

PSC NO: 9 GAS

LEAF: 166

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

REVISION: 4

INITIAL EFFECTIVE DATE: October 1, 2004

SUPERSEDING REVISION: 2

STAMPS: Issued in compliance with order in Case 03-G-1671 dated September 27, 2004

GENERAL INFORMATION - Continued**VII. Gas Cost Factor and Monthly Rate Adjustment - Continued****(B) Monthly Rate Adjustment Components – Continued****1. Non-Firm Revenue Credit - Continued****Allocation of Non-Firm Revenues**

The Company shall retain 100 percent of Non-Firm Revenues in (a) through (d) above up to the first \$35 million for each "Rate Year" commencing October 1 with the first Rate Year beginning October 1, 2004.

Firm Sales and Firm Transportation Customers shall be allocated Non-Firm Revenues in (a) through (d) above for each "Rate Year" commencing October 1 with the first Rate Year beginning October 1, 2004 in accordance with the following percentages:

- (i) 80 percent of Non-Firm Revenues in excess of \$35 million up to \$50 million,
- (ii) 75 percent of Non-Firm Revenues in excess of \$50 million up to \$70 million,
- (iii) 90 percent of Non-Firm Revenues in excess of \$70 million,

provided, however, that: (1) one-half of the Non-Firm Revenue amounts in (i), (ii), and (iii) above shall be deferred for future firm Customer benefit; and (2) firm Customers' allocated share of Non-Firm Revenues will be reduced to provide for recovery of the booked cost of plant in service applicable to SC No. 12 (Rate 1) and SC 9 (Rates B and D) interruptible customers as of September 30, 2004, pursuant to paragraph C of Appendix A of the Joint Proposal dated May 28, 2004, as approved by the Commission's Order dated September 27, 2004 in Case No. 03-G-1671. Such interruptible plant costs will be amortized over a five-year period beginning October 1, 2004 and ending September 30, 2009. If Firm Customers' share of Non-Firm Revenues is not adequate to provide for recovery of such item, the Company will defer it for future recovery. The Company shall retain the balance of the Non-Firm Revenues not allocated to firm Customers.

(General Information - Continued on Leaf No. 166.1)**Issued By: Joan S. Freilich, Executive Vice President & Chief Financial Officer, 4 Irving Place, New York, N. Y. 10003**

(Name of Officer, Title, Address)