CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
Allegro System Upgrade – Capital Expenses

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<thead>
<tr>
<th>Project Name</th>
<th>Allegro System Upgrade</th>
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<tbody>
<tr>
<td>Work Plan Category</td>
<td>Operationally Required</td>
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<tr>
<td>Project Manager</td>
<td>Jonathan Hirst</td>
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<tr>
<td>Project Status</td>
<td>Not started</td>
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<tr>
<td>Estimated Service Date</td>
<td>September 2014</td>
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**Work Description:**
This project includes a major system version upgrade for the Allegro Corporate Risk Management System. Since going live with version 7.7 in January 2009, the vendor has released version 8.0, and we anticipate that by 2013 other versions will be released as well.

System replacement or major upgrade is required to ensure that CECONY remains on a platform that is covered by the vendor’s support policy. In addition, it is the vendor’s policy not to maintain backwards compatibility between minor software releases. This makes it difficult to accept new features introduced in minor releases.

This project requires a significant effort to upgrade to a new version and thoroughly test all functionality of this SOX system. The current system is also tightly integrated with other CECONY and vendor systems such as Ventyx’s electricity scheduling system, Pricing Database System (PDS), Integrated Gas Supply System (IGS) and Oracle’s Accounts Payable, Accounts Receivable and General Ledger systems. These system interfaces would likely need to be modified.

**Justification:**
- Energy Management’s Electricity Supply and Gas Supply Departments process approximately $3.5 billion in wholesale energy transactions and requires a supportable software platform to track and schedule these transactions, as well as perform proper risk oversight functions.
- Energy Management and Energy Risk Management are frequent areas of audits, and therefore, require strict compliance with SOX controls and audit capabilities.
- The Dodd-Frank Wall Street Reform and Consumer Protection Act significantly increases the amount of energy transaction data to be collected and saved in a database for purposes of recordkeeping and reporting. The upgrade will facilitate compliance with the new law.
- Planning for an upgrade is a prudent idea, since it enables the Company to take advantage of industry best practices that are incorporated into the product based on input from other utilities and the marketplace.

**Alternatives:**
This project will begin with a Phase 0 to determine the alternatives.

**Risk of No Action:**
The risk of no action would be a possible loss of vendor support for an old system and significantly higher maintenance costs.

**Summary of Financial Benefits and Costs:** N/A
• **Technical Evaluation/Analysis:** N/A

• **Sensitivity Analysis (if applicable):** N/A

• **Project Relationships (if applicable):**
  This system currently interfaces with Ventyx’s electricity scheduling system, Pricing Database System (PDS), Integrated Gas Supply System (IGS) and Oracle’s Accounts Payable, Accounts Receivable and General Ledger systems. The Phase 0 will determine the impact on these systems.

• **Constraints:**
  Replacing the existing system will require significant time investment for user testing. In addition, modifications to other systems, especially vendor systems, create implementation and schedule constraints.

**Estimated Completion Date:**
This project is expected to be completed in September 2014.

**Status:**
This project has not started.

• Authorization – This project has not yet been authorized.
• Appropriation – This project has not yet been appropriated.

**Current Working Estimate (if applicable):**
This estimate is based upon the anticipated need for employees, contractors, and vendor effort for a 12 month project. This project is expected to span budget years of 2013-2014.

**Funding ($000s):**

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