

PSC NO: 9 GAS

LEAF: 277

COMPANY: **CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**

REVISION: 2

INITIAL EFFECTIVE DATE: 03/15/06

SUPERSEDING REVISION: 1

STAMPS: Issued in compliance with order in Case -98-G-0122 dated November 23, 2005.

SERVICE CLASSIFICATION No. 9 - Continued**TRANSPORTATION SERVICE - Continued****Rates - Continued****(D) Rates for CNG, Bypass, and Power Generation Transportation Customers:****(1) Rate for CNG and Bypass Customers**

The rate shall be as negotiated by the Company and the Customer. The rate may include fixed and volumetric components, shall recover all incremental costs of the service (including metering and communication costs), and shall provide a reasonable contribution to system costs.

(2) Rate for Power Generation Transportation Customers

The tariff is applicable to the transportation of gas used to fuel an electric generation facility having a rated capacity of 50 Megawatts or greater. The first two components of the Base Rate set forth below apply to the monthly sum of the Customer's Daily Delivery Quantities, excluding the monthly sum of the Customer's firm gas requirements. The Value Added Charge is described below.

(1) System Cost Component	1.0 cent per therm
(2) Marginal Cost Component	0.92 cent per therm
(3) Value Added Charge	individual customer bases in cents per therm

Value Added Charge

The Value Added Charge (VAC) is a per therm charge applied to the Customer's gas consumption during the Effective Period. The VAC is calculated on an individual customer basis. The VAC is calculated monthly and is equal to the sum of the positive monthly difference between the average Spark Spread per hour for the Base Year and the Spark Spread per hour the generator operated during the Test Year, times five percent (5.0%). The Customer's annual VAC is calculated as the sum of each monthly calculation divided by the therm consumption for the year. If a customer does not have twelve months of operating history for the Test Year calculations, the customer will be assigned a VAC amount similar to other customers in the Customer's Heat Rate Tier Level. The four designated Heat Rate Tier Levels are described below.

The average spark spread for the base year is the calculated difference between the Market Electric Price component of the first full year of operation of the NYISO starting on December 1, 1999, and Fuel Cost of Generation utilizing the Daily Market Gas Cost and a designated heat rate. For the purposes of this calculation, the Market Electric Price shall be based on the day ahead Locational Based Marginal Price (LBMP) for the NYISO Zone where the Customer's generator facility is located.

Service Classification No. 9 - Continued on Leaf No. 277.1)**Issued By: Robert N. Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, N. Y. 10003**

(Name of Officer, Title, Address)