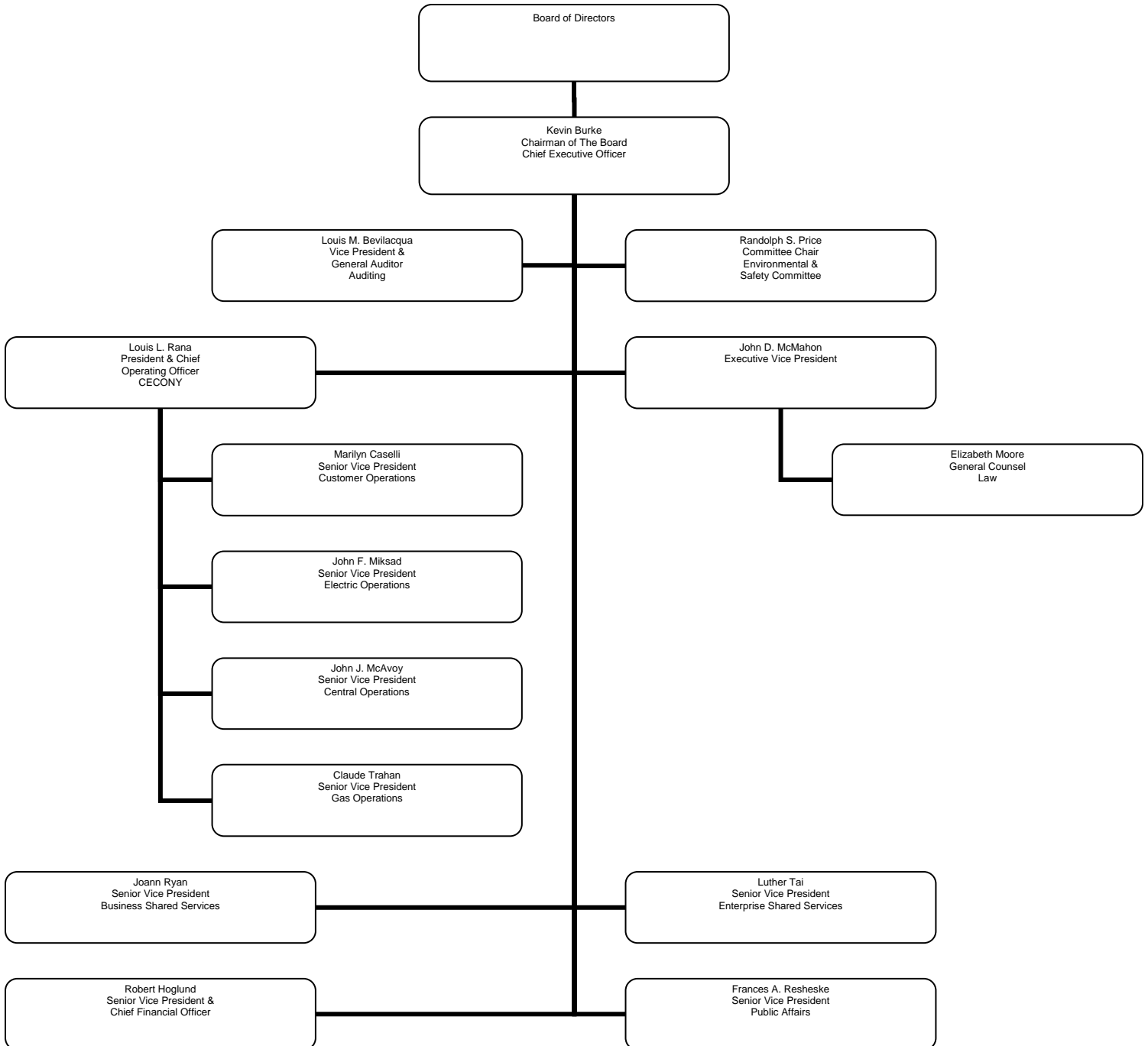
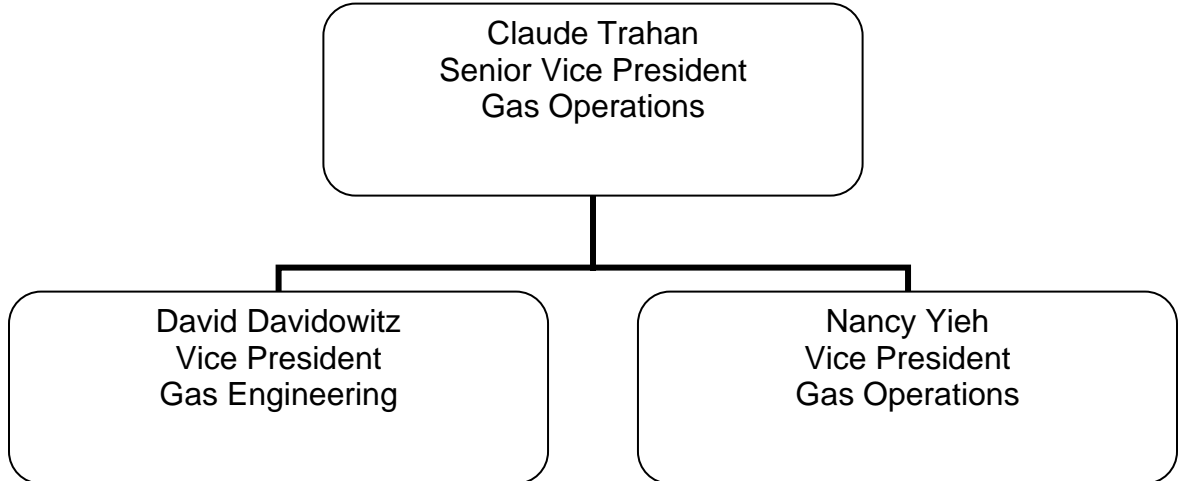


SECTION II. OVERVIEW OF THE COMPANY

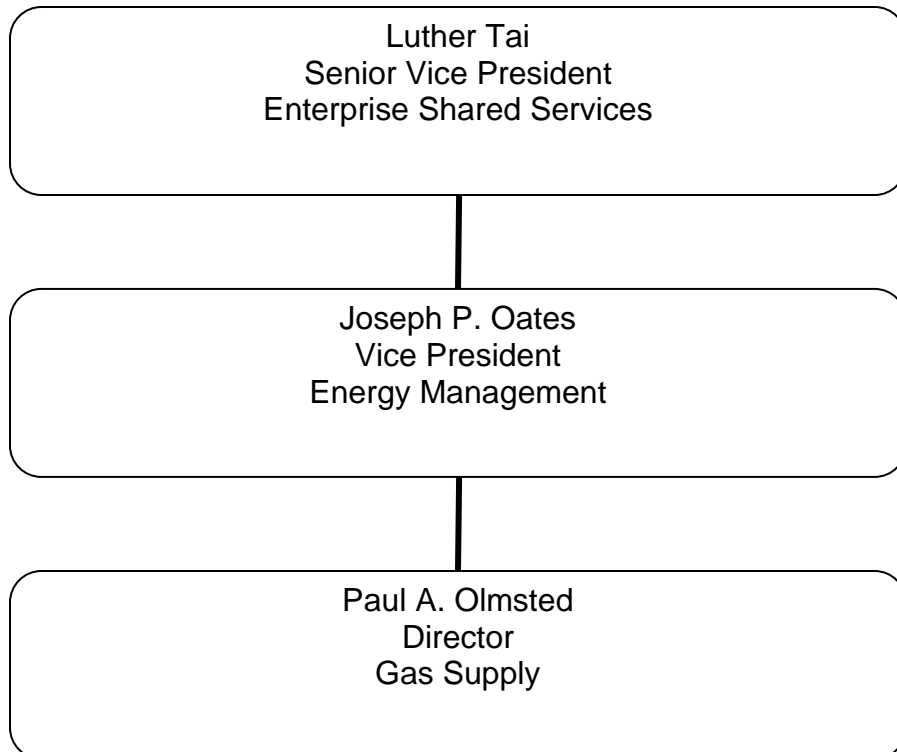
Consolidated Edison Company of New York, Inc.
Corporate Structure



**Consolidated Edison Company of New York, Inc.
Gas Operation Structure**



Enterprise Shared Services Structure



**Transportation Customer and Marketer Support Personnel and Services
Consolidated Edison Company of New York, Inc.**

**Gas Supply -Transportation Services
111 Broadway, Suite 1601
New York, NY 10006**

| | |
|---|---------------------------------|
| Manager | 212-227-1126 |
| Marketer Cashouts and Interruptible Transportation Issues, Capacity Release Service Information | 212-227-1146 |
| Firm Transportation Issues, Access to Transportation Customer Information System (TCIS) on the Internet | 212-227-2224 or 212-227-1322 |
| Nominations to Con Edison's Citygate (During Normal Business Hours) | 212-227-1322 |
| Note: During the Off-Hours Please Contact Gas Control using the Gas Dispatcher telephone numbers listed below. | |
| General Information Regarding our Gas Choice Program | 212-227-9331 |
| Transportation Services Fax Number | 212-528-0397 |

Gas Control Center

| | |
|---------------------------|--|
| Gas Dispatcher (24-hours) | 718-794-2900 718-794-2903 718-794-2904 |
| Gas Control Fax Number | 718-794-2924 |

Retail Choice Operations

| | |
|------------|--|
| Manager | 212-780-6702 |
| Supervisor | 212-780-6760 212-780-6701 212-780-6723 212-780-6704 |

E-Mail Address: RetailAccess@coned.com

Energy Services

Interruptible Sales Service

| | | |
|--------------------|-------|--------------|
| Manhattan | Phone | 212-460-2761 |
| 4 Irving Place | Fax | 212-673-1729 |
| New York, NY 10003 | | |

| | | |
|---------------------------------------|-------|--------------|
| Brooklyn and Queens (Southern Region) | | |
| 30 Flatbush Avenue | Phone | 718-802-5353 |
| Brooklyn, NY 11217 | Fax | 718-624-7060 |

| | | |
|-------------------|-------|--------------|
| Westchester | Phone | 914-925-6296 |
| Bronx | Phone | 914-925-6017 |
| (Northern Region) | Fax | 914-925-6487 |

For Firm Gas Sales and Retail Access
Information and to establish an account
With Con Edison

1-800-75-ConEd

Con Edison Internet Home Page

<http://www.coned.com>

ESCO/MARKETER CENTRAL

From the Homepage –
www.coned.com - choose
ESCO/Marketer Central from
The drop down menu

Transportation Customer Information System (TCIS)

<https://www.coned.com/tcis>

**B. AFFILIATE TRANSACTION STANDARDS
Standards of Competitive Conduct**

The standards of competitive conduct governing the Company's relationship with any gas or electric energy supply and energy service affiliates are contained in the Appendix A to the Settlement Agreement in Case 98-M-0961 – Joint Petition of Consolidated Edison, Inc., Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. for Approval of a Certificate of Merger and Stock Acquisition dated March 8, 1999.

Inquiries regarding these Standards of Competitive Conduct should be directed to:

Marc Richter
Associate General Counsel
Consolidated Edison Company of New York, Inc.
4 Irving Place
New York, NY 10003
212-460-4615

This section is included for informational purposes only and is subject to revision only in conformance with orders of the New York State Public Service Commission.

CASE 98-M-0961 – SETTLEMENT AGREEMENT

Standards of Competitive Conduct

The following standards of competitive conduct shall govern the Con Edison's relationship with any energy supply and energy service affiliates:

- (I) There are no restrictions on affiliates using the same name, trade names, trademarks, service name, service mark or a derivative of a name, of Con Edison, Inc. (herein "CEI") or Consolidated Edison Company of New York, Inc. (herein "Con Edison"), or in identifying itself as being affiliated with CEI or Con Edison. However, Con Edison will not provide sales leads for customers in its service territory to any affiliate, including the ESCO, and will refrain from giving any appearance that Con Edison speaks on behalf of an affiliate or that an affiliate speaks on behalf of Con Edison. If a customer requests information about securing any service or product offered within the service territory by an affiliate, Con Edison may provide a list of all companies known to Con Edison operating in the service territory who provide the service or product, which may include an affiliate, but Con Edison will not promote its affiliate. Con Edison must process all similar requests for distribution services in the same manner and within the same period of time.
- (ii) Neither Con Edison nor an affiliate will represent to any customer, supplier, or third party that an advantage may accrue to such customer, supplier, or third party in the use of Con Edison's services as a result of that customer, supplier or third party dealing with any affiliate. This standard does not prohibit two or more of the unregulated subsidiaries from lawfully packaging their services. Con Edison will not pay a premium to a supplier of goods or services in return for that supplier's agreeing to purchase goods or services from, or sell goods or services to, an affiliate.
- (iii) All similarly situated customers, including energy services companies and customers of energy service companies, whether affiliated or unaffiliated, will pay the same rates for Con Edison utility services and Con Edison shall apply any tariff provision in the same manner if there is discretion in the application of the provision. If Con Edison provides to an energy service company or a customer of an energy service company, whether affiliated or unaffiliated, a delivery, billing, metering or other service set forth in its tariff or associated operating procedure, at a discounted or negotiated rate or pursuant to a special arrangement, Con Edison will expeditiously post on its website the information that the Commission requires a utility to file in association with providing, a discount or negotiated rate or special arrangement, subject to the Commission's trade secret rules, if applicable, in the same manner and within the same time period for affiliates and non-affiliates.
- (iv) Transactions subject to FERC's jurisdiction will be governed by FERC's orders or standards as applicable.
- (v) Release of proprietary customer information relating to customers within Con Edison's service territory shall be subject to prior authorization by the customer and subject to the customer's direction regarding the person(s) to whom the information may be released. If a customer authorizes the release of information to a Con Edison affiliate and one or more of the affiliate's competitors, Con Edison shall make that information available to the affiliate and such competitors on an equal basis.
- (vi) Con Edison will not disclose to its affiliate any customer or marketer information relative to its service territory that it receives from a marketer, customer or potential customer,

which is not available from sources other than Con Edison, unless it discloses such information to its affiliate's competitors contemporaneously on an equal basis to the extent practicable.

- (vii) If any competitor or customer of Con Edison believes that Con Edison has violated the standards of conduct established in this section of the agreement, such competitor Or customer may file a complaint in writing with Con Edison. Con Edison will respond to the complaint in writing within twenty (20) business days after receipt of the complaint. Within fifteen (15) business days after the filing of such response, Con Edison and the complaining party will meet in an attempt to resolve the matter informally. If Con Edison and the complaining party are not able to resolve the matter informally, the matter will be referred promptly to the Commission for disposition.

- (viii) The Commission may impose on Con Edison remedial action (including redress or penalties, as applicable) for Con Edison's violations of the standards of competitive conduct. If the Commission finds that Con Edison has engaged in a consistent pattern of material violations of the standards of competitive conduct during the course of this Agreement, it shall provide Con Edison notice of a reasonable opportunity to remedy such conduct. If Con Edison fails to remedy such conduct within a reasonable period after receiving such notice, the Commission may take remedial action with respect to the CEI to prevent Con Edison from further violating the standard(s) at issue. Such remedial action may include directing CEI to divest the unregulated subsidiary, or some portion of the assets of the unregulated subsidiary, that is the subject of Con Edison's consistent pattern of material violations but exclude directing CEI to divest Con Edison or imposing a service territory restriction on the unregulated subsidiary. If CEI is directed to divest an unregulated subsidiary, it may not thereafter, without prior Commission approval, use a new or existing subsidiary of CEI to conduct within its service territory the same business activities as the divested subsidiary (e.g., energy services). Con Edison and CEI may exercise any or all of their administrative and judicial rights to seek a reversal or modification of remedial actions ordered by the Commission and may seek to obtain any and all legal and/or equitable relief from such remedial actions, including but not limited to injunctive relief. Con Edison will not challenge the Commission's authority to implement this subparagraph.

C. Gas Service Territory

Consolidated Edison Company of New York, Inc. a wholly owned subsidiary of Consolidated Edison, Inc., is an electric, gas and steam utility headquartered in New York City. Con Edison's service area covers 660 square miles in New York City and Westchester County. Con Edison distributes electricity to approximately three million customers, natural gas to approximately one million customers and steam service for heating and cooling to approximately 2,000 commercial and residential buildings in Manhattan.

Receipt Points Into Con Edison's Distribution System

Following is a list of receipt points into Con Edison's System:

Pipeline

Receipt Point

Transcontinental Gas Pipe Line
Corporation (TRANSCO)

134th Street - Manhattan
Central Manhattan
Narrows
Long Beach

Texas Eastern Transmission
Corporation (TETCO)

Goethals

Tennessee Gas Pipeline Company (Tennessee)

White Plains

Iroquois Gas Transmission System (Iroquois)

Commack
Hunts Point

Algonquin Gas Transmission System (Algonquin)

Peekskill
Cortlandt
Yorktown
North Somers

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
P.S.C. NO. 9 – GAS
SUMMARY OF SERVICE CLASSIFICATIONS
AS OF OCTOBER 1, 2008**

The rate summaries below represent a brief explanation of the gas rates in effect as of October 1, 2008 and are not meant to represent all tariff provisions applicable to a rate. If you wish to know more information about a particular rate(s) please refer to the Company's tariff. Tariff changes subsequent to October 1, 2008 will not be reflected here.

| Service Class | Type of Service | Customer Size | Customer Type | Rate | Comments | |
|--|--------------------------------|-----------------|---|-------------------------------|----------|--|
| SC 1 | Firm | No Restrictions | Residential and Religious – Non-Heating | First 3 therms or less: | \$14.34 | Firm Sales Gas Cost Factor,, Monthly Rate Adjustment, Merchant Function Charge, Billing and Payment Processing Charge, System Benefits Charge, and Gross Receipts Tax apply. Low Income Customers eligible for discount in "Over 3 therms" block |
| | | | | Over 3 therms (\$/therm): | \$0.6898 | |
| SC 2 | Firm | No Restrictions | General – Non-Residential Non-Heating | First 3 therms or less: | \$19.79 | Firm Sales Gas Cost Factor, Monthly Rate Adjustment, Merchant Function Charge, Billing and Payment, Processing Charge, System Benefits Charge, and Gross Receipts Tax apply. RDM adjustments may apply. Special minimum charge applicable to large dual-fuel customers. Firm Sales Gas Cost Factor, Monthly Rate Adjustment, Merchant Function Charge, Billing and Payment Processing Charge, System Benefits Charge, and Gross Receipts Tax apply. Special minimum charge applicable to large dual-fuel customers. Weather Normalization Adjustment applies during period October through May of each year. RDM adjustments may apply. Rates Apply during period from June 14 to October 14 on A/C use only. Firm Sales Gas Cost Factor, Monthly Rate Adjustment, System Benefits Charge, and Gross Receipts Tax apply. |
| | | | | Next 87 therms (\$/therm): | \$0.5580 | |
| | | | | Next 2,910 therms (\$/therm): | \$0.3161 | |
| | | | Over 3,000 therms (\$/therm): | \$0.2171 | | |
| | | | General – Non-Residential Heating | First 3 therms or less: | \$19.52 | |
| | | | | Next 87 therms (\$/therm): | \$0.5681 | |
| Next 2,910 therms (\$/therm): | \$0.3832 | | | | | |
| General – Non-Residential Air Conditioning | Over 3,000 therms (\$/therm): | \$0.2605 | | | | |
| | First 1,200 therms (\$/therm): | \$0.1942 | | | | |
| Over 1,200 therms (\$/therm): | \$0.1662 | | | | | |
| SC 3 | Firm | No Restrictions | Residential and Religious – Heating | First 3 therms or less: | \$15.38 | Firm Sales Gas Cost Factor, Monthly Rate Adjustment, Merchant Function Charge, Billing and Payment Processing Charge, System Benefits Charge, and Gross Receipts Tax apply. RDM adjustments may apply. |
| | | | | Next 87 therms (\$/therm): | \$0.5863 | |
| | | | | Next 2,910 therms (\$/therm): | \$0.4335 | |
| | | | | Over 3,000 therms (\$/therm): | \$0.3546 | |

| | | | |
|--|---|---|---|
| | <p>Residential and Religious – Air Conditioning</p> | <p>First 1,200 therms (\$/therm): \$0.1942 Over 1,200 therms (\$/therm): \$0.1662</p> | <p>Low Income Customers eligible for lower rates on “first three therms or less” and in “Next 87 therms” block. Special minimum charge applicable to large dual-fuel customers. Weather Normalization Adjustment applies during period October through May of each year. Rates Apply during period from June 14 to October 14 on A/C use only. Firm Sales Gas Cost Factor, Monthly Rate Adjustment, Merchant Function Charge, Billing and Payment Processing Charge, System Benefits Charge, and Gross Receipts Tax apply.</p> |
|--|---|---|---|

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
P.S.C. NO. 9 – GAS
SUMMARY OF SERVICE CLASSIFICATIONS
AS OF OCTOBER 1, 2008**

The rate summaries below represent a brief explanation of the gas rates in effect as of October 1, 2008 and are not meant to represent all tariff provisions applicable to a rate. If you wish to know more information about a particular rate(s) please refer to the Company's tariff. Tariff changes subsequent to October 1, 2008 will not be reflected here.

| Service Class | Type of Service | Customer Size | Customer Type | Rate | Comments |
|---|--|--|---------------------------------|--|---|
| SC 12 Rate 1 (Sales) | Interruptible Sales and Transportation | No Restrictions for Priority AB | Residential and Non-Residential | Rates updated monthly based primarily upon alternate fuel oil prices. Posted to Internet 3 working days before month begins. | Four Priorities based on alternate fuel and annual usage: Priorities AB, C, D, and E. Additional Priorities for SC 9 customers. Customer chooses to be interrupted through notification or through temperature control option. Monthly election to switch between sales and transportation. |
| And SC 9 Rate B (Transportation) | | <p>Priorities C and D must have annual usage of at least 100,000 therms. Type of alternate fuel: C – No.2 Oil; D – No.4 or 6 oil.</p> <p>Priority E customer must have annual usage of at least 1.8 million therms.</p> <p>SC 9 transportation customers with annual usage less than 35,000 therms must join a small customer aggregation group.</p> | | | |
| SC 12 Rate 2 (Sales) | Off-Peak Firm Sales and Transportation | Annual Usage of at least 1 million therms. | Residential and Non-Residential | Rates updated monthly. Posted to Internet three working days before month begins. | Maximum 30 days interruption during winter period. Monthly election to switch between sales and transportation. |
| And SC 9 Rate C (Transportation) | | | | | |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
P.S.C. NO. 9 – GAS
SUMMARY OF SERVICE CLASSIFICATIONS
AS OF OCTOBER 1, 2008**

The rate summaries below represent a brief explanation of the gas rates in effect as of October 1, 2008 and are not meant to represent all tariff provisions applicable to a rate. If you wish to know more information about a particular rate(s) please refer to the Company's tariff. Tariff changes subsequent to October 1, 2008 will not be reflected here.

| Service Class | Type of Service | Customer Size | Customer Type | Rate | Comments |
|----------------------------|--|---|---|---|--|
| SC 9 Rate A | Firm Transportation | If annual usage less than 35,000 therms must join a small customer aggregation group. | Residential and Non-Residential | Same rates as equivalent firm sales rates for SC 1, 2, 3 and 13. | Monthly Rate Adjustment, balancing charges, imbalance charges, System Benefits Charge, and Cash Out credits and charges apply. Gross receipts taxes apply. RDM adjustments may apply. |
| SC 13 | Seasonal Off-Peak Firm Sales | No Restrictions | Residential and Non-Residential | First 3 therms or less: \$33.93 Next 1,197 therms (\$/therm): \$0.1942 Over 1,200 therms (\$/therm): \$0.1662 | SC 13 applies to customers who use gas solely during the period April through October 1. Firm Sales Gas Cost Factor, Monthly Rate Adjustment, Merchant Function Charge, Billing and Payment Processing Charge, System Benefits Charge, and Gross Receipts Tax apply. |
| SC 14 (Sales) | Natural Gas Vehicle Sales | No Restrictions | SC 14 Rate I - Compressed Natural Gas SC 14 Rate II – Uncompressed Natural Gas | SC 14 Rate I established monthly and published on statement. SC 14 Rate II negotiated. | Rate I-Petroleum Business Tax, Motor Fuel Tax and Transportation Fuels Tax apply. |
| SC 9 Rate D (1) | Transportation for Compressed Natural Gas and Bypass Customers | No Restrictions | Transportation may be Firm, Off-Peak Firm or Interruptible | Negotiated Rate may include fixed and volumetric components, shall recover all incremental costs of the service (including metering and communication) and shall provide a reasonable contribution to system costs. | |

| | | | | |
|----------------------------------|------------------------------------|---|---------------|---|
| SC 9 Rate D (2) | Power Generation Transportation | On-Site Generating Facilities having dual-fuel capability and a nameplate rating of at least 50 mw | Off-Peak Firm | Rate Components: System Cost Component – 1.0 cent per therm Marginal Cost Component – 0.92 cent per therm Value Added Charge Component |
|----------------------------------|------------------------------------|---|---------------|---|

E. Customer Breakdown

**Consolidated Edison Company of New York, Inc.
Gas Customers and Sales
Twelve Months Ended December 31, 2008**

| <u>CUSTOMER CLASS</u> | <u>NO. OF CUSTOMERS</u> | <u>ANNUAL SALES (Dekatherms)</u> |
|--------------------------------------|-------------------------|--------------------------------------|
| <u>Sales Service</u> | | |
| Residential | 817,818 | 41,241,000 |
| Commercial General Service | 96,543 | 28,703,000 |
| Interruptible & Off-Peak Firm | <u>627</u> | <u>10,352,000</u> |
| Total Sales Service | <u>914,988</u> | <u>80,296,000</u> |
| <u>Transportation Service</u> | | |
| Residential | 125,279 | 23,554,000 |
| Non-Residential | 25,223 | 19,693,000 |
| Interruptible & Off-Peak Firm | <u>519</u> | <u>21,025,000</u> |
| Total Transportation | <u>151,021</u> | <u>64,272,000</u> |

The foregoing information shall be updated on an annual basis.