SERVICE CLASSIFICATION NO. 20 - Continued

TRANSPORTATION RECEIPT SERVICE (TRS) - Continued

Miscellaneous Provisions

(B2) Security Requirements: - Continued

(e)- continued

(2)   times the highest month's average daily closing NYMEX price, at the Henry Hub, plus upstream capacity charges to the Citygate, for the appropriate season for the past year;

(3)   times 30 days.

Maximum Daily Quantity means the average daily quantity in the peak month for each season. For customers with daily meters, maximum daily quantity means the historical peak day quantity for each season.

The Marketer may elect to have its financial security determined annually rather than seasonally in which case it will be based on the winter season.

(B3) Security Instruments

A Marketer who fails at any time to meet the credit requirements listed in Section B1 above, may still obtain or retain credit approval from the Company if it pays any outstanding balance due the Company for services rendered and elects to post security in one of the following forms:

(1)   a deposit;

(2)   a prepayment

(3)   a replenishable standby irrevocable letter of credit issued by a bank, insurance company, or other financial institution with a bond rating of "A" or higher;

(4)   security interest in collateral acceptable to Con Edison;

(5)   a guarantee accceptable to Con Edison by another party or entity with a satisfactory credit rating of at least "BBB" by S&P, "Baa2" by Moody's or "BBB" by Fitch;

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