

PSC NO: 9 GAS**COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.****INITIAL EFFECTIVE DATE: 08/25/06****LEAF: 311****REVISION: 4****SUPERSEDING REVISION: 3****SERVICE CLASSIFICATION NO. 9 - Continued****TRANSPORTATION SERVICE - Continued****Capacity Release Service - Continued****(D) Payment of Pipeline Charges:**

The Capacity Release Seller shall pay the pipeline(s) directly for all charges associated with the use of the released capacity, including (without limitation) demand charges, commodity charges, taxes, surcharges, fuel allowances, imbalance and overrun charges, penalties, and other applicable charges.

The Company may require the Capacity Release Seller to provide reasonable financial guarantees to assure its payment of the amounts due the pipeline(s) for the capacity release. If a Capacity Release Seller fails to pay the pipeline for any charges, resulting in the Company receiving less than its full credit to its pipeline demand charges, the Company may, in addition to any other rights it has, draw on such financial assurances for reimbursement and/or seek reimbursement from the Capacity Release Seller. The reimbursement shall include:

- (a) interest on the unpaid pipeline charges 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 Capacity Release Service for nonpayment of pipeline charges by the Capacity Release Seller.

(Service Classification No. 9 - Continued on Leaf No. 312)**Issued By: Robert N. Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, N. Y. 10003****(Name of Officer, Title, Address)**