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COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. REVISION: 2

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GENERAL INFORMATION - Continued

VII. Gas Cost Factor and Monthly Rate Adjustment - Continued

(A) Gas Cost Factor Components - Continued

2. Annual Surcharge or Refund Adjustment:

Actual gas cost recoveries shall be reconciled with actual gas expenses each year, and a surcharge or refund to recover Gas Cost Factor under-recoveries or refund Gas Cost Factor over-collections shall be computed as follows:

- (a) By taking the cost of gas applicable to firm sales customers adjusted for the following:
 - (i) supplier refunds, if any, being credited to firm customers pursuant to General Rule VII(A) 6. Gas Supplier Refunds,
 - (ii) firm customers' share of net revenues derived from the use of interstate pipeline capacity for capacity releases, bundled sales and other off-system transactions,
 - (iii) take-or-pay charges billed to the Company by its gas suppliers set forth in General Information Sections VII (A) 3 and IX.2, including gas pipeline transition costs set forth in General Information Section VII (A)4,
 - (iv) load following and daily delivery revenues from SC No. 9 firm transportation customers,
 - (v) firm customers' allocated share of balancing services revenues from SC No. 9 Rates (H) and (I), SC No. 12, and SC No. 20 "Charges" (A) (C) and (F) and power generation,
 - (vi) Transition Surcharge for Capacity Cost revenues collected from firm sales and transportation customers as explained in General Information Section IX(4),
 - (vii) liquefied propane consumed, as recorded on the Company's books during the determination period, and
 - (viii) the costs recorded during the determination period assignable to gas sold to Customers not subject to the Gas Cost Factor

(General Information - Continued on Leaf No. 159.0)

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