

PSC NO: 9 GAS

LEAF: 159

COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

REVISION: 10

INITIAL EFFECTIVE DATE: 10/01/10

SUPERSEDING REVISION: 8

STAMPS: Issued in Compliance with Order in Case 09-G-0795 dated September 22, 2010

GENERAL INFORMATION - Continued**VII. Gas Cost Factor and Monthly Rate Adjustment - Continued****(A) Gas Cost Factor Components - Continued****2. Annual Surcharge or Refund Adjustment- Continued**

- (b) By taking the cost of gas derived in paragraph (a) above excluding firm demand costs adjusted to reflect a level of purchased gas commensurate with actual sales and the allowed factor of adjustment as described below:

- (i) If the actual line loss factor ("LLF") is between 0.815% and 1.815%, there is no adjustment to the cost of gas.
- (ii) If the actual LLF is greater than 1.815%, the cost of gas will be adjusted by the ratio of the Factor of Adjustment ("FOA") of 1.0185 (the FOA based on a LLF of 1.815%) and the Actual FOA as shown in the following formula:

$$\text{Adjusted Cost of Gas} = \text{Cost of Gas to Firm Customers} \times \left(\frac{1.0185}{\text{Actual FOA}} \right)$$

- (iii) If the actual LLF is less than 0.815%, the cost of gas will be adjusted by the ratio of 1.0082 (the FOA based on a LLF of 0.815%) and the Actual FOA, as shown in the following formula:

$$\text{Adjusted Cost of Gas} = \text{Cost of Gas to Firm Customers} \times \left(\frac{1.0082}{\text{Actual FOA}} \right)$$

- (iv) For the period October 1, 2009 through September 30, 2010, the adjustment for line losses included in the annual surcharge or refund will be calculated in accordance with the methodology established in Case 06-G-1332.
- (v) The Company or any interested party may petition the Commission to modify the GCF reconciliation for any reconciliation period where the Company or such party believes the actual LLF to be anomalous or the result of an error.
- (c) By taking the adjusted cost of gas derived in paragraph (b) above reduced by the following to determine the actual Gas Cost Factor under- or over- collections:
- (i) the Gas Cost Factor revenues adjusted to eliminate the Increase in Rates Applicable in Municipality Where Service is Supplied as defined in General Information Section VIII and the effect of the adjustments to the Average Cost of Gas set forth in this Section (A); and
- (ii) the previous year's over-collection including interest, to the extent not refunded, or adding the previous year's under-collection including interest, to the extent not recovered;

(General Information - Continued on Leaf No. 160)**Issued By: Robert N. Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, NY 10003**

(Name of Officer, Title, Address)