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COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. REVISION: 2
INITIAL EFFECTIVE DATE: 07/01/99 SUPERSEDING REVISION: 1
STAMPS: Issued in compliance with order in C. 98-G-1785 et.al. dated February
CANCELLED by Supplement 5 effective 06/29/00
Suspended by order in Case 98-G-1785. See suppl. No. 4,
Effective date postponed to 09/01/99. See Supplement No. 1
RECEIVED: 05/24/99 STATUS: Cancelled EFFECTIVE: 07/01/00

GENERAL INFORMATION - Continued

IX. Special Adjustments - Continued

5. Transition Surcharge

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:

$$\$cap = \frac{[tcap] * ([ucap\$] - \text{Capacity Release Credits ("CRC")})}{[ucap]}$$

ucap\$= total Company upstream capacity costs less firm transportation capacity costs retained for system reliability purposes.

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

ucap = total Company upstream pipeline capacity (dt).

CRC = capacity release credits associated with tcap.

The transition surcharge will be collected from firm sales and firm transportation customers as a separate surcharge through the Gas Adjustment (see Section VII 4.(E)(5)) and the Adjustment to Base Rates (See SC 9 Rates (J)(1)), respectively. It will be calculated as follows:

$$\text{Transition Surcharge ("TS")} = \frac{\$cap}{\text{annual therms}} \quad \text{where,}$$

Annual therms = annual historical firm sales and firm transportation volumes for the twelve month period ending two months prior to the effective date of the surcharge.

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. 184.0)

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