

Consolidated Edison Company of New York, Inc.

Rider X - Workpapers

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Backbone/Spur Route Rate Calculation

Formula based on FCC "Reconsideration Order", Appendix F-2, adopted May 22, 2001

Rate = (1 / number of innerduct per duct) X (Net Conduit Investment / Total System Conduit Footage) X Carrying Charge

Where;

Information Source

Net Conduit Investment	(A)	1,702,212,253	Schedule 1, page 2 of 5
Carrying Charge	(B)	43.23%	Schedule 1, page 4 of 5
Total System Conduit Footage	(C)	131,106,743	Schedule 1, page 5 of 5
Rate per Foot of Innerduct (Existing Conduit)	= (1 / Number of Innerducts per duct) X (A / C) X B		
Average Innerduct per Duct		2.93	Schedule 1, page 5 of 5
Rate per Foot of Innerduct (Existing Conduit)		\$1.9154	Annual Rate

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Page 2 of 5**Net Conduit Investment Calculation**Information Source

Gross Conduit Investment, Acct. 366	\$ 3,388,433,667	PSC Annual Report, p. 207, line 66, col g
Less Accumulated Depreciation, Acct. 366	732,913,331	Schedule 1, page 3 of 5
Less ADIT, Conduit	<u>953,308,083</u>	Schedule 1, page 3 of 5
Net Conduit Investment	\$ 1,702,212,253	

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ADIT & Accumulated Depreciation

Formula based on FCC "Reconsideration Order", Appendix F-2, adopted May 22, 2001

ADIT**Accounts 366, 367, 369**

ADIT (366, 367, 369) = [Gross Conduit Investment (Account 366, 367, or 369) / Total Gross Plant (electric)] X (Total ADIT Account 190, electric)

Given:

			<u>Information Source</u>
Gross Conduit Investment, Account 366	A	3,388,433,667	PSC Annual Report, p. 207, line 66, col g
Gross UG Conductors and Devices Investment, Account 367	B	5,126,868,168	PSC Annual Report, p. 207, line 67, col g
Gross Services Conduit Investment, Account 369	C	650,569,513	PowerPlant CPR
Total Gross Plant, electric	D	21,967,636,788	PSC Annual Report, p. 200, line 8, col c
	E	6,180,414,839	Acct (281, 282, 283) - 190

Then:

ADIT, conduit, Account 366	= (A / D) X E	953,308,083
ADIT, UG Conductors and Devices, Account 367	= (B / D) X E	1,442,402,404
ADIT, services, Account 369	= (C / D) X E	<u>183,032,409</u>
		2,578,742,895

Accumulated Depreciation**Accounts 366, 367, 369**

			<u>Information Source</u>
Electric Plant			
Accumulated Depreciation, Plant	F	4,751,568,257	PSC Annual Report, p. 200, line 22, col c
Gross Plant Investment	G	21,967,636,788	PSC Annual Report, p. 200, line 8, col c
Plant Depreciation Ratio, overall	= (F / G)	0.22	
Conduit, Account 366			
Gross Conduit Investment	H	3,388,433,667	PSC Annual Report, p. 207, line 66, col g
Plant Depreciation Ratio	I	<u>0.22</u>	
Accumulated Depreciation, Conduit	= (H X I)	732,913,331	
Underground Conductors and Devices, Account 367			
Gross UG Conductors and Devices Investment	J	5,126,868,168	PSC Annual Report, p. 207, line 67, col g
Plant Depreciation Ratio	K	<u>0.22</u>	
Accumulated Depreciation	= (J X K)	1,108,934,214	
Services, Account 369			
Gross Services Conduit Investment	L	650,569,513	PowerPlant CPR
Plant Depreciation Ratio	M	<u>0.22</u>	
Accumulated Depreciation, services	= (L X M)	140,717,250	

BACKBONE / SPUR Carrying Charge

Formula based on FCC "Reconsideration Order", Appendix F-2, adopted May 22, 2001

PSC 366 Carrying Charge**A) Administrative Element** = Total A&G / (Gross plant - Depreciation - ADIT)Information Source

Total A&G	972,467,054	PSC Annual Report, p. 323, line 168, col b
Gross Plant Investment, electric	21,967,636,788	PSC Annual Report, p. 200, line 8, col c
Accumulated Depreciation, plant	4,751,568,257	PSC Annual Report, p. 200, line 22, col c
	6,180,414,839	Acct (281, 282, 283) - 190

Administrative Element **8.81%****B) Maintenance Element** = $\frac{\text{Account 594}}{[(\text{Book Cost } 366+367+369) - (\text{Depreciation } 366+367+369) - (\text{ADIT } 366+367+369)]}$

Account 594	148,561,851	PSC Annual Report, p. 322, line 150 col b
Conduit Investment		
Book Cost, 366	3,388,433,667	PSC Annual Report, p. 207, line 66, col g
Book Cost, 367	5,126,868,168	PSC Annual Report, p. 207, line 67, col g
Book Cost, 369	650,569,513	PowerPlant CPR
	9,165,871,348	
Conduit Depreciation		
Account 366	732,913,331	Schedule 1, page 3 of 5
Account 367	1,108,934,214	Schedule 1, page 3 of 5
Account 369	140,717,250	Schedule 1, page 3 of 5
	1,982,564,796	
ADIT 366	953,308,083	Schedule 1, page 3 of 5
ADIT 367	1,442,402,404	Schedule 1, page 3 of 5
ADIT 369	183,032,409	Schedule 1, page 3 of 5
	2,578,742,895	

Maintenance Element **3.23%****C) Depreciation Element** = $\frac{(\text{Gross Conduit Investmt, Acct. 366}) \times \text{Depreciation rate}}{\text{Net Conduit Investment}}$

Gross Conduit Investment, Acct. 366	3,388,433,667	PSC Annual Report, p. 207, line 66, col g
Net Conduit Investment	1,702,212,253	Schedule 1, page 2 of 5
Depreciation Rate	1.65%	

Depreciation Element **3.28%****D) Taxes Element** = $\frac{(\text{Account } 408.1 + 409.1 + 410.1 + 411.4 - 411.1)}{(\text{Gross Plant Inv} - \text{Depreciation} - \text{ADIT})}$

Account 408.1	1,458,198,395	PSC Annual Report, p. 115, line 14, col g
Account 409.1	253,030,557	
Account 410.1	1,971,358,244	PSC Annual Report, p. 115, line 17, col g
Account 411.4	(4,165,000)	PSC Annual Report, p. 115, line 19, col g
Account 411.1	1,840,186,394	PSC Annual Report, p. 115, line 18, col g
Gross Plant Inv	21,967,636,788	PSC Annual Report, p. 200, line 8, col c
Depreciation, Electric Plant	4,751,568,257	PSC Annual Report, p. 200, line 22, col c
ADIT	6,180,414,839	

Taxes Element **16.66%****E) Rate of Return Element** **11.25%** FCC default**Carrying Charge Rate** **(A+B+C+D+E)** **43.23%**

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Innerduct Footage, Account 366

Accounts 6096 & 6994

Duct size diameter

Footage

Number of innerduct

Total Footage of Innerduct

< 3"	3" - 3.5"	4" - 4.5"	5"+	Total System Footage
409,663	25,397,921	88,474,098	16,825,061	131,106,743
1	2	3	4	
409,663	50,795,842	265,422,294	67,300,244	383,928,043

**Total Footage of Innerduct for
Backbone / Spur System**

2.93

**Innerduct per duct,
current weighted average**

<u>Account 6096</u>	Footage less than 3"	3 - 3.5	4" - 4.5"	5"+	
	396,899	11,219,463	63,042,439	9,208,675	
Sub-total	396,899	11,219,463	63,042,439	9,208,675	83,867,476
<u>Account 6994</u>	Footage less than 3"	3 - 3.5	4" - 4.5"	5"+	
	12,764	14,178,458	25,431,659	7,616,386	
Sub-total	12,764	14,178,458	25,431,659	7,616,386	47,239,267
Total					131,106,743

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Service Lateral Rental Rate Calculation

Rate = (1 / number of innerduct per duct) X (Net Service Investment / Total Service Footage) X Carrying Charge

Note: The weighted average number of innerduct per service duct is **1.91** from Schedule 2, page 3 of 4

Where;

			<u>Information Source</u>
Net Service Investment	(A)	326,819,854	Schedule 2, page 2 of 4
Carrying Charge	(B)	46.18%	Schedule 2, page 4 of 4
Total footage of duct	(C)	18,283,474	Acct. 369, PowerPlant CPR , Acct 369200
Rate per Foot of Service Lateral	= (A / C) X B X 1 / 1.91		Schedule 2, page 3 of 4
Rate per Foot of Service Lateral	\$	4.32	Annual Rate

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Net Service Investment Calculation

Where;

Net Service Conduit Investment = (Gross Service Investment, Acct. 369) - (Accum. Service Depreciation) - (ADIT, services)

Book Cost, Acct. 369	\$ 650,569,513	PowerPlant CPR
Less Depreciation 369	\$ 140,717,250	Schedule 1, page 3 of 5
Less ADIT (services)	<u>\$ 183,032,409</u>	Schedule 1, page 3 of 5
Net Service Conduit Investment	\$326,819,854	

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Service Laterals- Average Weighted Innerduct per Duct

Acct. 369

Based on Data From PowerPlant CPR and PowerPlant Equipment ledger Year-end 2013

<u>Diameter</u>	<u>No. Svcs</u>	<u>Feet</u>	<u>Innerduct per Duct</u>	<u>Innerduct feet</u>
1	170	4,350	0	-
1.5	1,783	55,633	0	-
2	214,996	7,987,501	1	7,987,501
2.5	20,051	710,174	1	710,174
3	87,723	2,355,541	2	4,711,082
3.5	3,958	122,810	2	245,620
4	167,723	6,892,685	3	20,678,055
4.5	13	445	3	1,335
5	2,223	152,892	4	611,568
6	6	1,443	5	7,215
	498,646	18,283,474		34,952,550

Total Innerduct Footage	34,952,550
Total Service Footage	18,283,474
Average Innerduct per Service Duct	1.91

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Schedule 2

Service Lateral Carrying Charge Rider X

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Account 369**A) Administrative Element**

Same as Backbone/Spur	8.81%	Schedule 1, page 4 of 5
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B) Maintenance Element

Same as Backbone/Spur	3.23%	Schedule 1, page 4 of 5
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C) Depreciation Element = $\frac{(\text{Gross Service Investment, 369}) \times \text{Depreciation Rate}}{\text{Net Service Investment, 369}}$

Information Source

Gross Service Conduit Investment, 369	650,569,513	PowerPlant CPR
Net Service Conduit Investment	326,819,854	Schedule 2, page 2 of 4
Depreciation rate, services	3.13%	
	6.23%	

D) Taxes Element

Same as Backbone/Spur	16.66%	Schedule 1, page 4 of 5
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E) Rate of Return Element

11.25%	Schedule 1, page 4 of 5	, FCC Default
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<u>Carrying Charge Rate</u>	(A+B+C+D+E)	46.18%
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Consolidated Edison Company of New York, Inc.**Rider X*****Calculation of Rates Effective September 1, 2014*****Calculation of Rental Rate for Use of Innerduct****Electric Underground Facilities**

a	Rental Rate (\$/ft of innerduct)	\$1.9154
b	Innerduct Footage in existing duct	<u>517,898</u>
c	Revenue Requirement, Electric Underground Facilities (a * b)	\$991,982

Telecommunications Underground Facilities

d	Innerduct Footage	<u>103,623</u>
<u>Calculation of Levelized Charge</u>		
e	Telecommunications Underground Facilities Costs	<u>\$1,087,275</u>
f	Levelized Carrying Charge	19.30%
g	Levelized Charge (e * f)	\$209,844
<u>Calculation of 10% Charge on Original Book Cost</u>		
h	Original Book Cost	<u>\$13,989,265</u>
i	10% Charge (h * 10%)	1,398,926
j	Revenue Requirement, Telecom Underground Facilities (g + i)	\$1,608,770

Calculation of Rental Rate for Use of Innerduct

k	Total Revenue Requirement (c + j)	\$2,600,752
l	Footage of Innerduct in use or reserved in Electric (b)	517,898
m	Footage of Telecom Underground Facilities (d)	<u>103,623</u>
n	Total Footage (l + m)	621,521
o	Rental Rate for Use of Innerduct (k / n), \$ Per Innerduct Foot Per Year	\$4.1845

Calculation of Rental Rate for Telecom Manholes**Calculation of Levelized Charge**

p	Telecom Underground Facilities Costs, with Adders	\$0
q	Levelized Carrying Charge	19.30%
r	Levelized Charge (p * q)	\$0

Calculation of 10% Charge on Original Book Cost

s	Original Book Cost	<u>\$9,295,794</u>
t	10% Charge (s * 10%)	929,579
u	Rev Requirement, Telecom Manholes (r + t)	\$929,579
v	Number of Manhole Uses	<u>416</u>
w	Rental Rate, \$ / manhole use / year (u / v)	\$2,235

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Tunnel Rate Calculations

Formula = $\frac{(\text{Revenue Requirement of Unusable Space})}{\text{Number of Users}} + \frac{((25\% \text{ of Book Cost} - \text{Revenue Requirement of Unusable Space}) \times \text{Area of Innerduct w/ hanger})}{\text{Usable Area}}$

		Tunnel Crossings		
		A	B	C
Book Cost, Year-End 2013	a	\$ 5,137,096	\$ 16,547,680	\$ 9,505,110
25% Carrying Charge = a X 0.25	b	\$ 1,284,274	\$ 4,136,920	\$ 2,376,277
Shaft Diameter, feet	c	10	26	18
Total Area sq footage = $3.14 \times (c / 2)^2$	d	78.5	530.7	254.3
Usable Area = d - f	e	31.6	227.4	75.1
Common Area, See p. 2 of 2	f	46.9	303.3	179.2
Percent Unusable Area = f / d	g	59.7%	57.2%	70.5%
Revenue Requirement of Usable Area = b - j	h	\$ 517,391	\$ 1,772,347	\$ 701,763
Cost per Sq. Ft., Usable Area = h / e	i	\$ 16,360	\$ 7,795	\$ 9,344
Revenue Requirement of Unusable Area = b X g	j	\$ 766,883	\$ 2,364,573	\$ 1,674,514
Area of innerduct with hanger, 2" x 2" space	k	0.03	0.03	0.03
Cost per innerduct = $i \times k$	l	\$ 491	\$ 234	\$ 280
Total Cost per innerduct or cable = $(j / m) + l$				
Number of Users*				
5	m	\$153,868		
5	m		\$473,149	
6	m			\$279,366

* Con Edison electric is considered a separate user for each transmission voltage in a tunnel.
Con Edison Gas, Steam and communication are each considered separate users.
Each Telecom innerduct/cable is considered a user.

Tunnel Rate Calculations**UNUSABLE SPACE CALCULATION****Tunnel Crossing A**

Total Area

Diameter	10.17 ft	
Total Area	78.5 sq-ft	78.5

Unusable/common space items in shaft

Elevator	(5 x 2.5)/2	6.3
Landing	25% of shaft inclusive of 1/2 elev & Maint riser	19.6
I beams	.67 x 27ft	18
Ladder	1.5 x 2	3
Maintenance riser	0	0
	unusable/common space	46.9

Tunnel Crossing B

Total Area

Dia	26 ft	
Total Area	530.7 sq-ft	530.7 sq-ft

Unusable/common space items in shaft

Elevator	8.125 x 3.25	0.0 sq-ft
Landing	4.875 x 19.5 inclusive of elevator	95.1 sq-ft
I beams	(.83 x 68.25) + (.5 x 51.2)	82.485 sq-ft
Ladder	1.5 x 2	3 sq-ft
Maintenance riser		122.8 sq-ft
	unusable/common space	303.3

Tunnel Crossing C

Total Area

Dia	18 ft	
Total Area	254.34 sq-ft	254.34 sq-ft

Unusable/common space items in shaft

Elevator	0	0 sq-ft
Landing	6.25 x 20 inclusive of elevator & Maint riser	125 sq-ft
I beams	(.67 x 69.3) + (.5 x 10)	51.2 sq-ft
Ladder	1.5 x 2	3 sq-ft
Maintenance riser	0	0 sq-ft
	unusable/common space	179.2

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River Crossings

River Crossing, D

Original book cost	645,518	A
Number of duct	7	B
Average cost per duct	\$92,217	$C = (A / B)$
Number of Innerduct per Duct	5	D
Carrying Charge	25.00%	E
Annual Rate	\$4,611	$F = (C/D)*E$

River Crossing, E

Original book cost	79,938	A
Number of duct	2	B
Average cost per duct	\$39,969	$C = (A / B)$
Number of Innerduct per Duct	7	D
Carrying Charge	25.00%	E
Annual Rate	\$1,427	$F = (C/D)*E$

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Manhole POE to Enter/Exit Company Facilities

Formula
$$= \frac{(\text{Carrying Chg. of an Elec. MH}) \times (\text{Avg. Original Bk. Cost of an Elec. MH})}{(\text{Avg. No. of POE's in an Elec. MH})}$$

		<u>Formula</u>	
Average Original Book Cost of Electric Manhole	a		\$5,674
Carrying Charge of an Electric Manhole	b		25%
Average Number of POE's in an Electric Manhole	c		16
Rate		(a X b)/c	\$88.6563

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Transmission Tower Attachments

$$\text{Formula} = \frac{(\text{Book Cost, facility}) \times (\text{Number of Pot. Telecom Attachments per Tower}) \times (\text{Carrying Charge})}{\text{Total Potential Attachments per Tower}}$$

"K" Line

Book Cost, entire facility- towers and fixtures only	a	\$31,376,771
Potential Number of Telecom Attachments (used) per Tower	b	1
Carrying Charge	c	25.00%
Total Potential Attachments* per Tower	d	16
Rate, entire facility	e (a x b xc)/d	\$490,262.05
Number of Towers	f	378
Rate/Tower	g g = (e / f)	\$1,296.99
Usable Space Factor	h	80.00%
Attachment/Tower	i i = g * h	\$1,038

"E" Line

Book Cost, entire facility- towers and fixtures only	a	\$6,033,597
Potential Number of Telecom Attachments (used) per Tower	b	1
Carrying Charge	c	25.00%
Total Potential Attachments* per Tower	d	16
Rate, entire facility	e (a x b xc)/d	\$94,274.95
Number of Towers	f	144
Rate/Tower	g g = (e / f)	\$654.69
Usable Space Factor	h	80.00%
Attachment/Tower	i i = g * h	\$524

* 16 Total Potential Attachments

2 pair of 3 phase conductors		<u>6</u>
2 Circuits	X 2	12
2 Static lines		<u>2</u>
		14
Potential Telecom Attachments		<u>2</u>
Total Potential Attachments		16

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Rights-of-Way

Findings based on Real Estate Appraisal study of February 27, 1997 with 3% annual escalation

Aerial:	\$0.7863 per foot	1998	0.4900	1.03
		1999	0.5047	
		2000	0.5198	
		2001	0.5354	
		2002	0.5515	
		2003	0.5680	
		2004	0.5851	
		2005	0.6026	
		2006	0.6207	
		2007	0.6393	
		2008	0.6585	
		2009	0.6783	
		2010	0.6986	
		2011	0.7196	
		2012	0.7412	
		2013	0.7634	
		2014	0.7863	
Underground:	\$1.6047 per foot	1998	1.0000	1.03
		1999	1.0300	
		2000	1.0609	
		2001	1.0927	
		2002	1.1255	
		2003	1.1593	
		2004	1.1941	
		2005	1.2299	
		2006	1.2668	
		2007	1.3048	
		2008	1.3439	
		2009	1.3842	
		2010	1.4258	
		2011	1.4685	
		2012	1.5126	
		2013	1.5580	
		2014	1.6047	

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Rider X**Calculation of Average Cost of a Telecom Manhole**

Manhole Construction Costs Through May 2003 (incl adders)	\$9,100,368
Manhole Costs June through October 2003	51,660
Telergy Manholes Occupied by CEC through Oct. 2003	531,505
Manhole Costs Nov. 2003 through Jan. 2004	51,656
Subtotal	\$9,735,189
Customer Contributions to Manhole Depreciation	(1,330,196)
Manhole Costs Net of Depreciation Recoveries	\$8,404,993
CIAC Tax	1,284,332
Manhole Cost Including CIAC	\$9,689,325
Add Back Depreciation Recoveries	1,330,196
Subtotal	\$11,019,521
Manhole Costs Feb. 2004 - June 2004	\$74,800
Manhole Costs July 2004 - June 2005	\$41,379
Manhole Costs July 2005 - June 2006	\$104,669
Manhole Costs July 2006 - June 2007	\$30,716
Manhole Costs July 2007 - June 2008	\$0
Manhole Costs July 2008 - June 2009	\$0
Manhole Costs July 2009 - June 2010	\$0
Manhole Costs July 2010 - June 2011	\$60,987
Manhole Costs July 2011 - June 2012	\$95,344
Manhole Costs July 2012 - June 2013	\$0
Manhole Costs July 2013 - June 2014	\$152,433
Total Manhole Costs	\$11,579,848
Number of Telecom Manholes	285
Average Cost Per Telecom Manhole	\$40,631

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Unused Telecom Manhole Average Cost

	Number of Manholes	Total Costs	Average Cost Per Manhole
Telergy Manholes	83	\$2,925,641	\$35,249