LEAF: 307.1 REVISION: 0 SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 9 - Continued

TRANSPORTATION SERVICE - Continued

Capacity Release Service - Continued

(A) Availability of Released Capacity - Continued:

A Capacity Release Seller acting on behalf of a Firm Customer through an executed Agency Agreement may elect to participate in Con Edison's Extended One-Year Capacity Release Service, subject to the terms and conditions in the Tariff and the Company's Sales and Transportation Operating Procedures Manual. Under the Extended One-Year Capacity Release Service, a Capacity Release Seller may obtain a portion of the Company's available interstate pipeline capacity to serve Firm Customers for the 12-month period commencing November 1, 2004. In order to take capacity pursuant to this program, a Capacity Release Service Agreement must be executed for the 12-month period commencing November 1, 2004, as explained in subsection (F) below. Deadlines for Capacity Release Sellers to make binding commitments and to execute Capacity Release Service Agreements are set forth in the Company's Sales and Transportation Operating Procedures Manual. The quantity of capacity available to a Capacity Release Seller for its Firm Transportation customers and the Company's obligations to provide such service beginning November 1, 2004 follow the same terms and conditions outlined above in this subsection for the Capacity Release Service offered for the 12-month periods from November 1, 2001 to October 31, 2004.

If a Seller does not participate in the Extended One-Year Capacity Release Service as of November 1, 2004, the Company's obligation to provide Capacity Release Service will be limited, as set forth in subsections (i) and (ii) above, for the balance of the 12-month period ending October 31, 2005. In addition, once a Seller's Capacity Release Service Agreement expires, the Company will have no obligation to continue to provide Capacity Release Service for the load previously served under such Agreement.

(Service Classification No. 9 - Continued on Leaf No. 308)

Issued By: Joan S. Freilich, Executive Vice President & Chief Financial Officer, 4 Irving Place, New York, N. Y. 10003 (Name of Officer, Title, Address)