

PSC NO: 9 GAS

LEAF: 178.2

COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

REVISION: 3

INITIAL EFFECTIVE DATE: 02/01/17

SUPERSEDING REVISION: 2

STAMPS: Issued in Compliance with Order in Case 16-G-0061 dated January 25, 2017

GENERAL INFORMATION – Continued**IX. Special Adjustments – Continued****8. Merchant Function Charge (MFC) – Continued**

The MFC Supply and MFC C&C rates (shown below) are based on the design targets from the Rate Plan approved in Case 16-G-0061 and are exclusive of any prior period reconciliation. The residential rates apply to SC 1 and SC3 and the non-residential rates apply to SC 2 and SC 13.

(cents/therm)	MFC Supply			MFC C&C		
	<u>Effective January 1</u>			<u>Effective January 1</u>		
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Residential	0.3528	0.3705	0.3895	1.1044	1.1598	1.2195
Non-Residential	0.2270	0.2505	0.2763	0.5125	0.5655	0.6237

The uncollectible expense component will be aligned with service classes consistent with the monthly Gas Cost Factors (GCF) and will reflect uncollectible factors of \$1.0900 per \$100 of commodity costs for residential customers and \$0.4100 per \$100 of commodity costs for non-residential customers.

The uncollectible expense component will also reconcile, over one month, the uncollectible expense-related revenue difference resulting from the extension of the suspension period in Case 16-G-0061.

For each twelve month period commencing January 1 (Rate Year), amounts collected through the Supply component and the C&C component of the MFC will be reconciled to the design targets established for the Rate Year. Any differences will be included in the Supply and C&C components of the MFC in the subsequent Rate Year. The MFC commencing January 2018 will also reconcile the differences in the amounts collected and the design targets for the Supply and C&C components that result from the extension of the Case 16-G-0061 suspension period.

The Company shall file with the Public Service Commission (“PSC”) a monthly statement of the Merchant Function Charge (“MFC Statement”). Each component of the MFC will be shown separately by Service Class (i.e., SC 1, 2 Rate I, 2 Rate II, 3 and 13). Separate Merchant Function Charges shall be filed for air-conditioning customers served under SC2 Rate II and SC3. Each MFC Statement shall be filed with the PSC no later than two working days prior to the effective date of the statement.

(General Information - Continued on Leaf No. 179)

Issued By: Robert Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, NY 10003

(Name of Officer, Title, Address)