

PSC NO: 9 GAS

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

INITIAL EFFECTIVE DATE: 10/01/07

STAMPS: Issued in Compliance with Order in Case 06-G-1332 dated September 25, 2007

LEAF: 155.1

REVISION: 1

SUPERSEDING REVISION: 0

**(A) Gas Cost Factor Components– Continued****1. Average Cost of Gas - Continued****(a) Fixed Gas Costs:**

Fixed gas costs include pipeline demand charges, supplier gas inventory charges, storage demand charges, and any similar charges that do not vary with the volume of gas purchased (including the cost of capacity that enables the Company to offer Capacity Release Service), and applicable surcharges and taxes. Excluding any fixed costs associated with assets used for balancing (i.e., fixed gas costs associated with load following service and daily delivery service) and standby service, fixed gas costs shall be allocated to each Company using a fixed percentage based on the ratio of each Company's forecasted winter peak day capacity requirement, to the total forecasted peak day capacity requirement of the Companies. For the purpose of computing these ratios, each Company's forecasted winter peak day capacity requirement shall be reduced by the amount of winter peak day capacity obtained by Sellers, from sources other than the Companies, for firm service customers participating in each of the Companies' gas retail access programs. These fixed percentages shall initially become effective as of the effective date of this leaf and shall remain in effect through October 31, 2007. The fixed percentages shall be revised annually to become effective each November 1. The Company shall advise the Commission Staff on or before October 1 of each year of any changes in the fixed percentages to be implemented the following November 1.

Fixed gas cost associated with assets used for balancing and standby services will be allocated to each Company based upon a fixed percentage. The fixed percentage is based upon the ratio of each Company's forecasted balancing service and standby service requirements to the total of both Companies' balancing and standby service requirements and is applied to the balancing and standby service cost requirements of both Companies. The fixed percentage shall be revised at least annually and shall become effective each November 1, except that the fixed percentages shall initially be revised to become effective as of the effective date of this leaf and shall remain in effect through October 31, 2007. The Company shall advise the Commission Staff on or before each October 1 of any changes to the fixed percentage to be implemented the following November 1.

(General Information - Continued on Leaf No. 156)

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

(Name of Officer, Title, Address)