

PSC NO: 9 GAS

LEAF: 313.2

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

REVISION: 0

INITIAL EFFECTIVE DATE: 08/01/05

SUPERSEDING REVISION:

STAMPS: Issued in compliance with order in Case 03-G-1671 dated September 27, 2004

SERVICE CLASSIFICATION NO. 9 - Continued**TRANSPORTATION SERVICE - Continued****Third Party Capacity - Continued**

- (ii) For Seller's pipeline capacity, the agreement must irrevocably designate the Company as Seller's agent for purposes of initiating and effectuating a pre-arranged capacity release(s) of all or a portion of Seller's pipeline capacity to the Company whenever the Seller defaults or voluntarily or involuntarily discontinues service permanently or temporarily for all or part of its firm Customer requirements, during which time the pipeline shall act upon the Company's directions, even in the event of contrary direction or protest from Seller.
- II. An agreement between the Company and Seller that irrevocably designates the Company as Seller's agent for purposes of initiating and effectuating a pre-arranged capacity release(s) of all or a portion of Seller's pipeline capacity to the Company, for all or a portion of the Winter Period, whenever the Seller defaults or voluntarily or involuntarily discontinues service permanently or temporarily for all or part of its firm Customer requirements, during which time the pipeline shall act upon the Company's directions, even in the event of contrary direction or protest from Seller. In addition, the Seller must demonstrate to the Company's satisfaction, through an Affidavit and/or supporting documentation, that it has taken all of the available and necessary steps under the applicable pipeline tariff to designate the Company as its agent for purposes of initiating and effectuating a pre-arranged capacity release(s) to the Company of all or a portion of its pipeline capacity.

An agreement under I or II above must also preclude Seller and the pipeline or the third party supplier, as applicable, from making any changes to the underlying pipeline contract or bundled sales arrangement, as applicable, for the applicable Winter Period, absent the prior written consent of the Company.

The Company reserves the right to conduct a test under this program to determine the Company's ability to exercise its rights as set forth in I or II above.

The Company's exercise of its rights to use or acquire the Seller's pipeline capacity or bundled sales gas pursuant to one of the above-described agreements, does not relieve Seller of any of its obligations under the Gas Tariff, including SC Nos. 9 and 20 or the Company's Sales and Transportation Operating Procedures, including the payment of any applicable charges and penalties, or negate any of the Company's rights, including the right to terminate a Seller for not meeting its obligations under the Gas Tariff.

(Service Classification No. 9 - Continued on Leaf No. 314)

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