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COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. REVISION: 3

INITIAL EFFECTIVE DATE: 05/17/99 SUPERSEDING REVISION: 2 STAMPS: Issued in compliance with order in C. 98-G-0122 dated March 16, 1999

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SERVICE CLASSIFICATION No. 9 - Continued

TRANSPORTATION SERVICE - Continued

Rates - Continued

- (I) Balancing Services and Charges for CNG, Bypass, and Power Generation Customers:
 - (1) Balancing Services and Charges for CNG and Bypass Customers:

CNG and Bypass Customers shall be subject to balancing requirements as negotiated by the Customer and the Company.

(2) Balancing Services and Charges for Power Generation Transportation Customers:

Power Generation Customers shall schedule deliveries to the Receipt Point(s) so that, as nearly as possible, the Customer's Daily Delivery Quantity equals the Customer's Daily Transportation Quantity, inclusive of the Customer's firm gas requirements but exclusive of the allowance for losses. If the Customer tenders quantities in excess of the Maximum Daily Transportation Quantity, the Company, may in its sole discretion, transport such excess quantities if sufficient capacity is available on its system. The Company retains the right to require the Customer to redirect its Daily Transportation Quantity from one Con Edison receipt point to another.

Power Generation Transportation Customers may negotiate terms and conditions for balancing service with Con Edison or with a third party. If the Customer does not execute a balancing service agreement with Con Edison, the following Cashout Charges and Credits will apply to any imbalances, including the Customer's firm gas requirements, that are not corrected by a third party arrangement.

Monthly Cashout Credits and Charges shall be calculated for the monthly billing period.

Monthly Cashout Credit on the Net Surplus Imbalance:

The Customer shall receive a Monthly Cashout Credit on the amount by which the aggregate Daily Delivery Quantities are less than the aggregate Daily Transportation Quantities ("Net Surplus Imbalance") for those days in which this difference is no more than 2%. A Net Surplus Imbalance shall be considered gas purchased by the Company from the Customer. The Monthly Cashout Credit on the Net Surplus Imbalance Quantity shall be equal to the lowest Transco Station 65 Weekly Weighted Average price as published in Gas Daily.

(Service Classification No. 9 - Continued on Leaf No. 300.1)

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