

PSC NO: 9 GAS
COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
INITIAL EFFECTIVE DATE: 12/02/06
STAMPS:

LEAF: 170
REVISION: 2
SUPERSEDING REVISION: 1

GENERAL INFORMATION - Continued

VIII. Increase in Rates Applicable in Municipality Where Service is Supplied - Continued

Tax Surcharge Imposed By Sections 188 of the New York Tax Law

After December 31 of each year, in accordance with Commission Orders dated May 15, 1992 in Case 92-M-0366 and June 14, 1993 in Case 93-M-0411, if the tax surcharge is applicable, the tax surcharge revenues collected in the prior year to recover the tax expense imposed by Section 188 of the New York Tax Law on the 4.5 percent excess dividends tax paid by the Company under Section 186 of the New York Tax Law shall be reconciled with the tax surcharge expense for this item paid by the Company for that year. In the event that the tax surcharge revenues collected for this expense in each year are substantially higher or lower (equal to or greater than plus or minus 0.5 percent) than the tax surcharge expense paid by the Company, the Company will make a one-time adjustment to the percentage increase in rates and charges in effect for the month of March. For each calendar year, the foregoing reconciliation will be implemented for all Section 188 tax surcharge expenses collected and paid in the year.

Special Recovery Provision

The rates and charges under all Service Classifications shall also be subject to an additional percentage increase in rates and charges to recover the increase in tax expenses resulting from the increase in the tax rate stated in Section 186-a of the New York Tax Law from 3 percent to 3.5 percent plus the increased state tax surcharge thereon imposed by Section 188 during the period January 1, 1991 through July 31, 1991 ("additional tax expenses"). Pursuant to an order of the Public Service Commission issued July 23, 1991, in Case 91-M-0637, the additional tax expenses shall be recovered from Customers during the twelve-month period commencing October 1, 1991, through a separately stated percentage increase on Statements filed to be effective during this twelve-month period. After September 30, 1992, the revenues collected hereunder shall be reconciled with the actual tax payments for additional tax expenses. In the event that the revenues collected are substantially higher or lower (equal to or greater than plus or minus 0.5 percent) than the actual tax payments, the Company will make an appropriate adjustment in the Statement filed to become effective in November 1992.

(General Information - Continued on Leaf No. 171)

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

(Name of Officer, Title, Address)