

Transco and Tetco effect on WACOC

The Weighted Average Cost of Capacity (“WACOC”), which represents the rate at which pipeline capacity is released to marketers is set each November. Any cost increases (or decreases) in pipeline or storage charges between November 1st and October 31st of a gas year will be recovered from the customers through the Capacity Release Service Adjustment (“CRSA”). The CRSA is calculated and set annually during the Company’s reconciliation process. Any refunds that the Company receives from a pipeline or storage facility will be refunded to customers through the Monthly Rate Adjustment (“MRA”). Therefore, any changes to the cost of capacity that are above or below the WACOC due to Transco and Tetco rate increases, will be captured in the CRSA starting the 2019-20 gas year. When those rate cases are settled, any refunds the pipelines may give us will go back to the customers through the MRA.

Friendly reminder newsletters can be found in our website:

<https://www.coned.com/en/business-partners/become-a-supply-partner/energy-service-company-news>

Note: To ensure a timely response, please use the retailaccess@coned.com as the main email address for inquiries. Also, please be sure to visit our dedicated website for ESCO as self-service, by clicking on the following link: <https://www.coned.com/en/business-partners/become-a-supply-partner>

If you have any responses, comments or questions, please forward them to RetailAccess@coned.com, unless otherwise noted.