOSAL           |                |                         |                                   |
|------------------------|------------------------------------|---------------------|----------------|----------------------------|----------------|-------------------------|-----------------------------------|----------------------------|----------------|-------------------------|-----------------------------------|----------------------------|----------------|-------------------------|-----------------------------------|
|                        |                                    |                     |                | AVERAGE<br>SERVICE<br>LIFE | NET<br>SALVAGE | ANNUAL<br>DEPR.<br>RATE | ANNUAL<br>DEPRECIATION<br>EXPENSE | AVERAGE<br>SERVICE<br>LIFE | NET<br>SALVAGE | ANNUAL<br>DEPR.<br>RATE | ANNUAL<br>DEPRECIATION<br>EXPENSE | AVERAGE<br>SERVICE<br>LIFE | NET<br>SALVAGE | ANNUAL<br>DEPR.<br>RATE | ANNUAL<br>DEPRECIATION<br>EXPENSE |
| (1)                    | (2)                                | (3)                 | (4)            | (5)                        | (6)            | (7)                     | (8)                               | (9)                        | (10)           | (11)                    | (12)                              | (9)                        | (10)           | (11)                    | (12)                              |
|                        | DISTRIBUTION PLANT                 |                     |                |                            |                |                         |                                   |                            |                |                         |                                   |                            |                |                         |                                   |
| 360                    | LAND AND LAND RIGHTS               | 9550                | 153,493,383    | -                          | -              | -                       | -                                 | -                          | -              | -                       | -                                 | -                          | -              | -                       | -                                 |
| 361                    | STRUCTURES AND IMPROVEMENTS        | 9552                | 239,991,626    | 50                         | (25)           | 2.50                    | 5,999,791                         | 50                         | (35)           | 2.70                    | 6,479,774                         | 50                         | (35)           | 2.70                    | 6,479,774                         |
| 362                    | STATION EQUIPMENT                  | 9554                | 1,357,885,787  | 45                         | (20)           | 2.67                    | 36,255,551                        | 45                         | (30)           | 2.89                    | 39,242,899                        | 45                         | (25)           | 2.78                    | 37,749,225                        |
| 364                    | POLES, TOWERS AND FIXTURES         | 9556                | 291,586,279    | 45                         | (85)           | 4.11                    | 11,984,196                        | 50                         | (100)          | 4.00                    | 11,663,451                        | 50                         | (100)          | 4.00                    | 11,663,451                        |
| 303                    | CAPITALIZED SOFTWARE               | 9557                | -              | -                          | -              | -                       | -                                 | 5                          | -              | -                       | -                                 | -                          | -              | -                       | -                                 |
| 365                    | OVERHEAD CONDUCTORS AND DEVICES    | 9558                | 495,481,252    | 55                         | (45)           | 2.64                    | 13,080,705                        | 60                         | (55)           | 2.58                    | 12,783,416                        | 60                         | (55)           | 2.58                    | 12,783,416                        |
| 366                    | UNDERGROUND CONDUIT                | 9560                | 1,031,252,080  | 80                         | (20)           | 1.50                    | 15,468,781                        | 80                         | (40)           | 1.75                    | 18,046,911                        | 80                         | (40)           | 1.75                    | 18,046,911                        |
| 366                    | UNDERGROUND CONDUIT - MAN. & BRONX | 9561                | 1,131,305,001  | 80                         | (20)           | 1.50                    | 16,969,575                        | 80                         | (40)           | 1.75                    | 19,797,838                        | 80                         | (40)           | 1.75                    | 19,797,838                        |
| 367                    | UNDERGROUND CONDUCTORS & DEVICES   | 9562                | 3,199,081,426  | 45                         | (35)           | 3.00                    | 95,972,443                        | 45                         | (55)           | 3.44                    | 110,048,401                       | 45                         | (55)           | 3.44                    | 110,048,401                       |
| 368                    | LINE TRANSFORMERS                  | 9565                |                |                            |                |                         |                                   |                            |                |                         |                                   |                            |                |                         |                                   |
|                        | OVERHEAD TRANSFORMERS              |                     | 186,233,641    | 35                         | -              | 2.86                    | 5,326,282                         | 30                         | (5)            | 3.50                    | 6,518,177                         | 35                         | (5)            | 3.00                    | 5,587,009                         |
|                        | UNDERGROUND TRANSFORMERS           |                     | 1,638,440,798  | 45                         | -              | 2.22                    | 36,373,386                        | 40                         | (5)            | 2.63                    | 43,090,993                        | 40                         | (5)            | 2.63                    | 43,090,993                        |
|                        | TOTAL LINE TRANSFORMERS            |                     | 1,824,674,439  |                            |                |                         | 41,699,668                        |                            |                |                         | 49,609,170                        |                            |                |                         | 48,678,002                        |
| 369                    | SERVICES - OVERHEAD                | 9566                | 98,024,567     | 50                         | (145)          | 4.90                    | 4,803,204                         | 60                         | (175)          | 4.58                    | 4,489,525                         | 60                         | (175)          | 4.58                    | 4,489,525                         |
| 369                    | SERVICES - UNDERGROUND             | 9567                | 860,033,505    | 70                         | (120)          | 3.14                    | 27,005,052                        | 70                         | (150)          | 3.57                    | 30,703,196                        | 75                         | (150)          | 3.33                    | 28,639,116                        |
| 370                    | METERS                             |                     |                |                            |                |                         |                                   |                            |                |                         |                                   |                            |                |                         |                                   |
|                        | ELECTRO MECHANICAL                 | 9569                | 207,685,333    | 35                         | -              | 2.86                    | 5,939,801                         | 35                         | -              | 2.86                    | 5,939,801                         | 35                         | -              | 2.86                    | 5,939,801                         |
|                        | SOLID STATE                        | NEW                 | 35,970,380     | 20                         | -              | 5.00                    | 1,798,519                         | 20                         | -              | 5.00                    | 1,798,519                         | 20                         | -              | 5.00                    | 1,798,519                         |
|                        |                                    |                     | 243,655,713    |                            |                |                         | 7,738,320                         |                            |                |                         | 7,738,320                         |                            |                |                         | 7,738,320                         |
| 370                    | METER INSTALLATIONS                |                     |                |                            |                |                         |                                   |                            |                |                         |                                   |                            |                |                         |                                   |
|                        | ELECTRO MECHANICAL                 | 9571                | 100,384,253    | 35                         | -              | 2.86                    | 2,870,990                         | 35                         | -              | 2.86                    | 2,870,990                         | 35                         | -              | 2.86                    | 2,870,990                         |
|                        | SOLID STATE                        | NEW                 | 45,930,756     | 20                         | -              | 5.00                    | 2,296,538                         | 20                         | -              | 5.00                    | 2,296,538                         | 20                         | -              | 5.00                    | 2,296,538                         |
|                        |                                    |                     | 146,315,009    |                            |                |                         | 5,167,527                         |                            |                |                         | 5,167,527                         |                            |                |                         | 5,167,527                         |
| 371                    | INST. ON CUSTOMERS' PREMISES       | 9573                | 4,448,190      | 60                         | -              | 1.67                    | 74,285                            | 60                         | -              | 1.67                    | 74,285                            | 60                         | -              | 1.67                    | 74,285                            |
| 373                    | O.H. STREET LIGHTING & SIGNAL SYS. | 9575                | 20,544,378     | 35                         | (80)           | 5.14                    | 1,055,981                         | 45                         | (100)          | 4.44                    | 912,170                           | 45                         | (100)          | 4.44                    | 912,170                           |
| 373                    | U.G. STREET LIGHTING & SIGNAL SYS. | 9576                | 131,387,161    | 65                         | (55)           | 2.38                    | 3,127,014                         | 65                         | (75)           | 2.69                    | 3,534,315                         | 70                         | (75)           | 2.50                    | 3,284,679                         |
|                        | TOTAL DISTRIBUTION PLANT           |                     | 11,229,159,796 |                            |                |                         | 286,402,092                       |                            |                |                         | 320,291,199                       |                            |                |                         | 315,552,640                       |
|                        | TOTAL ELECTRIC PLANT IN SERVICE    |                     | 13,817,368,348 |                            |                |                         | 349,466,866                       |                            |                |                         | 394,615,387                       |                            |                |                         | 384,455,843                       |

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|----------------------------------------|------------------------------------|---------------------|---------------|----------------------------|----------------|-------------------------|-----------------------------------|----------------------------|----------------|-------------------------|-----------------------------------|----------------------------|----------------|-------------------------|-----------------------------------|
|                                        |                                    |                     | BOOK COST     | AVERAGE<br>SERVICE<br>LIFE | NET<br>SALVAGE | ANNUAL<br>DEPR.<br>RATE | ANNUAL<br>DEPRECIATION<br>EXPENSE | AVERAGE<br>SERVICE<br>LIFE | NET<br>SALVAGE | ANNUAL<br>DEPR.<br>RATE | ANNUAL<br>DEPRECIATION<br>EXPENSE | AVERAGE<br>SERVICE<br>LIFE | NET<br>SALVAGE | ANNUAL<br>DEPR.<br>RATE | ANNUAL<br>DEPRECIATION<br>EXPENSE |
| (1)                                    | (2)                                | (3)                 | (4)           | (5)                        | (6)            | (7)                     | (8)                               | (9)                        | (10)           | (11)                    | (12)                              | (9)                        | (10)           | (11)                    | (12)                              |
| <u>COMMON UTILITY PLANT IN SERVICE</u> |                                    |                     |               |                            |                |                         |                                   |                            |                |                         |                                   |                            |                |                         |                                   |
| <u>MISC. INTANGIBLE PLANT</u>          |                                    |                     |               |                            |                |                         |                                   |                            |                |                         |                                   |                            |                |                         |                                   |
| 303                                    | CAPITALIZED SOFTWARE               | 9814                |               |                            |                |                         |                                   |                            |                |                         |                                   |                            |                |                         |                                   |
|                                        | 5 YEAR AMORTIZATION                |                     | 2,337,526     | 5                          | -              | 20.00                   | 448,369                           | 5                          | -              | 20.00                   | 448,369                           | 5                          | -              | 20.00                   | 448,369                           |
|                                        | 10 YEAR AMORTIZATION               |                     | 9,297,114     | 10                         | -              | 10.00                   | 929,711                           | 10                         | -              | 10.00                   | 929,711                           | 10                         | -              | 10.00                   | 929,711                           |
|                                        | 15 YEAR AMORTIZATION               |                     | -             | -                          | -              | -                       | -                                 | 15                         | -              | 6.67                    | -                                 | 15                         | -              | -                       | -                                 |
|                                        | 15 YEAR AMORTIZATION - AMI         |                     | -             | -                          | -              | -                       | -                                 | 15                         | -              | 6.67                    | -                                 | 15                         | -              | -                       | -                                 |
|                                        | TOTAL CAPITALIZED SOFTWARE         |                     | 11,634,640    |                            |                |                         | 1,378,080                         |                            |                |                         | 1,378,080                         |                            |                |                         | 1,378,080                         |
| <u>BUILDINGS AND YARDS</u>             |                                    |                     |               |                            |                |                         |                                   |                            |                |                         |                                   |                            |                |                         |                                   |
| 389                                    | LAND AND LAND RIGHTS               | 9810                | 26,996,994    | -                          | -              | -                       | -                                 | -                          | -              | -                       | -                                 | -                          | -              | -                       | -                                 |
| 390                                    | STRUCTURES AND IMPROVEMENTS        | 9812                | 508,118,807   | 50                         | (30)           | 2.60                    | 13,211,089                        | 50                         | (60)           | 3.20                    | 16,259,802                        | 50                         | (60)           | 3.20                    | 16,259,802                        |
| 390                                    | STRUCT. AND IMPROV. CAP LEASES     | 9813                | 22,768,000    | -                          | -              | -                       | -                                 | -                          | -              | -                       | -                                 | -                          | -              | -                       | -                                 |
|                                        | TOTAL BUILDINGS AND YARDS          |                     | 557,883,801   |                            |                |                         | 13,211,089                        |                            |                |                         | 16,259,802                        |                            |                |                         | 16,259,802                        |
| <u>GENERAL PLANT</u>                   |                                    |                     |               |                            |                |                         |                                   |                            |                |                         |                                   |                            |                |                         |                                   |
| 391                                    | ELECTRONIC DATA PROCESSING EQ.     | 9815                | 337,071,430   | 8                          | 5              | 11.88                   | 40,044,086                        | 8                          | 5              | 11.88                   | 40,044,086                        | 8                          | 5              | 11.88                   | 40,044,086                        |
| 391                                    | AMI ELECTRONIC DATA PROCESSING EQ. | NEW                 | -             | -                          | -              | -                       | -                                 | 8                          | 5              | -                       | -                                 | 8                          | 5              | 11.88                   | -                                 |
| 391                                    | OTHER OFFICE FURNITURE AND EQ.     | 9816                | 62,144,188    | 18                         | -              | 5.56                    | 5,224,935                         | 18                         | -              | 5.56                    | 5,224,935                         | 18                         | -              | 5.56                    | 5,224,935                         |
| 392                                    | TRANSPORTATION EQUIPMENT           | 9820                | 197,433,876   | 8                          | 10             | 11.25                   | 22,211,311                        | 8                          | 10             | 11.25                   | 22,211,311                        | 8                          | 10             | 11.25                   | 22,211,311                        |
| 393                                    | STORES EQUIPMENT                   | 9824                | 10,308,740    | 20                         | 5              | 4.75                    | 714,838                           | 20                         | 5              | 4.75                    | 714,838                           | 20                         | 5              | 4.75                    | 714,838                           |
| 394                                    | TOOLS, SHOP AND GARAGE EQUIP.      | 9830                | 68,595,456    | 18                         | 5              | 5.28                    | 4,958,080                         | 18                         | 5              | 5.28                    | 4,958,080                         | 18                         | 5              | 5.28                    | 4,958,080                         |
| 395                                    | LABORATORY EQUIPMENT               | 9828                | 78,223,026    | 20                         | -              | 5.00                    | 4,649,390                         | 20                         | -              | 5.00                    | 4,649,390                         | 20                         | -              | 5.00                    | 4,649,390                         |
| 396                                    | POWER OPERATED EQUIPMENT           | 9829                | 7,345,682     | 12                         | 10             | 7.50                    | 550,926                           | 12                         | 10             | 7.50                    | 550,926                           | 12                         | 10             | 7.50                    | 550,926                           |
| 397                                    | COMMUNICATION EQUIPMENT            | 9832                | 144,846,571   | 15                         | -              | 6.67                    | 9,661,266                         | 15                         | -              | 6.67                    | 9,661,266                         | 15                         | -              | 6.67                    | 9,661,266                         |
| 397                                    | AMI COMMUNICATION EQUIPMENT        | NEW                 | -             | -                          | -              | -                       | -                                 | -                          | -              | -                       | -                                 | 15                         | -              | 6.67                    | -                                 |
| 398                                    | MISCELLANEOUS EQUIPMENT            | 9834                | 31,727,861    | 20                         | -              | 5.00                    | 1,697,014                         | 20                         | -              | 5.00                    | 1,697,014                         | 20                         | -              | 5.00                    | 1,697,014                         |
|                                        | TOTAL GENERAL PLANT                |                     | 937,696,830   |                            |                |                         | 89,711,846                        |                            |                |                         | 89,711,846                        |                            |                |                         | 89,711,846                        |
|                                        | TOTAL COMMON UTILITY PLANT         |                     | 1,507,215,271 |                            |                |                         | 104,301,015                       |                            |                |                         | 107,349,728                       |                            |                |                         | 107,349,728                       |