Received: 04/30/2002 Status: CANCELLED
Effective Date: 05/01/2002

..DID: 19059
..TXT: PSC NO: 9 GAS LEAF: 183.1
COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. REVISION: 7
INITIAL EFFECTIVE DATE: 05/01/02 SUPERSEDING REVISION: 6
STAMPS: Issued in compliance with order in C. 00-G-1456 et al dated April 22,
RECEIVED: 04/30/02 STATUS: Effective EFFECTIVE: 05/01/02

GENERAL INFORMATION - Continued

IX. Special Adjustments-Continued

4. Transition Surcharge for Capacity Costs

Each new dekatherm (dt) of capacity brought to the Citygate by a Seller on and after April 1, 1999 is assumed for purposes of the following formula to generate stranded cost.

Calculation of capacity costs related to customers migrating from firm sales to transportation service would be by apportionment.

The portion of capacity costs ($cap) associated with customers that have switched from firm sales to transportation service on and after April 1, 1999 or who have had capacity assigned but are no longer taking such assignment, will be calculated as follows:

$cap = {(tcap/ucap) x ucap$} **-** Capacity Release Credits("CRC")

ucap$ = Company's allocated share of upstream capacity costs.

tcap = amount of capacity associated with firm Customers using their own capacity to bring gas to the Citygate (dt).

ucap = Company's allocated share of upstream pipeline capacity (dt).

CRC = allocated share of the capacity release credits associated with tcap, adjusted for the capacity release revenues used to fund the Competitive Retail Choice Credit in Rate Provision J.7 of Service Classification No. 9.

The transition surcharge for capacity costs will be collected from Firm Sales and Firm Transportation Customers as a separate surcharge through the Monthly Rate Adjustment in General Information Section VII (B) and in SC 9 Rates (J) (1), respectively. It will be calculated as follows:

Transition Surcharge ("TS") = $cap / actual therms where,

Projected therms = annual firm sales and firm transportation volumes

The surcharge will become effective on the first day of the second calendar month succeeding the month in which strandable costs are incurred. Surcharge collections will be subject to periodic reconciliation.

(General Information - Continued on Leaf No. 183.2)

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

Cancelled by 9 Rev. Leaf No. 183.1 Effective 10/01/2007
Issued in compliance with order in C. 00-G-1456 et al dated April 22, 2002