

**PSC NO: 9 GAS**

LEAF: 183.5

**COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**

REVISION: 1

INITIAL EFFECTIVE DATE: 02/01/17

SUPERSEDING REVISION:

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

**GENERAL INFORMATION - Continued****IX. Special Adjustments - Continued****23. Safety and Reliability Surcharge Mechanism ("SRSM") - Continued****Leak Prone Pipe ("LPP") - Continued**

- b. Incremental carrying costs associated with the incremental capital expenditures are capped at a level reflecting the lesser of 1) the target incremental cost for each location, as specified in Appendix 6 of the Joint Proposal included in the Rate Plan approved in Case 16-G-0061, or 2) the actual cost per mile, times the number of miles.
- c. Incremental O&M associated with the replacement of leak prone pipe above the levels established in the Rate Plan approved in Case 16-G-0061 calculated as 1) the target O&M cost for each location divided by 2) the target capital cost for each location and multiplied by 3) the incremental capital expenditures as calculated in (b) above.

**Leak Backlog**

- a. The actual leak backlog level the Company achieves is below the applicable Rate Year target, as described in Appendix 6 of the Joint Proposal included in the Rate Plan approved in Case 16-G-0061, and
- b. The Company exceeds the annual rate allowance for leak repairs as set forth in Appendix 6 of the Joint Proposal included in the Rate Plan approved in Case 16-G-0061.
- c. Recovery will be capped at the lesser of the total incremental cost or \$5,100 per actual leak repaired below the applicable target.

**24. Climate Change Vulnerability Study**

The Company will recover the gas customers' share of up to \$4 million in costs associated with the Climate Change Vulnerability Study pursuant to the Rate Plan approved in Case 16-G-0061.

**25. Earnings Adjustment Mechanism Related to AMI Customer Awareness ("AMI EAM")**

Pursuant to the Rate Plan approved in Case 16-G-0061, the Company can recover the gas customers' share of up to a maximum of \$500,000 of incentives associated with the Earnings Adjustment Mechanism related to AMI customer awareness ("AMI EAM") through a surcharge on the MRA Statement. Any incentives earned, as determined by the Company's performance in the post-deployment customer survey results in each deployment region and submitted in the AMI scorecard metrics report, will be recovered from customers over a twelve-month period commencing no earlier than 45 days after the submission of the AMI scorecard metrics report if no Commission action is taken within that time. Any over- or under-recovery shall be included in a subsequent AMI EAM. Should the amount of any adjustment be less than 0.0001 cents per therm, the Company reserves the right to calculate the adjustment for a shorter time period.

(General Information - Continued on Leaf No. 184)

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

(Name of Officer, Title, Address)