

**..DID: 15571****..TXT: PSC NO: 9 GAS****LEAF: 155****COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. REVISION: 2****INITIAL EFFECTIVE DATE: 06/28/01 SUPERSEDING REVISION: 1****STAMPS:****Cancelled by 3 Rev. Leaf No. 155 Effective 05/01/2002****Effective date postponed to 08/01/01. See Supplement No. 12****RECEIVED: 05/21/01 STATUS: Cancelled EFFECTIVE: 08/01/01****GENERAL INFORMATION - Continued****VII. Gas Adjustment Clause****1. Gas Adjustments**

The rates for gas service under Service Classification Nos. 1, 2, 3 and 13 shall be subject each month to a gas adjustment (an addition or a deduction) when the average cost of gas increases or decreases from a specified base cost of gas. Such addition or deduction will be multiplied by a factor of 1.0331 (factor of adjustment ratio) to reflect distribution line losses. The gas adjustment shall be subject each month to the adjustments set forth below under the subparagraph entitled "Adjustments to Gas Adjustments". The gas adjustments shall be expressed to the nearest .0001 of one cent.

**2. Base Cost of Gas**

The base cost of gas per therm applicable to Service Classification Nos. 1, 2, 3 and 13 is 30.0000 cents.

**3. Average Cost of Gas**

Pursuant to the Settlement Agreement adopted by the Commission in its Order Authorizing Merger, issued and effective April 2, 1999, gas will be purchased under a common supply arrangement for both Consolidated Edison Company and Orange and Rockland Utilities ("Companies"). The arrangement will be administered by a single corporate department or entity for the benefit of the Companies. The department or entity will purchase gas and services for the Companies in a manner that minimizes their total cost.

The Company's monthly average cost of gas applicable to the rates under Service Classification Nos. 1,2,3 and 13 shall be based upon the Company's apportioned share of fixed and variable costs and shall be computed as follows:

**(A) Fixed Cost:**

Fixed gas costs include pipeline demand charges (including the cost of capacity that enables the Company to offer Capacity Release Service), supplier gas inventory charges, storage demand charges, and any similar charges that do not vary with the volume of gas purchased.

The fixed gas cost of the Companies shall be developed by applying the fixed rates and charges of the transporters, storage providers, and suppliers to the annual billing determinants associated with pipeline capacity, storage capacity, and purchase contract entitlements. Excluding capacity release credits and fixed cost associated with balancing and standby service, fixed costs shall be allocated to each company using a fixed percentage based on the ratio of each Company's fixed cost as of June 30, 2000. Fixed cost associated with assets used for balancing and standby service will be allocated to each company based on the ratio of each Company's cost of those assets.

**(General Information - Continued on Leaf No. 156.0)****Issued By: Joan S. Freilich, Executive Vice President & Chief Financial Officer, 4 Irving Place, New York, N. Y. 10003****(Name of Officer, Title, Address)**