

PSC NO: 9 GAS

LEAF: 178.1

COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

REVISION: 12

INITIAL EFFECTIVE DATE: 01/01/18

SUPERSEDING REVISION: 11

Issued in Compliance with Order in Case 16-G-0061 dated January 25, 2017

GENERAL INFORMATION – Continued**IX. Special Adjustments – Continued****7. Transition Adjustment for Competitive Services – Continued**

For Service Classification Nos. 1, 2, 3 and 13, and for SC No. 9 firm transportation, the TACS shall be determined by dividing the BPP lost revenues and the C&C Variation for each rate year beginning January 1 by the total of firm full service and transportation therms for the twelve month period for which the TACS is to be effective. The TACS that commences each January will be in effect for a 12-month period and will be based on the 12 months ending December of the prior year.

Each TACS will include any reconciliation amounts from the TACS in effect for prior periods and prior period deferrals. The reconciliation amount is the difference between the amount to be recovered through the TACS and the actual amount recovered through the TACS. The TACS commencing January 2018 will also collect differences in the C&C level of revenues applicable to POR customers and actual recoveries that result from extension of the Case 16-G-0061 suspension period. Any under-recovery or over-recovery resulting from such reconciliation plus interest (calculated at the Other Customer's Capital Rate) shall be included in the calculation of the subsequent year's TACS.

8. Merchant Function Charge (MFC)

The Merchant Function Charge (MFC), for each Service Classification and (applicable Riders) consists of the following components:

- (a) a Supply component, which includes commodity procurement (including commodity revenue based allocation of information resources and education and outreach costs);
- (b) a credit and collections/theft ("C&C") component; and
- (c) an uncollectible expense component associated with supply.

The MFC will be charged monthly to Firm Full Service Customers served under SC 1, 2, 3 and 13. The cents per therm rates differ by residential and non-residential service classes and are applicable to the supply-related and credit and collection-related components of the MFC.

(General Information - Continued on Leaf No. 178.2)

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(Name of Officer, Title, Address)