

PSC NO: 9 GAS

LEAF: 178.1

COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

REVISION: 8

INITIAL EFFECTIVE DATE: 03/01/14

SUPERSEDING REVISION: 7

STAMPS: Issued in Compliance with Order in Case 13-G-0031 dated February 21, 2014

GENERAL INFORMATION – Continued**IX. Special Adjustments – Continued****7. Transition Adjustment for Competitive Services – Continued**

full service and transportation terms for the twelve month period for which the TACS is to be effective. The C&C Variation component of the TACS that commences March 2014 will be in effect for a 10-month period and will be based on the three months ended December 2013. Any reconciliation amounts and prior period deferrals due to the calculation of the TACS determined in accordance with the Commission's Order in Case 09-G-0795 will be collected in that TACS. The TACS that commences January 2015, and each January thereafter, will be in effect for a 12-month period and will be based on the 12 months ending December of the prior year. Pursuant to the Commission's Order issued February 21, 2014 in Case 13-G-0031, the TACS will also collect the shortfall of BPP revenues as a result of the extension of the suspension period in Case 13-G-0031. This shortfall will be recovered through the TACS over a one-month period.

The difference between the amount to be recovered through the TACS and the actual amount recovered through the TACS will be reconciled. Any under-recovery or over-recovery resulting from such reconciliation plus interest (calculated at the Other Customer's Capital Rate) shall be included in the calculation of the subsequent year's TACS.

8. Merchant Function Charge (MFC)

The Merchant Function Charge (MFC) consists of the following components: (a) a Supply component which includes commodity procurement (including commodity revenue based allocation of information resources and education and outreach costs); (b) an uncollectible expense component associated with supply; (c) a gas in storage working capital component and (d) a credit and collections/theft ("C&C") component.

The MFC will be charged monthly to Firm Full Service Customers served under SC 1, 2, 3 and 13. The uncollectible expense component will be aligned with service classes consistent with the monthly Gas Cost Factors (GCF) and will reflect uncollectible factors of \$1.3176 per \$100 of commodity costs for residential customers and \$0.4473 per \$100 of commodity costs for non-residential customers.

The uncollectible expense component will also collect, over one month, the uncollectible expense-related revenue shortfall resulting from the extension of the suspension period in Case 13-G-0031.

The rates for recovery of gas in storage working capital costs will be set such that the per therm rate included in the MFC will be equal to the per therm rate included in the MRA.

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 Rate Year design targets established in the 2014 Gas Rate Plan adopted by the Commission in its order issued February 21, 2014 in Case 13-G-0031. Any differences will be included in the Supply and C&C components of the MFC in the subsequent Rate Year.

(General Information - Continued on Leaf No. 178.2)

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(Name of Officer, Title, Address)