

CON
EDISON

**AGREEMENT FOR SERVICE CLASSIFICATION NO. 9
CAPACITY RELEASE SERVICE**

Capacity Release Agreement No. _____

Pipeline: _____

Pipeline Contract No. _____

Marketer

Account

No. _____

This **Capacity Release Service Agreement**, entered into as of _____, 19____, by and between **Consolidated Edison Company of New York, Inc.** ("Con Edison") and "Capacity Release Customers" acting directly or through Customer's agent (the immediately preceding words herein/after as "CRC/A"):

WITNESSES

WHEREAS, Con Edison desires to release its rights and obligations to certain entitlements of transportation capacity on interstate pipelines; and

WHEREAS, Capacity Release Customer desires to assume such rights and obligations;

NOW THEREFORE, in consideration of the promises and covenants contained herein, Con Edison and CRC/A agree as follows:

1. Release and Assumption. Subject to the terms and conditions hereof, Con Edison releases its rights and obligations, and the CRC/A assumes those rights and obligations, with respect to _____ Dth per day of delivery capacity under Con Edison's service agreement with _____ ("Pipeline") dated _____, 19____, for service under Pipeline's Rate Schedule _____ ("Released Capacity").
2. Conditions. This release and assumption is conditioned upon the following:
 - (A) Compliance by Con Edison and CRC/A with FERC regulations and gas tariff of the pipeline on which capacity is released.
 - (B) The CRC/A's paying for the capacity released in accordance with the rate terms as set forth in Con Edison's schedule for Gas Service and Operating Procedures.
 - (C) CRC/A's providing to Con Edison the following financial guarantee to secure its payments under section 8: \$ _____.
 - (D) Customer's agent's or CRC/A's satisfying the credit requirements prescribed by the FERC's tariff of the pipeline on which capacity is released and providing the Company with appropriate documentation of continued compliance with those requirements.
3. Term. The capacity release pursuant to Section 1 shall commence at 10:00 A.M. Eastern Time on _____, 19____, and shall continue until 10:00 A.M. Eastern Time on, _____, 19____.

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4. Character of Release. Capacity releases shall be effectuated in accordance with FERC regulations and gas tariff(s) of the pipeline(s) on which capacity is released. The Company's release of capacity shall not constitute a guarantee of any particular level of service by the pipeline(s) on which capacity is released. The Company shall not be liable to a Capacity Release Customer or Replacement Capacity Release Customer in any way for interruptions of service by the pipeline(s).
5. Tariffs. This Agreement is subject to, and the Parties shall be bound, by the terms and conditions of Con Edison's Service Classification No. 9 and the provisions of Pipeline's FERC tariff relating to capacity releases.
6. Receipt Points. The following points of receipt and receipt point entitlements under Con Edison's service agreement with Pipeline shall be available to CRC/A: _____
7. Delivery Points. The following points of delivery and delivery point entitlements under Con Edison's service agreement with Pipeline shall be available to CRC/A: _____
8. Charges. CRC/A shall pay the pipeline(s) directly for all charges for all charges associated with the use of released capacity, including (without limitation) demand charges, commodity charges, taxes, surcharges, fuel allowances, imbalance and overrun charges, and penalties.

If the maximum rate on the pipeline(s) on which capacity is released is less than the average rate paid by Con Edison to pipeline(s) for Capacity Release Service, CRC/A shall pay Con Edison a monthly charge equal to the difference multiplied by the monthly quantity of released capacity.

If the maximum rate on the pipeline(s) on which capacity is released is greater than the average cost paid by Con Edison to pipeline(s) for Capacity Release Service, and the CRC/A pays the pipeline in excess of the Company's average cost of capacity as a result of the pipeline's bidding process, the CRC/A shall receive a credit equal to the difference multiplied by the monthly quantity of released capacity.

The Company may require the agent or CRC/A to provide reasonable financial guarantees to assure the payments of the amounts due to the Pipeline(s) for the capacity release. If the CRC/A and/or Replacement CRC/A fails to pay the pipeline for any charges, resulting in the Company's receiving less than its full credit to its pipeline demand charges, the Company may, in addition to any other rights it has, draw on such financial assurances for reimbursement and/or, seek reimbursement from *agent and/or* the Capacity Release Customer. The Company may also terminate the capacity release transaction for nonpayment of pipeline charges or of the Capacity Release charge by the CRC/A or Replacement CRC/A.

9. Balancing. CRC/A is responsible:
 - (i) for monitoring its deliveries of gas to and receipts from Pipeline; and
 - (ii) for avoiding, eliminating, or paying for imbalances that arise on the Pipeline's system because of CRC/A's use of the Released Capacity
9. Indemnification and Warranty. The CRC/A shall indemnify the Company from all losses and damages resulting from the actions or in-actions of the agent or the CRC/A and any Replacement CRC/A and/or agent, thereof under the Capacity Release Service Agreement with the Company and the pipeline service agreement(s). The CRC/A and any Replacement CRC/A(s) shall also warrant title to the gas transported under this agreement(s).

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11. Re-Releases and Recalls of Capacity. To the extent that any of the capacity is not being used to serve the Customer's needs, the company shall have the right to recall said capacity to meet the Company requirements to:
- (i) serve the Customer or
 - (ii) serve other Customers during a period an operational flow order (OFO) is in effect or to prevent an OFO from being imposed.

The company's right to recall capacity is limited to:

- (i) For a customer taking load Following service, the historical average daily quantity during the Customer's winter peak month (November through March) and the historical average daily quantity during the summer season (April through October).
- (ii) For a customer taking the Daily Cashout Service, the historical peak day quantity during the Customer's winter season (November through March) and the historical peak day quantity during the summer season April through October)

CRC/A may re-release all or a portion of the capacity to a Replacement Capacity Release Customer who meets all the requirements to which the Capacity Release Customer is subject, subject to the Company's rights to recall the capacity. A re-release shall not relieve CRC/A of its obligations under this Capacity Release Agreement

12. Notices. CRC/A shall promptly notify the Company whenever, and for whatever reason, the CRC/A designates a new Seller to act on the Customer's behalf.

Any formal communications concerning this Agreement shall be in writing and delivered either by hand, by first class mail, or by telecopy to the appropriate address as follows:

Company

Notices:

Company: Consolidated Edison Company of New York, Inc.
Address: 4 Irving Place, New York, N. Y. 10003 - Room 2315-S

Name: _____
Section Manager, Fuel Supply - Transportation Services

Tel. No: 212-460-6250

Fax No.:212-529-1452

Notices - Continued

Agent

Notices:

Agent:

Address:

**CON
EDISON**

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Name:
Signature and Title of
Authorized Representative

Tel. No.:

Fax No:

IN WITNESS WHEREOF, the parties have caused this Capacity Release Agreement to be signed by their respective officers and attested as of the date first written above.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

By:
Name

By:, Agent
Name

For: CAPACITY RELEASE CUSTOMER

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Name