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COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. REVISION: 2

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SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions

(B1) Credit Requirements: -Continued

- (c) For a Marketer who does not meet the credit requirements of (a) or (b) above, the Marketer must post security (as described in Section (B)(2) called "Security Requirements") in an acceptable form as listed in the Section (B)(3) called "Security Instruments" below.
- (d) A Marketer seeking to collect deposits or prepayments from its residential and small commercial customers must submit the required evidence of its creditworthiness to the Company on August 1, 2002 and on August 1 of each subsequent year, in accordance with the requirements outlined in Miscellaneous Provision Q.

(B2) Security Requirements

- (a) For a Marketer who meets the credit requirements outlined in (B1)(a), Con Edison may require a Marketer to post security for the amount by which Con Edison's Credit Exposure exceeds 5% of Con Edison's total monthly gas revenues for the applicable time period; or Con Edison may require security for the full amount of the Credit Exposure if:
 - (i) the Marketer or its guarantor is at the Minimum Rating and is placed on credit watch with negative implications by any of the three designated rating agencies or if Con Edison receives information that indicates that the Marketer's or its guarantor's credit rating could be downgraded below the Minimum Rating. (The security requirement will be lifted if the Marketer or its guarantor's credit rating is not downgraded during the ensuing 60 days after the imposition of the security requirement); or
 - (ii) the Marketer's status as Billing Agent is terminated by another New York utility for failing to render timely bills to customers or to make timely payments to the utility.
- (b) For a Marketer who meets the credit requirements outlined in (B1)(b), Con Edison may require a Marketer to post security to cover the Company's credit exposure in excess of the allowed unsecured credit.

(Service Classification No. 20 - Continued on Leaf No. 391.2)

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