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COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. REVISION: 3
INITIAL EFFECTIVE DATE: 05/01/02 SUPERSEDING REVISION: 2
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GENERAL INFORMATION - Continued

VII. Gas Cost Factor and Monthly Rate Adjustment - Continued

(A) Gas Cost Factor Components - Continued

3. Gas Supplier Take-or-Pay Charges:

Take-or-Pay ("TOP") charges billed to the Company by its gas suppliers shall be recovered from Customers in accordance with the Public Service Commission's December 11, 1989 Opinion and Order (No. 89-41), and its September 30, 1993 Order adopting the Settlement Agreement dated August 6, 1993.

4. Pipeline Transition Costs:

Gas pipeline transition costs will be recovered from Customers as follows:

- (a) all costs related to unrecovered gas costs (Account 191) will be recovered from the Company's Firm Sales Customers, including Customers who convert from Firm Sales to Transportation;
- (b) all costs related to pipeline stranded investment will be recovered from Firm Sales Customers, all Transportation Customers and Electric and Steam Customers. Gas Transportation Customers who convert from Firm Sales Service to Firm Transportation Service will be charged the same per unit charge assigned to Firm Sales Customers. All other Transportation Customers will be charged 50% of the per unit charge assigned to Firm Sales Customers; and
- (c) costs related to gas supply realignment will be recovered in the same manner as set forth above in subparagraph (2) above for stranded investment cost.

5. Cost of Compensation Adjustment

For an explanation, see General Rule III 14 (E).

(General Information - Continued on Leaf No. 162.0)

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