Consolidated Edison Company of New York, Inc.

Schedule

For

PASNY Delivery Service

Delivery Service Rate Schedule Implementing and
Part of the Service Agreement
Between the Power Authority of the State of New York (“PASNY” or “NYPA”) and Consolidated Edison Company of New York, Inc. (the “Company”),
dated March 10, 1989, for the Delivery by the Company
of Power and Associated Energy to Authority Public Customers

Subsequent Changes Will Be Effective as Shown on Individual Leaves

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
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Reference:

All references to the Company’s “Schedule for Electricity,” or to any leaves, terms and conditions or Service Classifications (“SC”s) therein shall be understood to refer to Consolidated Edison Company’s Schedule for Electricity Service, PSC No. 10 – Electricity, now on file with the Public Service Commission and its leaves, terms and conditions and Service Classifications as the same may be modified or superseded from time to time. All references to PASNY Customers shall be understood to refer to the Authority Public Customers referenced on the cover of this Rate Schedule. The Company and PASNY have agreed that for the convenience of both parties, the Company may deal directly with PASNY Customers in connection with the delivery of power and energy under this Rate Schedule. Accordingly, there are references herein to privileges and responsibilities of PASNY Customers. These references are for convenience only and are not intended to derogate from PASNY’s rights and duties under this Rate Schedule.

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
PASNY DELIVERY SERVICE

Applicable to Use of Service for

The delivery of power and associated energy to PASNY Customers pursuant to the Service Agreement referenced on the cover of this Rate Schedule, subject to the provisions of this Rate Schedule.

Character of Service

The characteristics of service for the delivery of power and energy to PASNY Customers shall be the same as they would be if the PASNY Customers were taking electric service from the Company under an appropriate electric Service Classification of the Company's Schedule for Electricity.
PASNY DELIVERY SERVICE

Rate I

Applicability: To PASNY Customers who are not served under Rate II, Rate III, or Rate IV.

<table>
<thead>
<tr>
<th>Low Tension Service</th>
<th>High Tension Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand Delivery Charge *</td>
<td>Reactive Power Demand Charge, applicable as specified under the Common Charges of this Rate Schedule.</td>
</tr>
<tr>
<td>($ per kW per month of the maximum demand)</td>
<td>Reactive Power Demand Charge, applicable as specified under the Common Charges of this Rate Schedule.</td>
</tr>
<tr>
<td>$22.90</td>
<td>$20.62</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Applicable to non-demand-metered service and Westchester street lighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Delivery Charge *</td>
</tr>
</tbody>
</table>

* Certain delivery charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment, as described in the “Temporary Rate Adjustment” section of “Common Charges and Adjustments.”

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
PASNY DELIVERY SERVICE

Rate I - Continued

Facilities and Service Connection Charges - for street lighting and fire alarm or signal systems *

(A) Furnishing and Maintaining Control Equipment Charge

Delivery service for public street lighting in the County of Westchester is subject to the following additional charge and is available subject to the limitations provided in Special Provision 3(C) hereof.

For each point of service termination, as defined in Special Provision 3(B) hereof, where the Company supplies controlled period service from its circuits. ........ $4.77 per calendar month

(B) Facilities Charge

Delivery service for public street lighting in The City of New York is subject to the following additional charge:

For each point of service termination, as defined in Special Provision 3(B) hereof, where the Company's electrical system is connected to the City's lighting unit or to a lighting circuit owned by the City .................. $10.26 per calendar month

(C) Service Connection and Gong or Signal Circuit Charge

Delivery service for the operation of interior fire alarm or signal systems not connected to the metered supply for the building and where separate service is supplied, is subject to the following charges:

(1) For service connection ................................................................. $120.87

(2) For each gong or signal circuit or combination of gong or signal circuits in which there is a continuous flow of current of not over 125 milliamperes, the voltage of the supply being approximately 120 volts or the equivalent (taken as 15 volt-amperes) at other supply voltages ................................. $8.30 per calendar month

(3) For each additional 125 milliamperes (or equivalent) of continuous flow, or fraction thereof, an additional charge of ............................................. $8.30 per calendar month

* Certain delivery charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment, as described in the “Temporary Rate Adjustment” section of “Common Charges and Adjustments.”

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
Rate II - Time-of-Day

Applicability:
(1) To PASNY Customers who were billed under Rate II as of February 20, 2012;
(2) To any PASNY Customer whose monthly maximum demand exceeds 1,500 kW in any annual period ending September 30;
(3) To any new PASNY Customer whose monthly maximum demand in the Company's estimate will exceed 1,500 kW during the first year of service; and
(4) To successors of PASNY Customers referred to in (1), (2) and (3) above; if eligible for PASNY delivery service;

provided the PASNY Customer is not subject to billing under Rate IV.

For PASNY Customers subject to Rate II pursuant to (2) above, billing under Rate II shall commence when the PASNY Customer's entire usage is subsequent to December 31 of the annual period ending September 30 in which the PASNY Customer becomes subject to Rate II.

Rate II is not applicable to traction and substation accounts.

A Rate II Customer shall be transferred to and billed under Rate I in the first billing period that commences after the Customer's monthly maximum demand does not exceed 900 kW for 12 consecutive months.

Demand Delivery Charges, per kW per month of the maximum demand *

Charges applicable for the months of June, July, August, and September
Monday through Friday, 8 AM to 6 PM (high/low tension service) $6.62 per kW
Monday through Friday, 8 AM to 10 PM (high/low tension service) $18.33 per kW
All hours of all days (low tension service only) $20.14 per kW

Charges applicable for all other months
Monday through Friday, 8 AM to 10 PM (high/low tension service) $10.65 per kW
All hours of all days (low tension service only) $6.37 per kW

The total demand delivery charge for each billing period, excluding the Reactive Power Demand Charge, shall be the sum of the charges for each applicable time period, each charge determined by multiplying the maximum demand for the respective time period by the rate applicable for that time period.

Reactive Power Demand Charge, applicable as specified under the Common Charges of this Rate Schedule.

* Certain delivery charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment, as described in the “Temporary Rate Adjustment” section of “Common Charges and Adjustments.”

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
Rate III - Standby Service

**Applicability:** To PASNY Customers who are required to be billed under Standby Service rates, provided the PASNY customer is not subject to billing under Rate IV.

**Customer Charge**

$247.26 per month

**Demand Delivery Charges**

For each day in the billing period for which As-used Daily Demand Delivery Charges are to be determined, the As-used Daily Demand Delivery Charge for each time period shall be determined by multiplying the daily maximum demand during the time period by the per-kilowatt As-used Daily Demand Delivery Charge applicable to that time period. As-used Daily Demand Delivery Charges, as billed, are equal to the sum of the As-used Daily Demand Delivery Charges for the time periods.

1) Applicable to all Customers, except for Station Use by Wholesale Generators:

<table>
<thead>
<tr>
<th>Low Tension Service</th>
<th>High Tension Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5.61 per kW</td>
<td>$4.99 per kW</td>
</tr>
</tbody>
</table>

b) As-used Daily Demand Delivery Charges, per kW of Daily Peak Demand for each specified time period

Charges applicable for the months of June, July, August, and September

<table>
<thead>
<tr>
<th>Low Tension Service</th>
<th>High Tension Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.4351 per kW</td>
<td>$0.4432 per kW</td>
</tr>
<tr>
<td>$1.1374 per kW</td>
<td>$0.3713 per kW</td>
</tr>
</tbody>
</table>

Charge applicable for all other months

<table>
<thead>
<tr>
<th>Low Tension Service</th>
<th>High Tension Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.6033 per kW</td>
<td>$0.3748 per kW</td>
</tr>
</tbody>
</table>

2) Applicable to Station Use by Wholesale Generators:

<table>
<thead>
<tr>
<th>Low Tension Service</th>
<th>High Tension Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5.61 per kW</td>
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<table>
<thead>
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</thead>
<tbody>
<tr>
<td>$1.1374 per kW</td>
<td>$0.3713 per kW</td>
</tr>
</tbody>
</table>

Charge applicable for all other months

<table>
<thead>
<tr>
<th>Low Tension Service</th>
<th>High Tension Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.3850 per kW</td>
<td>$0.1487 per kW</td>
</tr>
</tbody>
</table>

**Reactive Power Demand Charge**, applicable as specified under the Common Charges of this Rate Schedule.

* Certain delivery charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment, as described in the “Temporary Rate Adjustment” section of “Common Charges and Adjustments.”
PASNY DELIVERY SERVICE

Rate IV - Standby Service (Large)

Applicability: To PASNY Customers who are required to be billed under Standby Service rates where:
(a) the Contract Demand is greater than 1500 kW, or (b) high-tension service is supplied at 138,000 volts.

Rate IV is not applicable to traction and substation accounts.

Customer Charge *

<table>
<thead>
<tr>
<th>Charge per month</th>
<th>Low Tension Service</th>
<th>High Tension Service below 138 kV</th>
<th>High Tension Service at 138 kV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$762.15</td>
<td>$762.15</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$75.32</td>
</tr>
</tbody>
</table>

Demand Delivery Charges *

For each day in the billing period for which As-used Daily Demand Delivery Charges are to be determined, the As-used Daily Demand Delivery Charge for each time period shall be determined by multiplying the daily maximum demand during the time period by the per-kilowatt As-used Daily Demand Delivery Charge applicable to that time period. As-used Daily Demand Delivery Charges, as billed, are equal to the sum of the As-used Daily Demand Delivery Charges for the time periods.

1) Applicable to all Customers, except for Station Use by Wholesale Generators:

a) Contract Demand Delivery Charge, per kW of Contract Demand

Charge applicable for all months $7.97 per kW $5.96 per kW $2.33 per kW

b) As-used Daily Demand Delivery Charges, per kW of Daily Peak Demand for each specified time period

Charges applicable for the months of June, July, August, and September

- Monday through Friday, 8 AM to 6 PM $0.3929 per kW $0.3984 per kW $0.2969 per kW
- Monday through Friday, 8 AM to 10 PM $1.0650 per kW $0.3345 per kW N/A

Charge applicable for all other months

- Monday through Friday, 8 AM to 10 PM $0.5915 per kW $0.3435 per kW $0.1541 per kW

* Certain delivery charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment, as described in the “Temporary Rate Adjustment” section of “Common Charges and Adjustments.”
PASNY DELIVERY SERVICE

Rate IV - Standby Service (Large) - Continued

Demand Delivery Charges - Continued *

2) Applicable to Station Use by Wholesale Generators:

<table>
<thead>
<tr>
<th>Low Tension Service</th>
<th>High Tension Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Contract Demand Delivery Charge, per kW of Contract Demand Charge applicable for all months</td>
<td>$7.97 per kW</td>
</tr>
<tr>
<td>b) As-used Daily Demand Delivery Charges, per kW of Daily Peak Demand for each specified time period Charges applicable for the months of June, July, August, and September Monday through Friday, 8 AM to 10 PM</td>
<td>$1.0650 per kW</td>
</tr>
<tr>
<td>Charge applicable for all other months Monday through Friday, 8 AM to 10 PM</td>
<td>$0.3885 per kW</td>
</tr>
</tbody>
</table>

Reactive Power Demand Charge, applicable as specified under the Common Charges of this Rate Schedule.

* Certain delivery charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment, as described in the “Temporary Rate Adjustment” section of “Common Charges and Adjustments.”

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
PASNY DELIVERY SERVICE

Reactive Power Demand Charge

The Reactive Power Demand Charge specified in General Rule 10.11 of the Schedule for Electricity is applicable to service under this Rate Schedule, except as modified below:

“Customers” in General Rule 10.11 means “PASNY Customers” served under Rate I, II, III, and IV of this Rate Schedule.

The commencement of Reactive Power Demand Charges to PASNY Customers served under Rate I and Rate III will be in accordance with section (2)(a) of General Rule 10.11. The commencement of Reactive Power Demand Charges to PASNY Customers served under Rate II and Rate IV will be in accordance with section (2)(b) of General Rule 10.11.

The Charge per kVar is:
$1.41 per kVar, applicable to Customers specified in paragraph (1)(a), (b), (c), and (d) of General Rule 10.11; and $1.41 per kVar, applicable to Customers specified in paragraph (1)(e) of General Rule 10.11.

These charges are in lieu of charges specified in General Rule 10.11(4) of the Schedule for Electricity.

Temporary Rate Adjustment

Pursuant to the Order of the Public Service Commission dated February 21, 2014, in Case 13-E-0030, the Company’s revenue requirement will be reduced by a temporary credit as follows: (a) by $47.776 million, less gross receipts tax, for the rate year ending December 31, 2015; and (b) by $30.012 million, less gross receipts tax, for the rate year ending December 31, 2016, if the Company does not file for new rates to take effect on January 1, 2016. The credit applicable to service under this Rate Schedule is $5.285 million for the rate year ending December 31, 2015, and $3.320 million for the rate year ending December 31, 2016. The Statement of Temporary Rate Adjustment ("STRA"), filed apart from this Rate Schedule, shows the amount by which the Demand Delivery Charges in each Rate and the Energy Delivery Charge and Facilities and Service Connection Charges in Rate I, as applicable, will be reduced during the rate year. The Company will file such Statement no less than 30 days before its effective date. The credit will expire as described hereunder unless otherwise ordered by the Commission.

Increase in Rates and Charges

The rates and charges under this Rate Schedule, including Reactive Power Demand Charges and Additional Delivery Charges and Adjustments, are subject to a percentage increase to recover applicable taxes imposed on the Company’s revenues pursuant to the New York Tax Law and taxes imposed by the various municipalities. The Statement of Percentage Increase in Rates and Charges ("Statement") setting forth the applicable percentage increase in effect for the various municipalities served by the Company shall be filed with the Public Service Commission apart from this Rate Schedule. Revisions to the Statement will be filed with the Commission to reflect periodic reconciliations of revenues collected with tax expense incurred under applicable sections of the New York Tax Law and to reflect any new revenue tax, repeal of a tax, or change in the rate of revenue tax enacted by a city or village.

The percentage increase to be applied to each bill will be based on the Statement that is in effect on the bill’s “to” date.

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
PASNY DELIVERY SERVICE

General Provisions

Determination of Billable Demand

The Company will install a demand measuring device of a type approved by the Public Service Commission for the determination of the maximum demand (as defined in General Rule 10.4 of the Schedule for Electricity):

(1) if it is determined that the PASNY Customer is using, or might use, more than 10 kW of maximum demand; or

(2) if the PASNY Customer's consumption exceeds 3,000 kWhr per month in 2 consecutive months or 6,000 kWhr in a bi-monthly period provided, however, that the Company may cease to meter the demand if the demand recorded in each of the previous 12 months has not exceeded 10 kW.

An interval meter is required for service under Rate II, Rate III, and Rate IV. For service under Rate III and Rate IV, such interval meter may include equipment either to prevent reverse meter registration or to separately measure electricity generated by the PASNY Customer and electricity delivered by the Company.

With respect to the determination of demand for public buildings of The City of New York and subject to Special Provision 5 hereof, the maximum demand used to compute the bill to PASNY shall be the total of the recorded and calculated demands for all such public buildings receiving delivery service under this Rate Schedule. Where a demand meter is not required in premises served by the Company, the determination of the monthly maximum demand for those premises shall be calculated by dividing the total energy consumed in kilowatthours by 180, except that when such calculated demand exceeds 10 kilowatts, a billing demand of 10 kilowatts shall be used.
PASNY DELIVERY SERVICE

General Provisions - Continued

Minimum Monthly Charge for Rate I and Rate II

Definitions:

“Contract Demand” for demand-metered PASNY Customers billed under Rate I or Rate II, except those taking service under Special Provision 8 of this Rate Schedule, is determined each month and is equal to the PASNY Customer’s highest registered demand in the most recent 18 months, or the highest registered demand on the account if the account has less than 18 months of demand history.

"Monthly pure base revenue," as defined hereunder, is equal to the PASNY Customer's Demand Charge excluding Reactive Power Demand Charges, without reference to the Minimum Monthly Charge, and exclusive of the Increase in Rates and Charges.

"Minimum Monthly Charge" is equal to the PASNY Customer's contract demand multiplied by 39 percent of the delivery service demand charge applicable to such Customer under the PASNY Customer's applicable rate.

A Minimum Monthly Charge is applicable to all PASNY Customers who receive service under the Demand Charge specified under Rate I or II, except for PASNY Customers who receive service under Rider Y of the Schedule for Electricity or under Special Provision 8 of this Rate Schedule.

(1) Each month, the Company will determine for each PASNY Customer billed under Rate I or Rate II: (a) the monthly pure base revenue, and (b) the Minimum Monthly Charge.

(2) For any month in which the Minimum Monthly Charge exceeds the monthly pure base revenue, the Minimum Monthly Charge will be billed.

(3) Where the Minimum Monthly Charge is billed, the PASNY Customer's Demand Charge will be equal to the Minimum Monthly Charge plus Reactive Power Demand Charges. All charges will be increased by the applicable Increase in Rates and Charges.

Any PASNY Customer may request a revision of the contract demand, and the contract demand will be adjusted to a lower level if the PASNY Customer demonstrates to the Company, in advance, permanent changes to the electrical load in its premises through changes in equipment or changes in the kind of business or activity conducted that will make it highly improbable that the PASNY Customer's current contract demand will be experienced in the future. No such adjustment may be based on expectations of changes in weather. For a PASNY Customer whose contract demand under Rate I or Rate II has been reduced, the demand history prior to the reduction will not be considered in determining the contract demand for subsequent months.
Meters with Communications Capabilities

(1) Except if meter data services are provided by a Meter Data Service Provider or service is taken under General Rule 20.2.1(B)(8) of the Schedule for Electricity, the Company will provide and maintain the communications service for: (a) Customers served under Rate II; (b) Customers subject to Reactive Power Demand Charges; and (c) Customers served under Rate IV who would otherwise be subject to Rate II if they did not have on-site generation.

(2) PASNY will arrange for the provision and maintenance of the communications service unless the Company is required to provide and maintain it as specified in paragraph (1) above. If communication is by telephone line, PASNY will arrange for a dedicated telephone line. If the telephone line is not operational for any reason when the Company attempts to read the meter, the charge specified in General Rule 16.4 of the Schedule for Electricity will be assessed.

Rate Adjustment Clause

Pursuant to the Order of the Public Service Commission (the “Commission”), dated March 26, 2010, in Case 09-E-0428, $248.8 million of the rate year revenue requirement, starting with the rate year ending March 31, 2011, is to be recovered pursuant to a rate adjustment clause mechanism and shall be subject to refund based on the Commission’s audit and review of the Company’s contract-related capital, O&M and related expenditures, as set forth in the Commission’s Order, dated February 12, 2009, in Case 09-M-0114. The portion of the rates and charges shown in each Rate that comprise this rate adjustment clause mechanism for the current rate year ending December 31 are shown on the Statement of Rate Adjustment Clause filed apart from this Rate Schedule. This portion of the Company’s revenue requirement will continue to be recovered in this manner until such time as the Commission determines otherwise.
PASNY DELIVERY SERVICE

General Provisions - Continued

Metering Services

A PASNY Customer served under Rate II or Rate IV of this Rate Schedule may own the meter(s), pursuant to General Rule 6.3 of the Schedule for Electricity, provided that all electric meters for the PASNY Customer’s account are owned by the PASNY Customer.

Where service is taken under this Rate Schedule and the registered demand was 50 kW or greater for two consecutive months during the most recent twelve months, the PASNY Customer may obtain competitive metering services, pursuant to General Rule 6.4 of the Schedule for Electricity, provided that competitive metering services for the selected function(s) are obtained for all electric meters on the PASNY Customer’s account.

PASNY will receive Metering Credits, per month, for a PASNY Customer who owns the meter(s) or obtains competitive metering services, as follows:

a) Meter Ownership:
   - $28.57 if a Rate II or Rate IV PASNY Customer owns the meter(s);
   - $ 6.76 if a Meter Service Provider provides the meter(s) for a PASNY Customer served under Rate I or Rate III; and
   - $28.57 if a Meter Service Provider provides the meter(s) for a PASNY Customer served under Rate II or Rate IV.

b) Meter Services:
   - $ 5.32 if a Meter Service Provider provides meter services for a PASNY Customer served under Rate I or Rate III; and
   - $18.32 if a Meter Service Provider provides meter services for a PASNY Customer served under Rate II or Rate IV.

c) Meter Data Services:
   - $ 4.13 if a Meter Data Service Provider provides meter data services for a PASNY Customer served under Rate I or Rate III; and
   - $63.87 if a Meter Data Service Provider provides meter data services for a PASNY Customer served under Rate II or Rate IV.

Monthly Communications Service Credit: PASNY will receive credit of $45.99 per month for each Standby Service account served under General Rule 20.2.1(B)(8) of the Schedule for Electricity if the Company would have otherwise been required to maintain the communications service pursuant to the section “Meters With Communications Capabilities” of this Rate Schedule if not for service being taken under General Rule 20.2.1(B)(8).

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
PASNY DELIVERY SERVICE

General Provisions - Continued

Billing of Charges

(1) Adjustments to bills rendered for prior periods shall be calculated at the delivery service rate in effect during the period covered by the adjustment irrespective of the rate charged by PASNY to its Customers for the delivery service component of the service.

(2) Where both high tension and low tension power and energy are delivered to a PASNY Customer under Rate I, the high tension power and energy will be billed at the high tension rate and the low tension power and energy will be billed at the low tension rate. For Rate I, where the PASNY Customer's demand is determined on the basis of coincident maximum demand, the number of kilowatts of high tension demand and the number of kilowatts of low tension demand, for billing purposes, will be determined based on the readings of each meter if all meters on the Customer’s account measure and record kW and kVar interval data as part of the reactive power program. If the account is not part of the reactive power demand program or interval data is not available to determine the low tension and high tension coincident peak demands: (a) the number of kilowatts of high tension demand will be determined by applying to the coincident maximum demand the ratio that the high tension non-coincident maximum demand bears to the sum of the high tension and the low tension non-coincident maximum demands; and (b) the number of kilowatts of low tension demand shall be equal to the difference between the number of kilowatts of high tension demand, determined as herein provided, and the coincident maximum demand.

Where both high tension and low tension service are delivered to a PASNY Customer under Rate IV, the low tension service will be billed at the low tension rate, the high tension service for voltages below 138,000 volts will be billed at the rate for high tension service below 138 kV, and the high tension service at 138,000 volts will be billed at the rate for high tension service at 138 kV. Billing will be permitted on a coincident demand basis for combined high tension service at 138,000 volts and high tension service below 138,000 volts under Rate IV, and for combined high tension service and low tension service under any Rate, only if the Customer was billed for such service on a coincident demand basis prior to February 1, 2004.

(3) Where a PASNY Customer's account under Rate II is metered with multiple meters and where the registration of some of the meters is not on a time-of-day basis, the registrations of such meters will be billed on the time-of-day characteristics indicated by the time-of-day meter. The Company will undertake to install time-of-day meters for individually metered locations at which the demand is at least 900 kW. If the conjunctionally or plurally-metered PASNY Customer so elects, however, the electricity supplied through the non-time-of-day meters will be billed as one separate account under Rate I.

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
PASNY DELIVERY SERVICE

General Provisions - Continued

Proration of Monthly Rates and Charges

Unless otherwise specified below or under the specific rates and charges described in this Rate Schedule, rates and charges will be prorated as follows:

(1) Where the Company renders a bill for other than a 30-day period, rates and charges will be prorated based on the number of elapsed days in the billing period divided by 30; except that (i) a Customer who terminates service less than 30 days after the commencement of service will be billed for a month, and (ii) Energy Delivery Charges billed under Rate I and As-used Demand Delivery Charges billed under Rate III or Rate IV will not be prorated for periods of more or less than 30 days.

(2) Rates and charges specified under this Rate Schedule shall apply to service rendered on and after the effective date of those rates and charges. Where there is a change in rates and charges, rates and charges will be prorated based on the number of days of service rendered before the effective date and on and after the effective date of the change related to the total number of days in the billing period.

(3) Where rates and charges are stated with reference to a specific month (e.g., June), rates and charges will be prorated based on the number of days of service rendered before the first day of the month and on and after the first calendar day of the month related to the total number of days in the billing period.

Rates and charges stated “per calendar month” and Additional Delivery Charges and Adjustments are not subject to the above proration provisions. Additional Delivery Charges and Adjustments are assessed per month and are shown on the monthly bill rendered to PASNY during the months in which the charges are in effect.

Applications for Service

The Company may require PASNY or any PASNY Customer to furnish to the Company a written request for service in a form suitable to the Company.
General Provisions - Continued

Standby Service

PASNY Customers who take Standby Service are subject to all terms and conditions of General Rule 20 of the Schedule for Electricity, including billing under Standby Service rates, unless exempt, and the Interconnection Charge, except as General Rule 20 is modified below:

“Customer” in General Rule 20 means “PASNY Customer” under this Rate Schedule unless expressly stated otherwise below.

“Standby Service rates,” as defined in General Rule 20.1, means Rate III or Rate IV of this Rate Schedule.

Contract Demand, as specified in General Rule 20.4, is established for the account of a PASNY Customer either by PASNY or the Company. The rules related to “Customers” who establish and revise their Contract Demand are applicable to “PASNY” under this Rate Schedule. Where PASNY accepts a Company-set Contract Demand, no penalties shall apply if that Contract Demand is exceeded.

Paragraph 2 of General Rule 20.2.1(B)(7) is replaced by the following: Billing will be issued to PASNY under Standby Service rates, as modified below: (a) There will be an additional Customer Charge of $50.00 per billing period, exclusive of the Increase in Rate and Charges, to cover incremental billing and administrative costs associated with providing service under this provision. (b) The daily maximum demand used in determining As-used Daily Delivery Service Demand Charges will be the highest net integrated demand, i.e., the difference between the PASNY Customer’s low-tension registered demand and the demand registered on the high-tension meter measuring the generator’s output (adjusted for losses). (c) The monthly maximum demand used in determining Contract Demand exceedances under section (A) of General Rule 20.4.3 will be the low-tension maximum demand. The Company will not provide kilowatthour credits for the generator’s output.
General Provisions - Continued

Standby Service - Continued

General Rule 20.2.1(B)(8) is amended as follows:

The following text replaces 20.2.1(B)(8)(a)(1): Billing will be issued to PASNY for the Standby Service accounts designated by PASNY and for the account associated with export of the generating facility.

The following text replaces 20.2.1(B)(8)(a)(6): PASNY must arrange for the provision and maintenance of the communications service pursuant to the “Meters With Communications Capability” section of this Rate Schedule. The communications service must be operational before the PASNY Customer can take service under General Rule 20.2.1(B)(8).

The following text replaces 20.2.1(B)(8)(c): Accounts Supplied by the Generating Facility’s Output: Each account supplied by the generator’s output must be eligible for billing under Rate III or Rate IV of this Rate Schedule and must be billed under the Standby Service rate applicable to that individual account. No account served under General Rule 20.2.1(B)(8) may be served under any of the economic development programs specified in General Rule 11. At least one of the Standby Service accounts must be connected to the Company’s low-tension distribution system.

“Allocated Generator Supply,” referenced in General Rule 20.2.1(B)(8)(e), is not applicable to service under this Rate Schedule. The Company will not provide kilowatthour credits for the generator’s output.

The following text replaces 20.2.1(B)(8)(e)(2): Each account supplied by the generating facility’s output will be billed under Standby Service rates, as modified below: (i) There will be an additional Customer Charge of $50.00 per account per billing period, exclusive of the Increase in Rate and Charges. (ii) For each 15-minute interval, the maximum demand registered on the account’s meter(s) will be reduced by the Allocated Generator Demand for purposes of determining the daily maximum demand that is used for billing As-used Daily Delivery Service Demand Charges. PASNY will receive a Monthly Communications Service Credit as specified under the “Metering Credits” section of this Rate Schedule.

In General Rule 20.2.1(B)(8)(f), the applicable Reactive Power Demand Charges are those specified under the Common Charges of this Rate Schedule.

If a PASNY Customer that is a Qualifying Facility takes Standby Service under this Rate Schedule and under SC 11 of the Schedule for Electricity through the same service connection: (i) the Customer Charge will be waived under SC 11; and (ii) the contract demand charges under SC 11 shall apply only to the contract demand in excess of either the contract demand billed under Rate III or Rate IV or the as-used demand billed under Rate I or Rate II of this Rate Schedule. If the PASNY Customer is served under General Rule 20.2.1(B)(7) or General Rule 20.2.1(B)(8), the Payment for Energy under SC 11 is applicable to energy generated by the private generating facility in excess of the total kilowatthours registered on the PASNY Standby Service account(s) supplied by the generating facility’s output, adjusted for transformation losses as applicable.
PASNY DELIVERY SERVICE

General Provisions - Continued

**Standby Service - Continued**

General Rule 20.3.1(b) means, under this Rate Schedule, PASNY Customers who would otherwise receive service under the Energy Charge of Rate I if they did not have on-site generation. The election specified under General Rule 20.3.1(c) must be made by PASNY in advance in writing at least 30 days before the PASNY Customer commences operation of the on-site generation facility.

The following provisions of General Rule 20 are not applicable to service under this Rate Schedule: General Rules 20.5, 20.6, 20.7, 20.8, and 20.9.

Applications for Standby Service under this Rate Schedule must be made in writing by PASNY.

The delivery charges applicable to all PASNY Customers billed under Standby Service rates include, but are not limited to, a Customer Charge per month, a Delivery Service Contract Demand Charge, and As-used Daily Delivery Service Demand Charges. Where meter data is not available, the As-used Demand will be based on the best available data. For a Customer that is a Wholesale Generator, As-used Demand Charges under Rate III and Rate IV will not apply to demand experienced during any period when it self-supplies all of its energy needs from the load side of the meter.

The delivery charges applicable to a PASNY Customer that is a Wholesale Generator and takes Standby Service for Station Use shall be exclusive of transmission charges if the PASNY Customer is registered with the NYISO to self-supply and net station power under the provisions of the NYISO “ISO Market Administration and Control Area Services Tariff” (“Market Services Tariff”), and PASNY provides written proof to the Company of such registration. The charges are shown under Rate III and Rate IV.
PASNY DELIVERY SERVICE

General Provisions – Continued

Additional Rules

(1) The delivery of power and energy will only be furnished directly to a PASNY Customer except as hereinafter provided or agreed to in writing by PASNY and the Company. Power and energy may only be remetered (or submetered) or resold, assigned, measured, or otherwise disposed of to another or others: (a) if permitted under the Service Classification of the Schedule for Electricity that would otherwise be applicable if the PASNY Customer were served under the Schedule for Electricity; or (b) as provided under Special Provision 7 of this Rate Schedule. Nothing in this Schedule is intended to be inconsistent with the provisions of Public Authorities Law §1005 with regard to eligibility for and regulation of electric service redistributed or submetered by PASNY’s Customers in the Company’s service territory.

(2) For additional rules, regulations, terms and conditions under which power and energy will be delivered, see General Rules 1 through 18 and 20 through 24, and Application Forms B, C, and F of the Schedule for Electricity. In the event of a direct conflict between such Schedule and any of the provisions contained herein or any of the provisions of the agreement between the Company and PASNY referenced on the cover of this Rate Schedule, the provisions of this Rate Schedule and the agreement shall control.

(3) In addition to the Riders applicable to service under this Rate Schedule identified on the first leaf of General Rule 24 of the Schedule for Electricity, the following Riders may be applied to the delivery of power and energy under this Rate Schedule for PASNY Customers who would otherwise receive service under the following Service Classifications (“SC”s) of the Schedule for Electricity:

<table>
<thead>
<tr>
<th>SC of the Schedule for Electricity</th>
<th>Riders That May Be Applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>B, C, and G</td>
</tr>
<tr>
<td>5</td>
<td>B</td>
</tr>
<tr>
<td>6</td>
<td>--</td>
</tr>
<tr>
<td>8</td>
<td>B, C, and G</td>
</tr>
<tr>
<td>9</td>
<td>B, C, G, and Y</td>
</tr>
<tr>
<td>12</td>
<td>G</td>
</tr>
</tbody>
</table>

For a PASNY Customer served under Special Provision No. 8 of this Rate Schedule, the “PASNY Customer’s maximum demand” under Rider Y means the demand served under this Rate Schedule as determined in accordance with General Rule 11 of the Schedule for Electricity.
PASNY DELIVERY SERVICE

Additional Delivery Charges and Adjustments

Definitions, applicable to Special Provision Adjustments only:

“Pure Base Revenue” under this Rate Schedule means revenue attributable to charges under Rates I, II, III and IV, before application of the Increase in Rates and Charges, and excludes Additional Delivery Charges and Adjustments, the Interconnection Charge, the effect of Metering Credits for Metering Services, and Reactive Power Demand Charges. If the Minimum Monthly Charge would apply under Rate I or Rate II, then revenues attributable to charges under Rate I or Rate II means revenue attributable to the Minimum Monthly Charge before application of the Increase in Rates and Charges.

“Delivery Revenues” under this Rate Schedule means Pure Base Revenue under this Rate Schedule plus the effect of Metering Credits for Metering Services, if any, before application of the Increase in Rates and Charges.

(A) Billing Adjustments

The rates and charges for the delivery of power and associated energy to PASNY Customers shall be subject to a charge representing PASNY's share of the cost of the savings passed on to Madison Square Garden in accordance with Section 3, Chapter 459, 1982 N. Y. Laws.

(B) System Benefits Charge

The System Benefits Charge, and any surcharge thereto authorized by the Commission, is applicable to all PASNY Customers who utilize the Company's distribution system and recovers costs required to be spent on necessary environmental and other public policy programs. The System Benefits Charge for each rate is shown below.

The System Benefits Charge is currently $0.00 for Rate I, Rate II, Rate III, and Rate IV.
PASNY DELIVERY SERVICE

Additional Delivery Charges and Adjustments - Continued

(C) Transition Adjustment for Metering Services

At the end of each rate year ending December 31, there will be full recovery of lost revenues resulting from Metering Credits provided for Customers served under this Rate Schedule. PASNY will be subject to a Transition Adjustment to recover lost revenues (i.e., the difference between aggregate credits from the application of Metering Credits for PASNY Customers during the rate year and costs avoided by the Company when metering functions are performed for a PASNY Customer by an entity other than the Company).
PASNY DELIVERY SERVICE

Additional Delivery Charges and Adjustments - Continued

(D) Revenue Decoupling Mechanism (“RDM”) Adjustment

Pure Base Revenue under this Rate Schedule is subject to reconciliation through an RDM Adjustment.

(1) Mechanism

The Company will reconcile the difference between actual Pure Base Revenue and Allowed Pure Base Revenue under this Rate Schedule, as follows:

(a) Every month, the Company will reconcile the difference between actual Pure Base Revenue and Allowed Pure Base Revenue under this Rate Schedule.

Except as provided below, every six months, the cumulative difference plus the adjustment for Low Income Program costs, as explained in section (4) below, will be charged or credited to PASNY, with interest (calculated at the Other Customer Capital Rate), over the six-month period that commences two months later:

The difference for the six-month period ending September 2013 will be collected over the five months commencing November 2013; the difference for the five-month period ending February 2014 will be collected over the four months commencing April 2014; and the difference for the four-month period ending June 2014 will be collected over the six months commencing August 2014. Thereafter, the difference for the six-month period ending December will be collected/refunded over the six months commencing February, and the difference for the six-month period ending June will be collected/refunded over the six months commencing August. RDM targets will be adjusted, as applicable, to exclude credits applied to PASNY Customer accounts pursuant to General Rule 12.5.1 of the Schedule for Electricity.

If the cumulative actual difference between actual Pure Base Revenue and Allowed Pure Base Revenue equals or exceeds $10 million under this Rate Schedule plus the Schedule for Electricity before the end of six months, the Company may initiate collection or refund of RDM amounts prior to the onset of a six-month RDM collection/refund period or adjust the amounts to be collected or refunded for the remaining months of an RDM collection/refund period.

(b) The amount to be charged or credited monthly under this Rate Schedule will be determined by dividing the amount to be charged or credited over the RDM collection/refund period divided by the number of months in the collection/refund period. For example, if an amount is to be charged over a six-month period, one-sixth of the amount will be billed monthly.

(2) Statement

The monetary amount to be collected from or credited to PASNY under the RDM Adjustment will be shown on the Statement of Revenue Decoupling Mechanism Adjustment. The Company will file such Statement with the Public Service Commission no less than three days prior to the start of the period that the RDM Adjustment is to be in effect (and no less than three days prior to any change in the RDM Adjustment as set forth herein).
Additional Delivery Charges and Adjustments - Continued

(D) Revenue Decoupling Mechanism ("RDM") Adjustment - Continued

(3) Allowed Pure Base Revenue

Allowed Pure Base Revenue under this Rate Schedule is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$221,490,000</td>
<td>$484,605,000</td>
<td>$584,795,000</td>
</tr>
</tbody>
</table>

* Allowed Pure Base Revenue through February 2014 is based on revenue targets set in Case 09-E-0428 and Case 12-E-0008.

Annual Allowed Pure Base Revenue will be revised whenever there is a change in delivery rates. Furthermore, if, for any reason, a Service Classification of the Company’s Schedule for Electricity no longer has existing customers, the Allowed Pure Base Revenue for that Service Classification will be reallocated to this Rate Schedule and to other Service Classifications of the Schedule for Electricity to provide for equitable treatment of revenue deficiencies from the discontinued class. In the event Allowed Pure Base Revenue is reallocated, the Company will notify the Department of Public Service Commission Staff of the revised Allowed Pure Base Revenue amount(s). The Company will be allowed to defer collection of any revenue shortfall or refund of any revenue surplus that results from a delay in the approval of a reallocation of Allowed Pure Base Revenue.

(4) Low Income Program Costs

The Company will adjust the RDM amounts to be collected over each six-month RDM collection/refund period to reflect each class’s share of the difference between actual Low Income Program costs and the amount of these costs included in rates (i.e., $48.0 million annually).

Any Low Income Program costs required to be collected or refunded will be passed through the RDM Adjustment applicable under this Rate Schedule and the RDM Adjustment applicable under the Company’s Schedule for Electricity. The amount to be collected or refunded under this Rate Schedule will be equal to the total amount to be collected or refunded times the ratio of forecasted Rate Year Delivery Revenues under this Rate Schedule to the combined total of forecasted Rate Year Delivery Revenues under this Rate Schedule and the Schedule for Electricity for the Rate Year in effect at the commencement of the six-month collection/refund period.

Continuation of the Low Income Program beyond December 31, 2015, will be contingent on the continuation of full cost recovery through the RDM Adjustment or an equivalent mechanism.
PASNY DELIVERY SERVICE

Additional Delivery Charges and Adjustments - Continued

(E) Surcharge to Collect Assessments Under Section 18-a of the Public Service Law

The Company will collect through a delivery service surcharge, applicable under each Rate Schedule, the amount assessed to the Company under subdivision 6 of Section 18-a of the Public Service Law, excluding gross receipts taxes, in excess of the amount reflected in base rates. As directed in the Public Service Commission’s Orders, dated June 19, 2009 and June 18, 2014, in Case 09-M-0311, delivery service surcharges for each 12-month period commencing July of each year through June 2017 and for the six-month period commencing July 2017 will be designed to collect any Section 18-a assessment for the State fiscal year that commenced April of that year above the amount reflected in base rates, plus working capital costs at the Company’s pre-tax rate of return. Amounts surcharged pursuant to the Commission’s Order, issued and effective April 24, 2009, in Case 08-E-0539, were applied to the amount to be collected over the 12 months commencing July 1, 2009.

Any difference between Section 18-a amounts to be recovered and actual amounts collected, excluding gross receipts taxes, will be reflected in a subsequent period surcharge; provided, however, that any reconciliation amount required to be collected after the last year that the surcharge is in effect, will be deferred, plus working capital costs, for future disposition.

The delivery service surcharge to be collected under this Rate Schedule and the Schedule for Electricity will be allocated to each Rate Schedule based on their contribution to the Company’s total electric revenues, including gross receipts taxes. Revenues will include both delivery and supply charges for all Service Classifications (“SC’s”) of the Schedule for Electricity (including estimated supply charges for retail access classes) and delivery charges only for this Rate Schedule, and gross receipts taxes for all.

The delivery service surcharge per month applicable to service under this Rate Schedule will be shown on the Statement of PASNY Surcharge to Collect PSL Section 18-a Assessments (the “Statement”) that is filed with the Public Service Commission apart from this Rate Schedule. Unless otherwise directed by the Commission, any change to the amount to be collected will be filed with the Commission on a revised Statement no less than 15 days prior to the Statement’s effective date.
PASNY DELIVERY SERVICE

Additional Delivery Charges and Adjustments - Continued

(F) Smart Grid Surcharge

A Smart Grid Surcharge is applicable to service under this Rate Schedule to reflect costs to be collected for approved Smart Grid projects, as directed by the Public Service Commission in Case 09-E-0310. Costs will be collected for each project based on the date that each unit of project work is placed or expected to be placed in service, except for costs associated with the Smart Grid Demonstration Project, which will be collected over a five-year period.

The total amount to be collected by the Company under this Rate Schedule and the Schedule for Electricity is composed of the incremental revenue requirement associated with the Company’s capital and operating expenditures for Smart Grid projects. The revenue requirement includes incremental depreciation, taxes, and operating expenses (including incremental direct and associated indirect costs and contractor costs) for Smart Grid projects and a return on capital, adjusted for annual operational savings or other benefits once a project is placed in service. Customers’ share of project costs excludes grants received in connection with these projects, such as grants received from the U.S. Department of Energy under the American Recovery and Reinvestment Act and, if received, a grant from the New York State Office of Science, Technology and Academic Research under the 10% State Innovation Economy Matching Grant Program.

Costs of Smart Grid project work have been moved into base rates. The Smart Grid Surcharge in effect for the ten months commencing March 2014 will reflect the following:

1. a refund of the revenue requirement associated with the units of project work that were surcharged through December 2013 but not placed in service during calendar year 2013. The amount to be refunded under this Rate Schedule will be determined by multiplying the total amount to be refunded by the ratio of forecasted Rate Year Delivery Revenues under this Rate Schedule to total combined forecasted Rate Year Delivery Revenues under this Rate Schedule and the Schedule for Electricity for the Rate Year that commences March 2014;
2. a refund of Smart Grid amounts that were surcharged under this Rate Schedule in January and February 2014; and
3. an adjustment that reconciles prior periods.
PASNY DELIVERY SERVICE

Additional Delivery Charges and Adjustments - Continued

(F) Smart Grid Surcharge - Continued

The Smart Grid Surcharge to be refunded each month under this Rate Schedule over the ten-month period will be increased by the applicable Increase in Rates and Charges, divided by the number of months in the collection period. Interest will be applied at the Company’s authorized pre-tax rate of return.

The amount to be refunded will be shown on the Statement of Smart Grid Surcharge, which will be filed with the Public Service Commission, apart from this Rate Schedule, no less than three days before its effective date. The Smart Grid Surcharge amount will be shown as a single monetary amount on the monthly bill rendered to PASNY.

(G) Delivery Revenue Surcharge

As directed by the Public Service Commission in Case 13-E-0030, the Delivery Revenue Surcharge (the “Surcharge”) will collect Allowed Pure Base Revenue shortfalls that result from extension of the Case 13-E-0030 suspension period, plus interest at the Company’s pre-tax rate of return, over 10 months commencing March 1, 2014. The Surcharge will be shown on the Statement of Delivery Revenue Surcharge filed with the Public Service Commission, apart from this Rate Schedule. Unless otherwise directed by the Commission, the Company will file Statements no less than three days before their effective date. The Delivery Revenue Surcharge amount will be shown as a single monetary amount on the monthly bill rendered to PASNY.
PASNY DELIVERY SERVICE

Additional Delivery Charges and Adjustments - Continued

(H) Other Charges and Adjustments

Definition:

“PASNY Allocation” is the ratio of forecasted Rate Year Delivery Revenues under this Rate Schedule to total combined forecasted Rate Year Delivery Revenues under this Rate Schedule and the Schedule for Electricity for the Rate Year in effect at the commencement of the collection period except as stated below in (2)(a).

(1) Charge for Demand Management Programs

(a) A charge will be applicable to service under this Rate Schedule to recover the allocation to PASNY of program costs, as incurred, to be collected over a reasonable period of time, associated with the implementation of the Commercial System Relief Program (“CSRP”), the Critical Peak Rebate Program, the Residential Smart Appliance Program, and the Network Relief Program, as well as the Targeted Demand Side Management Program established in Case 09-E-0115. A portion of total net program costs (i.e., all program costs net of revenues received from Penalties paid under the CSRP but inclusive of Penalties returned to 2010 CSRP participants after October 2011, and excluding Lost Reservation Payments made under CSRP) will be collected under this Rate Schedule based on the PASNY Allocation.

The amount to be charged to PASNY will be determined by dividing the amount to be charged over the collection period by the number of months in the collection period.

(b) A charge will be applicable to service under this Rate Schedule to recover the allocation to PASNY of program costs, as incurred, associated with the Distribution Load Relief Program, beginning with costs incurred for the 2011 summer program, pursuant to the Commission’s Order issued January 20, 2011, in Case 10-E-0530. Program costs will be collected under this Rate Schedule based on the PASNY Allocation.

(2) Charge for PJM OATT Rates and Charges

(a) A charge will be applicable to service under this Rate Schedule to recover the allocation to PASNY of PJM OATT rates and charges associated with the 1,000 MW firm transmission service contracted with PJM that are applicable to the period April 1, 2013 through December 31, 2013, net of the amount of PSEG wheeling charges reflected in rates during that period. The amount will be collected under this Rate Schedule over the 10 months commencing March 2014, based on the PASNY Allocation for the Rate Year that commenced April 2013.

(b) A charge will be applicable to service under this Rate Schedule to recover the allocation to PASNY of PJM OATT rates and charges associated with the 1,000 MW firm transmission service contracted with PJM that are applicable to the period commencing January 1, 2014. Commencing March 2014, rates and charges will be collected monthly as incurred and will include an adjustment to recover over a three-month period rates and charges applicable to the period January and February 2014. The amount to be collected under this Rate Schedule will be based on the PASNY Allocation. However, should the cost allocation to NYPA exceed $4.6 million in any Rate Year, that excess will be collected from Customers under the Schedule for Electricity.

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
PASNY DELIVERY SERVICE

Additional Delivery Charges and Adjustments - Continued

(H) Other Charges and Adjustments - Continued

(3) Charges Associated with the Brooklyn/Queens Demand Management Program

A charge will be applicable to service under this Rate Schedule to recover the allocation to PASNY of costs related to the Brooklyn/Queens Demand Management Program, until these costs are recovered in base rates, pursuant to the Commission’s Order in Case 14-E-0302, issued December 12, 2014. The amount to be recovered under this Rate Schedule will be based on the PASNY Allocation.

(4) Statement of Other Charges and Adjustments

The amount to be charged for Demand Management Programs, the Charge for PJM OATT Rates and Charges, and Charges Associated with the Brooklyn/Queens Demand Management Program will be separately shown on the Statement of Other Charges and Adjustments (“OTH Statement”) filed with the Public Service Commission, apart from this Rate Schedule. Unless otherwise directed by the Commission, the Company will file OTH Statements no less than three days before their effective date.

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
PASNY DELIVERY SERVICE

Special Provisions

The Special Provisions under the Service Classifications (“SC”)s of the Schedule for Electricity are applicable to PASNY Customers as if they were taking electric service from the Company under an appropriate electric Service Classification of the Schedule for Electricity, except as modified below:

1. The following Special Provisions of the SCs of the Schedule for Electricity are not applicable to PASNY Customers:

<table>
<thead>
<tr>
<th>SC of the Schedule for Electricity</th>
<th>Inapplicable Special Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>D</td>
</tr>
<tr>
<td>5</td>
<td>A, C</td>
</tr>
<tr>
<td>6</td>
<td>A</td>
</tr>
<tr>
<td>8</td>
<td>E</td>
</tr>
<tr>
<td>9</td>
<td>C, D, F</td>
</tr>
<tr>
<td>12</td>
<td>n/a</td>
</tr>
</tbody>
</table>
Special Provisions – Continued

2. Special Provision A of SC 5 of the Schedule for Electricity is replaced by the following Special Provision:

Power and energy which is to be regularly used as the normal supply for electric traction purposes of railroad or rapid transit systems (including systems owned or operated by a governmental or municipal agency), and for miscellaneous uses in connection with the operation of a railroad or rapid transit system will be delivered under the provisions of this delivery service rate schedule except as may be otherwise provided in a written agreement between the Company and the PASNY Customer.

No service shall be used as an alternate to another source of supply, as a reserve or part-time supply, or as an emergency supply. However, the PASNY Customer may, for purposes of public safety, secure or provide an alternate source of supply, provided that such alternate supply shall be used only in the event, and for the duration, of a failure of the Company's supply, or during use for necessary testing purposes after notice to the Company.

Where the Company delivers power and energy to substations adjacent to substations connected to the same traction distribution system which are supplied from another source of supply, the PASNY Customer shall so operate its electric facilities that there shall be no substitution, in whole or in part, of electricity from such other source in place of the Company's service, and the PASNY Customer shall operate its equipment and facilities supplied with service by the Company in substantially the same manner and on approximately the same schedule as similar adjacent equipment or facilities are supplied by the Customer's other source of supply, otherwise the rates, charges, terms and conditions of Standby Service shall apply.

All service used as an alternate for another source of supply shall be classified as use for standby service purposes, and shall be available only upon compliance with the rates, charges, terms and conditions of Standby Service.

Where high tension service is supplied under this Special Provision to substations for electric traction purposes of such railroad or rapid transit systems at various locations along the right of way, such service, together with low tension service used for substation auxiliaries only will be furnished under a single service agreement and the energy so supplied will be added and the separate maximum demands will be added on a non-coincident basis, except as provided in General Rule 10.8 of the Schedule for Electricity and except to the extent that the coincident maximum demand of such a group of stations may be determined by comparison of the registrations of recording-type demand meters installed at the respective locations, but only one demand meter registration per location shall be included in such comparison.
PASNY DELIVERY SERVICE

Special Provisions – Continued

3. The Special Provisions of SC 6 of the Schedule for Electricity are applicable to service under this Rate Schedule except as modified below:

(A) Special Provision A of SC 6 of the Schedule for Electricity, as applicable to the delivery of power and energy for public street lighting, is replaced by the following Special Provision:

The electric energy delivered under this Special Provision for Westchester street lighting will be unmetered. The kWhr consumption shall be determined by the Company from the manufacturer's rated wattage and the total number of lamps and auxiliary equipment in operation, multiplied by the number of hours of operation for the month, subject to deduction of 3.5 percent as an allowance for any service outages.

With respect to the electric energy delivered for street lighting in The City of New York, the billing demand per lamp for lamps burning continuously shall be the rated watts of the lamps plus the rated watts of auxiliary equipment required for the operation of such lamps. The billing demand per lamp for lamps burning alternatively or intermittently for traffic control and similar applications shall be the rated watts per lamp plus the rated watts of required auxiliary equipment multiplied by the percent, expressed to the nearest whole percent, of time such lamps are burning during the period the lamps are in operation. The results of this computation shall be expressed to the nearest watt. The kWhr consumption and the watts of billing demand shall be subject to deduction of 3.5 percent as an allowance for service outages except that if such outages occur as a result of abnormal operating conditions, which cause interruption of the supply of energy to a large number of lamps then the Company shall estimate such abnormal outages from the records and make deduction therefor, upon the approval thereof, by the City.

The Company shall have the right from time to time to inspect and make tests of the City's equipment as installed or of samples thereof furnished by the City for the purpose of checking the rating and wattage of the lamps and auxiliary equipment and the hours of operation.
The number of hours of operation per month for lamps burning on a dusk to dawn schedule shall be as shown in the following tables:

<table>
<thead>
<tr>
<th>Month</th>
<th>Astronomical Time Switches</th>
<th>Light Sensitive Control Devices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hours</td>
<td>Hours</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New York City</td>
</tr>
<tr>
<td>January</td>
<td>429</td>
<td>425</td>
</tr>
<tr>
<td>February</td>
<td>359</td>
<td>356</td>
</tr>
<tr>
<td>March</td>
<td>357</td>
<td>355</td>
</tr>
<tr>
<td>April</td>
<td>302</td>
<td>306</td>
</tr>
<tr>
<td>May</td>
<td>270</td>
<td>282</td>
</tr>
<tr>
<td>June</td>
<td>239</td>
<td>256</td>
</tr>
<tr>
<td>July</td>
<td>256</td>
<td>272</td>
</tr>
<tr>
<td>August</td>
<td>286</td>
<td>302</td>
</tr>
<tr>
<td>September</td>
<td>323</td>
<td>330</td>
</tr>
<tr>
<td>October</td>
<td>379</td>
<td>380</td>
</tr>
<tr>
<td>November</td>
<td>405</td>
<td>402</td>
</tr>
<tr>
<td>December</td>
<td>445</td>
<td>434</td>
</tr>
<tr>
<td>Total</td>
<td>4,050</td>
<td>4,100</td>
</tr>
</tbody>
</table>

The hours of operation shown above are for a normal year. During the month of February in a leap year, Astronomical Time Switches operate for 371 hours; Light Sensitive Control Devices operate for 369 hours in New York City and 384 hours in Westchester County. In a leap year, Astronomical Time Switches operate for a total of 4,062 hours; Light Sensitive Control Devices operate for a total of 4,113 hours in New York City and 4,282 hours in Westchester County.
PASNY DELIVERY SERVICE

Special Provisions – Continued

3. - Continued

(A) Continued

PASNY Customers shall notify the Company of the number of hours of operation per month for all traffic control and other lamps not burning on a dusk to dawn schedule. Lamps burning outside the dusk to dawn schedule will be billed at the "Energy Charge" set forth in Rate I of this Tariff for the hours burned outside the schedule. The calculation of the billing will be as follows. The Company will report in writing to PASNY and its street lighting Customers the lamps burning outside the dusk to dawn burning hours schedule. This report will indicate for each lamp the date, location and time the lamp was observed to be burning. Billing for these lamps will commence no later than the end of the first billing month ending at least 30 days following the report and will continue until written notice that a lamp has been repaired and has been received by the Company. The Company will determine the number of kilowatthours to be billed for the hours burned outside the dusk to dawn burning hours schedule in the following manner:

(1) The elapsed number of days will be the days between the day on which the Company reported that the lamp was burning during the daylight hours and the day on which the Company was notified that the repair was made (excluding the day on which the Company reported that the lamp was burning during daylight hours and the day on which the Company was notified that the repair was made), and the elapsed number of days will be multiplied by 24 to ascertain the total number of hours that the lamp burned. For lamps billed as "daylight burners" in the previous month's bill, the elapsed number of days will be calculated from the date of that bill until the end of the current billing month in the absence of receipt by the Company of written notice that the lamp has been repaired;

(2) The average number of burning hours of dusk to dawn operation will be determined by dividing the monthly burning hours contained in the above schedule of burning hours by the number of calendar days in the month, and multiplying the result of that division by the number of days developed in (1);

(3) The number of dusk to dawn burning hours developed in (2) will be subtracted from the number of hours developed in (1) to determine the number of daylight burning hours; and

(4) The number of daylight burning hours developed in (3) will be multiplied by the estimated wattage of the street lamp and the result divided by 1,000 to arrive at the number of kilowatthours for billing purposes.

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PASNY DELIVERY SERVICE

Special Provisions – Continued

3. - Continued

(B) Special Provision E of SC 6 of the Schedule for Electricity is replaced with the following Special Provision:

The Company shall install its service conduit and conductors from its street distribution system to the following points of service termination:

(1) At the base of a street lighting or traffic signal post, lamppost, parkway type wood post, standard wood post, located on the side of the roadway (as hereinafter defined) when served from the underground distribution system.

(2) At the top of a street lighting or traffic signal or similar post or at the pole plate of a bracket attached to the Company's line poles or to the PASNY Customer's poles located on the side of the roadway (as hereinafter defined) when served from the overhead distribution system.

(3) At a splicing chamber furnished and installed by the PASNY Customer at the side of a roadway (as hereinafter defined) or at a point or points mutually agreed upon for street lighting, traffic lighting and similar installations located on marginal streets and ways, parkways, expressways and thruways.

(4) At a splicing chamber or the grade level end of a standpipe, furnished and installed by the PASNY Customer on the side of the roadway (as hereinafter defined) for units on elevated railroad structures, elevated or depressed highways, bridges, grade separations, traffic interchanges or highway clover leaf intersections, buildings, or other structures.

(5) At a splicing chamber furnished and installed by the PASNY Customer adjacent to the roadway (as hereinafter defined) for lamps in parks, playgrounds, recreation areas or other similar PASNY Customer-owned areas.

(6) At weather head conduits installed by the City on top of lampposts located on the side of the roadway (as defined below) when served from the overhead distribution system.

For purposes of this Special Provision, the word "roadway" shall be deemed to mean that part of a public street, avenue, highway, or service road used for purposes of vehicular traffic, but shall not include parkways, expressways, thruways, and other limited access thoroughfares.

The Company will not extend its distribution system solely for street lighting purposes in any portion of a roadway where the abutting property on both sides of a roadway outside the limits of the street is owned by the PASNY Customer.
PASNY DELIVERY SERVICE

Special Provisions – Continued

3. - Continued

(C) In the interest of more efficient and economical service, the Company is gradually standardizing its operations and withdrawing from the business of furnishing or maintaining or renting street lighting equipment.

The Company will continue to maintain control equipment and control wiring for existing Company-owned multiple and series circuits and any new lighting units for which the Company designates the use of series service, subject to the additional charge specified under the Rate I "Facilities and Service Connection Charges" of this Rate Schedule. For other lighting units, the PASNY Customer will furnish and install, and maintain the necessary control devices.
PASNY DELIVERY SERVICE

Special Provisions – Continued

4. The delivery of power and energy to PASNY Customers for the operation of interior fire alarms or signal systems shall be subject to the following conditions:

   (A) The PASNY Customer shall provide all wiring necessary to connect the fire alarm or signal system with the Company's special service cutout, the location of latter being determined by the Company.

   (B) No lamps or other energy consuming devices of any character shall be connected to the fire alarm or signal system; nor shall the amount of energy taken by the fire alarm or signal system exceed the maximum number of amperes, or fraction of an ampere, per gong or signal circuit, specified herein.
PASNY DELIVERY SERVICE

Special Provisions – Continued

5. If the PASNY Customer would receive service Under former SC 11, "Public Building Light and Power For The City of New York of the Schedule for Electricity Service, PSC No. 8 – Electricity, the following Special Provisions apply to delivery of power and energy to public buildings in the City of New York:

(A) Public Buildings, Offices and Structures or parts thereof, used by the City for public purposes, in the Company's territory in The City of New York:

(1) For the purposes of billing under this Rate Schedule, a single premises is defined as:

(a) A single building, or part of a building; or

(b) A group of buildings occupied and used exclusively for a unitary function or activity of the City and whose demand metering is pilot-wired by the City to a single point for coincident demand, where either the buildings are adjacent and on contiguous property within the same City block, or the buildings, where separated by a City street, are situated on parcels of land which occupy wholly or in part immediately opposite street frontages on the same street.

(2) The City shall notify the Company in advance, in writing, when delivery service is desired at additional premises, or when delivery service is to be discontinued at existing premises.

(3) Notwithstanding any other provision of this Special Provision, the New York City Health and Hospitals Corporation shall receive delivery service hereunder. Power and energy will not be delivered hereunder to or for the use of any other governmental or quasi-governmental entity, New York City Transit Authority, New York City Off-Track Betting Corporation or any other public authority or public corporation.

(B) Schools: The term "school" shall include only public elementary and secondary schools of the City, operated by the Board of Education, and public colleges and universities of the City operated by the Board of Higher Education in The City of New York.

(C) Breakdown for City Operated Generating Plant: The delivery of power and energy to public buildings in The City of New York for breakdown purposes for City operated generating plants shall be classified as use for standby service purposes and shall be subject to the rates, charges, terms and conditions of Standby Service.

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6. If the PASNY Customer would receive service under former SC 14, “The Port Authority of New York and New Jersey” of the Schedule for Electricity Service, PSC No. 8 – Electricity, the following Special Provisions apply to delivery of power and energy to the Port Authority of New York and New Jersey (World Trade Center):

(A) The Company shall be solely responsible for the operation and maintenance of its equipment used to deliver electricity from the Trade Center Substation to the Port Authority’s splicing chambers or other terminal facilities adjacent to the substation up to and including the splices. The Port Authority shall be solely responsible for the construction and maintenance of such splicing chambers and for all electrical wiring and equipment used in distributing the electricity from such splicing chambers to and within the Trade Center.

(B) The electricity delivered hereunder shall be metered at 13,800 volts. The energy and demand so determined shall be converted for billing purposes to the equivalent quantities at 138,000 volts by application of a multiplying factor of 1.0075. If more than one meter is used by the Company to determine the quantities of electricity delivered hereunder, the amount of energy registered by each watthour meter will be combined and the maximum demands shall be added on a coincident basis for billing purposes.
PASNY DELIVERY SERVICE

Special Provisions – Continued

7. If the PASNY Customer would receive service under former SC 15, "New York City Transit Authority" of the Schedule for Electricity Service, PSC No. 8 – Electricity, the following Special Provisions apply solely to the delivery of traction power and energy to the New York City Transit Authority for its transit system:

(A) For the purposes of this Special Provision the following definitions shall apply:

(1) "Authorized Representatives" means the Assistant General Superintendent (Power) of the Authority and any authorized Company representative authorized to represent the PASNY Customer and the Company in connection with matters under this Special Provision.

(2) "Electricity-Substation Delivery" means high tension electricity delivered from the Company's distribution system at transit substations, and also includes low tension electricity used for substation auxiliaries only in such substations.

(3) "Transit System" means the traction system now operated or to be operated by the Transit Authority within the Boroughs of Manhattan, The Bronx, Brooklyn and Queens (except that portion included within the Fifth Ward) of The City of New York.

(B) Service to be regularly used as the normal supply for electric traction purposes of the rapid transit systems owned or operated by the PASNY Customer will be delivered under the provisions of this Rate Schedule.

No service supplied under this Special Provision shall be used as an alternate to another source of supply, as a reserve or part-time supply, or as an emergency supply. However, the PASNY Customer may, for purposes of public safety, secure or provide an alternate source of supply, provided that such alternate supply shall be used only in the event, and for the duration, of a failure of the Company's supply, or during use for necessary testing purposes after notice to the Company.

Where the Company supplies electric service to substations adjacent to substations connected to the same traction distribution system which are supplied from another source of supply, the PASNY Customer shall so operate its electric facilities that there shall be no substitution, in whole or in part, of electricity from such other source in place of the Company's service, and the PASNY Customer shall operate its equipment and facilities supplied with service by the Company in substantially the same manner and on approximately the same schedule as similar adjacent equipment or facilities are supplied by the PASNY Customer's other source of supply; otherwise the rates, charges, terms and conditions of Standby Service shall apply.

All service used as an alternate for another source of supply shall be classified as use for standby service purposes, and shall be available only upon compliance with and subject to the rates, charges, terms and conditions of Standby Service.

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PASNY DELIVERY SERVICE

Special Provisions – Continued

7. - Continued

(B) - Continued

For the purpose of computing the charges to be paid by PASNY for Substation Delivery, demand taken at all points of delivery will be added and the rates and charges will be applied to the total demand, the demand so added being the maximum coincident demand at all the points of delivery to the extent that such maximum coincident demand may be determined by comparison of the registrations of recording-type demand meters installed at the respective locations where service is supplied, but only one demand meter registration per substation shall be included in such comparison.

(C) Substation Delivery furnished hereunder shall be delivered directly from the Company's distribution system to transit substations and shall be metered at the substation and delivered at the first manhole at the substation or such other point of delivery as may be mutually agreed upon by the Authorized Representatives. The Company shall own and maintain all feeder cables, ducts and associated equipment required to deliver the power and energy up to and including the splice connection connecting such cable to the PASNY Customer's cable. The PASNY Customer shall maintain all cables, ducts and associated equipment required to take delivery, excluding the splice connection at the point of delivery.

(D) During the period of any emergency it may be necessary to deliver through facilities and at points of delivery different from the facilities and points of delivery herein contemplated. The electrical connections and points of delivery utilized for the purposes of such emergency shall be such as may be mutually agreed upon by the Authorized Representatives.

(E) The Company shall furnish and maintain meters and metering devices which shall accurately measure the electricity delivered hereunder in electrical units and in the periods of time provided for billing purposes. The watthour meters shall be used in determining the net energy furnished to the PASNY Customer at the bus of each of the plant delivery points and the net energy furnished to the PASNY Customer at each substation supplied directly from the Company's distribution system. The demand meters shall be used in determining the thirty-minute maximum demands at the respective locations where service is delivered.

The Company shall make available to the PASNY Customer during business hours the records of the registrations of all meters used to measure the service supplied hereunder.

(F) The PASNY Customer may redistribute or furnish power and energy for the use of concessionaires occupying space in the premises where the PASNY Customer uses the service delivered hereunder, provided that the PASNY Customer shall not resell, or make a specific charge for any of the power and energy so redistributed or furnished, and the Customer may continue to submeter and resell power and energy at any location where the Customer was submetering and reselling electricity on August 1, 1969, but only for the purpose for which power and energy was being submetered and resold at such location on such date.
PSC NO: 12 – Electricity  
Consolidated Edison Company of New York, Inc.  
Initial Effective Date: 02/20/2012

PASNY DELIVERY SERVICE

Special Provisions – Continued

8. If power and energy is delivered pursuant to Chapter 383 of the Laws of 2001

Definitions:

“Public Corporation” means a public corporation customer of PASNY within the metropolitan area of the City of New York within the state of New York to whom PASNY is authorized, pursuant to the WTC Law, to supply power and energy for resale to other public and private users.


“WTC Power” means the power and energy of up to 80,000 kilowatts in aggregate within the City of New York supplied by PASNY and delivered under this Special Provision pursuant to the WTC Law.

“WTC Power Allocation” means the amount of power allocated by PASNY, expressed in kilowatts, for delivery to a WTC Power Recipient upon such entity’s execution of a written resale agreement with a Public Corporation.

“WTC Power Recipient” means an entity for which PASNY or its designee has provided written notification to the Company that such entity has received a WTC Power Allocation.

This Special Provision is applicable to WTC Power supplied by PASNY pursuant to the WTC Law and delivered hereunder to WTC Power Recipients.

(A) Service under this Special Provision will only be available if service at a delivery point is demand-metered and demand-billed.

(B) Service under Rider J of the Schedule for Electricity is available for electricity requirements in excess of that served under this Rate Schedule.

(C) Service for each WTC Power Recipient will be available under this Special Provision beginning on the first scheduled meter reading date that follows Con Edison’s receipt of notification of a WTC Power Allocation hereunder or the effective date of this Special Provision, whichever is later, and will continue for a minimum term of three years as provided in the WTC Law, unless the WTC Power Recipient or PASNY terminates service hereunder at an earlier date.

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PASNY DELIVERY SERVICE

Special Provisions – Continued

8. - Continued

(D) PASNY, at its discretion, may change or terminate a WTC Power Allocation at any time, such as to reflect a change in the electricity requirements of the WTC Power Recipient or for the WTC Power Recipient’s failure to comply with its resale purchase agreement with a Public Corporation. In the event a WTC Power Recipient’s allocation is reduced or terminated, PASNY, at its discretion, may allocate such power and energy to another WTC Power Recipient. PASNY or its designee shall notify the Company in writing of any such change, which shall become effective as of the next scheduled meter reading date.

(E) There shall be no more than one WTC Power Recipient per delivery point. Con Edison will bill PASNY for service to each delivery point. Delivery of power and energy for each WTC Power Recipient under this Special Provision will be billed at the applicable rate under this Rate Schedule for the character of service at the premises to which power and energy is delivered.

(F) A Customer Charge will apply to service under this Special Provision. The Customer Charge for the billing period is $0.00 per delivery point if the WTC Power Recipient is the only end-user of the Company’s delivery service at the delivery point and its WTC Power Allocation is greater than or equal to the maximum monthly demand at the delivery point for the billing period. If the WTC Power Recipient is not the only end-user of the Company’s delivery service at the delivery point or if the WTC Power Allocation is less than the maximum monthly demand at the delivery point for the billing period, the Customer Charge for the billing period is $50.00 per WTC Power Recipient per delivery point.

(G) Power and energy will be served under this Special Provision for each WTC Power Recipient in accordance with General Rule 11 of the Schedule for Electricity.