

PSC NO: 9 GAS

LEAF: 386

COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

REVISION: 2

INITIAL EFFECTIVE DATE: 12/06/09

SUPERSEDING REVISION: 1

STAMPS:

**SERVICE CLASSIFICATION NO. 20 - Continued****TRANSPORTATION RECEIPT SERVICE (TRS) - Continued****Operational Matters - Continued****(C) Balancing Services - Continued****(2) Automatic Netting of Imbalances**

Pursuant to Appendix J of the Joint Proposal dated May 28, 2004, as approved by the Commission's Order dated September 27, 2004 in Case No. 03-G-1671, Sellers serving Interruptible or Off-Peak Firm Customers, and Interruptible or Off-Peak Firm Direct Customers (excluding Power Generation Customers) are permitted to participate in the Company's Automatic Netting of Imbalances program ("Program") unless otherwise specified in the Company's Sales and Transportation Operating Procedures ("Operating Procedures"). Under the Program, the Company identifies and nets imbalances for the same gas day for two or more marketers using the same balancing service option (i.e., Daily Balancing Service or the same Minimum Delivery percentage ("band") of Monthly Balancing Service) and determines the cash-out tiers to be applied to end-of-month cash-out imbalances for such marketers. A marketer may opt to not participate in the Program for any calendar month by notifying the Company by e-mail at least two (2) business days prior to the start of the calendar month; if the Company does not receive an opt-out notification, the marketer will be included in the Program for that calendar month. There will be no automatic netting of imbalances under the Program on any day that an Operational Flow Order is in effect. Additional terms and conditions of the Automatic Netting of Imbalances program are set forth in the Operating Procedures.

**(3) Monthly Imbalance Trading Service ("MITS")**

Direct Customers and Sellers serving firm, interruptible, off-peak firm, or power generation customers under Service Classification No. 9 will be permitted to trade end-of-month imbalances with other Direct Customers or Sellers at specific pipeline Citygate Receipt Points, as explained in the Company's Sales and Transportation Operating Procedures Manual. This trading will be allowed among firm, interruptible, and off-peak firm customers and will be limited to imbalances incurred during the same calendar month. Sellers and Direct Customers electing to trade imbalances will take the full risk of their trades and imbalances not traded will be subject to imbalance charges and cashout credits and surcharges, as explained in Service Classification No. 9 and this Service Classification.

**(4) Daily Imbalance Trading Service ("DITS")**

Direct Customers and Sellers serving interruptible or off-peak firm customers, under Service Classification No. 9, will be permitted to trade daily imbalances with other Direct Customers or Sellers at specific pipeline Citygate Receipt Points, as explained in the Company's Sales and Transportation Operating Procedures ("Operating Procedures"). This trading will be allowed among interruptible and off-peak firm customers and will be limited to imbalances incurred during the same gas day, as defined in the Operating Procedures. Sellers and Direct Customers electing to trade imbalances will take the full risk of their trades and imbalances not traded will be subject to imbalance charges and cashout credits and surcharges, as explained in Service Classification No. 9 and this Service Classification.

(Service Classification No. 20 - Continued on Leaf No. 387)

**Issued By: Robert N. Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, NY 10003**

(Name of Officer, Title, Address)