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Consolidated Edison Company of New York, Inc.

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GENERAL RULES

25. Supply and Supply-related Charges and Adjustments - Continued

25.1 Market Supply Charge - Continued

(b) There are three NYISO electrical load zones located in Con Edison's service territory: Zone H for Upper Westchester; Zone I for parts of the Upper Bronx and Lower Westchester; and Zone J for New York City except for the parts of the Bronx that are located in Zone I. The "New York City NYISO zone" refers to Zone J. The "Westchester NYISO zones" refer to Zones H and I.

Energy costs are calculated separately for Customers served in the New York City NYISO zone and for Customers served in each of the Westchester NYISO zones. Except for Customers served under Rider M, the cost of energy per kilowatthour applicable during each Customer's billing period will be based on NYISO day-ahead Locational Based Marginal Prices load-weighted by the applicable rate class's hourly load shape. For Customers served under Rider M, the NYISO posted, zonal day-ahead market price for energy, adjusted for losses, will be applied to kilowatthour usage for each hour of the day, each day of the billing period. The NYISO posted, zonal day-ahead market price for energy, adjusted for losses, shall be made available to Rider M Customers for each of the 24 hourly rating periods for each day of the year, after the NYISO market closes, but no later than 4 PM, on the day prior to the day the rates are to be effective.

The cost of capacity for each six-month capability period (i.e., the calendar months of May through October and November through April) will be separately estimated for each rate class based on NYISO strip auction prices. Capacity costs will be separately estimated for the New York City NYISO zone and for the combined Westchester NYISO zones. Estimated capacity costs will be shown on the Statement of Market Supply Charge – Capacity for each six-month period filed with the Public Service Commission apart from this Rate Schedule no less than three days before the Statement is to become effective.

Ancillary Services Charges and NTAC per kilowatthour are revised the eighth billing cycle of each calendar month and will remain in effect until changed. The Ancillary Services Charges and NTAC component of each Customer's MSC will be the Ancillary Services Charges and NTAC per kilowatthour in effect on the "to date" of the Customer's bill. Ancillary Services Charges and NTAC amounts will be posted on the Company's website prior to their effective date.

The MSC per-kilowatthour rate for each Customer in an energy-only rate class will be the sum of components (1) through (4) in (a) above, that is, the cost of energy and capacity based on NYISO market prices plus the Ancillary Services Charges and NTAC. Energy-only SC 12 Customers subject to the Minimum Charge are assessed the MSC per-kilowatthour rate based on the minimum kWhr billed.

The MSC per-kilowatthour rate for each Customer in a demand-billed rate class will be the sum of components (1), (3), and (4) in (a) above. For demand-billed rate classes, component (2) in (a) above, that is, capacity costs, will be billed as a separate per-kilowatt MSC rate unless the Customer is billed under the Rate SC 9 Rate I Maximum Rate, in which case the charge for capacity will be assessed per kilowatthour. Demand-billed Customers subject to the Minimum Charge are assessed the MSC per-kilowatt rate based on the minimum kW billed.

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