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 COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. REVISION: 1  
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**SERVICE CLASSIFICATION No. 9 - Continued**

**TRANSPORTATION SERVICE - Continued**

**Rates - Continued**

**(D) Rates for CNG, Bypass, and Power Generation Transportation Customers:**

**(1) Rate for CNG and Bypass Customers**

The rate shall be as negotiated by the Company and the Customer. The rate may include fixed and volumetric components, shall recover all incremental costs of the service (including metering and communication costs), and shall provide a reasonable contribution to system costs.

**(2) Rate for Power Generation Transportation Customers**

The first two components of the Base Rate set forth below apply to the monthly sum of the Customer's Daily Delivery Quantities, excluding the monthly sum of the Customer's firm gas requirements. The real time value component applies to the Customer's Daily Delivery Quantity, exclusive of the Customer's firm gas requirements. The base rate, excluding the real time value component, in effect on the date that the Customer commences gas service will remain fixed for a period of five years.

(1) System Cost Component	1.0 cent per therm
(2) Marginal Cost Component	0.92 cent per therm
(3) Real Time Value Component	per posting on Company's Secured Internet web site

**Real Time Value Component**

Effective upon the first month following one full year of operation of the Independent System Operator (ISO), the real time value component shall be equal to five percent of the daily variation between the real time and baseline spark spread. The spark spread shall be calculated by taking the difference between the actual wholesale price of electricity and the cost of gas used to generate that electricity. The real time spark spread shall be based on daily electricity and gas prices during each monthly billing period. The baseline spark spread shall be recalculated once a year based on the historical electricity and gas prices for the preceding 12 month period. The initial baseline period shall be the first full year of operation of the ISO. The real time value component shall not cause the Base Rate to exceed the otherwise applicable interruptible or off-peak firm transportation rate.

Service Classification No. 9 - Continued on Leaf No. 277.1)

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