

.PSC NO: 9 GAS
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
INITIAL EFFECTIVE DATE: December 21, 2003

LEAF: 156
REVISION: 11
SUPERSEDING REVISION: 10

GENERAL INFORMATION - Continued

VII. Gas Cost Factor and Monthly Rate Adjustment - Continued

(A) Gas Cost Factor Components - Continued

1. Average Cost of Gas - Continued

(a) Fixed Gas Costs - Continued

The Company's apportioned share of fixed gas costs will be reduced by the following:

- (i) the revenue derived from Load Following and Daily Delivery Services from SC No. 9 Firm Transportation Customers;
- (ii) Firm Customers' allocated share of the revenue derived from gas balancing services under SC No. 9 "Rates" (H) and (I), SC No. 12, and SC No. 20 "Charges" (A)-(C) and (F) and power generation as explained in General Information Section VII (B)1;
- (iii) revenue derived from the Transition Surcharge for Capacity Costs collected from Firm Sales and Transportation Customers as explained in General Information Section IX (4);
- (iv) the estimated fixed gas costs allocated to interruptible and off-peak firm customers taking service under SC Nos. 12 and 19; and
- (v) firm customers' allocated share of net revenues derived from the use of interstate pipeline capacity for capacity releases, bundled sales and other off-system transactions as explained in General Information Section VII (B) 1.

The Company's apportioned share of fixed gas costs, net of the foregoing reductions, will be further allocated between SC Nos. 1,2,3 and 13 according to the percentages set forth on the Statement of Gas Cost Factor and divided by the respective forecast quantities of gas to be sold to customers served under SC Nos. 1,2,3 and 13 for the twelve calendar months ending the following August 31. The Company will review the percentages used in allocating fixed costs between service classes at least annually. If such percentages change by +/- 1% or more, the Company will implement such changes in the Gas Cost Factor upon consultation with the Commission Staff.

(General Information - Continued on Leaf No. 157)

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