

PSC NO: 9 GAS

LEAF: 277.2

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

REVISION: 4

INITIAL EFFECTIVE DATE: 03/15/06

SUPERSEDING REVISION: 3

STAMPS: Issued in compliance with order in Case 98-G-0122 dated November 23, 2005.

SERVICE CLASSIFICATION No. 9 - Continued**TRANSPORTATION SERVICE - Continued****Rates - Continued**

Spark Spread – The difference between the Market Electric Price and the Fuel Cost of Generation expressed in \$/Mwh.

NYISO - The New York Independent System Operator.

Reconciliation Charge: The Reconciliation Charge is an adjustment that will be made prospectively for any Value Added Charge over/under collected. This charge is the difference between the sum of the Value Added Charges billed to the Customer in the Calendar Year and the Customer's Actual Value Added Charge in the Calendar Year

Test Year - The Test Year is the calendar year prior to the Effective Period.

Market Electric Price – The hourly price, expressed in \$/MWH, for the applicable hour based on the NYISO Day Ahead Market Locational Based Marginal Pricing (LBMP) for the applicable zone the generator is located in.

Effective Period - The period May 1st through April 30th of the following year.

Fuel Cost of Generation – The applicable Daily Market Gas Cost multiplied by the applicable Heat Rate Tier Level expressed in \$/MWH.

Daily Gas Delivery Quantity - The total quantity of gas delivered to Customer after adjustment for lost and unaccounted for gas.

Customer's MWH Generated Output – The hourly dTherm consumption divided by the Customer's heat rate expressed in MWH/Hr.

Minimum and Maximum Base Rates

The Minimum Base Rate shall not be less than the marginal cost plus fifty percent of the system cost component. The Maximum Base Rate established by the Company shall not cause the Customer to pay an amount greater than the annual amount the Customer would have paid under the otherwise applicable off-peak firm transportation rate for gas used for other than the Customer's firm gas requirements. The maximum rate calculation shall be made annually and shall exclude any Charges for Unauthorized Use and balancing charges. Any overpayments resulting from this calculation shall be reconciled by means of a credit to the Customer's next monthly bill(s) following the annual reconciliation calculation.

(Service Classification No. 9 - Continued on Leaf No. 277.3)**Issued By: Robert N. Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, N.Y. 10003**

(Name of Officer, Title, Address)