

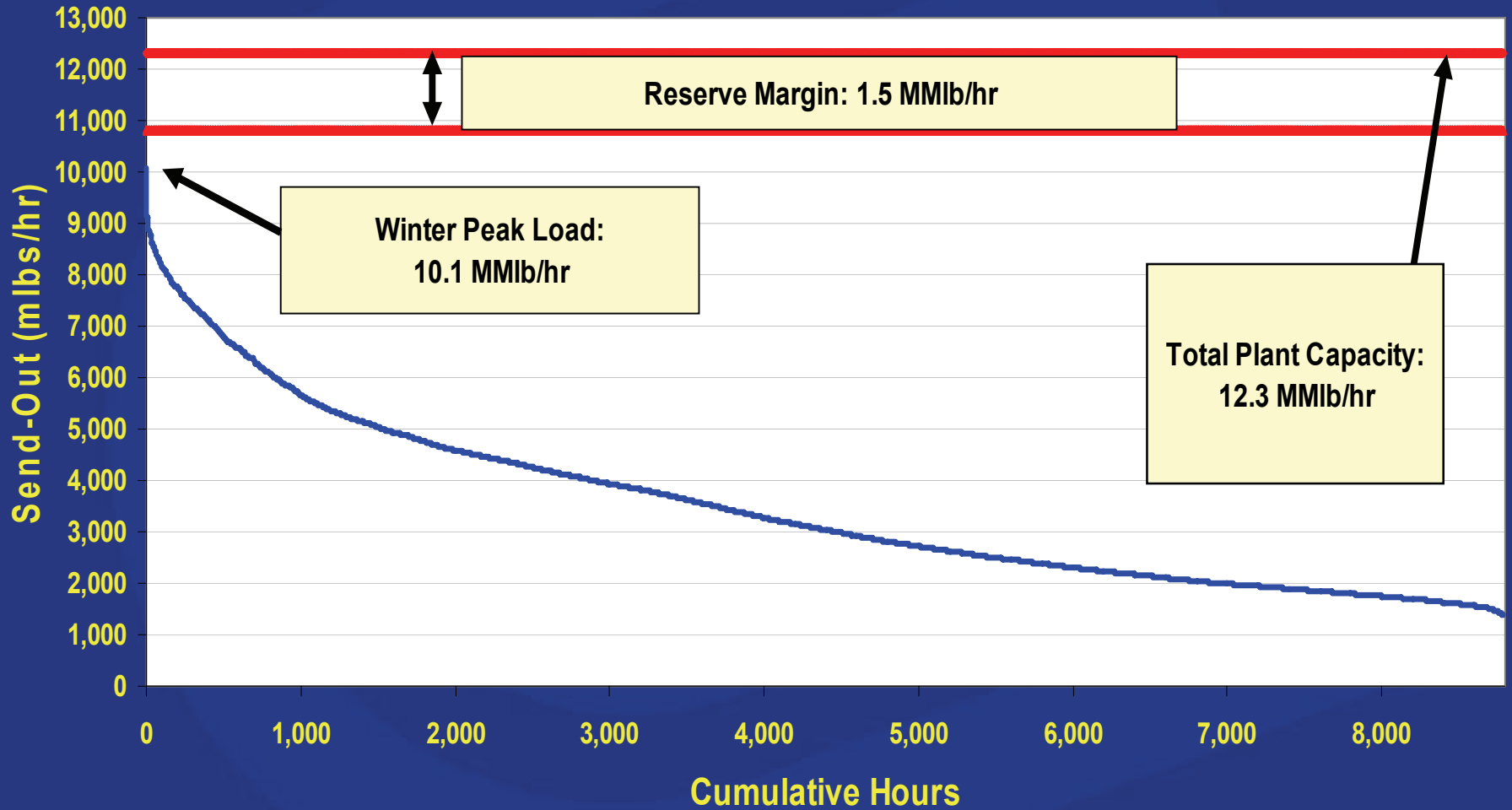
Implementation of Winter Steam Demand Billing

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Demand Billing: The Timing

- **Demand Charge Structure:**
 - 90% - On Peak Demand Charge (6 a.m. – 11 a.m. weekdays)
 - 10% - All Time Peak Demand Charge (all times)
 - November through April
- **Energy charge reduced**
- **Sample demand bills issued this winter period**
- **Actual demand billing proposed to commence with November 2007 billing cycle**

2004 Load Duration Curve

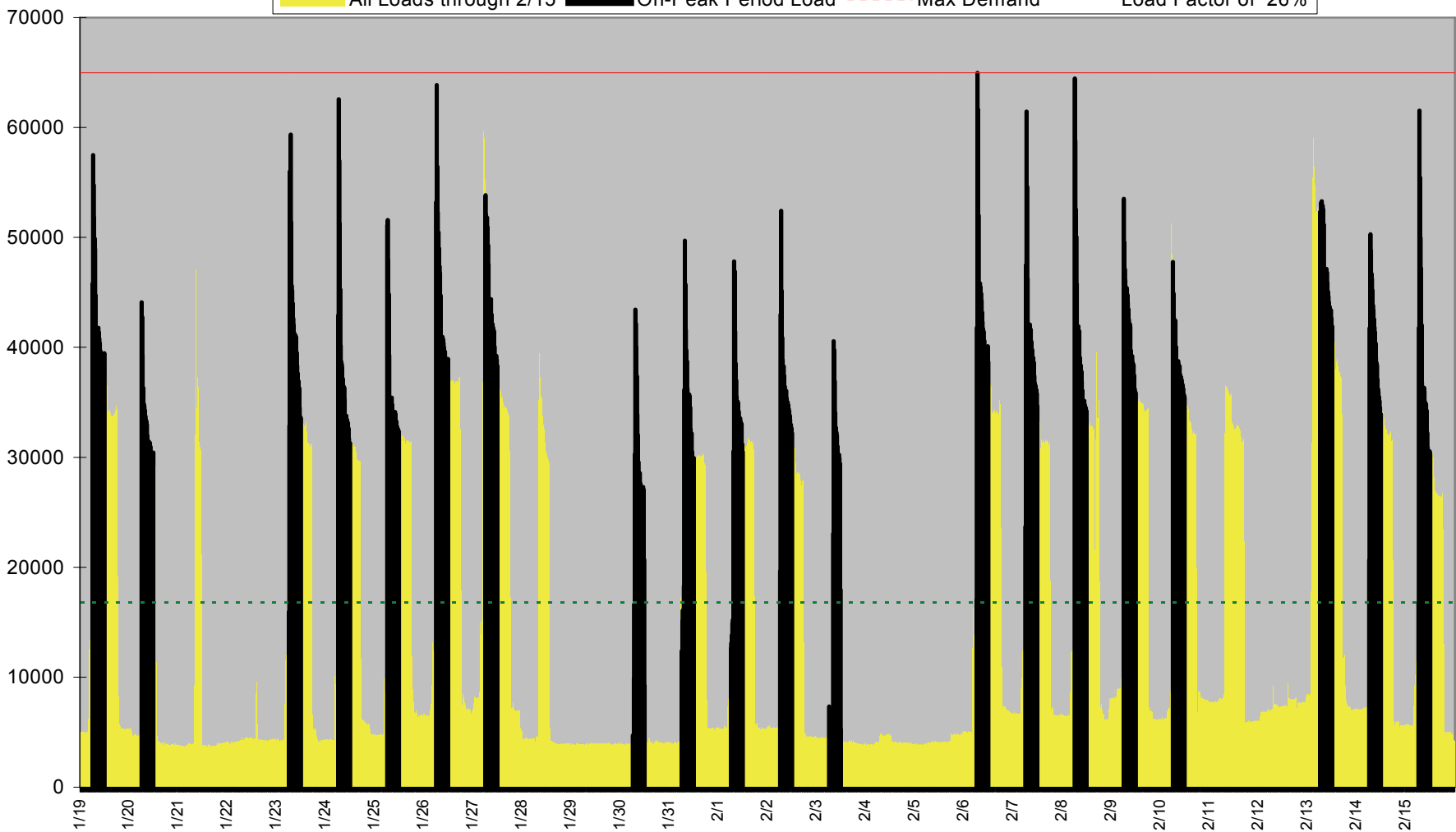


Demand Billing: The Overview

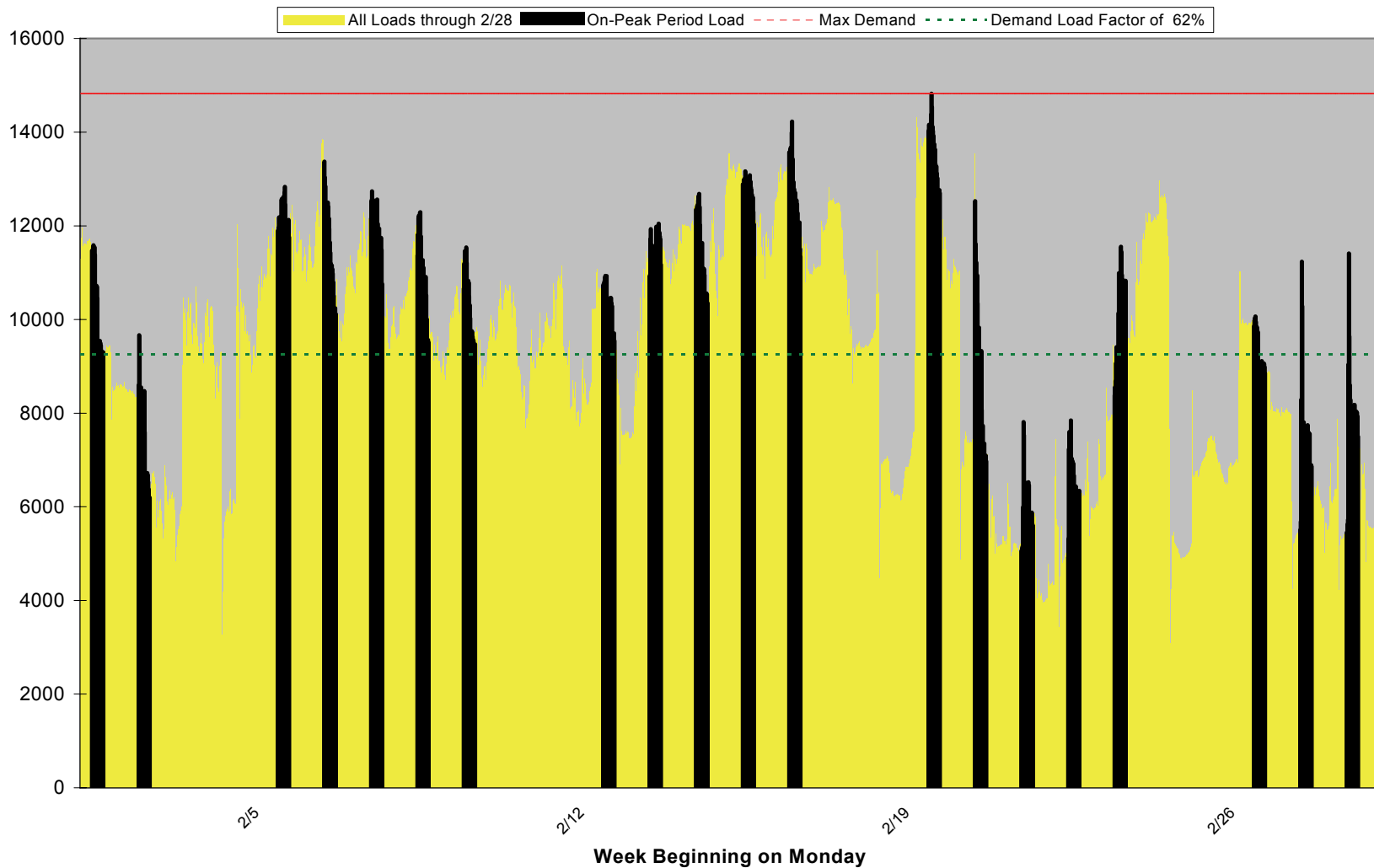
- Demand meters installed at our 300 largest accounts
- Designed to be revenue neutral to Con Edison
- Will provide customers with the opportunity to improve their buildings' winter load factor and reduce costs
- Sample bills along with customer meetings are available to explain demand billing and how it will affect customer budgets

Customer: Low Load Factor

All Loads through 2/15 On-Peak Period Load Max Demand Load Factor of 26%



Customer High Load Factor



Demand Billing: The Impact

Sector	Bill Impact
Commercial	Impacts vary, depending on load factor.
Residential	Impacts vary, depending on load factor. Only for very few will impact exceed 1%.
Hospitals	All benefit to varying degrees.
Hotels	Majority benefit. Only for very few will impact exceed 1%.