

PSC NO: 9 GAS

LEAF: 177

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

REVISION: 9

INITIAL EFFECTIVE DATE: 01/01/12

SUPERSEDING REVISION: 8

STAMPS: Issued in Compliance with Order in Case 10-G-0467 et al. dated September 16, 2011

GENERAL INFORMATION - Continued**IX. Special Adjustments - Continued****5. Research and Development Surcharge Applicable to Firm Customers**

In accordance with the Public Service Commission Order issued February 14, 2000 in Case 99-G-1369, all Firm Sales and Firm Transportation Customers will be subject to a research and development ("R&D") surcharge to provide funding for R&D projects.

6. Load Following Charge

All firm sales and firm transportation service customers are subject to a Load Following charge to recover fixed gas costs associated with assets used for balancing service. Pursuant to the Public Service Commission Order issued and effective September 16, 2011 in Case 10-G-0467 et al., effective January 1, 2012, the Load Following charge shall also include a surcharge to adjust for under-deliveries of transportation customer gas ("transportation surcharge"). The transportation surcharge for each calendar year is calculated by (1) multiplying the under-delivery of firm transportation therms attributable to the difference between 1.0133 (the factor of adjustment on leaf 157.1) and 1.0297 for the twelve month period ending each August 31 of the prior calendar year ("the annual period"), by the average commodity cost of gas per therm excluding the effect of the under-deliveries for the annual period, (2) dividing the result in (1) by the estimated firm transportation therms for the twelve months commencing the following January 1, and (3) calculating monthly interest on the estimated unrecovered monthly declining balance and dividing the annual total of the estimated monthly interest by the estimated total firm sales and firm transportation therms for the calendar year. The sum of the unit amounts calculated in (2) and (3) is the transportation surcharge. The beginning unrecovered balance is the amount to be credited to firm sales customers through the GCF Annual Surcharge or Refund, and is based upon the total estimated amount to be collected from both firm sales and firm transportation customers during the calendar year.

Gas is purchased under a common supply arrangement for both Con Edison and Orange and Rockland Utilities ("Companies") as described in General Information Section No. VII (A) 1. The fixed gas costs associated with assets used for balancing services are allocated to each Company based upon a fixed percentage. The fixed percentage is based upon the ratio of each Company's forecasted balancing service requirements to the total of both Companies' balancing requirements and is applied to the balancing cost requirements of each Company. The fixed percentage shall be revised at least annually and shall become effective each November 1. The Company shall advise the Commission Staff on or before each October 1 of any changes to the fixed percentage to be implemented the following November 1. Fixed gas costs associated with assets used for balancing services will be recovered through the Load Following charge.

The Load Following charge is a per therm charge determined by dividing the Company's share of fixed gas costs associated with balancing by the forecasted total of firm sales and firm transportation therms for the twelve-month period commencing each November 1, and by dividing the Company's transportation surcharge target by the forecasted total of firm sales and firm transportation therms for the twelve month period commencing each January 1. The Load Following charge for both firm sales and firm transportation

(General Information - Continued on Leaf No. 178)

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(Name of Officer, Title, Address)