

**SERVICE CLASSIFICATION NO. 1
GENERAL SERVICE**

Applicable to Use of Service for

All Purposes

Character of Service

Continuous; supplied at an average gauge pressure in excess of 125 pounds.

Rate

Base Rate (per Mlb of steam in each monthly period)

For the first	20 Mlb	\$ 13.263 / Mlb
For the next	30 Mlb	\$ 34.125 / Mlb
For the next	950 Mlb	\$ 27.418 / Mlb
For excess over	1,000 Mlb	\$ 26.520 / Mlb

Customer Charge

\$821.26 per month, exclusive of increase in rates and charges. A Customer who requests a temporary discontinuance of service will be required to pay the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly customer charge for each month that service was discontinued.

Fuel Adjustment

The charges to the Customer set forth herein shall be subject to a fuel adjustment per Mlb of steam supplied hereunder when changes from the base cost of fuel occur (as explained in General Information Section VII).

Increase in Rates and Charges

The rates and charges under this Service Classification including fuel adjustment and customer charge are increased by the applicable percentage as explained in General Information Section VIII and shown on the related Statement.

Terms of Payment

Net cash on presentation of bill.

Term

The term of the agreement for service shall be for a period to be fixed in such agreement and shall continue after the end of such period until terminated by the Customer upon thirty days' prior written notice, or by the Company in accordance with law or the provisions of this Rate Schedule.

(Service Classification No. 1 - Continued on Leaf No. 20-A)

Date of Issue: September 29, 2008

Date Effective: October 1, 2008

Effective under authority of PSC Order in Case 07-S-1315 made September 22, 2008

SERVICE CLASSIFICATION NO. 1 - Continued

GENERAL SERVICE

Special Provisions

- A. This Service Classification shall be applicable only where the entire steam requirements for the connected load are supplied by the Company's steam system. Service will not be available under this Service Classification to Customers who utilize both steam supplied by the Company's steam system for any purpose and another energy source for the same purpose.
- B. A Customer may request a temporary discontinuance of service by notifying the Company in writing at least five days in advance of the date on which each temporary discontinuance is to begin specifying the date on which service is to be discontinued and the date on which service is to be resumed. The Company may elect not to physically disconnect service at the service valve. In the event that a Customer takes service during a temporary discontinuance period the Customer will be billed in accordance with this Service Classification.
- C. The foregoing rates and charges shall apply to all steam service supplied hereunder on and after the effective date hereof. Where a bill includes periods before the effective date and after the effective date, the rates and charges applicable will be prorated based on the number of days of service rendered before the effective date and on and after the effective date related to the total number of days in the billing period.
- D. The following Riders may be applied to this Service Classification: A, B, C and D on Leaf Nos. 11 to 13, inclusive.
- E. For form of application under this Service Classification, see Leaf Nos. 16-18.

Date of Issue: December 7, 2000

Date Effective: December 8, 2000

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

**Issued under authority of order
of the Public Service Commission dated
December 1, 2000 in Case 99-S-1621**

**SERVICE CLASSIFICATION NO. 2
ANNUAL POWER SERVICE**

Applicable to Use of Service for

Power, Heat, or Power and Heat

Character of Service

Continuous; supplied at an average gauge pressure in excess of 125 pounds.

Rate I

Applicability: To all Customers other than those billed under Rate II.

Usage Charge (per Mlb of steam in each monthly period)

(a) *During monthly billing periods terminating within the months of May to October, inclusive:*

For the first	250 Mlb	\$ 11.335 / Mlb
For the next	750 Mlb	\$ 14.222 / Mlb
For excess over	1,000 Mlb	\$ 13.471 / Mlb

(b) *During monthly billing periods terminating within the months of November to April, inclusive:*

For the first	250 Mlb	\$ 12.463 / Mlb
For the next	1,250 Mlb	\$ 28.369 / Mlb
For the next	3,500 Mlb	\$ 26.522 / Mlb
For the next	20,000 Mlb	\$ 25.576 / Mlb
For excess over	25,000 Mlb	\$ 24.188 / Mlb

Customer Charge

\$2,795.69 per month, exclusive of increase in rates and charges. A Customer who requests a temporary discontinuance of service will be required to pay the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly customer charge for each month that service was discontinued.

(Service Classification No. 2 - Continued on Leaf No. 21-A)

Date of Issue: September 29, 2008

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Effective under authority of PSC Order in Case 07-S-1315 made September 22, 2008

SERVICE CLASSIFICATION NO. 2 - Continued
ANNUAL POWER SERVICE

Rate II

Applicability:

- (1) Commencing with the monthly billing period terminating within the month of November 2007:
 - (a) to Customers whose usage over the 12 monthly billing periods ending April 30, 2006, equaled or exceeded 22,000 Mlb of steam, provided that the Customer's usage over the 12 monthly billing periods ending April 30, 2007, exceeded 14,000 Mlb of steam; and
 - (b) to Customers whose usage over the 12 monthly billing periods ending April 30, 2007, equaled or exceeded 22,000 Mlb of steam.
- (2) In any year after 2007, commencing with the monthly billing period terminating within the month of November:
 - (a) to Customers whose usage over the 12 monthly billing periods ending in August of that year equaled or exceeded 22,000 Mlb of steam; and
 - (b) to Customers who have usage for fewer than 12 monthly billing periods ending in August of that year, if the usage through the billing period(s) ending in August equaled or exceeded 22,000 Mlb of steam.
- (3) To successors of Customers billed under Rate II.

In any year after 2007, a Rate II Customer will be transferred to and billed under Rate I commencing with the monthly billing period that terminates within the month of November if such Customer's usage over the 12 monthly billing periods ending in August of that year did not exceed 14,000 Mlb of steam.

Usage Charge (per Mlb of steam in each monthly period)

(a) *During monthly billing periods terminating within the months of May to October, inclusive:*

For the first	250 Mlb	\$ 14.902 / Mlb
For the next	750 Mlb	\$ 13.281 / Mlb
For excess over	1,000 Mlb	\$ 12.362 / Mlb

(b) *During monthly billing periods terminating within the months of December to March, inclusive:*

For the first	250 Mlb	\$ 21.541 / Mlb
For the next	1,250 Mlb	\$ 21.002 / Mlb
For the next	3,500 Mlb	\$ 19.525 / Mlb
For the next	20,000 Mlb	\$ 18.444 / Mlb
For excess over	25,000 Mlb	\$ 16.492 / Mlb

(Service Classification No. 2 - Continued on Leaf No. 21-B)

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SERVICE CLASSIFICATION NO. 2 - Continued
ANNUAL POWER SERVICE

Rate II - Continued

Usage Charge (per Mlb of steam in each monthly period) - Continued

(c) *During monthly billing periods terminating within the months of November and April:*

For the first	250 Mlb	\$ 25.663 /Mlb
For the next	1,250 Mlb	\$ 25.123 /Mlb
For the next	3,500 Mlb	\$ 22.620 /Mlb
For the next	20,000 Mlb	\$ 21.374 /Mlb
For excess over	25,000 Mlb	\$ 16.942 /Mlb

Demand Charge (per Mlb of steam per hour of maximum demand for each specified time period)

(a) *During monthly billing periods terminating within the months of December to March, inclusive:*

Monday through Friday, 6 a.m. – 11 a.m.	\$ 968.81 /Mlb/hr
All hours – All days	\$ 102.36 /Mlb/hr

The demand charge for each time period will be determined by multiplying the maximum demand for the respective time period by the rate applicable to the demand for that time period. The total demand charge will be the sum of the charges for each of the time periods.

(b) *During all other monthly billing periods*

Monday through Friday, 6 a.m. – 11 a.m.	\$ 00.00
All hours – All days	\$ 00.00

Customer Charge

\$4,305.17 per month, exclusive of increase in rates and charges. A Customer who requests a temporary discontinuance of service will be required to pay the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly customer charge for each month that service was discontinued.

(Service Classification No. 2 - Continued on Leaf No. 21-C)

SERVICE CLASSIFICATION NO. 2 - Continued
ANNUAL POWER SERVICE

Common Provisions Applicable to Rate I and Rate II

Fuel Adjustment

The charges to the Customer set forth herein shall be subject to a fuel adjustment per Mlb of steam supplied hereunder when changes from the base cost of fuel occur (as explained in General Information Section VII).

Increase in Rates and Charges

The rates and charges under this Service Classification including fuel adjustment and customer charge are increased by the applicable Percentage as explained in General Information Section VIII and shown on the related Statement.

Determination of Demand

The Company will install a demand measuring device of a type approved by the Public Service Commission for the determination of maximum demand if it is determined that the Customer used or might use at least 22,000 Mlb of steam over the 12 monthly billing periods ending in August; provided, however, that the Company may cease to meter the demand if less than 14,000 Mlb of steam are registered on the meter over the 12 monthly billing periods ending in August.

The maximum demand, when determined by a demand meter, shall be the two highest contiguous 15-minute integrated demands occurring during each applicable time period, expressed in Mlb of steam per hour. The integrated demand is the average of the pounds of steam use occurring in a 15-minute period, which average, if used continuously for 15 minutes, would produce the pounds of steam actually consumed during such period.

Whenever service is terminated to a Customer's premises, and the same Customer applies for and receives service at the same location within what would have been the same billing period but for the termination in service, the maximum demand for the billing period shall be determined as though there had been no termination of service.

Terms of Payment

Net cash on presentation of bill, subject to late payment charge in accordance with provisions of General Rule III- 4(j).

Term

The term of the agreement for service shall be for a period ending no less than one year from the beginning of service under this Service Classification, and shall continue after the end of such period until terminated by the Customer upon thirty days' prior written notice, or by the Company in accordance with law or the provisions of this Rate Schedule.

(Service Classification No. 2 - Continued on Leaf No. 21-D)

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SERVICE CLASSIFICATION NO. 2 - Continued
ANNUAL POWER SERVICE

Special Provisions

- A. Service will not be available under this Service Classification to Customers eligible for service under Service Classification No. 4.
- B. A Customer may request a temporary discontinuance of service by notifying the Company in writing at least five days in advance of the date on which each temporary discontinuance is to begin specifying the date on which service is to be discontinued and the date on which service is to be resumed. The Company may elect not to physically disconnect service at the service valve. In the event that a Customer takes service during a temporary discontinuance period the Customer will be billed in accordance with this Service Classification.
- C. A Customer having transferred from this Service Classification to another Service Classification may not transfer back to this Service Classification except on a date in any year which corresponds with the date when service was first supplied under this Service Classification.
- D. Where a Customer installs a new or replacement steam air conditioning system on or after October 1, 2004, the Usage Charges in each monthly billing period for service furnished under this Service Classification during monthly billing periods terminating within the months of May to October, inclusive, will be reduced by an amount equal to \$2.00 per Mlb of steam used in excess of the first 250 Mlb of steam used. A Customer applying for the foregoing reduction must notify the Company at least two months before installation of the air conditioning system. Such Customer will be eligible for the rate reduction effective with the first summer monthly billing period that commences subsequent to the date on which the Company receives written notice from the Customer that the installation is complete. Service will be provided under this Special Provision under the following conditions:
- (1) in total, no more than 75,000 tons of new or replacement steam air conditioning capacity will be accepted under this Special Provision and Special Provision D of Service Classification No. 3;
 - (2) the Company will offer service to new applicants under this Special Provision until at least September 30, 2010, after which time the level of the rates and charges and the terms and conditions of service may vary from those originally offered;
 - (3) the Company will provide service under the terms of this Special Provision for a two-year period to Customers who commence service under this Special Provision on or after October 1, 2004, but before October 1, 2010; and
 - (4) to facilitate Customers' investment decisions, the Company may, at its sole discretion, negotiate the term of service under this Special Provision with a Customer who agrees to use steam for air conditioning and other purposes during the service term. In lieu of monthly bill reductions set forth under this Special Provision, the Company may, at its discretion, make a one-time payment of the net present value of the bill reduction, provided that the Customer commits to a contract term that is equivalent to the term value of the bill reduction.

(Service Classification No. 2 - Continued on Leaf No. 21-E)

SERVICE CLASSIFICATION NO. 2 - Continued

ANNUAL POWER SERVICE

Special Provisions – Continued

- E. Where a Customer does not own a steam air conditioning system and installs a new steam air conditioning system to replace or supplement existing electric air conditioning equipment, the Usage Charge in each monthly billing period for service furnished under this Service Classification during monthly billing periods terminating within the months of May to October, inclusive, will be reduced by \$2.00 per Mlb of steam used in excess of the first 250 Mlb of steam used. A Customer applying for the foregoing reduction must notify the Company at least two months before installation of the air conditioning system. Such Customer will be eligible for the rate reduction effective with the first summer monthly billing period that commences subsequent to the date on which the Company receives written notice from the Customer that the installation is complete. Service will be provided under this Special Provision under the following conditions:
- (1) service under this Rider will not be available until after a total of 25,000 tons of new or replacement steam air conditioning capacity is accepted under Special Provision D of this Service Classification and Special Provision D of Service Classification No. 3;
 - (2) in total, no more than 25,000 tons of new steam air conditioning capacity will be accepted under this Special Provision and Special Provision E of Service Classification No. 3;
 - (3) steam purchased from the Company must be used solely for operating air conditioning equipment and only during the months of May to October, inclusive;
 - (4) the Company will offer service to new applicants under this Special Provision until at least September 30, 2010, after which time the level of the rates and charges and the terms and conditions of service may vary from those originally offered;
 - (5) the Company will provide service under the terms of this Special Provision for a two-year period to Customers who commence service under this Special Provision on or after October 1, 2004, but before October 1, 2010; and
 - (6) to facilitate Customers' investment decisions, the Company may, at its sole discretion, negotiate the length of the term of service under this Special Provision with a Customer who does not own a steam air conditioning system and installs a new steam air conditioning system to replace or supplement existing electric air conditioning equipment. In lieu of monthly bill reductions set forth under this Special Provision, the Company may, at its discretion, make a one-time payment of the net present value of the bill reduction, provided that the Customer commits to a contract term that is equivalent to the term value of the bill reduction.
- F. The foregoing rates and charges shall apply to all steam service supplied hereunder on and after the effective date hereof. Where a bill includes periods before the effective date and after the effective date, the rates and charges applicable will be prorated based on the number of days of service rendered before the effective date and on and after the effective date related to the total number of days in the billing period.
- G. The following Riders may be applied to this Service Classification: A, B, C, D, and E on Leaf Nos. 11 to 13-B, inclusive.
- H. For form of application under this Service Classification, see Leaf Nos. 16-18.

Date of Issue: September 29, 2008

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Effective under authority of PSC Order in Case 07-S-1315 made September 22, 2008

**SERVICE CLASSIFICATION NO. 3
APARTMENT HOUSE SERVICE**

Applicable to Use of Service for

Power, Heat, or Power and Heat, for buildings containing three or more separate living apartments, the aggregate cubic contents of which constitute at least half the total of such buildings.

Character of Service

Continuous; supplied at an average gauge pressure in excess of 125 pounds.

Rate I

Applicability: To all Customers other than those billed under Rate II.

Usage Charge (per Mlb in each monthly period)

(a) *During monthly billing periods terminating within the months of May to October, inclusive:*

For the first	50 Mlb	\$ 11.017 / Mlb
For the next	450 Mlb	\$ 15.725 / Mlb
For excess over	500 Mlb	\$ 13.044 / Mlb

(b) *During monthly billing periods terminating within the months of November to April, inclusive:*

For the first	150 Mlb	\$ 11.995 / Mlb
For the next	350 Mlb	\$ 24.601 / Mlb
For the next	3,500 Mlb	\$ 21.411 / Mlb
For excess over	4,000 Mlb	\$ 20.635 / Mlb

Customer Charge

\$1,474.03 per month, exclusive of increase in rates and charges. A Customer who requests a temporary discontinuance of service will be required to pay the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly customer charge for each month that service was discontinued.

(Service Classification No. 3 - Continued on Leaf No. 22-A)

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SERVICE CLASSIFICATION NO. 3 - Continued
APARTMENT HOUSE SERVICE

Rate II

Applicability:

- (1) Commencing with the monthly billing period terminating within the month of November 2007:
 - (a) to Customers whose usage over the 12 monthly billing periods ending April 30, 2006, equaled or exceeded 22,000 Mlb of steam, provided that the Customer's usage over the 12 monthly billing periods ending April 30, 2007, exceeded 14,000 Mlb of steam; and
 - (b) to Customers whose usage over the 12 monthly billing periods ending April 30, 2007, equaled or exceeded 22,000 Mlb of steam.
- (2) In any year after 2007, commencing with the monthly billing period terminating within the month of November:
 - (a) to Customers whose usage over the 12 monthly billing periods ending in August of that year equaled or exceeded 22,000 Mlb of steam; and
 - (b) to Customers who have usage for fewer than 12 monthly billing periods ending in August of that year, if the usage through the billing period(s) ending in August equaled or exceeded 22,000 Mlb of steam.
- (3) To successors of Customers billed under Rate II.

In any year after 2007, a Rate II Customer will be transferred to and billed under Rate I commencing with the monthly billing period that terminates within the month of November if such Customer's usage over the 12 monthly billing periods ending in August of that year did not exceed 14,000 Mlb of steam.

Usage Charge (per Mlb of steam in each monthly period)

(a) *During monthly billing periods terminating within the months of May to October, inclusive:*

For the first	50 Mlb	\$ 10.869 / Mlb
For the next	450 Mlb	15.341 / Mlb
For excess over	500 Mlb	12.794 / Mlb

(b) *During monthly billing periods terminating within the months of December to March, inclusive:*

For the first	150 Mlb	\$ 10.940 / Mlb
For the next	350 Mlb	19.921 / Mlb
For the next	3,500 Mlb	17.648 / Mlb
For excess over	4,000 Mlb	17.095 / Mlb

(Service Classification No. 3 - Continued on Leaf No. 22-B)

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SERVICE CLASSIFICATION NO. 3 - Continued
APARTMENT HOUSE SERVICE

Rate II - Continued

Usage Charge (per Mlb of steam in each monthly period) - Continued

(c) *During monthly billing periods terminating within the months of November and April:*

For the first	150 Mlb	\$ 11.798 / Mlb
For the next	350 Mlb	\$ 23.773 / Mlb
For the next	3,500 Mlb	\$ 20.742 / Mlb
For excess over	4,000 Mlb	\$ 20.005 / Mlb

Demand Charge (per Mlb of steam per hour of maximum demand for each specified time period)

(a) *During monthly billing periods terminating within the months of December to March, inclusive:*

Monday through Friday, 6 a.m. – 11 a.m.	\$ 1,042.37 /Mlb/hr
All hours – All days	\$ 111.93 /Mlb/hr

The demand charge for each time period will be determined by multiplying the maximum demand for the respective time period by the rate applicable to the demand for that time period. The total demand charge will be the sum of the charges for each of the time periods.

(b) *During all other monthly billing periods*

Monday through Friday, 6 a.m. – 11 a.m.	\$ 00.00
All hours – All days	\$ 00.00

Customer Charge

\$1,475.85 per month, exclusive of increase in rates and charges. A Customer who requests a temporary discontinuance of service will be required to pay the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly customer charge for each month that service was discontinued.

(Service Classification No. 3 - Continued on Leaf No. 22-C)

SERVICE CLASSIFICATION NO. 3 - Continued
APARTMENT HOUSE SERVICE

Common Provisions Applicable to Rate I and Rate II

Fuel Adjustment

The charges to the Customer set forth herein shall be subject to a fuel adjustment per Mlb of steam supplied hereunder when changes from the base cost of fuel occur (as explained in General Information Section VII).

Increase in Rates and Charges

The rates and charges under this Service Classification including fuel adjustment and customer charge are increased by the applicable Percentage as explained in General Information Section VIII and shown on the related Statement.

Determination of Demand

The Company will install a demand measuring device of a type approved by the Public Service Commission for the determination of maximum demand if it is determined that the Customer used or might use at least 22,000 Mlb of steam over the 12 monthly billing periods ending in August; provided, however, that the Company may cease to meter the demand if less than 14,000 Mlb of steam are registered on the meter over the 12 monthly billing periods ending in August.

The maximum demand, when determined by a demand meter, shall be the two highest contiguous 15-minute integrated demands occurring during each applicable time period, expressed in Mlb of steam per hour. The integrated demand is the average of the pounds of steam use occurring in a 15-minute period, which average, if used continuously for 15 minutes, would produce the pounds of steam actually consumed during such period.

Whenever service is terminated to a Customer's premises, and the same Customer applies for and receives service at the same location within what would have been the same billing period but for the termination in service, the maximum demand for the billing period shall be determined as though there had been no termination of service.

Terms of Payment

Net cash on presentation of bill, subject to late payment charge in accordance with provisions of General Rule III- 4(j).

Term

The term of the agreement for service shall be for a period ending no less than one year from the beginning of service under this Service Classification, and shall continue after the end of such period until terminated by the Customer upon thirty days' prior written notice, or by the Company in accordance with law or the provisions of this Rate Schedule.

(Service Classification No. 3 - Continued on Leaf No. 22-D)

SERVICE CLASSIFICATION NO. 3 - Continued
APARTMENT HOUSE SERVICE

Special Provisions

- A. Service will not be available under this Service Classification to Customers eligible for service under Service Classification No. 4.
- B. A Customer may request a temporary discontinuance of service by notifying the Company in writing at least five days in advance of the date on which each temporary discontinuance is to begin specifying the date on which service is to be discontinued and the date on which service is to be resumed. The Company may elect not to physically disconnect service at the service valve. In the event that a Customer takes service during a temporary discontinuance period the Customer will be billed in accordance with this Service Classification.
- C. On and after February 10, 1981, any new Customer requesting apartment house service will not be eligible for service under Service Classification Nos. 1 and 2.
- D. Where a Customer installs a new or replacement steam air conditioning system on or after October 1, 2004, the Usage Charges in each monthly billing period for service furnished under this Service Classification during monthly billing periods terminating within the months of May to October, inclusive, will be reduced by \$2.00 per Mlb of steam used in excess of the first 50 Mlb of steam used. A Customer applying for the foregoing reduction must notify the Company at least two months before installation of the air conditioning system. Such Customer will be eligible for the rate reduction effective with the first summer monthly billing period that commences subsequent to the date on which the Company receives written notice from the Customer that the installation is complete. Service will be provided under this Special Provision under the following conditions:
- (1) in total, no more than 75,000 tons of new or replacement steam air conditioning capacity will be accepted under this Special Provision and Special Provision D of Service Classification No. 2;
 - (2) the Company will offer service to new applicants under this Special Provision until at least September 30, 2010, after which time the level of the rates and charges and the terms and conditions of service may vary from those originally offered; and
 - (3) the Company will provide service under the terms of this Special Provision for a two-year period to Customers who commence service under this Special Provision on or after October 1, 2004, but before October 1, 2010; and
 - (4) to facilitate Customers' investment decisions, the Company may, at its sole discretion, negotiate the term of service under this Special Provision with a Customer who agrees to use steam for air conditioning and other purposes during the service term. In lieu of monthly bill reductions set forth under this Special Provision, the Company may, at its discretion, make a one-time payment of the net present value of the bill reduction, provided that the Customer commits to a contract term that is equivalent to the term value of the bill reduction.

(Service Classification No. 3 - Continued on Leaf No. 22-E)

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SERVICE CLASSIFICATION NO. 3 - Continued
APARTMENT HOUSE SERVICE

Special Provisions – Continued

- E. Where a Customer does not own a steam air conditioning system and installs a new steam air conditioning system to replace or supplement existing electric air conditioning equipment, the Usage Charge in each monthly billing period for service furnished under this Service Classification during monthly billing periods terminating within the months of May to October, inclusive, will be reduced by \$2.00 per Mlb of steam used in excess of the first 50 Mlb of steam used. A Customer applying for the foregoing reduction must notify the Company at least two months before installation of the air conditioning system. Such Customer will be eligible for the rate reduction effective with the first summer monthly billing period that commences subsequent to the date on which the Company receives written notice from the Customer that the installation is complete. Service will be provided under this Special Provision under the following conditions:
- (1) service under this Special Provision will not be available until after a total of 25,000 tons of new or replacement steam air conditioning capacity is accepted under Special Provision D of this Service Classification and Special Provision D of Service Classification No. 2;
 - (2) in total, no more than 25,000 tons of new steam air conditioning capacity will be accepted under this Special Provision and Special Provision E of Service Classification No. 2;
 - (3) steam purchased from the Company must be used solely for operating air conditioning equipment and only during the months of May to October, inclusive;
 - (4) the Company will offer service to new applicants under this Special Provision until at least September 30, 2010, after which time the level of the rates and charges and the terms and conditions of service may vary from those originally offered;
 - (5) the Company will provide service under the terms of this Special Provision for a two-year period to Customers who commence service under this Special Provision on or after October 1, 2004, but before October 1, 2010; and
 - (6) to facilitate Customers' investment decisions, the Company may, at its sole discretion, negotiate the length of the term of service under this Special Provision with a Customer who does not own a steam air conditioning system and installs a new steam air conditioning system to replace or supplement existing electric air conditioning equipment. In lieu of monthly bill reductions set forth under this Special Provision, the Company may, at its discretion, make a one-time payment of the net present value of the bill reduction, provided that the Customer commits to a contract term that is equivalent to the term value of the bill reduction.
- F. The foregoing rates and charges shall apply to all steam service supplied hereunder on and after the effective date hereof. Where a bill includes periods before the effective date and after the effective date, the rates and charges applicable will be prorated based on the number of days of service rendered before the effective date and on and after the effective date related to the total number of days in the billing period.
- G. The following Riders may be applied to this Service Classification: A, B, C, D, and E on Leaf Nos. 11 to 13-B, inclusive.
- H. For form of application under this Service Classification, see Leaf Nos. 16-18.

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**SERVICE CLASSIFICATION NO. 4
BACK-UP/SUPPLEMENTARY SERVICE**

Applicable to Use of Service for

Power, Heat, or Power and Heat to Customers who utilize both steam supplied by the Company's steam system for any purpose and another energy source for the same purpose at any time during the months of November through April, inclusive, subject to the Common Provisions and Special Provisions of this Service Classification.

Character of Service

Continuous; supplied at an average gauge pressure in excess of 125 pounds.

Rate I

Applicability: To Customers who would otherwise be served under Rate I of Service Classification No. 2 if they did not utilize both steam supplied by the Company's steam system and another energy source for the same purpose during the months of November through April, inclusive, provided such Customers are not eligible for service under Rate III of this Service Classification.

Charges Applicable to Peak Period Customers, pursuant to Special Provision B hereof

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period)..... \$ 872.50 /Mlb/hr

Usage Charge per Mlb of steam in each monthly billing period):

For billing periods terminating within the months of November through April.....\$15.573 /Mlb
For billing periods terminating within the months of May through October \$ 8.049 /Mlb

Customer Charge (per month).....\$ 2,795.69

Charges Applicable to Off-Peak Period Customers, pursuant to Special Provision B hereof

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period)..... \$ 616.09 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period):

For billing periods terminating within the months of November through April.....\$ 17.387 /Mlb
For billing periods terminating within the months of May through October \$ 8.049 /Mlb

Customer Charge (per month).....\$ 2,795.69

(Service Classification No. 4 - Continued on Leaf No. 23-A)

**SERVICE CLASSIFICATION NO. 4 – Continued
BACK-UP/SUPPLEMENTARY SERVICE**

Rate II

Applicability: To Customers who otherwise be served under Rate I of Service Classification No. 3 if they did not utilize both steam supplied by the Company's steam system and another energy source for the same purpose during the months of November through April, inclusive, provided such Customers are not eligible for service under Rate IV of this Service Classification.

Charges Applicable to Peak Period Customers, pursuant to Special Provision B hereof

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period)..... \$ 1,038.63 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period):

 For billing periods terminating within the months of November through April.....\$ 14.241 /Mlb
 For billing periods terminating within the months of May through October \$ 8.049 /Mlb

Customer Charge (per month).....\$ 1,474.03

Charges Applicable to Off-Peak Period Customers, pursuant to Special Provision B hereof

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period)..... \$ 732.45 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period):

 For billing periods terminating within the months of November through April.....\$ 14.864 /Mlb
 For billing periods terminating within the months of May through October \$ 8.049 /Mlb

Customer Charge (per month).....\$ 1,474.03

(Service Classification No. 4 - Continued on Leaf No. 23-B)

Date of Issue: September 29, 2008

Date Effective: October 1, 2008

Effective under authority of PSC Order in Case 07-S-1315 made September 22, 2008

**SERVICE CLASSIFICATION NO. 4 – Continued
BACK-UP/SUPPLEMENTARY SERVICE**

Rate III

Applicability: To Customers who would otherwise be served under Rate II of Service Classification No. 2 if they did not utilize both steam supplied by the Company's steam system and another energy source for the same purpose during the months of November through April, inclusive, provided that the Customer used or the Company has determined the Customer could potentially use 22,000 Mlb of steam or more over 12 monthly billing periods in the absence of the other energy source. Customers will be transferred to Rate I of this Service Classification if they demonstrate, based on an engineering analysis submitted to the Company, that steam-consuming equipment is removed or that permanent energy-efficiency or load-limiting equipment is installed, so that the Customer cannot use more than 14,000 Mlb of steam over 12 monthly billing periods in the absence of the other energy source. No retroactive adjustment will be made for a change in use.

Charges Applicable to Peak Period Customers, pursuant to Special Provision B hereof

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period)..... \$ 1,278.56 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period):

 For billing periods terminating within the months of November through April.....\$ 15.960 /Mlb
 For billing periods terminating within the months of May through October \$ 8.049 /Mlb

Customer Charge (per month).....\$ 4,305.17

Charges Applicable to Off-Peak Period Customers, pursuant to Special Provision B hereof

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period)..... \$ 900.37 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period):

 For billing periods terminating within the months of November through April.....\$ 17.867 /Mlb
 For billing periods terminating within the months of May through October \$ 8.049 /Mlb

Customer Charge (per month).....\$ 4,305.17

(Service Classification No. 4 - Continued on Leaf No. 23-C)

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**SERVICE CLASSIFICATION NO. 4 – Continued
BACK-UP/SUPPLEMENTARY SERVICE**

Rate IV

Applicability: To Customers who would otherwise be served under Rate II of Service Classification No. 3 if they did not utilize both steam supplied by the Company's steam system and another energy source for the same purpose during the months of November through April, inclusive, provided that the Customer used or the Company has determined the Customer could potentially use 22,000 Mlb of steam or more over 12 monthly billing periods in the absence of the other energy source. Customers will be transferred to Rate II of this Service Classification if they demonstrate, based on an engineering analysis submitted to the Company, that steam-consuming equipment is removed or that permanent energy-efficiency or load-limiting equipment is installed, so that the Customer cannot use more than 14,000 Mlb of steam over 12 monthly billing periods in the absence of the other energy source. No retroactive adjustment will be made for a change in use.

Charges Applicable to Peak Period Customers, pursuant to Special Provision B hereof

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period)..... \$ 1,393.14 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period):

For billing periods terminating within the months of November through April.....\$ 14.231 /Mlb

For billing periods terminating within the months of May through October \$ 8.049 /Mlb

Customer Charge (per month).....\$ 1,475.85

Charges Applicable to Off-Peak Period Customers, pursuant to Special Provision B hereof

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period)..... \$ 981.05 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period):

For billing periods terminating within the months of November through April.....\$ 14.853 /Mlb

For billing periods terminating within the months of May through October \$ 8.049 /Mlb

Customer Charge (per month).....\$ 1,475.85

(Service Classification No. 4 - Continued on Leaf No. 24)

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Issued by Robert N. Hoglund, Senior Vice President and Chief Financial Officer, 4 Irving Place, New York, N.Y. 10003

SERVICE CLASSIFICATION NO. 4 - Continued
BACK-UP/SUPPLEMENTARY SERVICE

Common Provisions Applicable to Rate I, Rate II, Rate III, and Rate IV

Interconnection Charge

In addition to the charges described in General Information Sections III-1 and III-2, Customers in this Service Classification shall be subject to the following charges for interconnection costs:

- (1) A charge for the reasonable costs of providing service under this Service Classification, including but not limited to costs for steam system reinforcement, metering and associated piping, incurred by the Company directly related to the installation of the facilities deemed necessary by the Company to permit the provision of service under this Service Classification, to the extent such costs are in excess of the corresponding costs which the Company would have incurred had the Customer taken service under Rate I or Rate II of Service Classification Nos. 2 or 3, as appropriate. All such facilities will remain the property of the Company. The Customer may pay for the foregoing interconnection costs either:
 - (a) by paying in full prior to the commencement of service under this Service Classification; or
 - (b) by paying at least 25 percent of the interconnection costs prior to the commencement of service under this Service Classification and arranging with the Company to pay over not more than a five-year period the balance of such interconnection costs plus interest at the unadjusted Customer deposit rate in effect at the time a payment plan is agreed upon with the Company. The Company may require a Customer to provide adequate security for the payment of the balance of the interconnection costs due the Company under the payment agreement.
- (2) An annual charge of 10 percent of the capital costs of interconnection, including the costs to cover property taxes and operation and maintenance expenses. The annual charge shall be determined by multiplying the rate of 10 percent by the total capital costs of interconnection. The annual charge is payable by the Customer in monthly installments equal to one-twelfth of the annual charge.

Failure of the Customer to pay any of the interconnection charges or annual charges, when due, shall be cause for termination of service in accordance with the procedures specified in this Rate Schedule.

Fuel Adjustment

The charges to the Customer set forth herein shall be subject to a fuel adjustment per Mlb of steam supplied hereunder when changes from the base cost of fuel occur (as explained in General Information Section VII).

Increase in Rates and Charges

The rates and charges under this Service Classification including fuel adjustment and customer charge are increased by the applicable percentage as explained in General Information Section VIII and shown on the related Statement.

(Service Classification No. 4 - Continued on Leaf No. 25)

SERVICE CLASSIFICATION NO. 4 - Continued
BACK-UP/SUPPLEMENTARY SERVICE

Common Provisions Applicable to Rate I, Rate II, Rate III, and Rate IV - Continued

Determination of Demand

The contract demand under this Service Classification shall be the contract demand as specified in the Customer's request for service hereunder (expressed in Mlb of steam per hour), unless and until a higher maximum demand is created by the Customer within the months of November through April, inclusive, in which case such higher maximum demand shall become the contract demand for that month and thereafter unless and until exceeded by a still higher maximum demand, which in turn shall likewise be subject to the foregoing conditions.

If the monthly maximum demand within the months of November through April, inclusive, exceeds the contract demand by 10 percent or less, a surcharge equal to 12 times the monthly contract demand rate for the excess in demand will apply to the monthly bill. If the monthly maximum demand within the months of November through April, inclusive, exceeds the contract demand by more than 10 percent, a surcharge equal to 24 times the monthly contract demand rate for the excess in demand will apply to the monthly bill. The surcharges shall not be applicable to any portion of the increased contract demand attributable to a colder-than-design weather variable. The "weather variable" consists of the weighted average of the temperature at the peak hour (80% weighting) and the average temperature over the preceding 24 hours (20% weighting). "Design weather" is defined as a weather variable of 5 degrees F. If a Customer's peak demand for a month exceeds the contract demand and the weather variable for the customer's peak hour is colder than the design weather, the Company will apply a factor based on the slope of the Company's steam system's design demand curve for that winter period to determine what the customer's peak demand would have been for the design weather. The surcharge shall apply only for that amount, if any, by which the design weather-adjusted Customer peak demand exceeds the contract demand.

A Customer applying for service under this Service Classification for the first time is required to establish an initial contract demand on the basis of a reasonable estimate provided by a professional engineer retained by the Customer. The estimate is subject to the Company's approval. In the event that such initially-established contract demand is exceeded, or a higher demand is later specified by the Customer, for any month within the months of November through April, no retroactive surcharge will be imposed, but such higher maximum demand shall become the contract demand for that month and thereafter ("Revised Contract Demand"). In the event that the Revised Contract Demand is exceeded thereafter by a still higher demand, the provisions included in the first two paragraphs under this Determination of Demand provision for this Service Classification will be applicable.

Whenever service is terminated to a Customer's premises and the same Customer applies for, and receives, service at the same location, within what would have been the same billing period, but for the termination of service, the maximum demand for the billing period will be determined as though there had been no termination of service.

The Company will install a demand measuring device of a type approved by the Public Service Commission for the determination of maximum demand. The maximum demand, when determined by a demand meter, shall be the highest 30-minute integrated demand occurring during the billing period in which such use is made. The integrated demand is the average of the pounds of steam use occurring in a 30-minute period, which average, if used continuously for 30 minutes, would produce the pounds of steam actually consumed during such period.

(Service Classification No. 4 - Continued on Leaf No. 26)

SERVICE CLASSIFICATION NO. 4 - Continued
BACK-UP/SUPPLEMENTARY SERVICE

Common Provisions Applicable to Rate I, Rate II, Rate III, and Rate IV - Continued

Terms of Payment

Net cash on presentation of bill, subject to late payment charge in accordance with provisions of General Rule III-4(j).

Term

The term of the agreement for service shall be for a period ending no less than one year from the beginning of service under this Service Classification, and shall continue after the end of such period until terminated by the Customer upon thirty days' prior written notice, or by the Company in accordance with law or the provisions of this Rate Schedule.

Temporary Discontinuance of Service

A Customer who requests a temporary discontinuance of service will be required to pay the monthly contract demand charge and the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly contract demand charge and the monthly customer charge for each month that service was discontinued and for which the Customer Charge would have been applicable.

Special Provisions

- A. This Service Classification shall be applicable year-round to a Customer who, during the months of November through April, inclusive, utilizes one or more energy sources other than steam purchased from Con Edison's steam system for any purpose and utilizes service from Con Edison's steam system for the same purpose either contemporaneously or when the other energy source is/are not used.
- B. A Peak Period Customer is a Customer who will require service under this Service Classification during the months of November through April, inclusive, at any time during the Peak Period. The Peak Period is defined as Monday through Friday, 5:00 a.m. to 8:00 p.m., during the months of November through April, inclusive. An Off-Peak Period Customer is a Customer who will require service under this Service Classification during the months of November through April, inclusive, but will not use service at any time during the Peak Period. A surcharge will apply to the monthly bill in the month in which an Off-Peak Period Customer utilizes service during the Peak Period, equal to 24 times the product of the Customer's contract demand and the difference between the Contract Demand Charge applicable to Peak Period Customers and the Contract Demand Charge applicable to Off-Peak Period Customers. Subject to the availability of the Company's steam system capacity, the Off-Peak Period Customer will become a Peak Period Customer in the month following the surcharge and thereafter.

Service Classification No. 4 – Continued on Leaf No. 27)

SERVICE CLASSIFICATION NO. 4 - Continued
BACK-UP/SUPPLEMENTARY SERVICE

Special Provisions - Continued

- C. A Customer may request a temporary discontinuance of service by notifying the Company in writing at least five days in advance of the date on which each temporary discontinuance is to begin specifying the date on which service is to be discontinued and the date on which service is to be resumed. The Company may elect not to physically disconnect service at the service valve. In the event that a Customer takes service during a temporary discontinuance period, the Customer will be billed in accordance with this Service Classification.
- D. The foregoing rates and charges shall apply to all steam service supplied hereunder on and after the effective date hereof. Where a bill includes periods before the effective date and after the effective date, the rates and charges applicable will be prorated based on the number of days of service rendered before the effective date and on and after the effective date related to the total number of days in the billing period.
- E. The following Riders may be applied to this Service Classification: A, B, C and D on Leaf Nos. 11 to 13, inclusive.
- F. Requests for service under this Service Classification shall be made in writing. For form of application under this Service Classification, see Leaf Nos. 16-18.

**SERVICE CLASSIFICATION NO. 5
NEGOTIATED AGREEMENT SERVICE**

Applicable to Use of Service for

This service is offered by the Company, at its sole discretion, to retain and attract Customers with viable competitive alternatives to the Company's steam service.

Character of Service

Continuous; supplied at an average gauge pressure in excess of 125 pounds.

Eligibility

To receive service hereunder, a Customer must meet the following eligibility requirements:

- (1) The Customer must submit an application for service under this Service Classification. The application must include documentation detailing the nature and characteristics of the competitive alternatives to the Company's steam service available to the customer. Such documentation must clearly demonstrate that the price of steam is a major factor in the Customer's decision to pursue competitive alternatives. The Customer must also provide any additional information requested by the Company that it reasonably requires to analyze the application.
- (2) The Customer must agree to use exclusively the Company's steam service for the purposes of heating and/or cooling for a period of time to be stipulated in the Service Agreement.
- (3) The Customer must maintain a minimum level of steam usage during any 12-month period as stipulated in the Service Agreement.

The Company will review the Customer's application and determine eligibility for service under this Service Classification on a case-by-case basis. In making such a determination, the Company will consider the viability of the Customer's competitive alternatives to the Company's steam service, as well as the practical aspects of securing the alternatives (e.g., ability to secure environmental permits, building permits, or required capital).

The Company will respond to applications for service under this Service Classification within 30 calendar days. When requested by a Customer, the Company will provide the basis for its decision not to offer a negotiated rate within 15 business days of the later of the date of the decision or the date of the request. A Customer who either fails to receive a negotiated rate or objects to the offered rate may appeal the Company's decision to the Department of Public Service's Director of Economic Development and Policy Coordination.

(Service Classification No. 5 - Continued on Leaf No. 29)

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

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SERVICE CLASSIFICATION NO. 5 - Continued
NEGOTIATED AGREEMENT SERVICE

Service Agreement

The Company and a Customer determined by the Company to be eligible for service under this Service Classification shall negotiate and execute a Service Agreement prior to the commencement of service hereunder. The Service Agreement shall contain all information necessary for the Company to supply steam service to the Customer including, but not limited to:

- (1) the term of service, including the period of time during which the Customer agrees to use exclusively the Company's steam service for the purposes of heating and/or cooling, options for continuing service and options for canceling service;
- (2) the exact character of service and steam requirements, including the required minimum level of steam usage during any 12-month period, and Customer's equipment to be served;
- (3) additional facilities to be constructed or installed; and
- (4) a listing of all charges to be billed by the Company and paid by the Customer for services rendered and for facilities constructed or installed.

Service under this Service Classification may be terminated at the Company's option for breach of the Service Agreement by the Customer. In the event of such termination of service, the Customer shall be eligible for steam service under its otherwise applicable Service Classification after making any prepayment required under General Rule III-1 and III-2.

Rate

The specific charges under this Service Classification will be stated in the negotiated Service Agreement executed by the Company and each Customer. The rate per Mlb included in any Service Agreement with any Customer shall be no lower than the Company's marginal cost of steam service to the Customer per Mlb of steam supplied plus a contribution to fixed costs. Unless otherwise agreed to by the Customer and upon full disclosure, the negotiated rate shall not exceed the tariff rate in effect for or applicable to the Customer at the time the Service Agreement is executed. The Company may, at its discretion, provide monthly bill reductions from otherwise applicable rates or make a one-time payment of the net present value of a bill reduction, provided that the Customer commits to a contract term that is equivalent to the term value of the bill reduction.

The Company will provide marginal cost calculations to Staff and may request trade secret protection for such calculations. The Company shall use marginal costs appropriate to the length of the Service Agreement. Capital costs will not be included if short run marginal costs are used.

Increase in Rates and Charges

The rates and charges under this Service Classification are increased by the applicable Percentage as explained in General Information Section VIII and shown on the related Statement.

Terms of Payment

Net cash on presentation of bill, subject to late payment charge in accordance with provisions of General Rule III-4(j).

Term

The initial term and renewal options shall be provided for in the Service Agreement. The minimum term shall be one year.

**SERVICE CLASSIFICATION NO. 6
TRANSPORTATION SERVICE**

Applicable to Use of Service for

Transportation and delivery of steam within the Company's steam service area to the premises of a Customer who arranges for third-party supply of steam, subject to the Availability and Special Provisions of this Service Classification

Character of Service

Firm transportation supplied at an average gauge pressure in excess of 125 pounds under conditions of this Rate Schedule inclusive of General Rule III-6(a)

Rate I

Applicability: To Customers who would otherwise be served under Rate I of Service Classification No. 2 for their steam requirements.

Contract Demand Charge (per Mlb per hour of the contract demand in each monthly billing period) \$ 443.79 / Mlb/hour

Usage Charge (per Mlb of steam in each monthly billing period)
for under-deliveries as described below \$ 20.588 / Mlb

The Usage Charge is applicable to the difference between (a) monthly metered Mlb input to the Company's steam system by the Customer's third-party supplier, adjusted for 13.5% system losses and (b) the Customer's monthly metered Mlb usage. If the third-party supplier serves more than one Customer, each Customer will be subject to the Usage Charge for the product of the third party supplier's total under-delivery amount and the ratio of that Customer's total metered usage to the total metered usage of all Customers served by the third-party supplier, unless the third-party supplier otherwise specifies to the Company in writing, in advance, each Customer's allocation of the total steam deliveries.

Customer Charge (per month) \$ 2,795.69

Rate II

Applicability: To Customers who would otherwise be served under Rate I of Service Classification No. 3 for their steam requirements.

Contract Demand Charge (per Mlb per hour of the contract demand in each monthly billing period) \$ 532.58 / Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period)
for under-deliveries as described below \$ 18.370 / Mlb

The Usage Charge is applicable to the difference between (a) monthly metered Mlb input to the Company's steam system by the Customer's third-party supplier, adjusted for 13.5% system losses and (b) the Customer's monthly metered Mlb usage. If the third-party supplier serves more than one Customer, each Customer will be subject to the Usage Charge for the product of the third party supplier's total under-delivery amount and the ratio of that Customer's total metered usage to the total metered usage of all Customers served by the third-party supplier, unless the third-party supplier otherwise specifies to the Company in writing, in advance, each Customer's allocation of the total steam deliveries.

Customer Charge (per month) \$ 1,474.03

(Service Classification No. 6 - Continued on Leaf No. 30-A)

**SERVICE CLASSIFICATION NO. 6
TRANSPORTATION SERVICE**

Rate III

Applicability: To Customers who would otherwise be served under Rate II of Service Classification No. 2 for their steam requirements.

Contract Demand Charge (per Mlb per hour of the contract demand in each monthly billing period) \$ 673.46 / Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period)
for under-deliveries as described below \$ 21.234 / Mlb

The Usage Charge is applicable to the difference between (a) monthly metered Mlb input to the Company's steam system by the Customer's third-party supplier, adjusted for 13.5% system losses and (b) the Customer's monthly metered Mlb usage. If the third-party supplier serves more than one Customer, each Customer will be subject to the Usage Charge for the product of the third party supplier's total under-delivery amount and the ratio of that Customer's total metered usage to the total metered usage of all Customers served by the third-party supplier, unless the third-party supplier otherwise specifies to the Company in writing, in advance, each Customer's allocation of the total steam deliveries.

Customer Charge (per month) \$ 4,305.17

Rate IV

Applicability: To Customers who would otherwise be served under Rate II of Service Classification No. 3 for their steam requirements.

Contract Demand Charge (per Mlb per hour of the contract demand in each monthly billing period) \$ 733.80 / Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period)
for under-deliveries as described below \$ 18.352 / Mlb

The Usage Charge is applicable to the difference between (a) monthly metered Mlb input to the Company's steam system by the Customer's third-party supplier, adjusted for 13.5% system losses and (b) the Customer's monthly metered Mlb usage. If the third-party supplier serves more than one Customer, each Customer will be subject to the Usage Charge for the product of the third party supplier's total under-delivery amount and the ratio of that Customer's total metered usage to the total metered usage of all Customers served by the third-party supplier, unless the third-party supplier otherwise specifies to the Company in writing, in advance, each Customer's allocation of the total steam deliveries.

Customer Charge (per month) \$ 1,475.85

(Service Classification No. 6 - Continued on Leaf No. 31)

SERVICE CLASSIFICATION NO. 6 - Continued
TRANSPORTATION SERVICE

Common Provisions Applicable to Rates I and II

Interconnection Charge

In addition to the charges described in General Information Sections III-1 and III-2, Customers in this Service Classification shall be subject to the following charges for interconnection costs:

- (1) A charge for the reasonable costs of providing service under this Service Classification, including but not limited to costs for steam system reinforcement, metering and associated piping, incurred by the Company directly related to the installation of the facilities deemed necessary by the Company to permit the provision of service to the Customer under this Service Classification, to the extent such costs are in excess of the corresponding costs which the Company would have incurred had the Customer taken service under Service Classification Nos. 2 or 3, as appropriate. All such facilities will remain the property of the Company. Where a customer disputes the Company's cost determination, the Customer may apply to the Commission for a ruling in this matter. The Customer may pay for the foregoing interconnection costs either:
 - (a) by paying in full prior to the commencement of service under this Service Classification; or
 - (b) by paying at least 25 percent of the interconnection costs prior to the commencement of service under this Service Classification and arranging with the Company to pay over not more than a two-year period the balance of such interconnection costs plus interest at the unadjusted Customer deposit rate in effect at the time a payment plan is agreed upon with the Company. The Company may require a Customer to provide adequate security for the payment of the balance of the interconnection costs due the Company under the payment agreement.
- (2) An annual charge of 10 percent of the capital costs of interconnection, including the costs to cover property taxes and operation and maintenance expenses. The annual charge shall be determined by multiplying the rate of 10 percent by the total capital costs of interconnection. The annual charge is payable by the Customer in monthly installments equal to one-twelfth of the annual charge.

Failure of the Customer to pay any of the interconnection charges or annual charges, when due, shall be cause for termination of service in accordance with the procedures specified in this Rate Schedule.

Fuel Adjustment

The Usage Charge set forth herein shall be subject to a fuel adjustment per Mlb of steam supplied hereunder when changes from the base cost of fuel occur (as explained in General Information Section VII).

Increase in Rates and Charges

The rates and charges under this Service Classification including fuel adjustment and customer charge are increased by the applicable percentage as explained in General Information Section VIII and shown on the related Statement.

(Service Classification No. 6 - Continued on Leaf No. 32)

**SERVICE CLASSIFICATION NO. 6 - Continued
TRANSPORTATION SERVICE**

Common Provisions Applicable to Rates I and II - Continued

Determination of Demand

The contract demand under this Service Classification shall be the contract demand as specified in the Customer's request for service hereunder (expressed in 1000 pounds of steam per hour), unless and until a higher maximum demand is created by the Customer within the months of November through April, inclusive, in which case such higher maximum demand shall become the contract demand for that month and thereafter unless and until exceeded by a still higher maximum demand, which in turn shall likewise be subject to the foregoing conditions.

If the monthly maximum demand within the months of November through April, inclusive, exceeds the contract demand by ten percent or less, a surcharge equal to twelve times the monthly contract demand rate for the excess in demand will apply to the monthly bill. If the monthly maximum demand within the months of November through April, inclusive, exceeds the contract demand by more than ten percent, a surcharge equal to twenty-four times the monthly contract demand rate for the excess in demand will apply to the monthly bill. For peak load forecasting purposes, weather is measured by a "weather variable" which consists of the weighted average of the temperature at the peak hour (80% weighting) and the average temperature over the preceding 24 hours (20% weighting). "Design weather" is defined as a weather variable of 5 degrees F. The surcharges shall not be applicable to any portion of the increased contract demand attributable to a colder-than-design weather variable. If a Customer's peak demand for a month exceeds the contract demand and the weather variable for the customer's peak hour is colder than the design weather, the Company will apply a factor based on the slope of the Company's steam system's design demand curve for that winter period to determine what the customer's peak demand would have been for the design weather. The surcharge shall apply only for that amount, if any, by which the design weather-adjusted Customer peak demand exceeds the contract demand.

A Customer applying for service under this Service Classification for the first time is required to establish an initial contract demand on the basis of a reasonable estimate provided by a professional engineer retained by the Customer. The estimate is subject to the Company's approval. In the event that such initially-established contract demand is exceeded, or a higher demand is later specified by the Customer, for any month within the months of November through April, no retroactive surcharge will be imposed, but such higher maximum demand shall become the contract demand for that month and thereafter ("Revised Contract Demand"). In the event that the Revised Contract Demand is exceeded thereafter by a still higher demand, the provisions included in the first two paragraphs under this Determination of Demand provision for this Service Classification will be applicable.

Whenever service is terminated to a Customer's premises and the same Customer applies for, and receives service, at the same location, within what would have been the same billing period, but for the termination of service, the maximum demand for the billing period will be determined as though there had been no termination of service.

The Company will install a demand-measuring device of a type approved by the Public Service Commission for the determination of maximum demand. The maximum demand, when determined by a demand meter, shall be the highest 30-minute integrated demand occurring during the billing period in which such use is made. The integrated demand is the average of the pounds of steam use occurring in a 30-minute period, which average, if used continuously for 30 minutes, would produce the pounds of steam actually consumed during such period.

(Service Classification No. 6 - Continued on Leaf No. 33)

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4 Irving Place, New York, N.Y. 10003

SERVICE CLASSIFICATION NO. 6 - Continued
TRANSPORTATION SERVICE

Common Provisions Applicable to Rates I and II - Continued

Terms of Payment

Net cash on presentation of bill, subject to late payment charge in accordance with provisions of General Rule III-4(j).

Term

Subject to the Availability section of this Service Classification, the term of the agreement for service shall be for a period ending no less than one year from the beginning of service under this Service Classification, and shall continue after the end of such period until terminated by the Customer upon thirty days' prior written notice, or by the Company in accordance with law or the provisions of this Rate Schedule.

Temporary Discontinuance of Service

A Customer who requests a temporary discontinuance of service will be required to pay the monthly contract demand charge and the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly contract demand charge and the monthly customer charge for each month that service was discontinued and for which the Customer Charge would have been applicable.

Availability

Service will be available under this Service Classification on a pilot program basis, on a first-come first-served basis, until at least September 30, 2002, and will be limited to a total of 100,000 pounds of steam per hour of supply capacity during the months of November through April. Commencement of service under this Service Classification will be limited in each of the 12-month periods commencing October 1, 2000 and October 1, 2001 to no more than three new Customers for their full steam requirements and to no more than two existing Customers under Service Classification Nos. 2 and 3 for increases in their monthly steam requirements. For existing Customers, the increase in steam requirements will be measured on a separate meter, installed by the Company at Customer expense, unless such usage cannot be isolated for separate metering, in which case the increase in the Customer's steam requirements will be established in advance by the Company and the Customer. The Company may seek Commission approval to reduce the hourly volume of steam served under this Service Classification or to otherwise limit this program, at any time, if necessary to maintain system reliability.

(Service Classification No. 6 - Continued on Leaf No. 34)

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SERVICE CLASSIFICATION NO. 6 - Continued
TRANSPORTATION SERVICE

Special Provisions

- A. No credit will be given to either a Customer or third-party supplier for net excess deliveries in any month unless the Company agrees in advance to accept such excess deliveries, in which case the Company will pay the Customer for the excess at the Company's average cost of fuel inclusive of fuel costs recovered through the Fuel Adjustment.
- B. Service under this Service Classification will not be provided or will be terminated unless the third-party supplier executes and complies with an interconnection agreement with the Company, requiring, among its terms, that the third-party supplier:
 - (1) pay the cost of connecting its plant to the Company's steam system, including all necessary metering and telecommunications;
 - (2) use best efforts to reasonably match, at all times, its steam supply to the requirements of the Customers that it supplies;
 - (3) use best efforts to limit deliveries of steam, at all times, to the sum of the loads of the Customers that it supplies plus losses, or as otherwise limited by the Company's steam system operator based on steam system operating constraints;
 - (4) meet the Company's steam quality specifications, at all times, for any steam deliveries; and
 - (5) comply, at all times, with the Company's safety and operating procedures.
- C. A Customer may request a temporary discontinuance of service by notifying the Company in writing at least five days in advance of the date on which each temporary discontinuance is to begin specifying the date on which service is to be discontinued and the date on which service is to be resumed. The Company may elect not to physically disconnect service at the service valve. In the event that a Customer takes service during a temporary discontinuance period, the Customer will be billed in accordance with this Service Classification.
- D. The foregoing rates and charges shall apply to all steam service supplied hereunder on and after the effective date hereof. Where a bill includes periods before the effective date and after the effective date, the rates and charges applicable will be prorated based on the number of days of service rendered before the effective date and on and after the effective date related to the total number of days in the billing period.
- E. The following Riders may be applied to this Service Classification: A, B, C and D on Leaf Nos. 11 to 13, inclusive.
- F. Requests for service under this Service Classification shall be made in writing.

Date of Issue: October 1, 2004

Date Effective: October 1, 2004

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