

GENERAL INFORMATION - Continued

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

RIDER T

Applicable to Service Classification Nos. 1, 2, 5, 7, 8, 9, 12, 13 and 14-RA
(Subject to the provisions thereof)

T – CRITICAL PEAK REBATE PROGRAM

(A) Applicability

To any Customer taking service under Service Classification (“SC”) No. 1, 2, 5, 7, 8, 9, 12, or 13 of this Rate Schedule or an equivalent SC of the Retail Access Rate Schedule; to any Customer taking service under SC No. 14-RA; to any customer of the New York Power Authority (“NYPA”) or the New York City Public Utility Service (“NYCPUS”); and to any Aggregator that meets the requirements of this Rider.

Service is available under this Rider only in the New York Independent System Operator (“NYISO”) Zone J. This Rider is applicable to Customers and Aggregators who agree in writing to provide Load Relief in a Network during the hours required for such Network when the Company designates Planned Events during the Summer Period. Participants may also agree to provide Load Relief if an Emergency Event is called.

A Customer must contract to provide at least 10 kW of Load Relief if the average of the maximum monthly demands over the 12 months prior to enrollment was 250 kW or greater. Other Customers must contract to provide at least 1 kW of Load Relief. An Aggregator must contract to provide a total of at least 100 kW of Load Relief in one or more Networks. Each Summer during 2011 and 2012, participation under this Rider is limited to a total of 100 participants whose average maximum monthly demand over the 12 months prior to enrollment was 250 kW or greater plus 400 smaller users (i.e., participants whose average maximum monthly demand over the 12 months prior to enrollment was less than 250 kW). Applications will be accepted on a first come, first served basis.

If other requirements for service under this Rider are met, Electric Generating Equipment may be used to participate under this Rider subject to the provisions set forth in Section (C) below. The participating Customer or Aggregator is responsible for determining that the operation of the generating equipment under this Rider will be in conformance with any governmental limitations on operation.

(B) Definitions

The following terms are defined for purposes of this Rider only:

"Aggregator" means a party other than the Company that aggregates the load of Customers who collectively have a load reduction potential of 100 kW or greater and that is responsible for the actions of the Customers it represents, including performance and, as applicable, repayments to the Company.

“CBL” means the customer baseline load as calculated under the NYISO Customer Baseline Load methodology, using either the weather-sensitive adjustment option (the “weather adjusted CBL”) or the average-day CBL.

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GENERAL INFORMATION - Continued

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

T – CRITICAL PEAK REBATE PROGRAM - Continued

(B) Definitions - Continued

“CBL Verification Methodology” means the methodology used by the Company to verify the actual kW of Load Relief provided during each hour of each designated Load Relief Period as well as the methodology used by the Company to verify the actual kW of Load Relief provided during a Test Event. Actual load levels are compared to the customer baseline loads to verify the kW of Load Relief provided by the Customer or Aggregator; provided, however, that the Company may estimate the data pursuant to the Company’s operating procedure if data is not available for all intervals. When the weather-adjusted CBL methodology is used and the weather adjustment falls outside of the NYISO defined ranges (i.e., the weather is atypical on the day of the Planned Event, Emergency Event, or Test Event), the Company may review and revise a participant’s baseline based on the Customer’s historical load data.

“Electric Generating Equipment” refers to: (a) electric generating equipment on the premises of a Customer served under Service Classification No. 14-RA of the Retail Access Rate Schedule or Rider R and used to provide Load Relief under this Rider; or (b) emergency electric generating equipment that is interconnected and operated in compliance with General Rule III-13(E) and used to provide Load Relief under this Rider.

“Emergency Event” refers to the Company’s request, on less than 21 hours’ advance notice, for Load Relief for a period of up to five hours.

“Event Hours” refers to the five-hour period during a Summer weekday, Monday through Friday, excluding federal holidays, during which the Customer or Aggregator agrees to provide Load Relief in a Network if the Company designates a Planned Event. Event Hours are established by the Company for each Network and will be posted on the Company’s website no later than February 1 for the upcoming Summer period.

“Load Relief” refers to power (kW) originally supplied by the Company that is displaced by use of Electric Generating Equipment and/or reduced by the Customer or Aggregator.

“Load Relief Period” refers to the hours for which the Company requests Load Relief when the Company designates a Planned Event or Emergency Event in a Network.

“Planned Event” refers to the Company’s request, on not less than 21 hours’ advance notice, for Load Relief during the Event Hours. Planned Events will be called when the Company’s day-ahead forecasted load level is at least 96 percent of the forecasted summer system-wide peak. Day-ahead and summer peak forecast information for the system will be posted to the Company’s website.

“Renewable Generation” means behind-the-meter electric generating equipment that is not fossil-fueled and has no emissions associated with it.

“Summer” or “Summer Period,” as defined solely under this Rider, refers to the period May 1 through October 31.

“Test Event” refers to the Company’s request, on not less than 21 hours’ advance notice, for Load Relief during a 60-minute period designated by the Company within the five-hour span of Event Hours.

(General Information – Continued on Leaf No. 158-P-7)

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GENERAL INFORMATION - Continued

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

T – CRITICAL PEAK REBATE PROGRAM - Continued

(C) Applications and Term of Service

- (1) The term of service under this Rider is Summer 2011 and/or Summer 2012. Applications for service under this Rider must be made electronically, unless otherwise approved by a Company representative. Applications may be made throughout the year, but will not be accepted by the Company unless all required information is provided. Service will commence under this Rider on the first day of the calendar month in the Summer Period following the Company's receipt and acceptance of a completed application, so long as the application is received no later than the fifteenth calendar day of the prior month.
- (2) A Customer or Aggregator may change the kW of contracted Load Relief in a Network or terminate service under this Rider for the current Summer Period, provided the Company receives a written request no later than May 1. A participant's CBL Methodology may be changed if the average of the maximum monthly demands over the 12 months prior to enrollment was 250 kW or greater, provided the Company receives a written request no later than May 1.
- (3) Customers and Aggregators may enroll to participate for both Summer 2011 and Summer 2012, provided, however, that, each Summer, participants will be subject to the terms, conditions, and payment rates that are in effect for that participation year, as those terms, conditions, and payment rates may change from year to year.
- (4) Each application must state the kW of Load Relief that the Customer or Aggregator contracts to provide during the Event Hours required for the Network(s). The weather-adjusted CBL will be used for verification of all performance; provided, however, that the average-day CBL will be used if so specified on the application for a participant whose average maximum monthly demand over the 12 months prior to enrollment was 250 kW or greater. (This election is not available for smaller users.)
- (5) Except for Renewable Generation, Electric Generating Equipment is prohibited from operating under this Rider within one-half mile of a peaking generator located at Gowanus (Brooklyn), Narrows (Brooklyn), Hudson Avenue (Brooklyn), Astoria (Queens), 59th Street (Manhattan, West Side) and 74th Street (Manhattan, East Side), all as shown on the Company's website.

In other geographic areas, participation by diesel-fired Electric Generating Equipment will be permitted only if the engine for the equipment is model year 2000 or newer. Participation by these diesel-fired Electric Generating Equipment limited to 20 percent of the total kW enrolled under this Rider for the Summer Period. Enrollment by such generators will be accepted on a first come, first served basis. Within these geographic areas, no limit or cap will be place on the following: natural gas-fired rich burn Electric Generating Equipment that incorporates three-way catalyst emission controls; natural gas-lean-burn Electric Generating Equipment with an engine of model year vintage 2000 or newer; or Electric Generating Equipment that has a NOx emissions level of no more than 2.96 lb/MWh.

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GENERAL INFORMATION - Continued

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

T – CRITICAL PEAK REBATE PROGRAM - Continued

(C) Applications and Term of Service - Continued

- (6) If a Customer or Aggregator requests to operate Electric Generating Equipment for Load Relief purposes under this Rider, the application must state generator information, including the unit's serial number, nameplate rating, manufacturer, date of manufacture, fuel type or energy source, the kW enrolled using this equipment, and identification as to whether the unit incorporates three-way catalyst emission controls (natural gas-fired rich burn), a natural gas lean-burn engine of model year vintage 2000 or newer, or a diesel-fired engine of model year vintage 2000 or newer, or whether it has a NOx emission level of no more than 2.96 lb/MWh. If the generating equipment has an NOx emission level of no more than 2.96 lb/MWh, but is not natural gas-fired rich burn generating equipment that incorporates three-way catalyst emission controls, a natural gas lean-burn engine of model year vintage 2000 or newer, or a diesel-fired engine of model year vintage 2000 or newer, written certification by a professional engineer must be attached to the application attesting to the accuracy of all generation-related information contained in the application, including the NOx emission level.

Copies of all New York State Department of Environmental Conservation ("DEC") permits must be included with the application. By applying for service under this Rider, Customers and Aggregators (on behalf of their customers) agree to permit the Company to provide information regarding the Electric Generating Equipment to the DEC for its review, subject to the DEC's agreement to keep this information confidential.

Furthermore, participants enrolled in a NYISO market-based program offered by the Company, NYPA or other entity, such as the Day-ahead Demand Response Program or the Demand-Side Ancillary Service Program, must provide the Company with their NYISO generator identification number, under a confidentiality agreement, and give the Company the ability to view their market participation activity. This information will be used to verify the times of participation in these other programs to prevent double-payment during concurrent events.

- (7) Rider S participants may not participate under this Rider. Participation under this Rider is permitted to participants in other demand response programs offered by the NYISO, the Company or another entity (e.g., the NYISO's Special Case Resources Program, the NYISO's Emergency Demand Response Program, NYPA's Peak Load Management Program, and the Company's Rider U). However, if Load Relief is provided under one of those programs during hours concurrent with this Rider, energy payments will be made under this Rider only for energy in excess of that provided under those other programs. If the Customer bids into the NYISO market, either directly or through a third party (e.g., Con Edison or the NYPA), and receives payment for energy during concurrent Load Relief hours, payments will be made under this Rider only for Load Relief in excess of the Customer's accepted bid.
- (8) Customers and Aggregators must meet the metering requirements specified in Section (E).

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See Supplement #89

GENERAL INFORMATION - Continued

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

T – CRITICAL PEAK REBATE PROGRAM - Continued

(D) Notification by the Company and Required Response

- (1) The Company will notify Customers and Aggregators by phone or e-mail, or both, in advance of the commencement of a Load Relief Period or Test Event, in accordance with the Company's operating procedures. The Customer or Aggregator shall designate in writing an authorized representative and an alternate representative to receive the notice. If an Aggregator is served under this Rider, only the Aggregator will be notified of the Load Relief Period or Test Event.
- (2) If the Company designates a Planned Event or a Test Event, the Company will provide advance notice at least 21 hours in advance of the event. The Company will again provide advance notice on the day of the event, usually two or more hours in advance.
- (3) If the Company designates an Emergency Event, notice will be given as soon as practicable. Participants are requested to provide Load Relief as soon as they are able.
- (4) If the Company calls a Test Event, participation is required during the Test period, which will not exceed one hour.
- (5) Participation under this Rider is voluntary. However, a Customer or Aggregator may be required to return equipment supplied by the Company if the participant fails to consistently provide the minimum kW of Load Relief specified in Section (E) below.

(E) Metering

- (1) If the average of the Customer's maximum monthly demands over the 12 months prior to enrollment was 250 kW or greater, the Customer must have interval metering with telecommunications capability used by the Company for monthly billing in order to participate under this Rider. If, at the time of application for service under this Rider, the Company does not bill such Customer monthly using interval metering, the Customer or Aggregator shall arrange for the furnishing and installation of interval metering with telecommunications capability to be used for billing, and arrange for telecommunications service, at its expense, net of any discount or rebate received by the Customer. If metering that communicates wirelessly is requested, the Company will charge \$200.00 to visit the premises to determine whether or not this is viable.
- (2) An application will not be accepted for participation under this Rider unless both the metering and telecommunications service are already operational.
- (3) Smaller users require Company-approved equipment that measures, records and communicates interval data to the Company. The Company will provide the necessary equipment subject to the following terms: (a) the equipment will remain the property of the Company; (b) the Company may require that the Customer or Aggregator return the equipment if the participant fails to consistently provide the minimum reductions specified in Section F; and (c) the Company may charge the Customer or Aggregator for the cost of the equipment if it is not returned as requested.

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GENERAL INFORMATION - Continued

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

T – CRITICAL PEAK REBATE PROGRAM - Continued

(F) Payments

- (1) Eligibility for Payment: Payment will be made for each Planned Event, Emergency Event, and Test Event provided the Company can confirm using the CBL Verification Methodology that the minimum required kWh of Load Relief was provided.

Participants whose average maximum monthly demand over the 12 months prior to enrollment was 250 kW or greater are required to provide, at a minimum, 50 kWh during a Planned Event and 10 kW during a Test Event. Smaller users are required to provide, at a minimum, 5 kWh during a Planned Event and 1 kWh during a Test Event.

- (2) Payment Rate: If the Customer or Aggregator is eligible for payment as specified in paragraph (1), the payment rate, for the average hourly kWh of Load Relief provided, is as follows:

\$1.50 per kWh for Load Relief provided during a five-hour Planned Event or during a one-hour Test Event; and

\$5.00 per kWh for Load Relief provided during an Emergency Event.

The Payment amount paid per Event is equal to the applicable Payment Rate per hour multiplied by the average hourly kWh provided during the Event multiplied by the number of Event hours.

- (3) Application of Payments: Payments will be calculated monthly and applied to the accounts of Customers enrolled under this Rider. Payments will be made by wire transfer to customers of NYPA and NYCPUS, unless they have Con Edison accounts.

(G) Data Review

The Company reserves the right to review records and/or operations of any Customer, Aggregator, or customer of an Aggregator to verify enrollment information and performance associated with a designated Load Relief Period or Test Event called by the Company. Once the Company initiates a data review, all payments will be suspended pending the outcome of the review. The Company will complete its review within 30 days of receipt of all requested data. Any suspended payments will be reinstated if the Company's review of the data results in a finding that the enrollment and performance information are correct.

If the Company determines that a Customer, Aggregator, or customer of an Aggregator failed to cooperate fully and promptly with the review and/or did not fully comply with the provisions of this Rider and/or provided inaccurate data, the Customer or the customer of the Aggregator will be deemed ineligible to participate in the program until the issue is rectified. In addition, the Customer will be required to make prompt repayment to the Company of any payments that were made to such Customer or Aggregator, on behalf of its customer, for the Summer.

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GENERAL INFORMATION - Continued

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

T – CRITICAL PEAK REBATE PROGRAM - Continued

(H) Testing

The Company may require a Customer or Aggregator to participate in one or more Test Events, each for a period not to exceed one hour, commencing at a time determined solely at the Company's discretion, but within the Event Hours specified for the Network. If the Company can verify that the Customer or Aggregator provided the contracted kW of Load Relief during the Test Event, the Company will make a payment for one hour of energy for the Load Relief achieved up to the contracted kW amount, as specified in Section (F) of this Rider.

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