PSC NO: 9 GASLEAF:278CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.REVISION:3INITIAL EFFECTIVE DATE: October 1, 2004SUPERSEDING REVISION:1STAMPS: Issued in compliance with order in Case 03-G-1671 dated September 27, 20041

SERVICE CLASSIFICATION No. 9 - Continued TRANSPORTATION SERVICE – Continued

Rates - Continued

(F) Minimum Charges - Continued

(1) Minimum Charge (per month) - Continued

Off-Peak Firm Customers taking service under Service Classification No. 12 Rate II will receive credit for volumes taken under that Service Classification during the billing period. Charges for Unauthorized Gas Use and Balancing Charges will not be credited against the minimum charge.

An Off-Peak Firm Customer taking service under a negotiated rate shall be subject to the abovedescribed minimum charge. The applicable Base Rate used in computing the minimum charge for such Off-Peak Firm Customer is the non-negotiated Base Rate set forth in Rate Provision C of this Service Classification for the applicable term of service (with a one cent per therm reduction off such rates for usage over 500,000 therms per month). Any terms of payment of such minimum charges which differ from this Service Classification will be set forth in an agreement negotiated between the Customer and the Company.

Annual Reconciliation:

If a Customer incurs a minimum charge in any month(s) but the total of the Daily Delivery Quantities in the Annual Period is equal to or greater than 1/2 of the Annual Transportation Quantity (exclusive of the allowance for losses), the Company shall refund all minimum charges paid in excess of the amounts applicable to the quantity of service taken in the shortfall months. If the total Daily Delivery Quantities in the Annual Period is less than 1/2 of the Annual Transportation Quantity (exclusive of the allowance for losses), the Company shall refund so much of the minimum charges paid in the shortfall months as exceed the amount payable for 1/2 of the Customer's Annual Transportation Quantity. The Annual Period is the 12 months beginning with the month in which the Customer first receives service under this Service Classification and each succeeding 12 month period. This calculation shall exclude any Charges for Unauthorized Use and balancing charges.

For an Off-Peak Firm Customer taking service under a negotiated rate, the annual reconciliation described above will be performed only to the extent of excess minimum charges paid at the non-negotiated Base Rates set forth in Rate Provision C of this Service Classification.

There is no minimum charge for an Interruptible Customer. A minimum charge, if any, for a CNG or Bypass Customer shall be as negotiated by the Customer and the Company.

(2) Annual Minimum Charge:

Power Generation Transportation Customers are subject to an Annual Minimum Bill payable in equal monthly installments. The equal monthly installments shall be equal to the product of:

(Service Classification No. 9 - Continued on Leaf No. 278.1)

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