

PSC NO: 9 GAS
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
INITIAL EFFECTIVE DATE: October 1, 2004

LEAF: 159
REVISION: 8
SUPERSEDING REVISION: 6

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

(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 adjusted to reflect a level of purchased gas commensurate with actual sales and the allowed factor of adjustment as follows:
- (i) For Rate Year 1, if the actual line loss is less than 2.9%, the cost of gas will be adjusted by a ratio of the allowed line loss factor of adjustment of 1.0299 and the higher of the actual line loss factor of adjustment or 1.0194. For Rate Years 2 and 3, if the actual line loss factor is less than the allowed line loss factor, the cost of gas will be adjusted by the ratio of the allowed line loss factor of adjustment and the higher of the actual line loss factor of adjustment or the allowed line loss factor of adjustment equivalent to the allowed line loss factor minus 1%;
 - (ii) For Rate Year 1, if the actual line loss is greater than 2.9%, the cost of gas will be adjusted by a ratio of the allowed line loss factor of adjustment of 1.0299 and the lower of the actual line loss factor of adjustment or the authorized cap of 1.0406. For Rate Years 2 and 3, if the actual line loss factor is greater than the allowed line loss factor, the cost of gas will be adjusted by the ratio of the allowed line loss factor of adjustment and the lower of the actual line loss factor of adjustment or the allowed line loss factor of adjustment equivalent to the allowed line loss factor plus 1%;
 - (iii) In no event shall the Company retain or bear more than \$6.25 million in any Rate Year, resulting from the line loss differentials computed in (i) and (ii) above.
 - (iv) Unless and until rates are reset the provisions of (i), (ii), and (iii) above will continue in future Rate Years.
- (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: Joan S. Freilich, Executive Vice President & Chief Financial Officer, 4 Irving Place, New York, N. Y. 10003
(Name of Officer, Title, Address)