

PSC NO: 9 GAS
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
INITIAL EFFECTIVE DATE: 04/01/05

LEAF: 166
REVISION: 5
SUPERSEDING REVISION: 4

STAMPS: Issued in compliance with order in Case 03-G-1671 dated September 27, 2004

GENERAL INFORMATION - Continued

VII. Gas Cost Factor and Monthly Rate Adjustment - Continued

(B) Monthly Rate Adjustment Components – Continued

1. Non-Firm Revenue Credit - Continued

Allocation of Non-Firm Revenues

The Company shall retain 100 percent of Non-Firm Revenues in (a) through (d) above up to the first \$35 million for each "Rate Year" commencing October 1 with the first Rate Year beginning October 1, 2004.

Firm Sales and Firm Transportation Customers shall be allocated Non-Firm Revenues in (a) through (d) above for each "Rate Year" commencing October 1 with the first Rate Year beginning October 1, 2004 in accordance with the following percentages:

- (i) 80 percent of Non-Firm Revenues in excess of \$35 million up to \$50 million,
- (ii) 75 percent of Non-Firm Revenues in excess of \$50 million up to \$70 million,
- (iii) 90 percent of Non-Firm Revenues in excess of \$70 million,

provided, however, that: (1) one-half of the Non-Firm Revenue amounts in (i), (ii), and (iii) above shall be deferred for future Firm Customer benefit; (2) Firm Customers' allocated share of Non-Firm Revenues will be reduced to provide for recovery of the booked cost of plant in service applicable to SC No. 12 (Rate 1) and SC 9 (Rates B and D) interruptible customers as of September 30, 2004, pursuant to paragraph C of Appendix A of the Joint Proposal dated May 28, 2004, as approved by the Commission's Order dated September 27, 2004 in Case No. 03-G-1671 ("Joint Proposal") (such interruptible plant costs will be amortized over a five-year period beginning October 1, 2004 and ending September 30, 2009); and (3) Firm Customers' allocated share of Non-Firm Revenues will be reduced to provide for recovery of the actual incremental costs associated with implementation of a tiered cash-out mechanism for marketers serving monthly-metered Firm Customers through modifications to the Company's Transportation Customer Information System ("TCIS"), pursuant to Appendix J of the Joint Proposal. If Firm Customers' share of Non-Firm Revenues is not adequate to provide for recovery of items (1), (2), and (3) above, the Company will defer any such deficient amount for future recovery. The Company shall retain the balance of the Non-Firm Revenues not allocated to Firm Customers.

(General Information - Continued on Leaf No. 166.1)

Issued By: ~~Joan S. Freilich, Executive Vice President & Chief Financial Officer, 4 Irving Place, New York, N. Y. 10003~~
(Name of Officer, Title, Address)