

GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

Rider W

Applicable to Service Classification Nos. 4, 8, 9, 12, and 13
(Subject to the provisions thereof)

W – DAY AHEAD DEMAND REDUCTION PROGRAM

This Rider implements the New York Independent System Operator's ("NYISO") Incentivized Day-Ahead Economic Load Curtailment Program, as same may be changed from time to time.

- (A) **Applicability:** To any Customer taking service under Service Classification No. 4, 8, 9, 12, or 13 of this Rate Schedule with entire service measured by one or more interval meters, that meets the requirements of this Rider and is capable of reducing load by at least 100 kW per account through load curtailment. Customers offering load reduction by means of on-site generation are ineligible for service under this Rider.
- (B) **Term of Service:** Service will be available under this Rider until terminated by the NYISO. Service under this Rider will be available seven (7) days after the Company receives a completed application, subject to any additional processing time required by the NYISO. Customers may terminate service under this Rider upon written notice to the Company.
- (C) **Definitions:** The following definitions are applicable to this Rider.
- (1) Bid: The Customer's load reduction nomination in kW for the Dispatch Day.
 - (2) Bidding Day: The day of the week, Monday through Friday, on which the Customer submits its Bid to the Company, two business days prior to the Dispatch Day, except that the Bidding Day for Monday dispatches is the prior business day.
 - (3) Calculated Load Reduction: The difference between (i) the Customer Baseline Load and (ii) the Customer's actual metered load on an hourly basis. The Calculated Load Reduction shall in no event be less than zero.
 - (4) Customer Baseline Load ("CBL"): Average hourly energy consumption, rounded to the nearest kWh, for each of the 24 hours in a day calculated in accordance with the NYISO methodology as selected by the customer. The Customer may re-specify the NYISO methodology once per capability period. The re-specified NYISO methodology for the summer capability period (May 1 through October 31) must be submitted in writing to the Company no later than April 1 of the preceding winter capability period. The re-specified NYISO methodology for the winter capability period (November 1 through April 30) must be submitted in writing to the Company no later than October 1 of the preceding summer capability period. A Customer who does not select a methodology will be considered to have chosen the NYISO standard baseline methodology. If at any time there is no NYISO methodology applicable for determining the CBL, the CBL shall be determined by the Company.

(General Information - Continued on Leaf No. 158-V)

Date of Issue: August 16, 2004

Date Effective: November 15, 2004

Issued by Joan S. Freilich, Executive Vice President and
Chief Financial Officer
4 Irving Place, New York, N.Y. 10003

GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

W – DAY AHEAD DEMAND REDUCTION PROGRAM - Continued

(C) Definitions – Continued

- (5) Demand Reduction Bus: The electrical location where the load reduction will take place and where Locational Based Marginal Price (“LBMP”) is measured. Each Customer will be assigned to a specific Demand Reduction Bus for the entire term of service.
- (6) Dispatch Day: The day of the week, Monday through Friday, when the Customer is required to reduce load following acceptance by the NYISO of the Company’s bid into the day-ahead market.
- (7) Notification Day: The day when the Company notifies the Customer that it must reduce load on the Dispatch Day.

(D) Criteria for Bids:

Bids shall be in 100 kW increments for the time period and at the price level specified by the Company, but no less than 5 cents per kWh.

The maximum hourly load reduction that may be bid by a Customer for any hour shall not be greater than the CBL for that hour.

- (E) Bidding Procedures:** On any Bidding Day prior to 1 P.M., the Customer may provide the Company a Bid in 100 kW increments per account. The Company will aggregate Bids and submit them in 1 MW increments to the NYISO in accordance with NYISO requirements. The aggregation of bids into 1 MW increments may require adjustment to the bid price level, which may reduce the competitiveness of the Company’s bid to the NYISO. If aggregated Bids on any Demand Reduction Bus are less than 1 MW, the Company will reject all Bids at that Demand Reduction Bus. Prior to 5 A.M. on the Notification Day, the Company will submit its bids to the NYISO. Between 11 A.M. and 3 P.M. on the Notification Day, the Company will notify the Customers if their Bids are accepted. Any Bid not accepted is deemed rejected. These bidding procedures are in effect Mondays through Fridays, excluding public holidays.

(General Information - Continued on Leaf No. 158-W)

Date of Issue: November 1, 2002

Date Effective: ~~January 27, 2003~~ April 27, 2003

See Supplement Nos. 36 and 37

Issued by Joan S. Freilich, Executive Vice President and
Chief Financial Officer
4 Irving Place, New York, N.Y. 10003

GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

W – DAY AHEAD DEMAND REDUCTION PROGRAM - Continued

(F) Payments and Penalties for Load Reductions by Curtailment: Payments will only be made for bids submitted by the Company and scheduled by the NYISO. For each hour in which the Customer reduced load under this Rider, the Company will pay the Customer an amount equal to the Customer's Bid in kW for such hour times 90 percent of the dollars per kWh received by the Company from the NYISO for scheduled day-ahead load reductions, excluding any Demand-Reduction Incentive Payments for such hour, times the ratio of (i) the aggregated Bids at the Customer's Demand Reduction Bus for such hour, rounded to the nearest lower full MW to (ii) the aggregated Bids at the Customer's Demand Reduction Bus for such hour. The sum of the amounts so calculated in any billing cycle for the hours in which the Customer's Bids were accepted will be the amount paid to the Customer for such billing cycle. The payment to the Customer for each hour will, in no event, be less than 90 percent of the product of the Customer's Bid and the bid price level.

- (1) When the Calculated Load Reduction is less than the Customer's Bid, the Company will charge the Customer a penalty equal to the product of (i) the applicable hourly day-ahead LBMP or the applicable real-time LBMP, whichever is greater, and (ii) the difference between the Calculated Load Reduction and the Customer's Bid.
- (2) Payment, net of any penalties, will be made by bill credit in the billing cycle following the Company's receipt of payment from the NYISO.
- (3) Payment for energy will not be made under this Rider if the Customer receives payment for energy under a similar load reduction program, such as a Special Case Resources or peak load management program implemented by an entity other than the Company for load reductions occurring during concurrent load reduction hours. Rider W Customers taking service under Rider P, U or V will be paid under this Rider for their accepted demand reduction Bid and under Rider P, U, or V, as applicable, for load reductions in excess of the Bid, expressed in kWh, during concurrent load reductions.

(G) Restrictions as to Availability of this Rider: Service under this Rider shall not be available to Customers served under the Company's Retail Access Rate Schedule. Customers of the New York Power Authority, New York City Public Utility Service or County of Westchester Public Utility Service Agency who have part of their requirements served under Service Classification No. 4, 8, 9, 12, or 13 of this Rate Schedule are eligible for service under this Rider for electricity requirements served under this Rate Schedule of at least 100 kW; provided, however, that the Customer is not eligible under this Rider for electricity requirements served under Rider Q.

(H) Metering: Each Customer's entire service must be measured by one or more interval meters, and Customers must maintain any associated pilot wiring in good working order. If the Customer's service is not measured by one or more interval meters, provided in connection with other Con Edison service requirements, the Customer shall arrange for the furnishing and installation of interval metering with telecommunications capability, and arrange for telecommunications service, at the Customer's expense, net of any discount or rebate received by the Customer, before the Customer's application shall be accepted for service under this Rider. A Customer with on-site generation will be required to provide interval metering data establishing, to the Company's reasonable satisfaction, that the generator was not used to achieve its Bid.

(General Information - Continued on Leaf No. 158-X)

Date of Issue: July 23, 2004

Date Effective: October 22, 2004