GENERAL RULES

25. Supply and Supply-related Charges and Adjustments

All Customers purchase power and energy from the Company unless (a) service is taken under the Retail Access Program, SC 11 or the PASNY Rate Schedule, or (b) the power and energy is supplied by NYPA under Special Provision G of SC 9.

Customers who purchase power and energy from the Company (i.e., Full Service Customers) are subject to the following charges and adjustments:

- the Market Supply Charge;
- Adjustment Factors - Market Supply Charge (except for Customers served under Rider M); and
- the Merchant Function Charge.

Definitions of terms used in General Rule 25:

“Public Policy Contracts” include contracts that are entered into by the Company for electricity in support of public policy goals, such as system reliability, environmental considerations, fuel diversity, or market power mitigation, consistent with the order of the Public Service Commission, dated August 25, 2004, in Case 00-M-0504.

“Purchased Power Contracts” include contracts for the purchase of power from non-utility generators (“NUG”s) and other power purchase contracts.

“Company-owned Generation Assets” include gas turbines and the share of Con Edison’s steam/electric units that are assigned to the electric system, including the East River Complex.
GENERAL RULES

25. Supply and Supply-related Charges and Adjustments - Continued

25.1 Market Supply Charge

The Market Supply Charge ("MSC") varies by Service Classification and rate class and will be calculated based on best available information, as described below. MSC amounts will be billed in cents per kilowatthour for energy-only Service Classifications and in both dollars per kilowatt and cents per kilowatthour for demand-billed Service Classifications.

The Factor of Adjustment for Losses is 1.063 to account for losses of 5.9 percent.

(a) The MSC includes the following cost components, adjusted by the Factor of Adjustment for Losses:

1. the cost of energy based on NYISO market prices;
2. the cost of capacity based on NYISO market prices;
3. ancillary services charges, including certain NYISO Schedule 1 charges, such as the Scheduling, System Control & Dispatch ("S, SC & D") Service Charge, Local Reliability S, SC & D Service Charge and Market Administration and Control Area Service Charge, and any other NYISO commodity-related charges;
4. NYPA Transmission Adjustment Charge ("NTAC"); and
5. certain other transmission-related charges and credits.
GENERAL RULES

25. Supply and Supply-related Charges and Adjustments - Continued

25.1 Market Supply Charge - Continued

(b) There are three NYISO electrical load zones located in Con Edison's service territory: Zone H for Upper Westchester; Zone I for parts of the Upper Bronx and Lower Westchester; and Zone J for New York City except for the parts of the Bronx that are located in Zone I. The “New York City NYISO zone” refers to Zone J. The “Westchester NYISO zones” refer to Zones H and I.

Energy costs are calculated separately for Customers served in the New York City NYISO zone and for Customers served in each of the Westchester NYISO zones. Except for Customers served under Rider M, the cost of energy per kilowatthour applicable during each Customer’s billing period will be based on NYISO day-ahead Locational Based Marginal Prices load-weighted by the applicable rate class’s hourly load shape. For Customers served under Rider M, the NYISO posted, zonal day-ahead market price for energy, adjusted using the Factor of Adjustment for Losses, will be applied to kilowatthour usage for each hour of the day, each day of the billing period. The NYISO posted, zonal day-ahead market price for energy, adjusted using the Factor of Adjustment for Losses, shall be made available to Rider M Customers for each of the 24 hourly rating periods for each day of the year, after the NYISO market closes, but no later than 4 PM, on the day prior to the day the rates are to be effective.

The cost of capacity for each six-month capability period (i.e., the calendar months of May through October and November through April) will be separately estimated for each rate class based on NYISO strip auction prices. Capacity costs will be separately estimated for the New York City NYISO zone and for the combined Westchester NYISO zones. Estimated capacity costs will be shown on the Statement of Market Supply Charge – Capacity for each six-month period filed with the Public Service Commission apart from this Rate Schedule no less than three days before the Statement is to become effective.

Ancillary Services Charges and NTAC per kilowatthour are revised the eighth billing cycle of each calendar month and will remain in effect until changed. The Ancillary Services Charges and NTAC component of each Customer’s MSC will be the Ancillary Services Charges and NTAC per kilowatthour in effect on the “to date” of the Customer’s bill. Ancillary Services Charges and NTAC amounts will be posted on the Company’s website prior to their effective date.

The MSC per-kilowatthour rate for each Customer in an energy-only rate class will be the sum of components (1) through (4) in (a) above, that is, the cost of energy and capacity based on NYISO market prices plus the Ancillary Services Charges and NTAC. Energy-only SC 12 Customers subject to the Minimum Charge are assessed the MSC per-kilowatthour rate based on the minimum kWhr billed.

The MSC per-kilowatthour rate for each Customer in a demand-billed rate class will be the sum of components (1), (3), and (4) in (a) above. For demand-billed rate classes, component (2) in (a) above, that is, capacity costs, will be billed as a separate per-kilowatt MSC rate unless the Customer is billed under the Rate SC 9 Rate I Maximum Rate, in which case the charge for capacity will be assessed per kilowatthour. Demand-billed Customers subject to the Minimum Charge are assessed the MSC per-kilowatt rate based on the minimum kW billed.
GENERAL RULES

25. Supply and Supply-related Charges and Adjustments - Continued

25.2 Adjustment Factors – MSC

The Adjustment Factors – MSC are applicable to all Full Service Customers subject to the MSC, except for Customers served under Rider M.

25.2.1 Adjustment Factor – MSC I

The components of the Adjustment Factor - MSC I are described below.

a. MSC Reconciliation

Estimated MSC amounts recovered in rates on a calendar month basis shall be reconciled to actual MSC costs on a calendar month basis. The actual MSC costs include the costs the Company would have incurred if the requirements to serve Customers under this Rate Schedule would have been purchased solely from the NYISO market calculated on a load-weighted average market price based on available NYISO billing data at the end of each month. These costs will be increased by the value of any capacity credits that the Company receives from pledging MW associated with the Direct Load Control Program into the NYISO Special Case Resources program, priced at the strip auction price for the capability period and determined separately for the New York City and the combined Westchester NYISO zones. The Adjustment Factor – MSC I will include separate reconciliation amounts for New York City and for the combined Westchester NYISO zones.

b. Tax Reimbursement Recovery Provision

The Company is authorized by Section 66-h of the Public Service Law to recover tax reimbursements that it makes to non-utility generators pursuant to such law. The Adjustment Factor – MSC I will recover such tax reimbursements only from Customers with non-residential use of electricity, as explained hereunder.

c. Demand Response Program Cost Recovery Provision

The Company is authorized to recover the difference, if any, between (i) the amounts billed in such month to Customers served under Rider M for actual energy usage priced at the applicable hourly energy prices in accordance with the provisions of Rider M, and (ii) the actual market supply costs for such month for such Customers’ actual energy usage. The Adjustment Factor – MSC I will also include a credit for any Rider W penalty amounts received by the Company in excess of those paid by the Company to the NYISO under the NYISO’s Day Ahead Demand Response Program.

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GENERAL RULES

25. Supply and Supply-related Charges and Adjustments - Continued

25.2 Adjustments Factors – MSC - Continued

25.2.1 Adjustment Factor – MSC I - Continued

The Adjustment Factor – MSC I will be applied on a cents per kilowatthour basis, taken to the nearest 0.0001 cent. The unit amounts of the Adjustment Factor – MSC I will be determined as follows:

The MSC Reconciliation amount per kWhr will be determined for Customers in the New York City NYISO zone by dividing the reconciliation amount determined for the New York City Zone by estimated zonal sales in kWhr in that zone, and for Customers in the combined Westchester NYISO zones by dividing the reconciliation amount determined for the combined Westchester NYISO zones by estimated zonal sales in kWhr in those zones.

The per kWhr component applicable to non-residential use of electricity under the Tax Reimbursement Recovery Provision will be determined by dividing the total amount to be recovered by estimated sales in kWhr for non-residential use of electricity.

The per kWhr component applicable under the Demand Response Program Cost Recovery Provision will be determined by dividing the total amount to be recovered by estimated total sales in kWhr.

The estimated sales used in the above calculations are estimated sales to Full Service Customers, excluding sales made under Rider M, during the period over which the adjustments are to be applied.

Separate Adjustment Factors – MSC I will be shown on the Statement of Adjustment Factors – MSC for residential and non-residential use in the New York City NYISO zone and for residential and nonresidential use in the combined Westchester NYISO zones. The Adjustment Factor – MSC I shown for residential use is applicable to: (a) all usage of Customers billed under SCs 1, 8, and 12, or such lower usage if a Customer billed for high-tension service under SC 8 has certified a lower percentage of residential usage on a New York State Department of Taxation and Finance Form TP-385; and (b) the percentage of residential usage certified on a Form TP-385 for Customers billed under other SCs. Customers who submit a properly completed Form TP-385 to the Company will be billed in future billing periods for the percentage of residential usage certified on the Form TP-385. The Adjustment Factor – MSC I shown for nonresidential use is applicable to all other usage.
GENERAL RULES

25. Supply and Supply-related Charges and Adjustments - Continued

25.2 Adjustment Factors – MSC - Continued

25.2.2 Adjustment Factor – MSC II

The Adjustment Factor – MSC II includes the following:

(a) NYISO commodity-related rebills issued to the Company; provided, however, that charges/credits to be flowed through the Adjustment Factor - MSC II related to rebills will be limited to five percent of the total MSC/MAC costs for that month. Residual amounts will be deferred with interest and flowed through the Adjustment – Factor MSC II in subsequent month(s) subject to the same five percent limitation; and

(b) the costs/benefits of “hedges,” applicable unless the Customer would have taken service under Rider M on a mandatory basis if not for one or more of the conditions described in Special Provision (E) of that Rider. The costs/benefits of hedges include the following:

(i) the Cost Increment/Decrement of energy and capacity obtained from any source other than Purchased Power Contracts entered into prior to May 1, 2000, Company-owned Generation Assets, and Public Policy Contracts. The Cost Increment/Decrement of energy and capacity reflects the difference between the actual monthly costs of these purchases, including fixed and variable costs, and the imputed revenue associated with pricing these purchases at the market price(s) included in the MSC;

(ii) all costs incurred and benefits received from financial hedging instruments associated with transactions intended to reduce price volatility to customers (e.g., transaction costs, such as option premiums, costs of providing credit support and margin requirements, and professional fees, and gains and losses associated with such transactions made in the commodities exchanges and with other counterparties);

(iii) monthly amortized costs of Transmission Congestion Contracts (“TCCs”) purchased through the NYISO auctions, direct sales or from the secondary market on behalf of Full Service Customers; and

(iv) revenues received from TCCs held on behalf of Full Service Customers.

The Adjustment Factor - MSC II is separately determined for Customers who would have taken service under Rider M on a mandatory basis if not for one or more of the conditions described in Special Provision (E) of that Rider, to reflect the fact that they do not receive the costs/benefits of hedges.

The Adjustment Factor – MSC II amount will be estimated each month, and a true-up to actual MSC II costs will be included in the Adjustment Factor – MSC II in the following month. The Adjustment Factor – MSC II will be applied on a cents per kilowatthour basis, taken to the nearest 0.0001 cent.
GENERAL RULES

25. Supply and Supply-related Charges and Adjustments - Continued

25.2 Adjustment Factors – MSC - Continued

25.2.3 Reconciliation

The amounts recovered or credited through the Adjustment Factor - MSC I and the Adjustment Factor – MSC II will be reconciled to actual amounts to be recovered. Any differences will be passed through the Adjustment Factor – MSC I and the Adjustment Factor – MSC II in a subsequent month.

25.2.4 Statement of Adjustment Factors – MSC

Commencing with the eighth billing cycle of each month, the Adjustment Factor - MSC I per kWhr, as determined above, shall be effective during the succeeding billing month after the month for which the Adjustment Factor – MSC I shall have been determined, and shall continue in effect until changed. The Adjustment Factor – MSC II as determined above shall be effective commencing with the eighth billing cycle of the month for which the Adjustment Factor – MSC II shall have been determined and shall continue in effect until changed. Bills issued monthly or bi-monthly are subject to the Adjustment Factor – MSC I and Adjustment Factor – MSC II that are in effect on the bill’s “to” date.

Not less than 3 business days prior to any change in the rate adjustments per kWhr resulting from this provision for Adjustment Factors – MSC, a Statement of Adjustment Factors – MSC (Statement) will be duly filed with the Public Service Commission, apart from this Rate Schedule, showing the Adjustment Factor – MSC I per kWhr and the Adjustment Factor – MSC II per kWhr. The date on which and the period for which the Adjustment Factor – MSC I was determined will also be shown. The rate adjustment per kWhr for Customers billed bi-monthly is equal to the average of the rate adjustment per kWhr in effect on the bill’s “to” date for monthly-billed Customers and the rate adjustment in effect the preceding billing month for monthly-billed Customers, rounded to four decimal places.

The Company will show the adjustment amounts on its website.
25. Supply and Supply-related Charges and Adjustments - Continued

25.3 Merchant Function Charge

The Merchant Function Charge ("MFC") is applicable to all Full Service Customers subject to the MSC. The MFC is determined on a calendar-month basis and is equal to the sum of the following components:

(a) a competitive supply-related charge, inclusive of a charge for purchased power working capital;

(b) a credit and collection-related charge;

(c) a charge or credit to reflect the Transition Adjustment amount (including any Reconciliation Amounts from the prior Rate Year’s Transition Adjustment and prior period deferrals, plus interest) applicable to Full Service Customers, pursuant to General Rule 28; and
25. Supply and Supply-related Charges and Adjustments - Continued

25.3 Merchant Function Charge - Continued

(d) a charge for the Uncollectible-bill Expense associated with the MSC and Adjustment Factors – MSC charges. The Uncollectible-bill Expense will be determined each month for Customers subject to the MFC in SC 1 (the “Residential Class”) based on an estimate of costs recoverable through the MSC and Adjustment Factors – MSC charges for the Residential Class and an Uncollectible Bill Factor of 0.0129. For Customers subject to the MFC in other SCs (the “Other Classes”), the Uncollectible-bill Expense will be determined each month based on an estimate of costs recoverable through the MSC and Adjustment Factors – MSC charges for the Other Classes and an Uncollectible Bill Factor of 0.0050. The resulting Uncollectible-bill expenses for the Residential Class and Other Classes will then be adjusted to reflect a system Uncollectible Bill Factor of 0.0082. Any difference between the monthly Uncollectible-bill Expense as determined above and the Uncollectible-bill Expense determined for the Residential Class based on billed MSC and Adjustment Factors - MSC charges will be collected from or credited to the Residential Class through the Uncollectible-bill Expense determined for the Residential Class in a subsequent month. Any difference between the monthly Uncollectible-bill Expense as determined above and the Uncollectible-bill Expense determined for the Other Classes based on billed MSC and Adjustment Factors – MSC charges will be collected from or credited to the Other Classes through the Uncollectible-bill Expense determined for the Other Classes in a subsequent month. The Company will true-up its Uncollectible Bill Expense for the MFC and Adjustment Factors – MSC charges for the Residential Class and for Other Classes using the Uncollectible Bill Factor approved in Case 09-E-0428 for charges determined through December 31, 2013, and the Uncollectible Bill Factor approved in Case 13-E-0030 for charges determined thereafter.

At least once every 12 months, the Company will reconcile the Uncollectible-bill Expense required to be collected with the amounts billed, and any under-recovery or over-recovery will be passed through the Uncollectible-bill Expense applicable to both the Residential Class and the Other Classes, with interest, in a subsequent month. Interest will be calculated at the Other Customer Capital Rate.

Each component of the MFC will be charged on a cents per-kilowatthour basis, taken to the nearest 0.0001 cent. The Company will file a Statement of Merchant Function Charge (“Statement”), apart from this Rate Schedule, showing the MFC amount per kilowatthour in effect for the calendar month and the date on which the MFC was determined. Amounts will be separately shown for the following: (i) Customers billed under SC 1, (ii) Customers billed under SC 2, and (iii) Customers billed under SC 5, 6, 8, 9, 12, and 13. Unless otherwise directed by the Commission, the Company will file Statements no less than three days prior to MFC changes.
GENERAL RULES

26. Additional Delivery Charges and Adjustments

Except as specified within each section of this General Rule, the following charges are applicable to all Customers served under this Rate Schedule:

(a) Monthly Adjustment Clause (“MAC”) and Adjustment Factor – MAC;
(b) Revenue Decoupling Mechanism (“RDM”) Adjustment;
(c) Billing and Payment Processing (“BPP”) Charge;
(d) System Benefits Charge (“SBC”);
(e) Renewable Portfolio Standards (“RPS”) Charge;
(f) Surcharge to Collect Assessments under Section 18-a of the Public Service Law;
(g) Delivery Revenue Surcharge; and
(h) Temporary Rate Adjustment
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.1 Monthly Adjustment Clause

Rates for electric service include a MAC applicable to all Customers served under this Rate Schedule, except as follows. The MAC does not apply to SC 11.

The MAC is estimated on a monthly basis and shown on the Statement of Monthly Adjustment Clause filed with the Public Service Commission each month apart from this Rate Schedule no less than three days before the Statement is to become effective. MAC amounts will be shown per kilowatthour for all rate classes, except for Standby Service rates. The MAC applicable under Standby Service rates will be shown as a Customer Charge MAC per month, a Contract Demand Delivery MAC, and As-used Daily Demand Delivery MACs. A copy of the Statement of Monthly Adjustment Clause in effect will be available to the public on the Company’s website.

This General Rule incorporates, by reference, the definitions in General Rule 25.

26.1.1 MAC Components

The components of the MAC include:

1. prior to May 1, 2008, the Cost Increment/Decrement of all Purchased Power Contracts; and, commencing May 1, 2008, the Cost Increment/Decrement of Purchased Power Contracts that were entered into prior to May 1, 2000. The Cost Increment/Decrement of Purchased Power Contracts reflects the difference between the actual monthly costs of these purchases, including fixed and variable costs, and the imputed revenue associated with pricing these purchases at the market price(s) included in the MSC;

2. the Cost Increment/Decrement of Public Policy Contracts. The Cost Increment/Decrement of Public Policy Contracts reflects the difference between the actual monthly costs of these purchases, including fixed and variable costs, and the imputed revenue associated with pricing these purchases at the market price(s) included in the MSC;

3. the Cost Increment/Decrement of Company-owned Generation Assets. The Cost Increment/Decrement of Company-owned Generation Assets reflects the difference between the actual costs of the Company-owned Generation Assets, including fixed, variable, and fuel costs, and oil storage and handling costs, and the imputed revenues associated with pricing these assets at the market price(s) included in the MSC;

4. the difference between amortized revenues from sales of the Company's system Transmission Congestion Contracts ("TCCs") and the amount reflected in setting applicable rates;
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.1 Monthly Adjustment Clause - Continued

26.1.1 MAC Components - Continued

(5) charges for and/or revenues from the Company's system TCCs that are not sold;

(6) monthly amortized costs prior to May 1, 2008, of TCCs purchased through the NYISO auctions, direct sales or from the secondary market on behalf of Full Service Customers;

(7) revenues received prior to May 1, 2008, from TCCs held on behalf of Full Service Customers;

(8) certain NYISO-related charges and credits, including all rebills issued to the Company prior to May 1, 2008, non-commodity-related rebills issued to the Company beginning May 1, 2008, and NYISO Schedule 1 charges that are not covered under the MSC. Miscellaneous charges/credits to be flowed through the MAC, such as rebills, will be limited to five percent of the total MSC/MAC costs for that month. Residual amounts will be deferred with interest and flowed through the MAC in subsequent month(s) subject to the same five percent limitation;

(9) Customers' share of the cost of the savings passed on to Madison Square Garden in accordance with Section 3, Chapter 459, 1982 N.Y. Laws;

(10) any incremental costs incurred by the Company resulting from divestiture of its electric generation facilities as described in Con Edison's Generation Divestiture Plan in Case 96-E-0897 and approved by the Public Service Commission's order dated July 21, 1998;

(11) adjustments applicable to periods prior to May 1, 2000;

(12) certain NYISO Transmission Owners Charges such as Congestion Balancing Settlement, Rochester Station 80 Capacitor Bank and Ramapo Phase Angle Regulator and any other transmission-related charges;

(13) net revenues from sales to other utilities, LSEs and others;

(14) certain other transmission-related charges and credits;

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GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.1 Monthly Adjustment Clause - Continued

26.1.1 MAC Components - Continued

(15) the difference between costs used in the calculation of the Adjustment Factors – MSC and total actual costs incurred, including all costs incurred and benefits received prior to May 1, 2008 from financial hedging instruments associated with transactions intended to reduce price volatility to customers (e.g., transaction costs, such as option premiums, costs of providing credit support and margin requirements, and professional fees, and gains and losses associated with such transactions made in the commodities exchanges and with other counterparties);

(16) foregone delivery service revenues associated with the provision of service under Rider I, Rider M (voluntary service only), Rider P, Rider W, and the Company’s Direct Load Control Program to the extent such revenues are not recovered through a revenue decoupling mechanism. Foregone delivery service revenues associated with Rider I refers to the difference between those revenues received under Rider I and the delivery service revenues that would otherwise have been received if the Rider I Customer had continued to be billed under Service Classification No. 8 Rate I;

(17) foregone electric revenues resulting from decreased electric requirements associated with steam air conditioning installations by Customers under Special Provision E of Service Classification Nos. 2 and 3 of Con Edison’s Schedule for Steam Service, P.S.C. No. 4 - Steam to the extent such revenues are not recovered through a revenue decoupling mechanism;

(18) foregone steam revenues associated with steam rate discounts for steam air conditioning installations by Customers under Special Provision E of Service Classification Nos. 2 and 3 of Con Edison’s Schedule for Steam Service, P.S.C. No. 4 - Steam;

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Effective date postponed to 02/20/2012. See Supplement No. 2.
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.1 Monthly Adjustment Clause - Continued

26.1.1 MAC Components - Continued

(19) all costs on an as-incurred basis, including but not limited to payments to Customers where applicable and capital costs for enabling technologies, associated with the implementation of programs conducted under Rider I, Rider M, Rider P, Rider U, the Company’s Direct Load Control Program, the Targeted Demand Side Management Program to the extent authorized by the Public Service Commission in Case 03-E-1332, the steam rate discount under Special Provision E of Service Classification Nos. 2 and 3 of Con Edison’s Schedule for Steam Service, P.S.C. No. 4 - Steam, and the Company’s marketing program for demand response programs; provided, however, that Rider U cost recovery will exclude any “lost” Summer payments made pursuant to the Commission’s order issued April 8, 2009, in Cases 08-E-1463 and 08-E-0176, and Rider U cost recovery through the MAC beginning with costs incurred for the 2011 summer program will be equal to the total program costs less the program costs allocated for collection under the PASNY and EDDS Rate Schedules pursuant to the Commission’s Order issued January 20, 2011, in Case 10-E-0530;

(20) certain costs related to the restoration and operation of Hudson Avenue Unit 10/100 as authorized in the Public Service Commission’s Memorandum Order in Case 01-E-0147, issued April 27, 2001, and decommissioning costs if approved by the Public Service Commission;

(21) the Company’s lost revenues associated with service rendered prior to April 1, 2008, for both targeted and system-wide demand management programs, above the levels associated with the System Benefits Charge. Lost revenues will be calculated by multiplying actual measured and verified kW and kWhr, as determined using Commission-approved demand management measurement and verification protocols, by average seasonal per-kW and per-kWhr rates, differentiated by service class, based on seasonal delivery revenues (excluding customer charge revenue) expressed at the then current effective rate level;

(22) the Company’s costs on an as-incurred basis, including marketing costs and costs for program evaluation, staffing, program development and market research, for both targeted and other demand management programs that the Company implements or helps to implement as well as any demand management program-related incentives, other than costs addressed in MAC components 19 and 33;

(23) Switching and Retention Incentive Payments earned prior to April 1, 2008, as approved by the Public Service Commission in Case 04-E-0572;

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GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.1 Monthly Adjustment Clause - Continued

26.1.1 MAC Components - Continued

(24) any net revenue shortfalls between delivery rates under this Rate Schedule and NYPA delivery rates resulting from laws that would permit NYPA to serve non-governmental Customers in the Company’s service area;

(25) any difference between the level of NEIL distributions reflected in rates and the actual NEIL distributions received on an annual basis;

(26) any variance between the wholesale Transmission Service Charge revenues reflected in base rates and the actual wholesale Transmission Charge revenues received, other than from firm transmission contracts, on an annual basis net of any NYISO-related adjustments;

(27) any variance between the wheeling revenues for firm Transmission contracts reflected in rates and the actual wheeling revenues for firm Transmission contracts received on an annual basis;

(28) the electric department’s allocated share of common costs for the 59th and 74th Street Stations;

(29) costs, as incurred, related to the Regional Greenhouse Gas Initiative (“RGGI”), to the extent such costs are not recoverable through the market prices reflected in the Market Supply Charge, with respect to the following: (i) Company-owned generating facilities and (ii) non-Company owned generation facilities (net of any amounts that may be received from the owners of such facilities) pursuant to a settlement agreement among the parties to Indeck v. Paterson, Index No. 5280-09, Supreme Court, Albany County;

(30) revenues received from the sale of RGGI allowances;

(31) costs incurred pursuant to Section 185 of the Clean Air Act;

(32) a credit equal to the value of any adjustment made to the Adjustment Factor – MSC I for capacity associated with the Direct Load Control Program that is pledged into the NYISO Special Case Resources program and a credit for payments received from NYSERDA or any other source for Direct Load Control installations;
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.1 Monthly Adjustment Clause - Continued

26.1.1 MAC Components - Continued

(33) all 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 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. The amount recovered through the MAC will be equal to the total net program costs less the net program costs allocated for collection under the PASNY Rate Schedule;

(34) the amount to be collected for Smart Grid Projects, as described in General Rule 26.1.4;

(35) credit for any payments made by NYSERDA pursuant to a settlement agreement among the parties to Indeck v. Paterson, Index No. 5280-09, Supreme Court, Albany County;

(36) credit for the Constellation settlement refund of $15,134,400 plus any interest disbursement received from NYSERDA, pursuant to the Commission’s Order in Case 13-E-0232, issued September 20, 2013;

(37) recovery of the 125 MW Energy Efficiency/Demand Reduction/Combined Heat and Power Program costs, pursuant to the Commission’s Order in Case 12-E-0503, issued November 4, 2013;

(38) all 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 rates and charges recovered through the MAC will be equal to the total rates and charges less the PJM OATT rates and charges collected under the PASNY Rate Schedule. Collections will commence March 2014 and will be made over a 10-month period;

(39) all 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, less the PJM OATT rates and charges collected under the PASNY Rate Schedule. 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;

(40) the commodity-related component of customer credits provided under the SC 1 Rate III price guarantee for plug-in electric vehicles;

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GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.1 Monthly Adjustment Clause - Continued

26.1.1 MAC Components - Continued

(41) costs, as incurred, related to the purchase of emissions allowances for Company-owned generating facilities pursuant to the Environmental Protection Agency’s final rule on interstate transport of fine particulate matter and ozone, dated August 8, 2011, as the same may be modified from time to time, to the extent such costs are not recoverable through the market prices reflected in the Market Supply Charge;

(42) revenues received from the sale of emissions allowances pursuant to the Environmental Protection Agency’s final rule on interstate transport of fine particulate matter and ozone, dated August 8, 2011, as the same may be modified from time to time;

(43) recovery of costs related to the Brooklyn/Queens Demand Management Program, less costs allocated to the PASNY Schedule, until these costs are recovered in base rates, pursuant to the Commission’s Order in Case 14-E-0302, issued December 12, 2014; and

(44) other appropriate costs as may be approved by the Public Service Commission.
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.1 Monthly Adjustment Clause - Continued

26.1.2 Adjustment Factor - MAC

The Adjustment Factor – MAC includes the following components. Each component, applied on a cents per kilowatthour basis to the nearest 0.0001 cent, is determined by dividing the amount to be collected or credited by the sum of the estimated sales in kwhr to Full Service and Retail Access Customers over the period for which the adjustment is to be applied:

(a) MAC Reconciliation

The Company will reconcile the estimated MAC amount recovered in rates on a calendar month basis to actual MAC costs on a calendar month basis. Rates under all Service Classifications shall be subject each month to an adjustment reflecting the MAC reconciliation amount.

The amounts recovered or credited through the MAC Reconciliation component of the Adjustment Factor - MAC will be reconciled to actual amounts to be recovered. Any differences will be passed through the Adjustment Factor - MAC in a subsequent month.

(b) Uncollectible-bill Expense

The Adjustment Factor – MAC will contain a separate charge to reflect the Uncollectible-bill Expense associated with MAC and Adjustment Factor – MAC charges. The Uncollectible-bill Expense will be determined each month by multiplying an estimate of costs recoverable through the MAC and the MAC Reconciliation component of the Adjustment Factor – MAC charges by an Uncollectible Bill Factor of 0.0082. Any difference between the monthly Uncollectible-bill Expense as determined above and the Uncollectible-bill Expense determined by multiplying the Uncollectible Bill Factor by the billed MAC charges and the billed MAC Reconciliation component of the Adjustment Factor – MAC charges will be collected from/credited to Customers through the Uncollectible-bill Expense determined in a subsequent month. The Company will true-up its Uncollectible Bill Expense for the MAC and the MAC Reconciliation component of the Adjustment-Factor – MAC charges using the Uncollectible Bill Factor approved in Case 09-E-0428 for charges determined through December 31, 2013, and the Uncollectible Bill Factor approved in Case 13-E-0030 for charges determined thereafter.

At least once every 12 months, the Company will reconcile the Uncollectible-bill Expense required to be collected with the amounts billed, and any under-recovery or over-recovery will be passed through the Uncollectible-bill Expense, with interest, in a subsequent month. Interest will be calculated at the Other Customer Capital Rate.
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.1 Monthly Adjustment Clause - Continued

26.1.2 Adjustment Factor – MAC - Continued

(c) Transition Adjustment

The Adjustment Factor – MAC will contain a separate per-kilowatthour charge or credit to reflect the Transition Adjustment amount (including any Transition Adjustment Reconciliation Amounts and prior period deferrals, plus interest), pursuant to General Rule 28.

26.1.3 Statement of Adjustment Factor – MAC

Commencing with the eighth billing cycle of each month, the MAC Reconciliation component of the Adjustment Factor – MAC per kWhr, as determined above, shall be effective during the succeeding billing month after the month for which the Adjustment Factor – MAC shall have been determined, and shall continue in effect until changed. The Uncollectible–bill Expense and the Transition Adjustment components of the Adjustment Factor – MAC, as determined above, shall be effective commencing with the eighth billing cycle of the month for which the components have been determined and shall continue in effect until changed. Bills issued monthly or bi-monthly are subject to the Adjustment Factor – MAC that is in effect on the bill’s “to” date.

Not less than 3 business days prior to any change in the rate adjustment per kWhr resulting from this provision for MAC adjustment, a Statement of Adjustment Factor – MAC (Statement) will be duly filed with the Public Service Commission, apart from this Rate Schedule, showing the rate adjustment per kWhr for each component of the Adjustment Factor – MAC. The date at which and the period for which the MAC Reconciliation component was determined will also be shown. The rate adjustment per kWhr for Customers billed bi-monthly is equal to the average of the rate adjustment per kWhr in effect on the bill’s “to” date for monthly-billed Customers and the rate adjustment in effect the preceding billing month for monthly-billed Customers, rounded to four decimal places.

The Company will show the per-kilowatthour amount for each component of the Adjustment Factor – MAC on its website.
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.1 Monthly Adjustment Clause - Continued

26.1.4 Smart Grid Projects

Costs will be collected under this Rate Schedule 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 under this Rate Schedule and the PASNY Rate Schedule 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.
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.1 Monthly Adjustment Clause - Continued

26.1.4 Smart Grid Projects - Continued

Costs of Smart Grid project work have been moved into base rates. The Smart Grid Surcharge in effect for the ten-month period 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 is equal to the total amount to be refunded less the amount refunded under the PASNY Rate Schedule;

(2) a refund of Smart Grid amounts that were surcharged under this Rate Schedule in January and February 2014; and

(3) an adjustment for prior periods to reflect the difference between the incremental revenue requirement for actual project work that was placed in service and the incremental revenue requirement for project work that was expected to be placed in service. (The difference between the amount actually collected and the amount forecasted to be collected will automatically be reconciled through the MAC.)

The Smart Grid Surcharge to be refunded through the MAC each month over the ten-month period will be divided by the number of months in the collection period. Interest will be applied at the Company’s pre-tax rate of return.
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.1 Monthly Adjustment Clause - Continued

[RESERVED FOR FUTURE USE]
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.2 Revenue Decoupling Mechanism - Adjustment

Pure Base Revenue (as defined in General Rule 2) is subject to reconciliation through an RDM Adjustment. The RDM is applicable to Pure Base Revenue received from Customers in SCs 1, 2, 5, 6, 8, 9, and 12. The RDM is not applicable to revenues from the following: (a) Customers billed under SC 11 rates, Standby Service rates, SC 13 rates, and contract or negotiated rates; (b) Customers served under Rider J and Rider Y; and (c) load served under Special Provision G or H of SC 9. A separate RDM Adjustment is in effect for service under the PASNY Rate Schedule.

(1) Mechanism

The Company will reconcile, for each SC, the difference between actual Pure Base Revenue and Allowed Pure Base Revenue, as follows:

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

Except as provided below, every six months, the cumulative difference plus the adjustment for Special Provisions G and H of SC 9 and Low Income Program costs, as explained in section (3) and section (4), respectively, below, will be charged or credited to Customers in each SC, 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.

(b) If the cumulative difference between actual Pure Base Revenue and Allowed Pure Base Revenue equals or exceeds $10 million under the combined SCs plus the PASNY Rate Schedule 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. For differences related to periods commencing on or after April 2010, such collection or refund of RDM amounts will commence on the first calendar day of the month in which the change becomes effective.
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.2 Revenue Decoupling Mechanism Adjustment - Continued

(1) Mechanism - Continued

(b) The amount to be charged or credited to Customers in each SC will be determined by dividing the amount to be charged or credited to Customers in that SC by estimated total kilowatthour deliveries to Customers in that SC over the collection/refund period. If the per-kilowatthour adjustment to any SC would be less than a debit or credit of 0.0001 cents per kWhr, the amount will be deferred with interest (calculated at the Other Customer Capital Rate) and collected or refunded, as applicable, in a subsequent period, or as determined by the Public Service Commission if no RDM is in effect.

(c) Following each RDM collection/refund period, any difference between amounts required to be charged or credited to Customers in each SC and amounts actually charged or credited will be charged or credited to Customers in that SC, with interest, over a subsequent RDM collection/refund period, or as determined by the Public Service Commission if no RDM is in effect. RDM targets will be adjusted, as applicable, to exclude credits applied to Customer accounts pursuant to General Rule 12.5.1.

(d) Commencing March 1, 2014, SC 5 and SC 9 will be considered a single SC, and SC 2 and SC 6 will be considered a single SC, for RDM purposes.

(2) Statement

The RDM Adjustment unit amount to be collected from or credited to Customers per kilowatthour will be shown for each SC 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).
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.2 Revenue Decoupling Mechanism Adjustment - Continued

(3) Allowed Pure Base Revenue

Allowed Pure Base Revenue (in $000’s), by SC, is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$737,849</td>
<td>$1,572,994</td>
<td>$1,888,346</td>
</tr>
<tr>
<td>2</td>
<td>$126,139</td>
<td>$264,325</td>
<td>$322,119</td>
</tr>
<tr>
<td>5</td>
<td>$1,704</td>
<td>$1,696,023</td>
<td>$1,932,442</td>
</tr>
<tr>
<td>6</td>
<td>$955</td>
<td>$125,735</td>
<td>$147,231</td>
</tr>
<tr>
<td>8</td>
<td>$46,217</td>
<td>$18,322</td>
<td>$25,056</td>
</tr>
<tr>
<td>9</td>
<td>$668,144</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>$9,735</td>
<td></td>
<td></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 Demand Delivery Charges, Energy Delivery Charges, or the Customer Charge applicable under one or more of the SCs. Furthermore, if, for any reason, an SC no longer has existing customers, the Allowed Pure Base Revenue for that SC will be reallocated to other SCs with existing Customers and to the PASNY Rate Schedule 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. Any amounts required to be collected from or credited to SC 2 and/or SC 6 Customers and SC 5 and/or SC 9 Customers on or after March 1, 2014, for periods prior to March 1, 2014, will be combined and collected from or credited to all Customers taking service under their respective combined classes. SC 1 RDM amounts to be collected over each six-month RDM collection/refund period will be adjusted to recover the delivery-related component of customer credits provided under the SC 1 Rate III price guarantee for plug-in electric vehicles.

Since load served under Special Provision G (“RNY”) and Special Provision H (“EJP”) of SC 9 is exempt from the RDM, SC 9 Allowed Pure Base Revenue will be decreased/increased as appropriate for load transfers to or from RNY or EJP service.

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

26. Additional Delivery Charges and Adjustments - Continued

26.2 Revenue Decoupling Mechanism Adjustment - Continued

(4) Low Income Program Costs

The Company will adjust each class’s RDM amounts to be collected over each six-month RDM collection/refund period to reflect that 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 that is applicable under this Rate Schedule and the RDM Adjustment applicable under the PASNY Rate Schedule. The amount to be collected or refunded through the RDM Adjustment applicable under this Rate Schedule will be equal to the total amount to be collected or refunded less the Low Income Program costs collected or refunded under the PASNY Rate Schedule.

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.
26. Additional Delivery Charges and Adjustments - Continued

26.3 Billing and Payment Processing Charge

(a) Definitions

A reference to the “Company’s charges” means charges for only delivery or for both Company-provided supply and delivery, as applicable.

“Consolidated Bill” means a bill that combines the Company’s charges and an ESCO’s supply charges. Consolidated Bills for residential Customers are limited to Utility Consolidated Bills.

“ESCO Consolidated Bill” means a Consolidated Bill issued by an ESCO for its charges and the Company’s charges.

“Full Service Bill” means a bill that includes charges for both Company-provided supply and delivery for either electric or gas service.

“Separate Utility/ESCO bills” means that the Company’s delivery charges and ESCO’s supply charges for electric or gas service are not issued on the same bill; the Company’s delivery charges may be issued on a Full Service bill or a Utility Consolidated Bill or an ESCO Consolidated Bill for the other service.

“Utility Consolidated Bill” means a Consolidated Bill issued by the Company for its charges and an ESCO’s supply charges.

(b) BPP Charge

The charge for BPP is applicable to all Customers (except SC 11) unless the Customer receives a Consolidated Bill for electric on an electric account or for electric or gas on a combined electric and gas account.

(1) BPP Charge on an Electric Only Account

<table>
<thead>
<tr>
<th>Bill Type</th>
<th>Charge, per bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Service Bill</td>
<td>$1.20</td>
</tr>
<tr>
<td>Utility Consolidated Bill</td>
<td>0</td>
</tr>
<tr>
<td>Separate Utility/ESCO Bills</td>
<td>$1.20</td>
</tr>
<tr>
<td>ESCO Consolidated Bill</td>
<td>0</td>
</tr>
</tbody>
</table>
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.3 Billing and Payment Processing Charge - Continued

(b) BPP Charge - Continued

(2) BPP Charge on a Combined Electric and Gas Account

<table>
<thead>
<tr>
<th>Electric Service and Bill Type</th>
<th>Gas Service and Bill Type</th>
<th>BPP Charge, for the electric and gas services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Service</td>
<td>Full Service</td>
<td>$1.20</td>
</tr>
<tr>
<td>Full Service</td>
<td>Utility Consolidated Bill</td>
<td>0</td>
</tr>
<tr>
<td>Full Service</td>
<td>Separate Utility/ESCO Bills</td>
<td>$1.20</td>
</tr>
<tr>
<td>Full Service</td>
<td>ESCO Consolidated Bill</td>
<td>0</td>
</tr>
<tr>
<td>Utility Consolidated Bill</td>
<td>Full Service</td>
<td>0</td>
</tr>
<tr>
<td>Utility Consolidated Bill</td>
<td>Utility Consolidated Bill</td>
<td>0</td>
</tr>
<tr>
<td>Utility Consolidated Bill</td>
<td>Separate Utility/ESCO Bills</td>
<td>0</td>
</tr>
<tr>
<td>Utility Consolidated Bill</td>
<td>ESCO Consolidated Bill</td>
<td>N/A *</td>
</tr>
<tr>
<td>Separate Utility/ESCO Bills</td>
<td>Full Service</td>
<td>$1.20</td>
</tr>
<tr>
<td>Separate Utility/ESCO Bills</td>
<td>Utility Consolidated Bill</td>
<td>0</td>
</tr>
<tr>
<td>Separate Utility/ESCO Bills</td>
<td>Separate Utility/ESCO Bills</td>
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</tr>
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<td>Separate Utility/ESCO Bills</td>
<td>ESCO Consolidated Bill</td>
<td>0 **</td>
</tr>
<tr>
<td>ESCO Consolidated Bill</td>
<td>Full Service</td>
<td>0</td>
</tr>
<tr>
<td>ESCO Consolidated Bill</td>
<td>Utility Consolidated Bill</td>
<td>N/A *</td>
</tr>
<tr>
<td>ESCO Consolidated Bill</td>
<td>Separate Utility/ESCO Bills</td>
<td>0 **</td>
</tr>
<tr>
<td>ESCO Consolidated Bill</td>
<td>ESCO Consolidated Bill</td>
<td>0 ***</td>
</tr>
</tbody>
</table>

Where the BPP charge shown above is $1.20, the charge, per bill, applicable to the electric service is equal to $1.20 less the charge applicable to the gas service under the gas rate schedule.

* This scenario is not possible on a combined electric and gas account. The ESCO must request account separation.

** This scenario is only possible if there are two separate ESCOs. One ESCO issues Consolidated Bills for the utility’s electric and gas charges and its charges. The second ESCO issues bills only for its own charges.

*** This scenario is only possible if there is one ESCO for both electric and gas. If there are two ESCOs, one ESCO must request account separation.
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.4 System Benefits Charge

The rates and charges for each Service Classification under this Rate Schedule (excluding SC 11 and load served under Special Provision G of SC 9) contain a separate charge for System Benefits. The System Benefits Charge, and any surcharge thereto authorized by the Commission, is applicable to all Customers who utilize the Company's distribution system and recovers costs required to be spent on necessary environmental and other public policy programs. The applicable unit charge shall be set forth on the Statement of System Benefits Charge. The Statement and changes thereto will be filed with the Commission no less than three business days before its effective date.

The System Benefits Charge is expected to collect the following amounts:

(a) $69,794,960 annually for the five years beginning 2001 and $34,897,480 for the first half of 2006, pursuant to the Commission’s January 26, 2001, and July 3, 2001 Orders in Case 94-E-0952;

(b) $43,738,426 for the second half of 2006, $87,476,852 for each of the four years beginning 2007, $0 for 2011, $43,738,426 for 2012, and $30,872,604 for 2013, pursuant to the Commission’s December 21, 2005 Order in Case 05-M-0090 and modified by its December 30, 2010 Order in Case 10-M-0457 and Case 05-M-0090;

(c) $14,652,901 for the fourth quarter 2008 and $58,611,603 for each of the three years beginning 2009, pursuant to the Commission’s June 23, 2008 Order in Case 07-M-0548 (“2008 Energy Efficiency Order”);

(d) $48,484,504, $53,970,043, $3,003,086, $3,003,086, and $1,214,731 in 2010, 2011, 2012, 2013, and 2014, respectively, pursuant to the Commission’s October 23, 2009 Order in Case 08-E-1127 et al.;

(e) $9,883,824 from April through December 2010, and $16,933,228 in 2011, $212,177 in 2012, and $187,728 in 2013, pursuant to the Commission’s Orders of November 13, 2009 and January 4, 2010 in Case 08-E-1127 et al.;

(f) $858,909 from October through December 2010, and $1,725,729 in 2011, pursuant to the Commission’s June 24, 2010 Order in Cases 07-M-0548 et al., less $15,224,602 from October through December 2011, pursuant to the Commission’s August 22, 2011 Order in Case 07-M-0548 et al.;

(g) $20,492,924, $23,509,836, $17,843,928, $22,810,795, $33,112,445, and $33,192,109, in 2012, 2013, 2014, 2015, 2016, and 2017, respectively, pursuant to the Commission’s October 24, 2011 Order in Case 10-M-0457; and

26. Additional Delivery Charges and Adjustments - Continued

26.4 System Benefits Charge - Continued

Any over- or under-collections for each calendar year will be reconciled and reflected in the subsequent year’s amount to be collected, commencing January 1 of each year. Any over- or under-collections of the System Benefits Charge after the final collection year will also be reconciled and credited to or collected from Customers. Commencing fourth quarter 2008, incremental amounts required to be collected pursuant to the 2008 Energy Efficiency Order will be reduced by amounts returned by NYSERDA to Con Edison and by amounts collected through the Monthly Adjustment Clause to fund energy efficiency programs pursuant to the Commission’s Order in Case 07-E-0523, dated March 25, 2008, and the Energy Efficiency Order.

26.5 Renewable Portfolio Standard Charge

Customers taking service under any Service Classification under this Rate Schedule (excluding SC 11 and load served under Special Provision G of SC 9) are subject to a separate charge for the Renewable Portfolio Standard (“RPS”) program, as directed by the Public Service Commission in its September 24, 2004 Order and amended by its April 2, 2010 Order in Case 03-E-0188. The RPS Charge is applicable to all Customers who pay the System Benefits Charge, as described above, and is required to fund above-market costs of renewable resources under the RPS program administered by the New York State Energy Research and Development Authority. The unit charge to collect each calendar year’s funding amount, as established by the Commission, and any reconciliation amount, as described below, shall be set forth on the Statement of Charge for Renewable Portfolio Standard Program. Each collection period will be for 12 months, commencing three months prior to the applicable calendar year. Any over- or under-collections for each calendar year will be reconciled and included in the subsequent year’s amount to be collected. Any over- or under-collections of the RPS Charge for the last calendar year for which the RPS Charge is applicable will also be reconciled and credited to or collected from Customers in a manner to be determined by the Commission. The Statement and changes thereto will be filed with the Commission no less than three business days before its effective date.
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.6 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 uncollectible expenses at the rate reflected in base rates and 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 PASNY Rate Schedule 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 under this Rate Schedule (including estimated supply charges for Retail Access Customers) and delivery charges only for the PASNY Rate Schedule, and gross receipts taxes for all.

Each Service Classification under this Rate Schedule will be allocated its pro rata share of the amount required to be collected based on that class’s contribution to total electric revenues under this Rate Schedule.
GENERAL RULES

26. Additional Delivery Charges and Adjustments - Continued

26.6 Surcharge to Collect Assessments Under Section 18-a of the Public Service Law - Continued

The delivery service surcharge that is applicable to service under this Rate Schedule will be collected on a monthly basis as follows:

(a) SCs 1, 2, 5, 6, 8, 9, and 12, per kWhr, excluding billing issued under Standby Service rates;
(b) SC 11 and billing issued under Standby Service rates, per kW of Contract Demand, excluding SC 13 accounts billed under Standby Service rates; and
(c) SC 13, per monthly bill as a separate charge.

The unit amount to be collected per SC will be shown on the Statement of 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 unit amounts 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.

26.7 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 collected on a monthly basis and will be assessed as follows:

(a) per kW of Contract Demand for Customers billed under SC 11 or under Standby Service rates, excluding SC 13;
(b) per monthly bill, as a separate surcharge, for SC 13 Customers; and
(c) per kWhr for all other Customers.

The unit amount to be collected per SC will be shown on the Statement of Delivery Revenue Surcharge filed with the Public Service Commission, apart from this Rate Schedule. Any difference between amounts required to be collected through the Surcharge and the actual amounts collected will be charged or credited to customers over a reasonable period after December 31, 2014. Unless otherwise directed by the Commission, the Company will file Statements no less than three days before their effective date.
26. Additional Delivery Charges and Adjustments – Continued

26.8 Temporary Rate Adjustment

Pursuant to the Order of the Public Service Commission (the “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 the total credit less the credit allocated to the PASNY Schedule. The Statement of Temporary Rate Adjustment (“STRA”), filed apart from this Rate Schedule, shows the amount by which the Demand Delivery Charges, Energy Delivery Charges, and the Standby Service Customer Charge shown in each Service Classification, as applicable, and the rates and charges under Rider D and Rider I (except for the Customer Charge) will be reduced during the rate year. The Company will file such Statement no less than 30 days before its effective date. Percentage rate reductions under Rider J and Special Provision (H) of SC 9 will be applied to rates and charges after application of the credit. The credit will expire as described hereunder unless otherwise ordered by the Commission.

27. Rate Adjustment Clause

Pursuant to the Orders of 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 Service Classification that comprise the 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.
GENERAL RULES

28. Transition Adjustment for Competitive Services

28.1 Applicability

A Transition Adjustment will be determined for Customers served under this Rate Schedule, except for Customers served under SC 11.

28.2 Components of the Transition Adjustment

The Transition Adjustment will be the sum of the following components, based on the 12 months ending December, except as described in General Rule 28.3:

(a) the difference between the targeted level of revenues from competitive supply-related charges and competitive credit and collection-related charges (including purchased power working capital) reflected in the Merchant Function Charge (“MFC”) and billed revenues from the competitive supply-related and competitive credit and collection-related components of the MFC;

(b) the Company’s lost revenues attributable to the Billing and Payment Processing (“BPP”) Charge. The lost revenues attributable to the BPP will be equal to the total BPP charges that are avoided by Customers (as detailed in General Rule 26.3) less charges paid by ESCOs for Company-issued Consolidated Bills less costs avoided by the Company when ESCOs issue Consolidated Bills;

(c) the Company’s lost revenues attributable to Metering Services. The lost revenues attributable to Metering Services will be equal to the total Metering Services charges (i.e., the total of meter ownership charges, meter service provider charges, and meter data service provider charges) that are avoided by Customers who take Metering Services competitively less the costs that are avoided by the Company when Metering Services are taken competitively; and

(d) the difference between the targeted level of credit and collection costs reflected in the discount rate applicable to ESCOs under the Purchase of Receivables (“POR”) program and revenues from the credit and collection-related component reflected in the discount rate under the POR program.
28. Transition Adjustment for Competitive Services - Continued

28.3 Calculation of the Transition Adjustment

The Transition Adjustment that commences March 2014 will be in effect for a 10-month period and will be based on the nine months ending December 2013. Any Reconciliation Amounts and prior period deferrals due to the calculation of the Transition Adjustment determined in accordance with the Commission’s Order in Case 09-E-0428 will be collected in that Transition Adjustment, subject to reconciliation.

The Transition Adjustment that commences January 2015, and each January thereafter, will be in effect for a 12-month period and will be based on the 12 months ending December of the prior year.

Each Transition Adjustment will include any Reconciliation Amounts from the Transition Adjustment in effect for prior periods and prior period deferrals. The Reconciliation Amount is the difference between the amount to be recovered through the Transition Adjustment and the actual amount recovered through the Transition Adjustment, plus interest (calculated at the Other Customer Capital Rate). The Transition Adjustment commencing January 2015 will also collect differences in the targeted level of revenues and recoveries for components (a) and (d) and revenue shortfalls for components (b) and (c) of General Rule 28.2 that result from extension of the Case 13-E-0030 suspension period, plus interest at the Company’s pre-tax rate of return.

The Company may adjust the Transition Adjustment for the remaining months of a collection period on not less than three days’ prior notice if the total deferred debit or credit amount exceeds $5 million.

Half of the amount to be collected from or credited to Customers through the Transition Adjustment will be assigned to Full Service Customers; the balance will be collected from or credited to both Full Service and Retail Access Customers. To determine the per-kwhr Transition Adjustment (which will be expressed to the nearest 0.0001 cent per kWhr), the amounts to be collected from or credited to Customers will be divided by the estimated kilowatthour deliveries for the total period in which the Transition Adjustment is to be in effect. If the above calculation results in a Transition Adjustment of less than 0.0001 cent per kWhr, the total amount to be recovered from or credited to Customers will be deferred, with interest, for later recovery or refund through application to Customers’ bills in a subsequently determined Transition Adjustment.

The Transition Adjustment will be calculated on an annual or more frequent basis, as provided herein. The per-kilowatthour adjustment to be put into effect for Full Service and Retail Access Customers will be passed through the Adjustment Factor – MAC described in General Rule 26.1. The per-kilowatthour adjustment to be put into effect for Full Service Customers will be passed through the Merchant Function Charge described in General Rule 25.3.
PSC NO: 10 – Electricity
Consolidated Edison Company of New York, Inc.
Initial Effective Date: 11/01/2011

GENERAL RULES

29. [RESERVED FOR FUTURE USE]
GENERAL RULES

30. Increase in Rates Applicable in Municipality Where Service is Supplied

30.1 Percentage Increase in Rates and Charges

The rates and charges under this Rate Schedule, payable in the municipality where service is supplied, shall be increased to reflect the taxes imposed on the Company within such municipality pursuant to the following statutes:

a. New York Tax Law, Sections 186-a (Gross Receipt Tax), 209-B, and 1201(a);

b. New York Tax Law 186-c;

c. General City Law Section 20-b; and

d. Village Law Section 5-530.

Refund of all such increases will be made to a Customer who is a vendor of electricity to the extent that revenue derived from such vendor to which such increase was applied is not taxed to the Company under such statutes, as shown by the Customer’s resale remission certificate.

30.2 Statement of Percentage Increase in Rates and Charges

The Statement of Percentage Increase in Rates and Charges (“Statement”) filed apart from this Rate Schedule sets forth the applicable percentage increase in rates and charges in effect for the various municipalities served by the Company. The Statement will reflect: the currently effective rate under Section 186-a of the New York Tax Law; the effective rate under Section 186-c of the New York Tax Law and a tax surcharge to recover tax expense imposed by the Temporary Metropolitan Transportation Business Tax Surcharge under Tax Law Section 209-B (as described in General Rule 30.3); and the currently effective rates under the New York Tax Law Section 1201(a), General City Law Section 20-b and Village Law Section 5-530. Separate percentage increases will be applied to delivery rates and charges pursuant to Section 186-a of the New York Tax Law and to commodity rates and charges and other charges. Delivery rates and charges shall mean the Delivery Charges applicable to service under each Service Classification and the Additional Delivery Charges and Adjustments as set forth in General Rule 26. Commodity rates and charges and other charges shall mean the Supply and Supply-related Charges and Adjustments as set forth in General Rule 25 and various other charges set forth in the General Rules section of this Rate Schedule except for late payment charges and security deposits. The percentage increases to be applied to the Customer’s bill will be based on the Statement that is in effect on the bill’s “to” date.

Separate percentage increases will be applicable to residential and non-residential service. For the purpose of applying the appropriate percentage increase in rates and charges, the term “residential service” will apply to the rates and charges billed to: (a) Customers served under SC 1, including community residences, veterans’ organizations, and religious organizations that have certified on New York State Department of Taxation and Finance Form TP-385 that at least 75 percent of the usage is for residential use; (b) Customers served under SC 8 and SC 12, unless a Customer billed for high-tension service under SC 8 has certified on a Form TP-385 that less than 75 percent of the usage is for residential use; and (c) Customers served under other SCs if they have certified on a Form TP-385 that at least 75 percent of the usage is for residential use. All other service is deemed to be non-residential for the purpose of General Rule 30.

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

30. Increase in Rates Applicable in Municipality Where Service is Supplied - Continued

30.2 Statement of Percentage Increase in Rates and Charges – Continued

Revisions to the Statement will be made, if appropriate, in accordance with the procedure for other changes in the Statement, to reflect periodic reconciliations for actual tax expense incurred under all Sections of the New York Tax Law and the revenues collected to recover such tax expense.

When a new revenue tax or an increase in the rate of revenue taxes is enacted by a city or a village, the Company will file with the Public Service Commission a revised Statement, apart from this Rate Schedule, not less than fifteen business days before the date on which the Company proposes to increase the percentage increase in rates and charges, but no sooner than the date of the tax enactment to which the Statement responds.

When a municipality eliminates or reduces the rate of revenue taxes, the Company will, within the following five business days, cancel the Statement then in effect and, where applicable, replace such canceled Statement with a revised Statement setting forth the reduced percentage increase in rates and charges. All such revised Statements shall become effective no sooner than the date when the tax enactment is filed with the Secretary of State and shall be applicable to bills subject to the tax enactment that are rendered on or after the effective date of the Statement. A copy of the Statement in effect will be available to the public at Company offices at which applications for service may be made.

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

Effective date postponed to 02/20/2012. See Supplement No. 2.
GENERAL RULES

30. Increase in Rates Applicable in Municipality Where Service is Supplied - Continued

30.3 Temporary Metropolitan Transportation Business Tax Surcharge

The Statement of Percentage Increase in Rates and Charges shall include recovery of the tax expenses imposed on the Company by the Temporary Metropolitan Transportation Business ("MTA") Tax Surcharge pursuant to Tax Law Sections 186-c and 209-B, as applicable. Any changes to the Company’s MTA tax expense pursuant to Tax Law Sections 186-c and 209-B shall be reflected on a revised Statement filed with the Public Service Commission not less than fifteen days before the effective date of any change. Each such change filed pursuant to this paragraph shall remain in effect for a twelve-month period. A new Statement reflecting changes to the Company’s MTA tax expense shall be filed for each year the MTA Tax Surcharge is applicable. In the second month following the conclusion of each twelve-month period, the Company will reconcile the revenues collected during that twelve-month period with the actual tax surcharge expense incurred by the Company in the corresponding year. In the event the revenues collected in each twelve-month period are substantially higher or lower (equal to or greater than plus or minus 0.5 percent) than the tax expenses incurred, the Company will make a one-time reconciliation adjustment after each twelve-month period.
GENERAL RULES

Application Forms: Form A - Application for Service

APPLICATION FOR SERVICE

It is important for you to answer the following questions accurately and completely to determine the proper service classification for your account. For further information on your rights as a customer, please request our RIGHTS AND RESPONSIBILITIES pamphlets.

As a Con Edison customer you agree to pay for service supplied at the rates, charges, and terms of your service classification, and in accordance with the provisions of the applicable (electricity or gas) Con Edison rate schedule. If you are interested in steam service, please call 1-212-460-2011. Our rate schedules are located on our web site at www.coned.com and at offices where applications for service can be made.

Please read all questions carefully and answer to the best of your knowledge. PLEASE PRINT YOUR ANSWERS, AND SIGN THE APPLICATION IN PART E.

FOR OFFICE USE ONLY: ____________________________

PART A. NEW ACCOUNT INFORMATION

1. (a) ACCOUNT NAME: List the name of the person or business (corporation) who owns or leases the premises where service will be used and who will be responsible for the new account.

Name __________________________________________________________________________
Name of Business (if applicable) __________________________________________________________________________

(b) 1. RESIDENTIAL CUSTOMER - Please indicate the type and the ID number for one of the following forms of identification: Social Security, New York State driver's license, New York State non-driver's license, Public Assistance, Resident Alien or other.

Type of ID_______________________________________ ID number ____________________________________________

2. NONRESIDENTIAL CUSTOMER - Please provide Taxpayer Identification Number (TIN) or Social Security Number (if you do not have a TIN) _________________________________________________________________________________________________________

(c) ACCOUNT ADDRESS: Please enter the address where you want to receive service(s).

Address ___________________________________________ Room/Floor/Office #/Apartment # __________________________
Town/City __________________________________________ Zip__________________________________________________

2. (a) MAILING ADDRESS WHERE WE SHOULD SEND BILLS, IF DIFFERENT FROM ABOVE: If you want your Con Edison bills to be mailed to a name or address different than that shown above, enter name and address here.

Name __________________________________________________________________________
Address ___________________________________________ Room/Floor/Office #/Apartment # __________________________
Town/City __________________________________________ State_________________ Zip__________________

(b) CONTACT INFORMATION: What is your telephone number? __________________________________________________________________________

Is there another telephone number or pager number where we can reach you?
Fax No. ____________________________________________ E-mail Address ____________________________

3. ACCESS TO METERS: If you do not control access to the meter(s), enter the name and address of the person who can provide access.

Name __________________________________________________________________________
Address __________________________________________ Room/Floor/Office #/Apartment # __________________________
Town/City __________________________________________ State_________________ Zip__________________
Application Forms: Form A - Application for Service - Continued

PART B. SERVICE CLASSIFICATION

1. SERVICE(S) BEING REQUESTED: (Check all that apply)
   - [ ] Electric
   - [x] Gas

2. DATE YOU ARE RESPONSIBLE FOR ACCOUNT: (Date of deed or date lease commences) __/__/____

3. If this is a residence, do you plan to conduct a business here?  
   - [ ] Yes  
   - [x] No

4. What percent of the total space will be used for business purposes? ___________%

5. Do you or your employees plan to live at this premises?  
   - [ ] Yes  
   - [x] No

6. If this is not a residence, do you plan to use service primarily for residential purposes?  
   - [ ] Yes  
   - [x] No

7. RELIGIOUS ORGANIZATIONS, COMMUNITY RESIDENCES AND VETERANS' ORGANIZATIONS:

   Please check below if the following applies to this service. Service is being requested by:
   - [ ] a religious organization
   - [ ] a community residence
   - [ ] a veterans' organization
   - [ ] Religious use, as a house of worship, living quarters for the clergy, rectory or parochial school
   - [ ] Other religious uses (Describe):
   - [ ] Veterans’ Organization’s use: a post or hall owned or leased by a not-for-profit veterans’ organization
   - [ ] Community Residence that is a supportive or supervised living facility
   - [ ] Other ______________________________________________________________________________________

   Which of the following best describes your use of electricity? (Check only one)
   - [ ] Exclusively for hall lighting, elevators and other common areas of a multi-tenanted building (residential or commercial)
   - [ ] Entire premises for your own use (Example: residence or retail store)
   - [ ] Entire premises, including redistributing electricity to:  
     - [ ] Residential tenants
     - [ ] Commercial tenants
   - [ ] If you are redistributing service to others, please speak with a service representative

   Do you have? (Check all that apply)
   - [ ] An emergency generator
   - [ ] Permanently installed electric space heating
   - [ ] Electric hot water heating
   - [x] Other_____

   Have you made, or do you plan to make, electrical wiring changes to this location?  
   - [ ] Yes  
   - [x] No

   If electricity is needed to operate life-support equipment for someone residing at your premises, whether a family member or a tenant, please speak with a service representative.

8. ELECTRIC INFORMATION: The amount of electricity you use and how you use it will generally determine the rate at which you’ll be billed. Which of the following best describes your business or premises? (Check only one)

   - [ ] Residence
   - [ ] Any nonresidential premises, store, restaurant, commercial office, gas station, factory. Indicate type: _____________
   - [ ] Medical or professional office building or suite
   - [ ] Apartment or premises, in a residential building, where business is also conducted (doctor’s office, beauty parlor, real estate, etc.)
   - [ ] Hotel, motel, hospital, nursing home, flea market (Please discuss with service representative)
   - [ ] Religious use, such as a house of worship, living quarters for the clergy, rectory or parochial school
     - [ ] Other religious uses (Describe):
     - [ ] Veterans’ Organization’s use: a post or hall owned or leased by a not-for-profit veterans’ organization
     - [ ] Community Residence that is a supportive or supervised living facility
     - [ ] Other ______________________________________________________________________________________

   Which of the following best describes your use of electricity? (Check only one)
   - [ ] Exclusively for hall lighting, elevators and other common areas of a multi-tenanted building (residential or commercial)
   - [ ] Entire premises for your own use (Example: residence or retail store)
   - [ ] Entire premises, including redistributing electricity to:  
     - [ ] Residential tenants
     - [ ] Commercial tenants
   - [ ] If you are redistributing service to others, please speak with a service representative

   Do you have? (Check all that apply)
   - [ ] An emergency generator
   - [ ] Permanently installed electric space heating
   - [ ] Electric hot water heating
   - [x] Other_____

   Have you made, or do you plan to make, electrical wiring changes to this location?  
   - [ ] Yes  
   - [x] No

   If electricity is needed to operate life-support equipment for someone residing at your premises, whether a family member or a tenant, please speak with a service representative.

9. GAS INFORMATION: The amount of gas you use and how you use it will generally determine the rate at which you will be billed. Which of the following best describes your business or premises? (Check only one)

   - [ ] Residence (apartment or 1-3 family house)
   - [ ] Apartment house (4 or more apartments)
   - [ ] Religious use, as a house of worship, living quarters for the clergy, rectory or parochial school
   - [ ] Community Residence that is a supportive or supervised living facility
   - [ ] Compressed natural gas - distributor or operator (circle one)
   - [ ] Store, Restaurant, Commercial Office
   - [ ] Manufacturing

   Check ALL the uses of gas which apply to this account:
   - [ ] Hot water heating
   - [ ] Laundry dryer
   - [ ] Commercial cooking
   - [ ] Residential cooking
   - [ ] Gas air-conditioning
   - [ ] Electricity Generation
   - [ ] Space heating
   - [x] Dual-fuel burner
   - [x] Gas provided to tenants for cooking
   - [ ] Other_____

   Have you made, or do you plan to make, gas piping changes to this location?  
   - [ ] Yes  
   - [x] No

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

Application Forms: Form A - Application for Service - Continued

A BUILDING OF PUBLIC ASSEMBLY is considered one of the following:
(a) school, hospital, nursing home or licensed child care facility; (b) a factory that normally employs 75 or more people; (c) a building with capacity for 75 or more people to which the public is normally admitted (e.g. church, restaurant, theater); or (d) an office or apartment building with a facility for public assembly (e.g. auditorium, cafeteria, community or meeting room) with a capacity for 75 or more people.

Is this a building of public assembly?  □ Yes  □ No

PART C. INFORMATION ABOUT CON EDISON ACCOUNTS

(a) I do not now, nor did I previously, have a Con Edison account.
(b) I currently have a Con Edison account.

DO YOU WANT THE OTHER ACCOUNT TO BE DISCONTINUED?  □ Yes  □ No

Name_________________________________________________  Acct. No. __ __    __ __ __ __   __ __ __ __   __ __ __ __  __
Address_______________________________________________  Room/Floor/Office #/Apartment #
Town/City _____________________________________________  Zip ______________________________________________

(c) I previously had an account with Con Edison, which is now closed, at:

Name_________________________________________________  Acct. No. __ __    __ __ __ __   __ __ __ __   __ __ __ __  __
Address_______________________________________________  Room/Floor/Office #/Apartment #
Town/City _____________________________________________  Zip ______________________________________________

PART D. ADDITIONAL INFORMATION

1. SALES TAX STATUS: What is sales tax status for the account?  □ Taxable  □ Non-Taxable  □ Partially Tax Exempt

IF YOU CLAIM TAX EXEMPTION, ATTACH THE APPROPRIATE EXEMPT CERTIFICATION TO THIS APPLICATION.

□ ST-119.1: New York State and Local Sales and Use Tax - Exempt Organization Certification
□ ST-120: New York State and Local Sales and Use Tax - Resale Certificate
□ ST-121: New York State and Local Sales and Use Tax - Exempt Use Certification
□ TP-385: Certification of Residential Use of Energy Purchases

These forms are available from the New York State Department of Finance (1-800-462-8100).

If you are a tax-exempt organization and redistribute electricity or steam, contact your tax advisor to determine if you are eligible for remission of the State Gross Receipts Tax.

PART E. SIGNATURE

Before signing this application, you should carefully read the section concerning eligibility of religious organizations, community residences, and veterans’ organizations for residential rates, and the IMPORTANT INFORMATION FOR ALL APPLICANTS that is available with this application form. Call us if you have questions about your rights and responsibilities as a Con Edison customer or visit our website at www.coned.com.

To the best of my knowledge, the information provided here is accurate and no attempt has been made to misrepresent the facts.

Application submitted by:  Affiliation to person responsible for account:
Print Name _______________________________  □ Owner  □ Corporate Officer  □ Other(Explain)
Position/Title _______________________________  □ Partner  □ Agent  □ Same
Full Signature _____________________________

FOR COMPANY USE ONLY
Con Edison Representative accepting this application ___________________________  Date ___________________________
Amount of Deposit Assessed $__________

Page 3 of 3

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
Surcharge Agreement Form for Extension of Overhead and Underground Facilities or for Connection or Reconnection thereto
To CONSOLIDATED EDISON COMPANY OF NEW YORK, Inc.
PRINCIPAL OFFICE: 4 IRVING PLACE, NEW YORK, N. Y. 10003

The undersigned ........................................................................................................ {owner/occupant} of property
in the Borough or Municipality of ................................................... known as ....................................................................
(identify by block and lot number, etc.)
abutting on ...........................................................................................................................................................................
(street, avenue, etc.)

hereby makes application to Consolidated Edison Company of New York, Inc., (hereinafter termed “the Company”) for the supply of electric service to the above-designated premises under the terms and conditions set forth in the Company's Schedule for Electricity Service.

General Rule 5, "Installation and Maintenance of Overhead and Underground Facilities" of the Company's Schedule for Electricity Service requires the applicant to pay for the cost of a line extension that exceeds the allowance to which each applicant is entitled without charge. The under-signed agrees to pay the surcharge or lump-sum payment set forth below because one of the following circumstances applies:

(Check applicable circumstance)

[ ] Initial Customer: The facilities required for the initial supply of service to the premises are in excess of the facilities the Company is required to provide without charge to the applicant.

[ ] Additional Customer: The above-designated premises will be connected to a line extension constructed within the 10-year period prior to the date of this application for service and a surcharge is still in effect for such line extension.

[ ] Successor Customer: The above-designated premises will be reconnected to a line extension constructed within the 10-year period prior to the date of this application for service and a surcharge is still in effect for such line extension.

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

Effective date postponed to 02/20/2012. See Supplement No. 2.
The undersigned acknowledges the following:

The surcharge includes interest, at a rate established by the Public Service Commission, and is payable monthly or annually in equal installments over a ten year period. The surcharge or lump-sum payment represents the Customer's share of the costs of additional facilities.

At any time during the ten year surcharge period, the Customer may make a lump-sum payment to cover the balance owed to the Company.

The surcharge will cease if, in each of two consecutive calendar years within the ten years of the initial commencement of service, total Pure Base Revenues from all Customers served by the new distribution line exceed 1.5 times the reasonable actual costs of the total distribution line.

The surcharge will cease whenever the aggregate entitlement of the Customers served from the line equals or exceeds the length of distribution line initially constructed.

If more than one Customer is initially applying for service from a distribution extension, each Customer will bear a prorated portion of the distribution line extension cost that exceeds the applicable free allowances. The free credit allowance will be the maximum free footage allowance per Customer times the number of Customers, regardless of the actual footage requirements of each Customer. Any Customer who may be served within the distance of the aggregate free footage allowances will incur no cost for the distribution line.

When Additional Customers attach to a line extension at a point past the aggregate free footage allowances of the existing customers within 10 years of its first use, all customers of record who contributed to the cost of the extension will be entitled to a refund and/or adjustment of surcharge.

Additional and Successor Customers, connected or reconnected to existing extensions where the surcharge is still in effect, will be responsible for a prorated cost of such extensions. If and when new Customers attach to extensions where the surcharge is still in effect, all current Customers of record will be entitled to a partial refund or adjustment.

Each Customer's pro rata share of costs for distribution line beyond the aggregate free footage allowances shall be calculated based upon the costs and expenses for each section of distribution line divided by the number of Customers that are supplied by that portion of the line. No Customer shall be responsible for any of the cost of distribution line footage which extends beyond the point on the distribution line from which the Customer receives service.
Recalculation or Proration of Surcharges:

The Company will recalculate surcharges and lump-sum payments whenever new Customers are added within 10 years of the date that a distribution line extension first began providing service. This will be done as follows:

a. The value of the additional maximum free footage allowance for each Additional Customer shall be calculated at the average cost per foot of the original extension and deducted from the original cost of the extension.

b. The remaining cost in excess of free footage allowances, set forth in “a” above shall be shared on a pro rata basis among the existing customers and the new Customer(s). However, if the remaining cost in excess of free footage allowances benefit only one or some of the Customers, said costs will be borne by that Customer or shared on a pro-rata basis only by those Customers who benefit from that portion of the extension.

c. The surcharge will cease if a Customer has paid the principal owed based on the recalculation in “a” and “b” above. Any overpayment of principal will be refunded without interest. A new surcharge will be calculated to recover any principal owed by any Customers for the balance of the initial 10 year period. Interest will be calculated at the same rate applied in the initial surcharge.

d. Any lump-sum overpayment determined as a result of the recalculation in “a” and “b” above shall be refunded without interest to the then Customer of record.

e. The value of additional free footage allowances for Customers requiring additional footage beyond any portion of an existing extension from which service commenced within the 10 year period, shall be first applied to the existing extension as described in “a” and “b” above. The value of any remaining free footage allowances will be applied to the footage required beyond the original extension.

Surcharge Formula:

The annual or rateable surcharge is the applicant's share of costs for the excess facilities times the Company's weighted capital recovery factor which is based on the pre-tax return approved by the Public Service Commission in the Company's most recent rate case. The capital recovery factor is computed as follows:

$$\frac{[i \ (1 + \frac{i}{m})^{nm} ]}{[(1 +\frac{i}{m})^{nm} -1]}$$

where

- $i$ = pre-tax return approved by the PSC in the Company's most recent rate case,
- $m$ = number of payments in a given year, and
- $n$ = 10, the number of years in the surcharge period.

Issued by: Robert N. Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
Application Forms – Continued
Form B – Surcharge Agreement Form for Extension of Overhead and Underground Facilities or for Connection or Reconnection thereto - Continued

The undersigned accepts the following estimates:

<table>
<thead>
<tr>
<th>Cost of Additional Facilities*:</th>
<th>Supply Line ($)</th>
<th>Distribution Line ($)</th>
<th>Service Line ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Total Cost of Additional Facilities</td>
<td>___________</td>
<td>___________</td>
<td>___________</td>
<td>___________</td>
</tr>
<tr>
<td>(B) Company's Cost Responsibility</td>
<td>___________</td>
<td>___________</td>
<td>___________</td>
<td>___________</td>
</tr>
<tr>
<td>(C) Customer's Cost Responsibility = (A-B)</td>
<td>___________</td>
<td>___________</td>
<td>___________</td>
<td>___________</td>
</tr>
</tbody>
</table>

* Once actual costs of construction are known, reconciliation will be made to the Customer's account.

Payment Agreement:

The Customer's cost responsibility of $________ will be paid:
[ ] in a lump-sum payment.
[ ] in equal monthly installments of $________, which includes a monthly interest charge of $________.
[ ] in equal annual installments of $________, which includes an annual interest charge of $________.

THE UNDERSIGNED HEREBY AGREES TO INFORM PROSPECTIVE PURCHASERS OF THIS PROPERTY THAT A COMPANY SURCHARGE IS IN EFFECT.

This application is subject in all respects to the provisions of the Company's Electric Rate Schedule now on file with the Public Service Commission, and any amendments thereof, all of which is hereby referred to and made a part hereof.

Date ________    Full Name of Owner or Occupant______________________________________

By____________________________________________________________

(Signature and Title of Authorized Representative or Agent)

Mailing Address

Date ________    Reviewed by:______________________________________________________

Date ________    Approved by:______________________________________________________

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

Effective date postponed to 02/20/2012. See Supplement No. 2.
**Application Forms –Continued**

**Form C**

**Application for Construction of Excess Distribution Facilities**

To CONSOLIDATED EDISON COMPANY OF NEW YORK, Inc.
PRINCIPAL OFFICE: 4 IRVING PLACE, NEW YORK, N.Y. 10003

The undersigned.................................................................................................................................................................... {owner/occupant} of property

in the Borough or Municipality of .............................................................................................................................................,

known as .............................................................................................................................................................................., hereby requests

Consolidated Edison Company of New York, Inc., (hereinafter termed the Company) to provide distribution
facilities in excess of those normally provided, as described below, pursuant to General Rule 5.2.4, "Excess
Distribution Facilities" of the Company's Electric Rate Schedule, in connection with supply of electricity service to
the undersigned at the above-indicated premises.

Such excess facilities are requested for the following reasons:

..............................................................................................................................................................................................

..............................................................................................................................................................................................

..............................................................................................................................................................................................

Such excess facilities are generally described as follows:

..............................................................................................................................................................................................

..............................................................................................................................................................................................

..............................................................................................................................................................................................

The undersigned hereby agrees to pay to the Company in advance the total Company-estimated cost of $............ for
such facilities, and, in addition, the Company-estimated taxes and maintenance (including replacements) on such
facilities for the first year, amounting to $........., and at the beginning of each succeeding year to pay to the
Company in advance a like sum for taxes and maintenance (including replacements) on such facilities, and it is
further agreed that none of such payments shall be refundable.
GENERAL RULES

Application Forms –Continued
Form C - Application for Construction of Excess Distribution Facilities - Continued

At the Customer's option, the Customer may pay a lump sum charge of $........... instead of annual surcharges. The lump sum charge will be equal to the net present value of the annual payments using the following formula:

\[
\text{Lump Sum Value} = C_{\text{fn}} x \frac{(1 + g)}{R - g}
\]

Where:

- \( C_{\text{fn}} \) = Annual payment stream;

- \( g \) = Long term growth rate, set at 0 and

- \( R \) = Cost of capital, set at 10 percent.

This agreement may be terminated by the Customer at any time by giving the Company not less than thirty days' advance notice in writing of termination, and upon such termination all obligation of the Customer with respect to payment of further charges shall cease, and the Company will disconnect and remove such facilities from the premises.
GENERAL RULES

Application Forms – Continued
Form C - Application for Construction of Excess Distribution Facilities - Continued

All excess facilities provided hereunder shall be and remain the property of the Company. The Company reserves the right at any time and from time to time to substitute other facilities which, in the Company's judgment, will reasonably perform the functions for which such excess facilities were installed, and the Company further reserves the right, at any time after the expiration of five (5) years from the date such facilities were originally installed, to withdraw such facilities that are redundant from use, and upon such withdrawal all obligation of the Company shall cease without any liability on the part of the Company for resulting inconvenience or damage to the Customer, and the Customer shall not be liable for any further charges for taxes and maintenance (including replacements) on such facilities. Subject to the provisions hereinafter set forth, the Company shall give the Customer not less than six months' notice in writing in advance of the withdrawal of such facilities from use for supply to the premises.

It is understood that this agreement for excess facilities may, with the approval of the Company, be assigned to a successor Customer at the above premises for the same purposes subject, however, to the same terms and conditions.

Where the facilities installed pursuant to this agreement include a separate service lateral, all service supplied therewith shall be separately metered from other requirements of the Customer, and shall be computed separately and billed in accordance with the applicable Service Classification.

This agreement and the supply of facilities and service hereunder are subject in all respects to the provisions of the Company's Schedule for Electricity Service and to the rules, regulations, terms and conditions therein set forth, and to any amendments thereof which may be made hereafter, all of which are hereby referred to and made a part hereof. The supply of facilities, and the furnishing of service therewith, shall be subject in all respects to lawful orders, rules or regulations of the Public Service Commission or of any governmental body having jurisdiction, and the Company shall not be liable for any inconvenience or damage to the Customer from the discontinuance or change of such facilities or the service supplied therewith if such discontinuance or change be required by law or by lawful order, rule or regulation of any governmental body, or by any amendments duly made to the Company's Schedule for Electricity Service.

Date ........................................... Full Name of Owner or Occupant ...................................................................................

By ........................................................................................................................................

(Signature and Title of Authorized Representative or Agent)

Mailing Address

Date ........................................... Reviewed by: ...............................................................................................................

Date ........................................... Approved by:...........................................................................................................

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

Effective date postponed to 02/20/2012. See Supplement No. 2.
RESIDENTIAL CUSTOMER PAYMENT AGREEMENT

The agreement form consists of A, B or C below, plus the additional sections set forth.

For Use with the Standard Agreement
A. Important - A Turn Off Notice Is Still In Effect

Since you have not made payment or arranged for a payment agreement on account number ________, we have arranged a deferred payment agreement for you so that your service will not be disconnected.

For Use with a Negotiated Agreement for Accounts with a Pending Disconnect Action
B. Important - A Turn Off Notice Is Still In Effect

Thank you for arranging a deferred payment agreement with us on account number ____________.
As long as you make payments on time for amounts owed your service will not be disconnected.

For Use with a Negotiated Agreement for Accounts without a Pending Disconnect Action
C. Thank you for arranging a deferred payment agreement with us on account number ________.

ABOUT THIS AGREEMENT

Account Number _______________________________ Date ______________________________________

This is an agreement by Con Edison to continue utility service to
___________________________________________________ (Customer Name)
___________________________________________________ (Service Address)

as long as you make payments on time for amounts owed. We must receive this form signed by you, with the applicable down payment by: __________ (10 days from date above). The total amount of this agreement is $___________, which represents unpaid bills of $____________ and a deposit of $____________.

TERMS OF AGREEMENT

The amounts owed will be paid in the following manner:

A downpayment of $ ______________ is due ______________.

Installments of $ ______________ are due ______________ of each month.

A final payment of $ ______________ is due ______________.

In addition, current bills issued after ______________ are due upon receipt.

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

Effective date postponed to 02/20/2012. See Supplement No. 2.
GENERAL RULES

Application Forms – Continued
Form D - Residential Customer Payment Agreement - Continued

IMPORTANT PAYMENT AGREEMENT INFORMATION

This agreement must be fair and based on your ability to pay. If you can show financial need, alternate terms will be arranged. Depending on your circumstances, a downpayment may not be required and installments may be as low as $10.00 per month. This agreement can be changed if your ability to pay changes for reasons you cannot control. If a change is needed, please call us or come to our walk-in office. If you receive public assistance or Supplemental Security Income (SSI), you may be eligible for help in paying your utility bills. If so, you may want to call or visit your local Social Services office.

WHAT HAPPENS IF PAYMENTS ARE NOT MADE

If we do not receive the installment payments or your current bill payments, we can require you to pay the total amount owed on your account. Before service is turned off, a notice that allows 15 days to pay is mailed to you.

LEVEL BILLING PLAN

If your usage varies greatly from season to season and you would like to spread your energy payments evenly over a full year's period, check the box below or call the number shown on your bill.

YES! [ ] I would like Level Billing.

ASSISTANCE

If you are unable to follow the terms of this agreement, or need help understanding this agreement, call the number shown on your bill. If further help is needed, you may call the Public Service Commission at 1-800-342-3377, Monday through Friday between 8:30 A.M. and 4:30 P.M.

ACCEPTANCE OF AGREEMENT

I have read, understand, and accept this agreement. (Do not sign if you are unable to make the payments shown above.)

Your Signature __________________________________________ Date_______________________

(Customer)

Con Edison agrees that the signature of the Customer makes this agreement binding on Con Edison and the Customer.

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

Effective date postponed to 02/20/2012. See Supplement No. 2.
Non-Residential Customer Payment Agreement

Account Number _______________________________ Date ________________________________

This is an agreement by _____________________________________________________________

of ___________________________________________________________ to make payments to Con Edison

Service Address
for amounts owed. Con Edison agrees not to turn off your service for non-payment at the above address as long as
you make payments as agreed and this form, signed by you, is received by us by: __________ (10 days from date
above).

HOW MUCH IS TO BE PAID

☐ Balance Due ........................................ $ __________________

☐ Deposit Amount.................................... $ __________________

☐ Total Amount of Agreement.................. $ __________________

TERMS OF AGREEMENT

W = Weekly  B = Biweekly  M = Monthly

The amounts owed will be paid in the following way:

A downpayment of $ __________________ is due by __________________.

Installs of $ __________ are due each ______ starting from __________ to __________.

A final payment of $ __________________ is due by __________________.

In addition, current bills issued after __________________ are due upon receipt.

IF PAYMENTS ARE NOT MADE

If we do not receive your payments by the date you agree to make them along with the payments of your regular bill
by the due date shown on the bill, we can cancel this agreement and require you to immediately pay the total
amount owed on your account. However, the first time you fail to make a payment on time, we will give you a
reasonable opportunity to keep the agreement in force by paying any amounts due under the agreement. Thereafter,
you may be sent a termination of service notice if payments are not made as agreed.

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

Effective date postponed to 02/20/2012. See Supplement No. 2.
APPLICATION FORMS – Continued

Form E – Non-Residential Customer Payment Agreement - Continued

LATE PAYMENT CHARGES

Con Edison is authorized by the New York State Public Service Commission to assess Late Payment Charges (LPCs) on non-residential accounts. The charge is 1½% a month (19.56% per year) and may be applied to all balances not paid by the due date shown on the prior month's bill.

[ ] Account is not subject to Late Payment Charges.

[ ] Account is subject to Late Payment Charges. The anticipated cost of late payment charges during the term of this agreement is $ ____________. This amount may be greater or less than the anticipated cost if payments are made either early or late.

REQUEST FOR ASSISTANCE

If you have additional questions, you may ask to speak with a Company supervisor who will be happy to review the situation with you. If you still have unresolved questions or if you disagree with the action being taken, you can request that the matter be referred to Con Edison's Executive Review Group. If you find our explanation unsatisfactory, you may write or telephone the Public Service Commission. The address is 90 Church St., New York, NY 10007, and the telephone number is 1-800-342-3377.

ACCEPTANCE OF AGREEMENT

If we do not receive the signed copy of this agreement by the date specified above, the agreement will not take effect. In addition, we will require you to pay the total amount due on your account. Failure to pay the amount due may result in termination of your service.

I accept this agreement _______________________________ Date __________________

Customer's Signature _______________________________ Title __________________

Name (Printed) _______________________________ Title __________________

Company's Signature _______________________________ Date __________________

Name (Printed) _______________________________ Title __________________

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

Application Forms – Continued

Form F

SERVICE AGREEMENT UNDER RIDER Y

This Agreement by and among Consolidated Edison Company of New York, Inc. (the Company) and …………………. {owner/occupant} (Customer) of property in the Borough or Municipality of …………………, known as ………………………………………………………………(Service Location), and ………………………. (Owner, if Customer is not owner of Service Location) for service at the Service Location pursuant to the terms and conditions set forth in Rider Y of the Company’s Schedule for Electricity Service and incorporated by reference into the Company’s PASNY Rate Schedule as the same may be amended or superseded from time to time. Customer hereby makes application to the Company for such service (Rider Y Service).

If the Customer is not the owner of the premises, by executing this agreement, Owner agrees that the Company may provide the Rider Y Service to the premises and Owner will provide space in its premises at no charge to the Company and make such changes to its premises or allow Customer to make such changes as may be necessary to provide Rider Y Service hereunder.

This agreement requires that service is to be taken at the Service Location beginning no later than the energization of the facilities required to provide Rider Y Service hereunder. If Customer is not a direct purchaser of service, Owner must be the customer for service under a service classification or rate schedule that allows redistribution to Customer, and will be liable for the rates and charges for such service calculated in accordance with Section D of Rider Y.

Customer requests Rider Y Service for the following reason(s):

Customer shall take and pay for service in accordance with Rider Y of the Schedule for Electricity Service and/or under another rate schedule incorporating Rider Y by reference.

The Customer will be served under the following rate and rate schedule:

For purposes of this agreement, the Contract Demand, as defined under Rider Y, is…………………………………….kilowatts.

The Standard Load Density, as defined under Rider Y, …………………………………………………is watts per square foot.

The Excess Facilities Amount, as defined under Rider Y, is $………………………………

The Customer Facility Cost Contribution, as determined under the provisions of Rider Y, is $………………………………

Customer shall pay the Customer Facility Cost Contribution to the Company in accordance with the following schedule:

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

Application Forms – Continued

Form F – Service Agreement under Rider Y - Continued

In addition, in the event Customer requests modifications to the delivery service facilities determined by the Company to be required to provide service hereunder, any additional costs of such modifications, including engineering service costs, will be added to the Customer Facility Cost Contribution and will be payable to the Company in advance of construction.

Customer shall provide financial security for any difference between the Excess Facilities Amount and the Customer Facility Cost Contribution as follows:

- **Amount:**
- **Type of financial security:**
- **Length of term of requirement for financial security:**
- The Company may modify the amount of the financial security required during the term of this agreement.
- The term of service under this agreement is

The delivery service facilities made available by the Company for service to the Customer hereunder are the property of the Company. The Company reserves the right at any time and from time to time to substitute other facilities that, in the Company’s judgment, will reasonably perform the same functions for which such delivery facilities were installed.

It is understood that this agreement may, with the approval of the Company, be assigned to a successor in interest to the Customer, a successor in occupancy of the premises, or the owner of the above premises for the same purposes subject, however, to the same terms and conditions. If the Customer leaves the Service Location without making an approved assignment of this agreement, the Company may treat this agreement as terminated, and the Customer will forfeit to the Company the amount financially secured under this agreement in accordance with Section G of Rider Y.

This agreement and the supply of facilities and service hereunder are subject in all respects to the provisions of the rate schedule(s) under which the Customer takes service, and to the rules, regulations, terms and conditions therein set forth, and to any amendments thereof which may be made hereafter, all of which are hereby referred to and made a part hereof. The supply of facilities, and the furnishing of service therewith, shall be subject in all respects to lawful orders, rules or regulations of the Public Service Commission or of any governmental body having jurisdiction, and the Company shall not be liable for any inconvenience or damage to the Customer or Owner, if different, from the discontinuance or change of its delivery service facilities or the service supplied therewith if such discontinuance or change be required by law or by lawful order, rule or regulation of any governmental body, or by any amendments duly made to the Company’s Schedule for Electricity Service.

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

Effective date postponed to 02/20/2012. See Supplement No. 2.
IN WITNESS THEREOF, the authorized representatives of the parties hereto have executed this agreement on the dates indicated below.

Date ................... Name {Owner or, if not owner, Occupant} ..............................................................................................

By: (signature of authorized representative or agent)..............................................................................................

Mailing address ........................................................................................................................................

Date ................... Name of Owner if executed by Occupant................................................................................................

By: (signature of Owner’s authorized representative or agent)..............................................................................................

Mailing address ........................................................................................................................................

Date ................... Consolidated Edison Company of New York, Inc.

By: (signature of authorized representative)..............................................................................................

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

Effective date postponed to 02/20/2012. See Supplement No. 2.
Application is made hereunder to CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. (“Con Edison” or the “Company”) for use of an on-site generation facility under the rates and terms specified in the Schedule for Electricity, P.S.C. No. 10 – Electricity (the “rate schedule”) for: (a) delivery or delivery and supply of electricity from the Company for Standby Service purposes pursuant to General Rule 20 of the rate schedule, and/or (b) sale of electricity by the Customer under SC 11-Buy-back Service, or (c) net metering of electricity under Rider R-Net Metering for Customer-Generators. The applicant agrees to pay for such service at the rates and charges, and under the terms and conditions, specified in the Company’s rate schedule as it may be amended or superseded from time to time. The rate schedule can be viewed at www.coned.com/rates.

An applicant requesting electric Standby Service and/or Buy-back Service or Net Metering must complete this form in addition to the Application for Service. An applicant for Distributed Generation of 2 MW or less connected in parallel to Con Edison’s distribution system must comply with New York State Standardized Interconnection Requirements (“SIR”) and complete the application contained therein in addition to this application. (Other customers must comply with the Company’s design requirements and operating rules and procedures.)

This application shall not be modified or affected by any promise, agreement, or representation, orally or in writing, by any agent or employee of the Company. A Customer must sign a Service Agreement for Wholesale Distribution Service in lieu of requesting SC 11 service under this Addendum if the Customer plans to make wholesale energy sales to a buyer other than Con Edison and the on-site generating equipment has a capacity at least 1 MW greater than the on-premises load.

### Section 1. Customer Information

<table>
<thead>
<tr>
<th>Field</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Name</td>
<td></td>
</tr>
<tr>
<td>Account #’s (if already assigned)</td>
<td></td>
</tr>
<tr>
<td>Service Address</td>
<td></td>
</tr>
<tr>
<td>Borough/Municipality</td>
<td></td>
</tr>
<tr>
<td>Zip</td>
<td></td>
</tr>
<tr>
<td>Requested Interconnection Date</td>
<td></td>
</tr>
<tr>
<td>Date Application Filed</td>
<td><em><strong>/</strong><strong>/</strong></em>__</td>
</tr>
</tbody>
</table>

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
Section 2. Distributed Generation Equipment Information

Total Size of Distributed Generation System: ______________ kW (AC)

Type of Generator/System:

- Induction Generator. Nameplate kVar Requirements: _____
- Inverter System
- Synchronous Generator

Electric Distributed Generation Equipment:

- Photovoltaic (Solar)
- Fuel Cell
- Anaerobic Digester
- Wind Turbine
- Tidal
- Microturbine
- Gas Turbine
- Steam Turbine
- Hydro Turbine
- Combined Heat and Power (“CHP”)
- Internal Combustion Engine
- Other: _________________________

Section 3. Type of Service Requested

Please check the service that you are requesting:

- Net Metering (Rider R)
- Standby Service
- Standby Service for Station Use
- Buy-back Service (SC 11)
Section 4. If you request Net Metering (Rider R) for your generation

Please check off the box(es) applicable to the generation for which you are requesting Net Metering service.

For a Residential Customer (SC 1):

- wind electric generating equipment with a rated capacity less than or equal to 25 kW
- solar electric generating equipment with a rated capacity less than or equal to 25 kW
- micro-CHP generating equipment with a rated capacity equal to or greater than 1 kW but less than or equal to 10 kW
- fuel cell electric generating equipment with a rated capacity less than or equal to 10 kW
- micro-hydroelectric generating equipment with a rated capacity less than or equal to 25 kW

NOTE: Customers with micro-CHP equipment must attach documentation that demonstrates the generation equipment: (a) is expected to produce at least 2,000 kWh annually and (b) has a design total fuel use efficiency of not less than 80%.

For a Non-Residential Customer: (SCs other than SC 1):

- solar electric generating equipment with a rated capacity less than or equal to 2,000 kW
- wind electric generating equipment with a rated capacity less than or equal to 2,000 kW
- micro-hydroelectric generating equipment with a rated capacity less than or equal to 2,000 kW
- fuel cell electric generating equipment with a rated capacity less than or equal to 1,500 kW

For a Customer with electric generating equipment located and used at its Farm Operation:

- farm waste electric generating equipment with a rated capacity less than or equal to 1,000 kW
- wind electric generating equipment with a rated capacity less than or equal to 500 kW if the Farm Operation is also the location of the Customer’s primary residence
- solar electric generating equipment with a rated capacity less than or equal to 100 kW if the Farm Operation is billed under a residential Service Classification.

NOTE: Net metering wind, solar, or micro-hydroelectric generating equipment cannot be served on the same account as micro-CHP or fuel cell electric generating equipment.
GENERAL RULES

Application Forms – Continued
Form G – Application for Net Metering or Standby Service and/or Buy-Back Service- Continued

Section 4. If you request Net Metering (Rider R) for your generation – Continued

If you are applying for Remote Net Metering

Residential Customers with Farm Operations and Non-residential Customers may apply for remote net metering if they have solar, wind, micro-hydroelectric, or fuel cell electric generating equipment. The account where the electric generating equipment is located is designated the “Host Account.” The account(s) to which net energy is to be applied is designated the “Satellite Account(s).” The Host and the Satellite Account(s) must be in the same NYISO zone. The Host and Satellite Accounts must also be established in the same Customer name and located on property owned or leased by the Customer.

The Host Account is the account listed in Section 1 of this Application Form. The Satellite Account(s) follow:

Account Name ________________________________
Account # _________________________________
Service Address ______________________________ Borough/Municipality __________________________

Account Name ________________________________
Account # _________________________________
Service Address ______________________________ Borough/Municipality __________________________

(Attach a sheet if you have additional accounts.)

Note that you may designate additional Satellite Accounts or remove existing Satellite Accounts once per year, with the new designations to take effect commencing with the January bill issued on the Host Account.

Credits will be applied to the Satellite Account(s) in the order specified in Rider R. Unless you designate otherwise below, all of any net energy credit remaining after being applied to the Host Account’s bill will be applied to the Satellite Account(s):

<table>
<thead>
<tr>
<th>Account #</th>
<th>Percentage of Excess Credit to be Applied</th>
</tr>
</thead>
</table>

(percentage cannot exceed 100%)

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

Standby Service rates are Rates III and IV of SC 5, Rates IV and V of SC 8, 9, and 12 (demand), and Rate II of SC 13.

The following Customers who take Standby Service are exempt from billing under Standby Service rates. Check below, if applicable:

- The generating equipment has a nameplate rating equal to no more than 15% of the maximum potential demand from all sources.
- The account would otherwise be billed under a non-demand-metered SC (SC 1, SC 2, or SC 12 energy only).

The following Customers who take Standby Service are exempt from billing under Standby Service rates, unless they specifically request to be billed under those rates. Check below, if applicable:

- The contract demand is less than 50 kW.
- Generation is exclusively by means of a designated technology (See “B” below) and will commence operation no later than May 31, 2015.
- I request that my account be billed under Standby Service rates. (Note: If you do not check off this box, you will be billed under standard SC 5, 8, 9, 12, or 13 rates.)

B. If using a Designated Technology or Technologies

If you request an exemption from Standby Service rates because the generation exclusively uses one or more of the following technologies or fuels, please check off the box or boxes that apply:

- Fuel Cell
- Wind
- Solar Thermal
- Photovoltaic
- Sustainably-Managed Biomass
- Tidal
- Geothermal
- Methane Waste
- Efficient CHP of 1 MW or less meeting the requirements described in Section 7

C. Electricity Supply

Con Edison will provide electricity supply to supplement your on-site generation or when your generation is not running, unless: (a) you enroll in the Retail Access Program through PowerMove or an ESCO or as a Direct Customer, as described in General Rule 19; or (b) you are a Customer that is a Wholesale Generator and do not apply in writing to be a Full Service Customer, as described in General Rule 20.6. Check below if:

- You plan to be a Direct Customer.
- You plan to be a Customer that is a Wholesale Generator taking Standby Service for Station Use.
D. If you use Efficient CHP

The requirements for Efficient CHP are described in Section 7 of this Addendum Application. If your premises will be supplied by Efficient CHP that is rated over 2 MW but no more than 20 MW and connected to the Company’s high-tension distribution system, check below if:

- You request Standby Service for a single-low tension account pursuant to General Rule 20.2.1(B)(7) of the rate schedule.
- You request Standby Service for two or more of your accounts at your premises pursuant to General Rule 20.2.1(B)(8) of the rate schedule.

E. Contract Demand

Contract Demand can be set by you or by the Company, as described in General Rule 20.4.3 of the rate schedule. The Company will determine your Contract Demand if you either check off the box below or do not state your Contract Demand. If you set your own Contract Demand, it will be subject to review and approval by the Company unless the generation is installed at an existing premises with no increase in load or capacity requirements.

- Con Edison should determine my Contract Demand.

If you set your own Standby Service Contract Demand, please specify:

- Contract Demand, unless you request service under General Rule 20.2.1(B)(8):
  (Low Tension) _______ kW or (High Tension) _______ kW

- Contract Demand for each account to be served, if you request service under General Rule 20.2.1(B)(8):
  Account #   Service Address   Contract Demand kW   Low Tension or High Tension

  (Attach a sheet if you have additional accounts.)

Check below if:

- The generator is being installed at an existing premises with no increase in load or capacity requirements.

REMARKS:
Section 6. If you request Buy-Back Service (SC 11)

Two types of facilities are eligible for service under SC 11. Please check off the box describing your type of Facility:

☐ This facility is a "Co-generation Facility," "Alternate Energy Production Facility," or "Small Hydro Facility," as defined in Section 2 of the New York Public Service Law.

☐ This facility is a "Qualifying Facility" under Part 292 of Title 18 of the Code of Federal Regulations (please attach appropriate documentation).

If permitted to export, to whom do you intend to sell the generator’s output?

☐ Con Edison ☐ NYISO

Contract Demand: SC 11 Contract Demand ________________ kW

REMARKS:
Section 7. Efficient Combined Heat and Power Qualifying Requirements

An applicant seeking to qualify the generator as Efficient CHP must submit a project analysis undertaken by a licensed Professional Engineer (PE) that documents that the installation meets all of the requirements set forth below. The project analysis must be submitted with the applicant’s design information as submitted in their interconnection application through the “SIR.”

• The annual overall efficiency is no less than 60% based on the higher heat value (HHV) of the fuel input.
• The usable thermal energy component absorbs a minimum of 20% of the CHP facility’s total usable annual energy output.
• The CHP installation does not exceed 1 MW of capacity and serves no more than 100% of the customer’s maximum potential demand.
• NOx emissions do not exceed 4.4 lbs/MWh. This standard is effective until the New York State Department of Environmental Conservation adopts a new emissions standard concerning stationary combustion installations, at which time such new standard will apply.

Professional Engineer Information:

Name (Print) _______________________________________
License No. _________________________________________
Signed ___________________________________________
Date ________________________________________________

Con Edison, at its discretion, may request a new project analysis or an update of an existing project analysis periodically, but no more than once a year.

Section 8. Application Submission

To the best of my knowledge the information provided herein is accurate and no attempt has been made to misrepresent the facts. Addendum Application Submitted by:

Name of Applicant (Please print) ___________________________
Full Signature __________________________________________
Telephone # (___ ) ________________________________

Affiliation to person responsible for account (Check one)

☑ Owner ☐ Partner ☐ Agent [Attach documentation of authorization by Principal] ☐ Corporate Officer
☐ Other (specify) ______________________________________