

## **POR Discount Rates Corrected as of December 14, 2016**

Due to a system issue, the POR Discount Rate changed for any bills generated from October 27, 2016 through December 13, 2016. Therefore, if you had any CUBS bills issued during this period, we will be crediting your shell account. The issue has been resolved as of December 14, 2016 and applied to all bills going forward.

We will be distributing a separate communication indicating the credit for each corresponding shell account. All credits will be included in the January 20, 2017 POR disbursement.

As a reminder, the following contains the 2016 POR Discount Rate breakdown for Gas and Electric, as originally displayed in the December 30, 2015 ESCO Newsletter.

We apologize for the inconvenience.

If you have any responses, comments or questions, please forward them to [RetailAccess@coned.com](mailto:RetailAccess@coned.com), unless otherwise noted.

**Gas POR Discount Rate Effective 1/1/16**

Effective January 1, 2016 the Purchase of Receivables (POR) discount rate of **2.26 percent** will be applied to all ESCOs' **gas** accounts receivables, including salestax.

The components are the sum of:

- **0.88 percent** - A percentage that is the Company's uncollectible rate for all residential, small non-residential and POR electric and gas customers. This number is based on actual data from December 2014 through November 2015.
- **0.13 percent** - A percentage that is 15 percent of the uncollectible rate, to compensate the Company for its financial risk that the actual uncollectible rate for the purchased receivable may be higher than the uncollectible rate.
- **0.15 percent** - For the incremental costs associated with POR Program administration.
- **1.10 percent** - A percentage that reflects the annual forecast cost of the Company's gas credit and collection function with respect to ESCO receivables.

This discount rate will be applied to all gas bills issued **on and after January 1, 2016**.

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**Electric POR Discount Rate Effective 1/1/16**

Effective January 1, 2016 the Purchase of Receivables (POR) discount rate of **2.77 percent** will be applied to all ESCOs' **electric** accounts receivables, including saletax.

The components are the sum of:

- **0.88 percent** - A percentage that is the Company's uncollectible rate for all residential, small non-residential and POR electric and gas customers. This number is based on actual data from December 2014 through November 2015.
- **0.13 percent** - A percentage that is 15 percent of the uncollectible rate, to compensate the Company for its financial risk that the actual uncollectible rate for the purchased receivable may be higher than the uncollectible rate.
- **0.15 percent** - For the incremental costs associated with POR Program administration.
- **1.61 percent** - A percentage that reflects the annual forecast cost of the company's electric credit and collection function with respect to ESCO receivables.

This discount rate will be applied to all electric bills issued **on and after January 1, 2016**.

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