SERVICE CLASSIFICATION NO. 20

TRANSPORTATION RECEIPT SERVICE (TRS)

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 Issued By: Robert Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, N. Y. 10003
 (Name of Officer, Title, Address)
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Issued By: Robert Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, NY 10003
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(Service Classification No. 20 - Continued on Leaf No. 364)

Issued By: Robert N. Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, N. Y. 10003

(Name of Officer, Title, Address)
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) – Continued

Availability of Service

Service will be provided in accordance with the terms of this Service Classification to a Seller who:

1. delivers natural gas to the Citygate for the account of an Service Classification No. 9 Firm Customer or a Firm Small Customer Aggregation Group; or

2. delivers natural gas to the Citygate for the accounts of two or more Firm, Interruptible or Off-Peak Firm Service Classification No. 9 Customers and elects to aggregate imbalances on behalf of such Customers in accordance with this Service Classification and the Company's Sales and Transportation Operating Procedures;

3. meets the requirements of this Service Classification, the Company's Sales and Transportation Operating Procedures, and other applicable provisions of this Rate Schedule;

4. provides evidence that it has made the required filings to the Department of Public Service, Consumer Services Division, pursuant to the Consumer Protections Section of the PSC Order, issued March 28, 1996, in Case No. 93-G-0932; and

5. complies with Public Service Commission orders issued in Case Nos. 99-M-0631 and 03-M-0117 implementing Chapter 686 of the Laws of 2002 if providing services to a Residential Customer; and

6. complies with the UBP; and

7. provides evidence to Con Edison of creditworthiness before the Seller may require deposits or prepayments from small non-residential customers, as required by order of the Public Service Commission in Case 00-M-0504, issued and effective May 9, 2002.

Con Edison may cease to provide services to a Seller in accordance with the Company’s Sales and Transportation Operating Procedure and for any reason specified in the UBP.

Definitions

For purposes of this Service Classification, the following terms have the meanings stated below:

1. **Firm Customer** means a Customer who receives Firm Transportation Service under Service Classification No. 9.

2. Interruptible Customer means a Customer who receives Service Classification No. 9 Interruptible Transportation Service.

3. Off-Peak Firm Customer means a Customer who receives Service Classification No. 9 Off-Peak Transportation Service.
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) – Continued

Definitions - Continued

(4) Seller means a supplier of natural gas to a Service Classification 9 Customer or Small Customer Aggregation Group who meets the requirements of this Service Classification and submits an application for Service Classification No. 20 service.


(6) Suspend Service or Suspension of Service refers to the disconnection of transportation service at the request of a Seller, pursuant to Section 32, subdivision 5, of the Public Service Law.

(7) Marketer’s Base Component refers to the non-temperature sensitive volumes in dekatherms per day of the Marketer’s Group of aggregated firm transportation customers served under SC No. 9.

(8) Marketer’s Slope Component refers to the temperature-sensitive volumes in dekatherms per HDD per day of the Marketer’s Group of aggregated firm transportation customers served under SC No. 9.

(9) A Direct Customer is a transportation Customer with annual requirements in excess of 35,000 therms per year who acts on its own behalf to purchase and arrange to bring natural gas to Con Edison's Citygate for its own consumption and not for resale. A Direct Customer is not subject to Commission oversight with respect to eligibility but must subscribe to SC 20 Transportation Receipt Service. A Direct Customer does not have to file an application with the Department of Public Service to become eligible as a Marketer but must comply with the provisions of the Uniform Business Practices and the operating requirements as set forth in the GTOP. A Direct Customer may aggregate and schedule load for itself and other Direct Customers but each Direct Customer would continue to be responsible for meeting balancing and other requirements placed on Direct Customers. A Direct Customer’s rights and obligations are the same as a Marketer’s or Seller’s except where the context indicates otherwise. Customers served under the Company’s tariff where redistribution is permitted are not precluded from being served as a Direct Customer.

(10) Operational Flow Order ("OFO") means a directive by the Company to a Direct Customer(s) and/or its gas supplier(s) and/or a Marketer serving customers in its aggregation group to adjust Citygate deliveries of gas to alleviate conditions that threaten the integrity of the system.

Other terms used in this Service Classification shall have the same meanings as those used in Service Classification No. 9 (Transportation Service) and may be found in the Service Classification No. 9 “Definitions” section.

Character of Service

Receipt of natural gas at the Citygate from a Seller for delivery by the Company to a Service Classification No. 9 Customer(s) purchasing natural gas from the Seller.
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Small Customer Aggregation

A Seller shall have the following responsibilities when it serves a Small Customer Aggregation Group:

(1) Assembling a group of Firm and/or Interruptible Customers whose estimated aggregate annual requirements, as determined by the Company, is 50,000 therms or greater, and maintaining throughout the term of service a group of Customers whose estimated aggregate annual requirements is 50,000 therms or greater, by replacing a Customer who leaves with a new Customer(s). In addition, all Customers in the group must take the same Balancing Service option: all Firm Customers in the group must take Daily Delivery Service; all Interruptible Customers in the group must take either the Daily Balancing Service or the Monthly Balancing Service; all Customers in a group comprised of both Firm and Interruptible Customers must take Daily Delivery Service in conjunction with Interruptible Daily Balancing.

(2) Complying with all requirements of the balancing service selected, including bearing responsibility for all applicable Imbalance, Minimum Delivery, and Cashout Charges, when serving a Small Customer Aggregation Group of Firm and/or Interruptible Customers.

(3) If Seller fails to maintain the 50,000 therms threshold, the Company may terminate the Group status for the remaining Customers in the Group on 60 days' notice to Seller and all Customers in the Group (unless the Seller reattains the threshold before the expiration of the 60-day period). In addition, the Seller shall be financially responsible to the Company for the difference between actual revenues received from the Group for the transportation year and the amount of revenues the Company would have received if the threshold had been maintained. The Company may also disqualify the Seller from eligibility for Transportation Receipt Service for the failure to maintain the 50,000 therms threshold on two or more occasions.

Charges and Credits

The Company does not charge a rate for Transportation Receipt Service. Seller is subject to one or more of the applicable charges and credits, listed below. No charges shall be imposed if Seller's failure to deliver is caused by a force majeure on either the pipeline or the Company's facilities, or if the Company and the pipeline confirm Seller's daily nomination but the gas is not delivered due to the Company's actions in rescheduling Citygate deliveries of system supply and Customer-owned gas during the day. If the Company recalls capacity released to a Seller, for reasons other than non-performance, the Seller will not be liable for the deficiency imbalance charges for deliveries to Firm Customers in subsection (A) listed below to the extent it did not have available the capacity required to meet its customers' demands due to the Company's action.

Any of the following charges and credits described but not shown shall be set forth on a statement filed with the Commission. The Company will review imbalance charges periodically, and may adjust them to reflect changes in the Company's costs.
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Charges and Credits – Continued

Imbalance charges and Cashout charges for all volumes above the first balancing tier (including any unauthorized use of gas during an OFO) will be considered penalty gas except that individually negotiated agreements may provide for balancing services that include cashouts where gas used above the first balancing tier is not considered to be penalty gas.

(A) Imbalance Charges for Deliveries to Firm Customers:

A Seller delivering gas for the account of a Firm Service Classification No. 9 Customer or Firm Customer Aggregation Group shall pay the following charges per therm.

1. Surplus Imbalances

The above charge for Surplus Imbalances shall be revised at least annually to reflect the current estimated difference between the Company's highest cost of gas and its average cost of gas to Firm Sales Customers.

2. Deficiency Imbalances during a summer period

<table>
<thead>
<tr>
<th>Deficiency Imbalance</th>
<th>Charge per therm</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 2%</td>
<td>100% of cost of gas</td>
</tr>
<tr>
<td>greater than 2% but less than 5%</td>
<td>110% of cost of gas</td>
</tr>
<tr>
<td>5% and above</td>
<td>120% of cost of gas plus imbalance charge per statement</td>
</tr>
</tbody>
</table>

The cost of gas used in calculating the Deficiency Imbalance Charge during the summer period will be based on daily high spot prices published for a Citygate Company Receipt Points as explained in the Company's Sales and Transportation Operating Procedures Manual ("Manual").

The imbalance charge for a summer Deficiency Imbalance of 5% and above shall be revised at least annually to reflect the current estimated difference between the Company's highest cost of gas and its average cost of gas to Firm Sales Customers.

(Service Classification No. 20 - Continued on Leaf No. 367.1)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Charges and Credits - Continued

(A) Imbalance Charges for Deliveries to Firm Customers: - Continued

(3) Deficiency Imbalances during a winter period

<table>
<thead>
<tr>
<th>Deficiency Imbalance</th>
<th>Charge per therm</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 2%</td>
<td>100% of cost of gas</td>
</tr>
<tr>
<td>greater than 2% but less than 5%</td>
<td>110% of cost of gas</td>
</tr>
<tr>
<td>5% and above</td>
<td>120% of cost of gas plus $1.00 per therm</td>
</tr>
</tbody>
</table>

The cost of gas used in calculating the Deficiency Imbalance Charge during the winter period will be based on daily high spot prices published for a Citygate Company Receipt Points as explained in the Company's Sales and Transportation Operating Procedures Manual ("Manual").

The imbalance charge for a winter Deficiency Imbalance of 5% and above shall be revised at least annually to reflect the current estimated difference between the Company's highest cost of gas and its average cost of gas to Firm Sales Customers.

(Service Classification No. 20 - Continued on Leaf No. 367.2)

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(Name of Officer, Title, Address)
Charges and Credits - Continued

(A) Imbalance Charges for Deliveries to Firm Customers: - Continued

(4) Deficiency Imbalances during an OFO period

A charge equal to the higher of $5.00 per therm or 120% of the cost of gas plus $1.00 per therm.

The cost of gas used in calculating the Deficiency Imbalance Charge during an OFO period will be based on daily high spot prices published for a Citygate Company Receipt Points as explained in the Company's Sales and Transportation Operating Procedures Manual ("Manual").

The imbalance charge for a summer Deficiency Imbalance of 5% and above shall be revised at least annually to reflect the current estimated difference between the Company's highest cost of gas and its average cost of gas to Firm Sales Customers.
Charges and Credits - Continued

(B) Imbalance Charges for Deliveries to Interruptible and Off-Peak Firm Customers taking the Daily Balancing Service

A Seller aggregating imbalances for two or more Interruptible or Off-Peak Firm Service Classification No. 9 Customers shall pay the following charges per therm:

Daily Surplus Imbalance Charge:

For any day on which the Daily Delivery Quantity is less than the Daily Transportation Quantity, the Seller shall pay a Surplus Imbalance Charge on the excess quantity, as follows:

<table>
<thead>
<tr>
<th>Surplus Imbalances</th>
<th>Charge per Therm</th>
</tr>
</thead>
<tbody>
<tr>
<td>First 10%</td>
<td>No Charge</td>
</tr>
<tr>
<td>Next 10%</td>
<td>per statement</td>
</tr>
<tr>
<td>Over 20% (Summer)</td>
<td>per statement</td>
</tr>
<tr>
<td>Over 20% (Winter)</td>
<td>per statement</td>
</tr>
</tbody>
</table>

Daily Deficiency Imbalance Charge:

For any day on which the Daily Delivery Quantity is greater than the Daily Transportation Quantity, the Seller shall pay a Deficiency Imbalance Charge on the deficiency quantity, as follows:

<table>
<thead>
<tr>
<th>Deficiency Imbalances</th>
<th>Charge per Therm</th>
</tr>
</thead>
<tbody>
<tr>
<td>First 10%</td>
<td>No Charge</td>
</tr>
<tr>
<td>Next 10%</td>
<td>per statement</td>
</tr>
<tr>
<td>Over 20% (Summer)</td>
<td>per statement</td>
</tr>
<tr>
<td>Over 20% (Winter)</td>
<td>per statement</td>
</tr>
</tbody>
</table>

Daily Imbalance Charges shall not be applicable during an OFO period, during which the Seller is subject to Charges for Unauthorized Use.

(Service Classification No. 20 - Continued on Leaf No. 369)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Charges and Credits - Continued

(C) Minimum Delivery Charge Applicable To Deliveries To Interruptible and Off-Peak Firm Customers taking the Monthly Balancing Service:

The Seller shall be required to deliver no less than the Minimum Daily Transportation Quantity. The Customer or Seller shall have the option each month to choose a Minimum Daily Transportation Quantity equal to 70%, 80%, or 90% of the Customer's Daily Delivery Quantity ("Minimum Delivery"). A Seller aggregating imbalances for two or more Interruptible or Off-Peak Firm Service Classification No. 9 Customers shall pay a Minimum Delivery Charge on under-delivery quantities for any day on which the aggregated Daily Transportation Quantities are less than the minimum delivery quantities ("under deliveries"), as follows:

<table>
<thead>
<tr>
<th>Under-deliveries</th>
<th>Charge per therm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer period</td>
<td>per statement</td>
</tr>
<tr>
<td>Winter period</td>
<td>per statement</td>
</tr>
</tbody>
</table>

Charges for Minimum Delivery shall not be applicable during an OFO period, during which the Seller is subject to Charges for Unauthorized Use.
Charges and Credits - Continued

(D) Cashout Credits and Charges:

(1) Daily Delivery Service for Firm Customers:

A Seller delivering gas for the account of a Firm Service Classification No. 9 Customer or Firm Aggregation Group shall be subject to the following credits and charges per therm:

Monthly Cashout Credit:

Seller shall receive a Monthly Cashout Credit on the amount by which the sum of the Adjusted Daily Delivery Service Quantity exceeds the sum of the Daily Delivery Quantities for the monthly billing period ("Net Surplus Imbalance"). A Net Surplus Imbalance shall be considered gas purchased by the Company from the Marketer and/or its Agent. Cashout Credits shall be equal to the product of:

(a) the Net Surplus Imbalance, and

(b) the Citygate cost of gas.

Monthly Cashout Charge:

Seller shall pay a Monthly Cashout Charge on the amount by which the sum of the Daily Delivery Quantities exceeds the sum of the Adjusted Daily Delivery Service Quantity for the monthly billing period ("Net Deficiency Imbalance"). A Net Deficiency Imbalance shall be considered gas purchased by the Seller from the Company. Cashout Charges shall be equal to the product of:

(a) the Net Deficiency Imbalance, and

(b) the Citygate cost of gas.

(Service Classification No. 20 - Continued on Leaf No. 371)
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Charges and Credits - Continued

(D) Cashout Credits and Charges - Continued

(1) Daily Delivery Service for Firm Customers - Continued

For purposes of calculating Cashout Credits and Charges;

(i) For the first 2 percent of Net Surplus and Deficiency Imbalances, the Citygate cost of gas shall be a weighted average price equal to the product of the percentage weightings, as defined in the GTOP, and the first-of-the-month Transco Zone 6 – NY, Tetco M3 and Iroquois Z2 Citygate indices, as set forth in the publication, “Gas Daily Price Guide.”

(ii) For Net Surplus and Deficiency Imbalances greater than the first 2 percent, the Citygate cost of gas shall be a weighted average price equal to the product of the percentage weightings, as defined in the GTOP, and the daily Transco Zone 6 – NY, Tetco M3 and Iroquois Z2 Citygate midpoint prices as set forth in the publication, “Gas Daily”, for the month in which the Imbalances occurred.
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Charges and Credits - Continued

(D) Cashout Credits and Charges - Continued

RESERVED FOR FUTURE USE

(Service Classification No. 20 - Continued on Leaf No. 373)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Charges and Credits - Continued

(D) Cashout Credits and Charges – Continued

RESERVED FOR FUTURE USE

(Service Classification No. 20 - Continued on Leaf No. 374)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Charges and Credits - Continued

(D) Cashout Credits and Charges - Continued

RESERVED FOR FUTURE USE

(Service Classification No. 20 - Continued on Leaf No. 375)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Charges and Credits - Continued

(D) Cashout Credits and Charges - Continued

RESERVED FOR FUTURE USE

(Service Classification No. 20 - Continued on Leaf No. 376)

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(Name of Officer, Title, Address)
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Charges and Credits - Continued

(D) Cashout Credits and Charges - Continued

(2) Daily Balancing Service and Monthly Balancing Service for Interruptible and Off-Peak Firm Customers:

A Seller aggregating imbalances for two or more Interruptible or Off-Peak Firm Service Classification No. 9 Customers shall be subject to the following credits and charges per therm:

Monthly Cashout Credit

Seller shall receive a Monthly Cashout Credit on the amount by which aggregate Daily Delivery Quantities are less than the aggregate Daily Transportation Quantities for the billing period ("Net Surplus Imbalance"). A Net Surplus Imbalance shall be considered gas purchased by the Company from the Seller.

The Monthly Cashout Credit on the Net Surplus Imbalance Quantity shall be equal to the product of:

(a) the wellhead price for gas (WP) plus variable transportation costs (VTC), and

(b) the applicable percentage, as shown below.

The wellhead price used in calculating the Monthly Cashout Credit shall be the simple average of daily midpoint prices of the Transco Zone 3 (Station 65) Production Area index as reported in the publication, “Gas Daily”, for the month in which the Net Surplus Imbalance occurred.

(Service Classification No. 20 - Continued on Leaf No. 377)
Charges and Credits - Continued

(D) Cashout Credits and Charges - Continued

(2) Daily Balancing Service and Monthly Balancing Service for Interruptible and Off-Peak Firm Customers - Continued

### Net Surplus Imbalance

<table>
<thead>
<tr>
<th>Net Surplus Imbalance</th>
<th>Credit per therm</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 10%</td>
<td>100% of sum of WP and VTC</td>
</tr>
<tr>
<td>greater than 10% but less than or equal to 15%</td>
<td>90% of sum of WP and VTC</td>
</tr>
<tr>
<td>greater than 15% but less than or equal to 20%</td>
<td>85% of sum of WP and VTC</td>
</tr>
<tr>
<td>greater than 20% (Summer)</td>
<td>70% of sum of WP and VTC</td>
</tr>
<tr>
<td>greater than 20% (Winter)</td>
<td>60% of sum of WP and VTC</td>
</tr>
</tbody>
</table>

**Monthly Cashout Charge:**

The Seller shall pay a Monthly Cashout Charge on the amount by which the aggregate Daily Delivery Quantities are greater than the aggregate Daily Transportation Quantities for the billing period ("Net Deficiency Imbalance"). A Net Deficiency Imbalance shall be considered gas purchased by the Seller from the Company. The Monthly Cashout Charge on the Net Deficiency Imbalance Quantity shall be the “Citygate Price.” The “Citygate Price” shall be a weighted average price equal to the product of the percentage weightings, as defined in the GTOP, and the daily midpoint prices for the Transco Zone 6 - NY, Tetco M3 and Iroquois Z2 Citygate indices as reported in the publication, “Gas Daily” for the month in which the imbalances occurred and the applicable percentage, as shown below.

<table>
<thead>
<tr>
<th>Net Deficiency Imbalance</th>
<th>Charge per therm</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 10%</td>
<td>100% of Citygate Price</td>
</tr>
<tr>
<td>greater than 10% but less than or equal to 15%</td>
<td>110% of Citygate Price</td>
</tr>
<tr>
<td>greater than 15% but less than or equal to 20%</td>
<td>115% of Citygate Price</td>
</tr>
<tr>
<td>greater than 20% (Summer)</td>
<td>130% of Citygate Price</td>
</tr>
<tr>
<td>greater than 20% (Winter)</td>
<td>140% of Citygate Price</td>
</tr>
</tbody>
</table>

(Service Classification No. 20 - Continued on Leaf No. 378)

Issued By: Robert Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, NY 10003

(Name of Officer, Title, Address)
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Charges and Credits - Continued

(D) Cashout Credits and Charges - Continued

RESERVED FOR FUTURE USE

(Service Classification No. 20 - Continued on Leaf No. 379)

 Issued By: Robert Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, NY 10003
(Name of Officer, Title, Address)
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Charges and Credits - Continued

(D) Cashout Credits and Charges – Continued

(3) For an Aggregated Group of Firm, Interruptible and Off-Peak Firm Customers in which all Firm Customers will receive Daily Delivery Service and Interruptible and Off-Peak Firm Customers have elected Daily Balancing Service.

(a) Con Edison shall provide the seller the Daily Delivery Service Quantity for all Firm Customers in the Group.

(b) The Seller shall submit one Daily Transportation Quantity for all Customers in the Group. This quantity shall not be less than the sum of the Daily Delivery Service Quantity and the quantities applicable to the Interruptible and Off-Peak Firm Customers in the Group.

(c) Con Edison shall apply the Daily Transportation Quantity first to the Daily Delivery Service Quantity and then to the quantities delivered to the Interruptible and Off-Peak Firm Customers in the Group.

(Service Classification No. 20 - Continued on Leaf No. 380)

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(Name of Officer, Title, Address)
Service Classification No. 20 - Continued

Transportation Receipt Service (TRS) - Continued

Charges and Credits - Continued

(D) Cashout Credits and Charges - Continued

(3) - Continued

(d) If the Daily Transportation Quantity is less than the sum of both the Daily Delivery Service Quantity for Firm Customers and the quantities for Interruptible and Off-Peak Firm Customers in the Group, the Seller shall be subject to:

(i) Imbalance charges for under-deliveries to Firm Customers on the difference between the Daily Delivery Service Quantity for the Firm Customers in the Group and the Daily Transportation Quantity, plus

(ii) Minimum Delivery Charges and Cashout Charges on the total Daily Delivery Quantities for all Interruptible and Off-Peak Firm Customers in the Group.

(e) If the Daily Transportation Quantity is greater than the Daily Delivery Service Quantity for Firm Customers in the Group but less than the quantities for Interruptible and Off-Peak Firm Customers in the Group, the Seller shall be subject to:

(i) Minimum Delivery Charges for Interruptible and Off-Peak Firm Customers, and Cashout Charges for Interruptible and Off-Peak Firm customers, on the difference between the total Daily Delivery Quantities, and

(ii) the total Daily Transportation Quantities for all the Customers in the Group.

(f) If the Daily Transportation Quantity is greater than the sum of the Daily Delivery Service Quantity and quantities for Interruptible and Off-Peak Firm Customers in the Group, the Seller shall be subject to:

(i) Minimum Delivery Charges for Interruptible and Off-Peak Firm Customers, and Cashout Credits for Interruptible and Off-Peak Firm Customers, on the difference between the total Daily Transportation Quantities: and

(ii) the total Daily Delivery Quantities for all the Customers in the Group.

(Service Classification No. 20 - Continued on Leaf No. 381)

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(Name of Officer, Title, Address)
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Charges and Credits - Continued

RESERVED FOR FUTURE USE

(Service Classification No. 20 - Continued on Leaf No. 382)

Issued By: Robert Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, NY 10003

(Name of Officer, Title, Address)
Charges and Credits – Continued

(E) Charges For Failure to Deliver:

A Marketer incurring a Deficiency Imbalance during an OFO period shall pay a charge equal to the higher of $5.00 per therm or 120% of the cost of gas plus $1.00 per therm.

The cost of gas used in calculating the Deficiency Imbalance Charge during an OFO period will be based on daily high spot prices published for a Citygate Company Receipt Points as explained in the Company's GTOP Manual.

The imbalance charge for a summer Deficiency Imbalance of 5% and above shall be revised at least annually to reflect the current estimated difference between the Company's highest cost of gas and its average cost of gas to Firm Sales Customers.

(F) ESCO Billing and Payment Processing (BPP) Charges

The Company will charge the following fee per bill per account to an ESCO if the Company provides Consolidated Bills to the ESCO's customer(s) (also see tables shown in General Information Section IX 9):

(a) $1.20 if the Company issues a Consolidated Bill on a gas-only account; or
(b) $1.20 if the Company issues a Consolidated Bill for gas and/or electricity service on a combined gas and electric account; provided, however, that if there are two separate ESCOs (both participating in the Company's POR program), the charge to the gas ESCO will be $0.60 per bill per account

On a combined gas and electric account, if an ESCO issues Consolidated Bills that include its charges for one service, and a second ESCO desires Company-issued Consolidated Bills that include its charges for the other service, the second ESCO must request account separation.

(G) Increase in Rates and Charges:

The rates and charges under this Service Classification will be increased by the applicable percentage, in accordance with General Information Section VIII.

(H) Daily Delivery Service Charges:

Marketers will be billed directly for the charges related to Tiers 2 and 3 of the Daily Delivery Service. The rates will be set forth on the Statement of Balancing Service Charges.
SERVICE CLASSIFICATION NO. 20 – Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

RESERVED FOR FUTURE USE

(Service Classification No. 20 - Continued on Leaf No. 383.1)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

RESERVED FOR FUTURE USE

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Operational Matters

(A) Nominating and Scheduling Customer-Owned Gas:

Seller shall schedule deliveries and submit daily service nominations in accordance with the Company's Sales and Transportation Operating Procedures. The Company shall not be obligated to accept deliveries of gas not nominated and scheduled in accordance with the Company's Sales and Transportation Operating Procedures.

(B) Designation of Agent:

Seller shall act as the Customer's or Group's agent to perform their nominating and scheduling responsibilities with pipelines and other responsibilities as specified in the Company's Sales and Transportation Operating Procedures. Where applicable, Seller shall cause the Customers it is serving to execute and deliver to the Company a transportation agency agreement. The Company shall rely upon the information submitted by the agent, unless and until the Company receives from the Customer written notice of termination of the agency.

Seller shall reimburse the Company for any applicable Service Classification No. 9 rates and charges not paid by the Service Classification No. 9 Customer(s) that Seller is representing.

(C) Balancing Services:

Firm Customers supplied by Sellers shall take Daily Delivery Service. Interruptible and Off-Peak Firm Customers supplied by Sellers shall participate in either the Daily Balancing Service or the Monthly Balancing Service.

(Service Classification No. 20 - Continued on Leaf No. 385)

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(Name of Officer, Title, Address)
Operational Matters - Continued

(C) Balancing Services - Continued

(1) Daily Delivery Service:

Effective November 1, 2016, the Load Following Service for firm transportation customers was discontinued and was replaced by the Daily Delivery Service. Marketers serving firm transportation customers taking service under SC No. 9 must participate in the Company’s Daily Delivery Service subject to the terms and conditions of this Service Classification and the Company’s GTOP Manual.

Each business day, the Company will calculate the following day’s Daily Delivery Service Quantity for each Marketer based upon a forecasted daily temperature and the Marketer’s Base and Slope Components, as set forth in the GTOP Manual. The Marketer will be obligated to deliver this quantity of natural gas to the Company’s City Gate receipt point(s) and to notify the Company of the scheduled deliveries. The Company will not be obligated to accept any delivery in excess of the Marketer’s nominated volumes.

At the Company’s sole discretion, the Company may permit the Marketer or Marketer’s Agent to reduce or increase deliveries of the Daily Delivery Service Quantity on one or more days during any winter month to prevent gas delivery surpluses or deficiencies.

Daily Delivery Service consists of three tiers: 1) Tier 1 – Mandatory Capacity Release; 2) Tier 2 – Managed Supply (Storage) and 3) Tier 3 – Peaking. The Daily Delivery Service is further described in this section and in the GTOP Manual.

Marketer’s Share of Company’s Daily Delivery Service Assets

Marketers will receive a share of the Company’s assets in Tiers 1, 2 and 3. The total share of the Company’s assets available for Daily Delivery Service will be determined annually based on the ratio of the firm transportation customers’ annual usage as a percentage of total firm customers’ annual usage applied to the forecasted design-day peak capacity. On a monthly basis, the Company may update the Marketer’s share of the assets allocated for Tiers 2 and 3 of the Daily Delivery Service based on the Base Component and Slope Component of all Marketers to reflect any changes to the number of transportation customers and their estimated consumption.

(Service Classification No. 20 - Continued on Leaf No. 386)
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Operational Matters - Continued

(C) Balancing Services – Continued

(1) Daily Delivery Service -Continued

Tier 1 – Mandatory Capacity Release

Subject to the conditions described below, the Company will release interstate pipeline transportation capacity to the Marketer or Marketer’s Agent each month of the Gas Year ending each October 31. The amount of pipeline transportation capacity released (the “Tier 1 Capacity Release Volume”) will be determined each month as follows:

a) The Company will first provide the Marketer a share of the Company’s pipeline transportation capacity equal to the Marketer’s Base Component.

b) The Company will then take the ratio of the Marketer’s Slope Component to the total of all Marketers Slope Components and multiply this ratio by the remaining Tier 1 capacity, i.e., the total share of the Daily Delivery Service Tier 1 assets not released in a) above.

c) The Tier 1 Mandatory Capacity Release Volume provided to each Marketer is the sum of (a) and (b) above.

The computation of the Tier 1 Capacity Release Volume will be updated each month to reflect changes to the Marketer’s Group.

The Company will release pipeline transportation capacity on the pipelines, as specified in the Company’s GTOP Manual. The Tier 1 Capacity Release will be at the Company’s WACOC. The Marketer or Marketer’s Agent is responsible for all fixed and variable costs associated with the released capacity. The Marketer or Marketer’s Agent must deliver supply to the Company on the pipelines as specified in the GTOP Manual.

Tier 2 – Managed Supply (Storage)

The Company will provide Marketers with Tier 2 - Managed Supply (Storage) each month from November 1st through March 31st. Prior to the start of each month, the Company will determine the quantity of Tier 2 - Managed Supply (Storage) to be provided each Marketer by multiplying: (1) the capacity of the Company’s total storage contracts specified in the GTOP Manual times (2) the Marketers’ share of the Company’s total storage assets as described above times; (3) the ratio of the Marketer’s Slope Component to the Slope Components of all Marketers.

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Operational Matters - Continued

(C) Balancing Services – Continued

(1) Daily Delivery Service – Continued

Tier 2 – Managed Supply (Storage) – Continued

A mandatory physical storage pilot program is established for the twelve month period, April 1, 2018 through March 31, 2019. Under this pilot program, the quantity of the Tier 2 Managed Supply (Storage) is divided into two Tiers, Tier 2(A) – Virtual Storage and Tier 2(B) – Physical Storage. A Marketer and/or its Agent can meet its Daily Delivery Quantity by utilizing a combination of both Tier 2(A) – Virtual Storage and Tier 2(B) – Physical Storage.

If the day-ahead temperature is forecast to be at or below 46 degrees Fahrenheit on any day in the month of April, Marketers may utilize any remaining Tier 2(A) Virtual Storage from their allocated share during these days in accordance with the Company’s GTOP. In the month of October, Marketers may utilize their Tier 2(A) Virtual Storage allocation for the upcoming November through March period during days in which the day-ahead temperature is forecast to be at or below 46 degrees Fahrenheit.

When the temperature is less than or equal to 25 degrees Fahrenheit, Marketers must utilize 100% of their Tier 1 - Mandatory Capacity Release and Tier 2(B) - Physical Storage allocations before utilizing any Tier 2(A) - Virtual Storage allocation. When the temperature is greater than 25 degrees but less than 30 degrees Fahrenheit, Marketers must utilize 85% of their Tier 1 and Tier 2(B) allocations before utilizing any Tier 2(A) allocation. If a Marketer violates either of these rules two (2) times during a heating season, the Marketer will have its Tier 2(A) storage allocation lowered for the remainder of the heating season in accordance with the Company’s GTOP and will have to balance its daily loads using Tier 3 - Peaking. The Company, at its sole discretion, may waive these rules for the month of March, based upon the Company’s unilateral evaluation of system conditions, as a result of warmer than normal weather experienced during the previous December through February.

a) Tier 2(A) – Virtual Storage

Quantity

The Tier 2(A) – Virtual Storage capacity will equal the total Tier 2 - Managed Supply (Storage) capacity less the amount of capacity allocated to Tier 2(B) - Physical Storage as described in the

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Operational Matters - Continued

(C) Balancing Services – Continued

(1) Daily Delivery Service - Continued

a) Tier 2(A) - Virtual Storage – Continued

Quantity - continued

Company’s GTOP. Any adjustments to a Marketer’s total Tier 2 - Managed Supply (Storage) capacity will be made first to the Marketer’s Tier 2(A) - Virtual Storage, except as described under the recall provisions in this section.

Monthly Charges

Demand Price

The Tier 2(A) Demand Price, stated in dollars per dekatherm, is a capacity price determined by (1) taking the annual fixed costs (including the costs associated with the previous summer period, April through October) of the Company’s storage contracts plus the costs of the Company’s fixed transportation pipeline contracts associated with Tier 2(A) Managed Supply Storage and dividing that amount by (2) the Company’s storage capacity allocated to Tier 2(A), and dividing that resulting amount by five (to be recovered over the five Winter Period months). The annual fixed costs and storage capacity used in this calculation will be updated monthly by the Company.

Marketers will pay, each month of the Winter Period, a Tier 2(A) Demand Charge computed by multiplying the Tier 2(A) Demand Price times the Marketer’s Tier 2(A) storage capacity.

Tier 2(A) Commodity Price

The Tier 2(A) Commodity Price, stated in dollars per dekatherm, is determined by adding: (1) the Company’s weighted average storage inventory price as of the first of the month plus (2) the variable unitized costs to withdraw and deliver storage inventory to the Company’s city gate.

Each month that Tier 2(A) is utilized, a Marketer will pay a Tier 2(A) Commodity Charge computed by multiplying the Tier 2(A) Commodity Price times the Tier 2(A) volumes that the Marketer elects to withdraw from storage adjusted for any injections into or withdrawals from storage resulting from actual weather pursuant to the Intraday Balancing rules as set forth in the Company’s GTOP.

Any differences between the cost of storage gas billed to Marketers under the Daily Delivery Service Program and the Company’s actual incurred cost of storage gas utilized under the DDS Program will be included in the Companies’ storage inventory cost.

(Service Classification No. 20 - Continued on Leaf No. 386.2.1)

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(Name of Officer, Title, Address)
Operational Matters - Continued

(C) Balancing Services – Continued

(1) Daily Delivery Service - Continued

b) Tier 2(B) – Physical Storage

Under the mandatory twelve-month physical storage pilot program, the Company will release to Marketers and/or their Agents and they must accept the Tier 2(B) – Physical Storage release (which includes associated Firm Transportation capacity) from designated storage fields as specified in the Company’s GTOP. Marketers and/or their Agents will be responsible for the daily scheduling of their physical storage releases and associated pipeline transportation releases for deliveries to the Company’s citygates for the twelve-month period of the pilot program. The Marketer and/or its Agent is responsible for all fixed and variable costs associated with the released capacity.

Quantity

The Tier 2(B) - Physical Storage quantity will be based upon multiplying the Tier – 2 Managed Supply (Storage) capacity by a 12 percent allocation factor. The Tier 2(B) – Physical Storage quantity will remain constant for the 12-month period. Marketers, whose volume releases do not meet the minimum releases of the storage field operator as described in the Company’s GTOP, will be completely serviced under the Tier 2(A) - Virtual Storage.

Monthly Charges

Demand Charges

A Marketer and/or its Agent will be responsible for paying for all of its released Tier 2(B) – Physical Storage and associated pipeline demand charges directly to the storage field operators and pipeline companies. The storage field operators and pipeline companies will then credit these demand payments to the Company on their respective monthly invoices to the Company. A Marketer and/or its Agent will pay the same FERC tariff/negotiated rates as the Company would have paid had it not made the releases and will abide by the same storage fields’ tariffs/contract terms and conditions as the Company would have abided by had it not made the releases.
Operational Matters - Continued

(C) Balancing Services – Continued

(1) Daily Delivery Service - Continued

b) Tier 2(B) –Physical Storage

Monthly Charges - continued

Commodity

Marketers and/or their Agents will be responsible for procuring their own natural gas commodity from third parties and scheduling the injections and withdrawals with the storage field operators and pipeline companies. Marketers and/or their Agents will also be responsible for paying the storage field operators for injections and withdrawals services. The Company will not release commodity in conjunction with the storage field and associated transportation releases. If the Marketer and/or its Agent has any residual commodity left in storage at the end of the 12-month period and cannot find a third party buyer for the residual commodity, the Company will purchase the gas at the lower of the Company’s weighted average cost of inventory as of March 1st (excluding the cost of LNG, CNG and propane) minus $0.50 Dt/d or the FERC first of month market price of gas for March at the storage field listed in the GTOP. Any residual gas purchases from Marketers will be included in the gas inventory of the joint Companies as described in General Information Section VII (A) 1 (b).

At the end of the 12-month Tier 2(B) – Physical Storage pilot program, the Company will evaluate the program in order to determine whether to continue it on a permanent basis.

Operational Requirements

The Tier 2(B) – Physical Storage has the following operational requirements:

a) Empty storage field: Marketers and/or their Agents will receive their allotment of Tier 2(B) Physical Storage capacity empty on April 1 and must return the storage capacity empty by March 31;

b) Minimum withdrawals: Minimum storage field withdrawals will be based upon operational limitations as described in the GTOP; and

c) Operation limitations: Any storage or citygate operational limitations that the Company is subject to will also be proportionately applied to the Marketer and/or its Agent.

(Service Classification No. 20 - Continued on Leaf No. 386.2.3)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) – Continued

Operational Matters - Continued

(C) Balancing Services – Continued

(1) Daily Delivery Service - Continued

b) Tier 2(B) – Physical Storage

Recalls of Tier 2(B) - Physical Storage and Associated Pipeline Transportation Capacity:

The Company will recall a Marketer’s and/or its Agent’s Tier 2(B) capacity if:

(i) the Marketer and/or its Agent fails to comply with the terms and conditions of Con Edison’s Gas Tariff, the GTOP, or the applicable storage field or interstate pipeline tariffs governing the released capacity; or

(ii) a Marketer and/or its Agent loses a significant number of Customers. In that circumstance, the Company will reduce or recall completely the Marketer’s and/or its Agent’s Tier 2(A) and Tier 2(B) storage and associated pipeline capacity as described in the Company’s GTOP. Any such adjustment will be made first to the Marketer’s and/or its Agent’s Tier 2(A) Virtual Storage and then to the Marketer’s Tier 2(B) Physical Storage. Any residual gas left in physical storage by the Marketer will be purchased at a discount under Balancing Services (C)(1)(b).

Payment of Storage Field Charges:

As noted above, the Marketer and/or its Agent will pay directly to the storage field operators the charges associated with the use of its released storage field and transportation capacity under the Tier 2(B) Physical Storage pilot program. If the Marketer and/or its Agent fails to pay the operator for any charges and the Company then receives less than the Company’s entitled credit upon receipt of a storage operator’s invoice, the Marketer and/or its Agent will have five (5) business days to reimburse the Company for all such shortfall amounts plus interest on such amounts at the rate prescribed by General Rule III. (8) (L) of the Company’s Tariff.

The Company at its sole discretion may remove a Marketer and/or its Agent from the Tier 2(B) Physical Storage pilot program.

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Operational Matters - Continued

(C) Balancing Services – Continued

(1) Daily Delivery Service – Continued

Tier 3 – Peaking

The Company will provide Tier 3 - Peaking (including LNG and CNG) to Marketers from November 1st to March 31st when the estimated consumption of a Marketer exceeds the Marketer’s Tier 1 Capacity Release Volume and available Tier 2 - Managed Supply (Storage) withdrawal volume.

Tier 3 Demand Price

The Tier 3 Demand Price, stated in dollars per dekatherm, is a capacity price determined by dividing the annual fixed costs of the Company’s total peaking contracts by the Company’s total peaking capacity.

Marketers who receive Tier 3 - Peaking will pay to the Company, each month of the Winter Period (November through March), a Tier 3 Demand Charge computed by multiplying the Tier 3 Demand Price times the Marketer’s Tier 3 peaking capacity, and then dividing that resulting amount by five (5).

Tier 3 Commodity Price

The Company will determine the Tier 3 Commodity Price, stated in dollars per dekatherm, each day by weighting the following commodity prices:

a) Pipeline Indices: the following pipeline indices obtained from Platt’s Gas Daily Price Guide, (Daily Price Survey) for date of flow will be weighted using the percentages set forth in the Company’s GTOP:

Transco – Transco Zone 6 NY mid-point price
Texas Eastern – Texas Eastern M3 mid-point price
Iroquois – Iroquois Zone 2 mid-point price

b) Company’s LNG Inventory Price: when LNG is called upon by the Company to meet peak demand the Tier 3 commodity price will include the Company’s LNG Inventory Price. The percentages set forth in the Company’s GTOP will be modified to reflect the use of LNG.

Each month that Tier 3 is utilized, a Marketer will pay a Tier 3 Peaking Charge computed by multiplying the Tier 3 Commodity Price of a) and b) above times the Tier 3 volumes that the Marketer delivers to the Company’s city gate.

(Service Classification No. 20 - Continued on Leaf No. 386.4)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) – Continued

Operational Matters - Continued

(C) Balancing Services – Continued

(1) Daily Delivery Service – Continued

Operational Limitations

For operational limitations refer to the Company’s GTOP.

Marketers will be subject to additional charges under the following circumstances:

a) Overuse of Peaking: When, on a daily basis, a Marketer uses more than its Tier 3 Peaking allocation, the Marketer shall be charged a premium above the daily spot price for the commodity in accordance with the Company’s GTOP.

b) March storage capacity limit: If a Marketer does not have its Tier 2(A) Virtual Storage inventory at or below 35% of its capacity storage allocation by March 31 of each year, the Marketer will be surcharged for the inventory overage level in accordance with the Company’s GTOP. The Company, at its sole discretion, may waive this surcharge if warmer than normal weather conditions during the previous December through February period caused the inventory level for every Marketer to exceed 35% of its capacity storage allocation.

Security Prepayment Requirement and POR Netting Requirement

Marketers who are not participating in the Company’s POR program will be required to prepay the demand and commodity components of Tier 2(A) Virtual Storage and Tier 3 Peaking. Marketer prepayment must be made to the Company via wire transfer or ACH payment no later than three (3) business days prior to the last day of the month preceding the month in which the Marketer will be charged for the cost of Tier 2(A) Virtual Storage and Tier 3 Peaking. The prepayment for the demand component of Tiers 2(A) and 3 will be calculated by taking the product of 0.9 times the estimated demand price of the Tier 2(A) Virtual Storage and Tier 3 Peaking for that month. The prepayment for the commodity component of Tiers 2(A) and 3 will be calculated by taking the total amount of gas in storage allocated to the Marketer, dividing that amount by 5 and then multiplying the resulting amount by the most recent 1st of the month weighted average cost of gas in storage. The prepayment amount will be trued-up when the actual costs of the Virtual Storage and Peaking are available and any adjustment will be made in the Marketer’s succeeding billing period.

(Service Classification No. 20 - Continued on Leaf No. 386.5)

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(Name of Officer, Title, Address)
Operational Matters - Continued

(C) Balancing Services – Continued

(2) Daily Delivery Service – Continued

For Marketers who are participating in the Company’s POR program, payment amounts owed to the Company for any of a Marketer’s Tier 2(A) and Tier 3 demand and commodity components will be netted by the Company against the Company’s monthly POR payment to the Marketer unless the Marketer submits payment directly to the Company for those components. In any month that the POR payment amount is insufficient to cover the Tier 2(A) and Tier 3 demand and commodity components, the Marketer will be required to pay the Company directly for the full amount of those demand and commodity components. Notwithstanding this POR netting by the Company, if the Marketer owes the Company any additional amounts for those components, the Company retains all of its rights to collect such additional owed amounts as well as the right to require a prepayment or the posting of a Letter of Credit (LOC) for any potential amount that may be owed to the Company for those demand and commodity components. The terms and conditions of any such LOC must be acceptable to the Company as referenced in the GTOP.
Operational Matters - Continued

(C) Balancing Services – Continued

(2) Daily Balancing Service, or Monthly Balancing Service:

A Marketer electing to aggregate imbalances for two or more Interruptible or Off-Peak Firm Service Classification No. 9 Customers shall be subject to the following requirements which, absent Marketer’s agreement, would otherwise be the responsibility of each Interruptible and Off-Peak Firm Service Classification No. 9 Customer individually:

Marketer shall schedule deliveries to the Receipt Point(s) so that, as nearly as may be possible, the Customers' Daily Delivery Quantities equals the Customers' Daily Transportation Quantities, exclusive of the allowance for losses. In the event the Marketer tenders quantities in excess of the Maximum Daily Transportation Quantity, the Company may, in its sole discretion, transport such excess quantities if sufficient capacity is available on its system.

(3) Automatic Netting of Imbalances

Pursuant to Appendix J of the Joint Proposal dated May 28, 2004, as approved by the Commission’s Order dated September 27, 2004 in Case No. 03-G-1671, Marketers serving Interruptible or Off-Peak Firm Customers, and Interruptible or Off-Peak Firm Direct Customers (excluding Power Generation Customers) are permitted to participate in the Company’s Automatic Netting of Imbalances program (“Program”) unless otherwise specified in the Company’s Sales and Transportation Operating Procedures (“Operating Procedures”). Under the Program, the Company identifies and nets imbalances for the same gas day for two or more marketers using the same balancing service option (i.e., Daily Balancing Service or the same Minimum Delivery percentage (“band”) of Monthly Balancing Service) and determines the cash-out tiers to be applied to end-of-month cash-out imbalances for such marketers. A marketer may opt to not participate in the Program for any calendar month by notifying the Company by e-mail at least two (2) business days prior to the start of the calendar month; if the Company does not receive an opt-out notification, the marketer will be included in the Program for that calendar month. There will be no automatic netting of imbalances under the Program on any day that an Operational Flow Order is in effect. Additional terms and conditions of the Automatic Netting of Imbalances program are set forth in the Operating Procedures.
Transportation Receipt Service (TRS) - Continued

Operational Matters - Continued

(C) Balancing Services – Continued

(4) Monthly Imbalance Trading Service ("MITS")

Direct Customers and Sellers serving firm, interruptible, off-peak firm, or power generation customers under Service Classification No. 9 will be permitted to trade end-of-month imbalances with other Direct Customers or Sellers at specific pipeline Citygate Receipt Points, as explained in the Company's Sales and Transportation Operating Procedures Manual. This trading will be allowed among firm, interruptible, and off-peak firm customers and will be limited to imbalances incurred during the same calendar month. Sellers and Direct Customers electing to trade imbalances will take the full risk of their trades and imbalances not traded will be subject to imbalance charges and cashout credits and surcharges, as explained in Service Classification No. 9 and this Service Classification.

(5) Daily Imbalance Trading Service ("DITS")

Direct Customers and Sellers serving interruptible or off-peak firm customers, under Service Classification No. 9, will be permitted to trade daily imbalances with other Direct Customers or at specific pipeline Citygate Receipt Points, as explained in the Company's Sales and Transportation Operating Procedures ("Operating Procedures"). This trading will be allowed among interruptible and off-peak firm customers and will be limited to imbalances incurred during the same gas day, as defined in the Operating Procedures. Sellers and Direct Customers electing to trade imbalances will take the full risk of their trades and imbalances not traded will be subject to imbalance charges and cashout credits and surcharges, as explained in Service Classification No. 9 and this Service Classification.
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Operational Matters - Continued

(C) Balancing Services – Continued

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SERVICE CLASSIFICATION NO. 20 – Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Operational Matters - Continued

(C) Balancing Services - Continued

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Operational Matters – Continued

(C) Balancing Services – Continued

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OPERATIONAL MATTERS – CONTINUED

(C) Balancing Services - Continued

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Operational Matters – Continued

(D) Failure to Deliver:
If Seller at any time fails to deliver the required quantities during an OFO period, in addition to the charges due for its failure to make deliveries, the Company may require Seller as a condition to the continuation of service to Seller Customer(s), and in addition to payment of the required charges, to reimburse the Company in full for the cost of purchasing and installing equipment necessary to:

1. monitor daily consumption by the Customer(s), and
2. be in a position to take the action necessary to preserve system integrity if the marketer should fail again to make full deliveries during an OFO period.

In addition, the Company may terminate service to a Seller for Seller’s failure to deliver the required quantities for Transportation Service in accordance with SC Nos. 9 and 20 of this Rate Schedule, the UBP and applicable orders of the Commission.

(E) Measurement of Receipts and Heating Value Adjustment:
Quantities of gas received by the Company at the Receipt Point for the Customer's account shall be measured in accordance with the measurement provisions of the tariff of the interstate natural gas pipeline company which delivers the gas to the Receipt Point. Volumes of gas delivered by the Company and registered at the Customer's meter in Ccf will be converted to therms, in accordance with General Information Section III. 8.
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Mandatory Capacity Release Service

A Capacity Release Seller must participate in Con Edison's Mandatory Capacity Release Service, as part of the Tier 1 Daily Delivery Service program as described in the Section (C) of this Service Classification, subject to the terms and conditions in this Tariff and the Company's GTOP Manual. A Capacity Release Seller and its Agent/Designee (“its Agent”), if applicable, must execute a Capacity Release Service Agreement, prior to the start of each capacity release period, in order to obtain a capacity release from the Company. Deadlines for executing a Capacity Release Service Agreement for each capacity release period will be communicated directly to Capacity Release Sellers or will be set forth in the Company’s GTOP Manual.

The Mandatory Capacity Release Service excludes any storage capacity and associated pipeline capacity released under the Tier 2(B) - Physical Storage program of the Daily Delivery Service.

(A) Capacity Release Quantity:

A Capacity Release Seller and/or its Agent must obtain the Company’s interstate pipeline capacity for all of the Seller’s Firm Customers. Commencing November 1, and extending to October 31 of each year (the "capacity release period").

The capacity allocated to each Marketer as part of the Daily Delivery Service program is determined as described in the Operational Matters Section (C) in this Service Classification.

(B) Increasing or Decreasing Released Capacity:

If a Seller has a net increase or decrease in its firm load (as confirmed by the Company), after the date the Seller and its Agent, if applicable, executes the Capacity Release Service Agreement for a capacity release period, the Company will release to the Seller and/or its Agent or recall from the Seller and/or its Agent such capacity to meet that net increase or decrease, to the extent that additional capacity is available.

(Service Classification No. 9 - Continued on Leaf No. 390.1)

Issued By: Robert Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, NY 10003

(Name of Officer, Title, Address)
Mandatory Capacity Release Service - Continued

(C) Character of Release:

The Company’s GTOP will set forth the specific interstate pipeline(s) on which capacity will be released by the Company to the Capacity Release Sellers and/or its Agent for each capacity release period.

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 Seller and/or its Agent in any way for interruptions of service by the pipeline(s).
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Mandatory Capacity Release Service - Continued

RESERVED FOR FUTURE USE

(Service Classification No. 9 - Continued on Leaf No. 390.3)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Mandatory Capacity Release Service - Continued

RESERVED FOR FUTURE USE

(Service Classification No. 9 - Continued on Leaf No.390.4)

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(Name of Officer, Title, Address)
Mandatory Capacity Release Service - Continued

(D) Payment of Pipeline Charges:

The Capacity Release Seller and/or its Agent shall pay the pipeline(s) directly for charges associated with the use of released capacity, at the Company’s projected WACOC effective November 1 of each year. If the Capacity Release Seller and/or its Agent fails to pay the pipeline(s) for any charges that result in the Company receiving less than the full credit from the pipeline to which it was otherwise entitled, upon receipt of the Company’s invoice, the Capacity Release Seller and/or its Agent shall no later than five (5) business days thereafter reimburse the Company for all such amounts plus,

(a) interest on such amounts at the rate prescribed by General Rule III. (8) (L), and

(b) an amount in respect of Gross Receipts Taxes based upon the applicable total effective percentage increase specified on the Company's then effective Statement of Percentage Increase in Rates and Charges.

The Company may terminate the Seller’s and/or its Agent’s Capacity Release Service Agreement immediately (or at any time thereafter) upon receipt of notice that the Capacity Release Seller and/or its Agent has failed to pay the pipeline(s) for any of the pipeline charges described above. Such termination shall not affect the Company’s right to reimbursement from the Capacity Release Seller and/or its Agent as described above.

(E) Credit Requirements:

A Capacity Release Seller and/or its Agent must satisfy the credit requirements prescribed by the FERC tariff of the pipeline(s) on which capacity will be released and provide the Company with appropriate documentation of compliance with those requirements. The Capacity Release Seller and/or its Agent shall notify the Company immediately of any change in its financial circumstances that results in non-compliance with the pipeline requirements.

(F) Indemnification and Warranty:

The Capacity Release Seller and/or its Agent shall indemnify the Company from all losses and damages resulting from the actions or inactions of the Capacity Release Seller and/or its Agent under the Capacity Release Service Agreement with the Company and the pipeline service agreement(s). The Capacity Release Seller and/or its Agent shall also warrant title to the gas transported under these pipeline service agreements.
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Mandatory Capacity Release Service - Continued

(G) Recalls of Capacity:

The capacity released to a Capacity Release Seller and/or its Agent may be recalled by Con Edison

(i) by the amount that the Capacity Release Volume applicable to firm customers served by the Capacity Release Seller behind Con Edison's Citygate decreases; or

(ii) if the Capacity Release Seller and/or its Agent fails to comply with the terms and conditions of Con Edison’s Gas Tariff, the GTOP, and the Capacity Release Service Agreement; or

(iii) if the Capacity Release Seller and/or its Agent fails to comply with an interstate pipeline company’s capacity release provisions; or

(iv) when required to preserve the integrity of Con Edison's facilities and service; or

(v) whenever the Seller and/or its Agent fails to deliver gas to Con Edison equal to the aggregate Capacity Release Volume of its Customers.
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions

(A) Term of Service:

The term of any agreement under this Service Classification shall be co-extensive with the term of the service agreement(s) of the Service Classification No. 9 Customer(s) on whose behalf the Seller is delivering gas.

(B1) Credit and Security Requirements:

Acceptance of a request for service and continued eligibility for service is contingent upon a Marketer's and Direct Customer’s satisfaction of creditworthiness requirements and provision of any security as specified in the UBP.

For Billing Agency arrangements, Con Edison has a right to require a Marketer acting as Billing Agent to provide and maintain financial security equal to:

(i) 45 days of a Marketer's customers' projected peak period energy requirements over the coming 12 months priced at Con Edison's applicable transportation tariff rate, including relevant transition charges, minimum charges, balancing charges and other rates, charges and adjustments as set forth under Service Classification No. 9 of this Rate Schedule; or,

(ii) where a lockbox arrangement is provided by a Marketer acting as Billing Agent, the required security for Billing Agency will be reduced to 22.5 days. Security may be provided in cash, a letter of credit, surety bond or guaranty of a third party that the Marketer meets the minimum credit requirements as set forth in the UBP

(iii) For prepayment requirements related to the DDS program refer to the Operational Matters (C) (1) under SC No. 20.
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions - Continued

(B2) Recall of Capacity Due to Poor Credit Rating

Con Edison reserves the right to recall capacity from a Customer taking service under Service Classification No. 9 if its Marketer fails to maintain appropriate creditworthiness as specified in the UBP.
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions - Continued

RESERVED FOR FUTURE USE

(Service Classification No. 20 - Continued on Leaf No. 391.3)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions - Continued

RESERVED FOR FUTURE USE

(Service Classification No. 20 - Continued on Leaf No. 391.4)

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(Name of Officer, Title, Address)
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions - Continued

RESERVED FOR FUTURE USE

(Service Classification No. 20 - Continued on Leaf No. 392)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions - Continued

RESERVED FOR FUTURE USE

(Service Classification No. 20 - Continued on Leaf No. 393)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions - Continued

RESERVED FOR FUTURE USE

(Service Classification No. 20 - Continued on Leaf No. 394)

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

(Name of Officer, Title, Address)
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions – Continued

(C) Terms of Payment:

Net cash on presentation of bill, subject to a late payment charge in accordance with General Rule III 8(L), or such other terms specified in the UBP or in an agreement between the Customer and the Company for a negotiated rate.

Marketers participating in the Company’s Daily Delivery Service program should refer to section (C) (1) “Security Prepayment Requirement and POR Netting Requirement” regarding payments for demand and commodity amounts under Tiers 2(A) Virtual storage and Tier 3 Peaking.

(D) New Facilities:

The Company shall not be obligated to install any new facilities or modify any existing facilities to receive gas pursuant to this Service Classification. If the Company, in its sole discretion, agrees to install any facilities, it may require the Seller to pay to the Company the full cost of such facilities and related costs in advance of the commencement of construction.

(E) Warranty of Title:

Seller warrants that it will, at the time it delivers gas to the Company for transportation, have good and merchantable title to all such gas free and clear of all liens, encumbrances, and claims whatsoever. Seller shall indemnify the Company and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising out of the adverse claims of any or all persons to said gas, including claims for any royalties, taxes, license fees, or charges applicable to such gas or to the delivery of such gas to the Company for transportation.

(Service Classification No. 20 - Continued on Leaf No. 395)
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions - Continued

(F) Control and Possession:

As between the Seller and the Company, the Company shall be deemed to be in control and possession of the gas to be transported upon receipt of such gas at the Citygate and the Seller shall be deemed to be in control and possession of the gas prior to such receipt by the Company.

(G) Company Rights to Interrupt and Terminate Service to Marketers:

The Company reserves the right to reject any application for service, or to interrupt service, under this Service Classification where, in the sole judgment of the Company, the provision of service would or might impair the Company's rights or ability to receive service, purchase gas, or utilize capacity on the transmission system of any of its pipeline suppliers, impair or interfere with the Company's operations, or impose costs in excess of those subject to recovery under these rates. In addition, the Company may terminate service to a Marketer or Direct Customer for its failure to meet the requirements of this Service Classification, the Company's Sales and Transportation Operating Procedures and any other provisions of this Rate Schedule provided such termination is consistent with the provisions of the UBP.

(H) Notification of Termination of Supply and Discontinuance of Marketer Operations:

A Marketer intending to terminate gas supply to a Customer and/or discontinue operations (in whole or in part) in the Company's service territory must comply with the requirements specified in the UBP, the Home Energy Fair Practices Act (Public Service Law, Article 2), the Company's Operating Procedures, and applicable orders of the Commission. Upon discontinuance of supply by the Marketer, and unless/until a Customer selects a new Marketer or the Marketer assigns the customer contracts to other eligible marketers, the Marketer shall be obligated to sell to the Company, at the Company's sole option, gas supply and/or capacity that the Marketer would otherwise use to serve the Customer, on any day or days during the remaining term of the contract between the Marketer and the Customer, at the lower of the applicable average cost of gas to Firm Customers for the delivery month, as defined on Leaf Nos. 155-157, or the price that the Customer would otherwise have paid Marketer for such gas supply and/or capacity on such day or days.

(Service Classification No. 20 - Continued on Leaf No. 396.0)

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(Name of Officer, Title, Address)
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions - Continued

(I) Company's Sales and Transportation Operating Procedures:

Service provided under this Service Classification shall be subject to the applicable requirements set forth in the Company's Sales and Transportation Operating Procedures ("Operating Procedures"), as the same be amended, modified, or superseded from time to time. Changes to the Operating Procedures shall become effective thirty days after providing notice of changes to the Staff of the Public Service Commission ("Commission Staff") and all Marketers and Direct Customers. Where necessary and appropriate and upon consultation with Commission Staff, the Company may implement changes on less than thirty days' notice. In the event of a conflict between the Operating Procedures and the Rate Schedule, the Rate Schedule shall govern.

A copy of the Operating Procedures is available on the Company's Internet site. The Company shall provide a copy of the Operating Procedures to a Customer upon request.

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(Name of Officer, Title, Address)
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions – Continued

(J) General Information:

The additional rules, regulations, terms and conditions in General Information Sections I-V and VIII, inclusive, are applicable to and made a part of this Service Classification, to the extent not inconsistent with the provisions of this Service Classification and the UBP. Rider A may be applied to this Service Classification.

(K) Statement of Charges:

The Company shall file with the Commission a statement showing all charges applicable to this Service Classification.

(L) Application Forms:

The application form for service under this Service Classification is included in the Company's Sales and Transportation Operating Procedures.

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions - Continued

(M) **On-site Meter Reading Fee:**

An on-site meter reading is an actual reading at an SC 9 Customer's premises on the regularly scheduled meter reading date in the event that the customer's phone line used for remote communications is not operational. Where an on-site meter reading is required, the charge will be $19.00. The fee will not be assessed on SC 9 customers whose phone lines are maintained by the Company.

(N) **Special Meter Reading Fee:**

A special meter reading is a meter reading at the Customer's premises performed on a date that is different from the customer's regularly scheduled meter reading date. Special meter readings must be scheduled two business days before the special meter reading date.

Where a special meter reading is requested by the Customer or the Customer's Marketer, the charge will be $19.00 per Customer account per visit.
SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions – Continued

(O) Account Separation Fee

The Company will charge an ESCO/Marketer $34.50 to separate a combined gas and electric account into two accounts. If a Customer authorizes an ESCO/Marketer for electric service and another ESCO/Marketer for gas service, the Company will charge each ESCO/Marketer one-half of the applicable charge.

(P) Consolidated Billing And Payment Processing Services

A Marketer and the Company may agree for one party to perform consolidated billing and payment processing services on behalf of the other. Billing and payment processing services for consolidated utility billing are governed by the terms and provisions of retail access billing and payment processing practices, as specified in the UBP, the Home Energy Fair Practices Act (Public Service Law, Article 2) and by such other terms and conditions not inconsistent with otherwise applicable laws, regulations, and Commission Orders as reflected in a Billing Services Agreement between the Company and the Marketer.

The Company will issue Consolidated Bills only for ESCO/Marketers participating in the POR program. A non-participating ESCO/Marketer may offer consolidated billing and/or dual billing options as set forth in the Company’s Gas Sales and Transportation Operating Procedures (“Operating Procedures”). For residential customers of a non-participating Marketer, the Marketer may only offer dual billing. According to the terms and conditions of the POR program, the Marketer assigns to the Company its rights in amounts billed to all of its Customers participating in the Company’s Retail Access Program and receiving a Consolidated Bill. In turn, the Company will purchase the gas supply service accounts receivable at a discount from the participating Marketer without recourse on the accounts of the Company’s firm transportation Customers who receive a consolidated bill that includes gas supply service provided by the ESCO/Marketer. Further details of the POR program are described in the Company’s Operating Procedures and the Billing Service Agreement between the Company and the ESCO/Marketer.

A Marketer Consolidated Bill shall include a bill issued by a Marketer under agency billing, until Electronic Data Interchange (“EDI”) is operational for bill-ready Marketer consolidated billing, as permitted in the Operating Procedures. A Marketer that fails to bill its customers or to transmit Customer payments to Con Edison on a timely basis will be precluded from acting as a Billing Agent. When EDI is operational for Marketer consolidated billing, as established in Case 99-M-0667, all provisions of this Rate Schedule relating to Billing Agency are terminated.

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions - Continued

(P) Consolidated Billing and Payment Processing Services - Continued

For Marketer Consolidated Bills issued on or after February 3, 2004, Customer payments shall be allocated and prorated in accordance with the UBP, the Home Energy Fair Practices Act (Public Service Law, Article 2), and applicable orders of the Commission.

If a Marketer requests that a Company-issued Consolidated Bill include an insert required by statute, regulation, or Public Service Commission order, and such insert exceeds one-half ounce, the Company will charge the Marketer for incremental postage.

(Q) Discontinuance and Suspension of Transportation Service to a Customer

A Marketer may not physically disconnect a Customer’s gas service. Con Edison may disconnect service to a Customer in accordance with the provisions of the General Information Section of this Rate Schedule. At the request of a Marketer, Con Edison may suspend service to a residential Customer or a two-family dwelling receiving Marketer Consolidated Bills or to a multiple dwelling pursuant to the Home Energy Fair Practices Act (Public Service Law, Article 2) (“HEFPA”). However, the Marketer may not request service suspension in the condition where the Company is purchasing the Marketer’s receivables.

By submitting a request for suspension of service to the Company in the authorized form, a Marketer represents that it has complied with all statutory and regulatory requirements for termination of supply service and suspension of transportation service. Suspension will end at the request of the Marketer that requested the suspension. However, if the Marketer has not requested an end to the suspension one year after it terminated supply service, the Company will restore delivery service at the Customer’s request provided the Customer meets tariff and HEFPA requirements for service restoration.

(Service Classification No. 20 - Continued on Leaf No. 398)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions - Continued

(R) Suspension of Service Fees:

The Company shall charge the following charge to a Marketer that requests suspension of service to a residential Customer or a two-family dwelling receiving Consolidated Bills or to a multiple dwelling pursuant to the Home Energy Fair Practices Act (Public Service Law, Article 2) (“HEFPA”):

Suspension of Service (at the meter): $26.00 if the gas service to a gas or electricity and gas account is suspended; provided, however, that the charge is $13.00 to the Marketer if the gas service is disconnected on behalf of both the Marketer and the Company; and

$34.50 if the gas and electricity services to an account are suspended at the same time; provided, however, that the charge is $17.25 to the Marketer if one service is disconnected on behalf of the Marketer and the other, on behalf of the Company or another Marketer.

(Service Classification No. 20 - Continued on Leaf No. 399)

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions - Continued

(S) Information About the Company’s Charges

To enable a Marketer to determine the lowest amount that a Customer must pay to end a suspension of service, the Company shall charge $8.00 to a Marketer per bill per service for each account on which the Marketer requests that the Company calculate what it would have charged the Customer had the Customer purchased commodity from the Company. The Company will calculate the bill under its applicable Firm Sales Classification; subtract the bill issued under Service Classification No. 9 for the same period; and provide the difference to the Marketer. The Company will accept Marketer requests by electronic mail only. The Company will cease to provide this service once its self-service bill calculation facility becomes available.

(T) Dispute Resolution Charge

In accordance with the 2007 Gas Rate Plan, ESCOs serving Con Edison gas customers are subject to a dispute resolution procedure, as further explained in the Company Gas Sales and Transportation Procedures. If Con Edison determines in its sole discretion to be reasonably exercised, that the ESCO is not in compliance with this procedure, Con Edison will assess a charge on the ESCO equal to the amount disputed by the Customer.