

PSC NO: 9 GAS

LEAF: 386.1

COMPANY: CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

REVISION: 3

INITIAL EFFECTIVE DATE: 04/01/18

SUPERSEDING REVISION: 2

STAMPS:

SERVICE CLASSIFICATION NO. 20 - Continued**TRANSPORTATION RECEIPT SERVICE (TRS) – Continued****Operational Matters - Continued****(C) Balancing Services – Continued****(1) Daily Delivery Service – Continued****Tier 2 – Managed Supply (Storage) – Continued**

A mandatory physical storage pilot program is established for the twelve month period, April 1, 2018 through March 31, 2019. Under this pilot program, the quantity of the Tier 2 Managed Supply (Storage) is divided into two Tiers, Tier 2(A) – Virtual Storage and Tier 2(B) – Physical Storage. A Marketer and/or its Agent can meet its Daily Delivery Quantity by utilizing a combination of both Tier 2(A) – Virtual Storage and Tier 2(B) – Physical Storage.

If the day-ahead temperature is forecast to be at or below 46 degrees Fahrenheit on any day in the month of April, Marketers may utilize any remaining Tier 2(A) Virtual Storage from their allocated share during these days in accordance with the Company's GTOP. In the month of October, Marketers may utilize their Tier 2(A) Virtual Storage allocation for the upcoming November through March period during days in which the day-ahead temperature is forecast to be at or below 46 degrees Fahrenheit.

When the temperature is less than or equal to 25 degrees Fahrenheit, Marketers must utilize 100% of their Tier 1 - Mandatory Capacity Release and Tier 2(B) - Physical Storage allocations before utilizing any Tier 2(A) - Virtual Storage allocation. When the temperature is greater than 25 degrees but less than 30 degrees Fahrenheit, Marketers must utilize 85% of their Tier 1 and Tier 2(B) allocations before utilizing any Tier 2(A) allocation. If a Marketer violates either of these rules two (2) times during a heating season, the Marketer will have its Tier 2(A) storage allocation lowered for the remainder of the heating season in accordance with the Company's GTOP and will have to balance its daily loads using Tier 3 - Peaking. The Company, at its sole discretion, may waive these rules for the month of March, based upon the Company's unilateral evaluation of system conditions, as a result of warmer than normal weather experienced during the previous December through February.

a) Tier 2(A) – Virtual Storage**Quantity**

The Tier 2(A) – Virtual Storage capacity will equal the total Tier 2 - Managed Supply (Storage) capacity less the amount of capacity allocated to Tier 2(B) - Physical Storage as described in the

(Service Classification No. 20 - Continued on Leaf No. 386.2)**Issued By: Robert Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, NY 10003****(Name of Officer, Title, Address)**