

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

LEAF: 157.1
REVISION: 0
SUPERSEDING REVISION:

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

1. Average Cost of Gas - Continued

(c) Total Average Costs of Gas

The total average costs of gas are the sum of the unit amounts determined in (a) and (b) above multiplied by a factor of adjustment to reflect distribution line losses, as further discussed in (d) below.

(d) Factor of Adjustment

For the twelve months ended September 30, 2005, (Rate Year 1), the factor of adjustment ratio is 1.0299. For the twelve months ended September 30, 2006 (Rate Year 2) and September 30, 2007 (Rate Year 3), the factor of adjustment ratios will be calculated based upon the three-year average of actual line losses for the thirty-six months ended August 31, 2005 and August 31, 2006, respectively, with the following exceptions:

- (i) If the calculated three-year average of actual line losses does not vary by more than +/- 5% from the prior line loss factor (Rate Year 1 for Rate Year 2 and Rate Year 2 for Rate Year 3), the factor of adjustment ratio for the succeeding Rate Year will not change.
- (ii) If the Company believes that the actual line loss percentage calculated for any Rate Year is anomalous or the result of an error, the Company may petition the PSC to exclude that year's percentage from the three-year average and to substitute the percentage from the next most recent Rate Year not included in the original calculation.
- (iii) Unless and until rates are reset the provisions of (i) and (ii) above will continue in future Rate Years.

(General Information - Continued on Leaf No. 158)

Issued By: ~~Joan S. Freilich, Executive Vice President & Chief Financial Officer, 4 Irving Place, New York, N.Y. 10003~~
(Name of Officer, Title, Address)