

PSC NO: 9 GAS

LEAF: 390.4

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

REVISION: 2

INITIAL EFFECTIVE DATE: 11/01/07

SUPERSEDING REVISION: 1

STAMPS: Issued in compliance with Order in Case 07-G-0299 dated August 30, 2007

**SERVICE CLASSIFICATION NO. 20 - Continued****TRANSPORTATION RECEIPT SERVICE (TRS) - Continued****Capacity Release Service - Continued****(D) Payment of Pipeline Charges:**

The Capacity Release Seller shall pay the pipeline(s) directly for all charges associated with the use of the released capacity, including (without limitation) demand charges, commodity charges, taxes, surcharges, fuel allowances, imbalance and overrun charges, penalties, and other applicable charges. If the Capacity Release Seller fails to pay the pipeline(s) for any charges that result in the Company receiving less than the full credit from the pipeline to which it was otherwise entitled, upon receipt of the Company's invoice, the Capacity Release Seller shall no later than five (5) business days thereafter reimburse the Company for all such amounts plus,

- (a) interest on such amounts at the rate prescribed by General Rule III. (8) (L), and
- (b) an amount in respect of Gross Receipts Taxes based upon the applicable total effective percentage increase specified on the Company's then effective Statement of Percentage Increase in Rates and Charges.

The Company may terminate the Seller's Capacity Release Service Agreement immediately (or at any time thereafter) upon receipt of notice that the Capacity Release Seller has failed to pay the pipeline(s) for any of the pipeline charges described above. Such termination shall not affect the Company's right to reimbursement from the Capacity Release Sellers as described above.

**(E) Credit Requirements:**

A Capacity Release Seller must satisfy the credit requirements prescribed by the FERC tariff of the pipeline(s) on which capacity will be released and provide the Company with appropriate documentation of compliance with those requirements. The Capacity Release Seller shall notify the Company immediately of any change in its financial circumstances that results in non-compliance with the pipeline requirements.

**(F) Indemnification and Warranty:**

The Capacity Release Seller shall indemnify the Company from all losses and damages resulting from the actions or inactions of the Capacity Release Seller under the Capacity Release Service Agreement with the Company and the pipeline service agreement(s). The Capacity Release Seller shall also warrant title to the gas transported under these pipeline service agreements.

(Service Classification No. 9 - Continued on Leaf No. 390.5)

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

(Name of Officer, Title, Address)