

PSC NO: 9 GAS

LEAF: 178.1

COMPANY: **CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**

REVISION: 2

INITIAL EFFECTIVE DATE: 12/06/09

SUPERSEDING REVISION: 1

STAMPS:

IX. Special Adjustments – Continued**8. Merchant Function Charge (MFC)- Continued**

The gas in storage working capital cost component will be set such that the per therm MFC component will be equal to the per therm component applicable to the MRA.

For the twelve month period commencing October 1, 2010 ("Rate Year"), amounts collected through the Supply component and the C&C component of the MFC will be reconciled to targets computed from revenue percentages established in the ECOS study. Any differences will be included in the MFC charge for the Supply and C&C components in the subsequent rate year.

For the Rate Year, actual gas in storage working capital costs recovered through the MFC and MRA will be reconciled to actual costs of gas in storage working capital. Any differences will be reflected in the subsequent rate year's MFC and MRA gas in storage working capital component.

The Company shall file with the Public Service Commission ("PSC") a monthly statement of Merchant Function Charge ("MFC Statement"). Each component of the MFC will be shown separately by Service Class (i.e., SC 1, 2 Heating, 2 Non-Heating, 3 and 13). Separate Merchant Function Charges shall be filed for air-conditioning customers served under SC2 Heating and SC3. Each MFC statement shall be filed with the PSC no later than two working days prior to the effective date of the statement.

(General Information - Continued on Leaf No. 179)

Issued By: Robert N. Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, NY 10003

(Name of Officer, Title, Address)