SERVICE CLASSIFICATION NO. 1
GENERAL SERVICE

Applicable to Use of Service for

All Purposes

Character of Service

Continuous; supplied at an average gauge pressure in excess of 125 pounds.

Rate *

Usage Charge (per Mlb of steam in each monthly period)

<table>
<thead>
<tr>
<th>Usage</th>
<th>Quantity</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the first</td>
<td>20 Mlb</td>
<td>$15.903 / Mlb</td>
</tr>
<tr>
<td>For the next</td>
<td>30 Mlb</td>
<td>$50.129 / Mlb</td>
</tr>
<tr>
<td>For the next</td>
<td>950 Mlb</td>
<td>$39.126 / Mlb</td>
</tr>
<tr>
<td>For excess over</td>
<td>1,000 Mlb</td>
<td>$37.652 / Mlb</td>
</tr>
</tbody>
</table>

Customer Charge

$1,259.52 per month, exclusive of increase in rates and charges. A Customer who requests a temporary discontinuance of service will be required to pay the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly customer charge for each month that service was discontinued.

Fuel Adjustment

The charges to the Customer set forth herein shall be subject to a fuel adjustment per Mlb of steam supplied hereunder (as explained in General Information Section 8).

Other Charges and Adjustments

Other charges and adjustments are applicable, as explained in General Information Section 5.

Increase in Rates and Charges

The rates and charges under this Service Classification including fuel adjustment and customer charge are increased by the applicable percentage as explained in General Information Section 9 and shown on the related Statement.

Terms of Payment

Net cash on presentation of bill.

* Pursuant to General Information Section 5.3, these charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment.

Issued By: Robert Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, N. Y. 10003
SERVICE CLASSIFICATION NO. 1 - Continued
GENERAL SERVICE

Term

The term of the agreement for service shall be for a period to be fixed in such agreement and shall continue after the end of such period until terminated by the Customer upon thirty days' prior written notice, or by the Company in accordance with law or the provisions of this Rate Schedule.
SERVICE CLASSIFICATION NO. 1 - Continued
GENERAL SERVICE

Special Provisions

A. This Service Classification shall be applicable only where the entire steam requirements for the connected load are supplied by the Company’s steam system. Service will not be available under this Service Classification to Customers who utilize both steam supplied by the Company's steam system for any purpose and another energy source for the same purpose.

B. A Customer may request a temporary discontinuance of service by notifying the Company in writing at least five days in advance of the date on which each temporary discontinuance is to begin specifying the date on which service is to be discontinued and the date on which service is to be resumed. The Company may elect not to physically disconnect service at the service valve. In the event that a Customer takes service during a temporary discontinuance period the Customer will be billed in accordance with this Service Classification.

C. For Riders that may be applied to this Service Classification, see General Information Section 7.

D. For form of application under this Service Classification, see General Information Section 10.
SERVICE CLASSIFICATION NO. 2
ANNUAL POWER SERVICE

Applicable to Use of Service for
Power, Heat, or Power and Heat

Character of Service
Continuous; supplied at an average gauge pressure in excess of 125 pounds.

Rate I *

Applicability: To all Customers other than those billed under Rate II.

Usage Charge (per Mlb of steam in each monthly period)

(a) During monthly billing periods terminating within the months of May to October, inclusive:

<table>
<thead>
<tr>
<th>Usage Level</th>
<th>Quantity (Mlb)</th>
<th>Rate per Mlb</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the first</td>
<td>250 Mlb</td>
<td>$13.078 / Mlb</td>
</tr>
<tr>
<td>For the next</td>
<td>750 Mlb</td>
<td>$18.113 / Mlb</td>
</tr>
<tr>
<td>For excess over</td>
<td>1,000 Mlb</td>
<td>$16.805 / Mlb</td>
</tr>
</tbody>
</table>

(b) During monthly billing periods terminating within the months of November to April, inclusive:

<table>
<thead>
<tr>
<th>Usage Level</th>
<th>Quantity (Mlb)</th>
<th>Rate per Mlb</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the first</td>
<td>250 Mlb</td>
<td>$15.045 / Mlb</td>
</tr>
<tr>
<td>For the next</td>
<td>1,250 Mlb</td>
<td>$42.778 / Mlb</td>
</tr>
<tr>
<td>For the next</td>
<td>3,500 Mlb</td>
<td>$39.559 / Mlb</td>
</tr>
<tr>
<td>For the next</td>
<td>20,000 Mlb</td>
<td>$37.908 / Mlb</td>
</tr>
<tr>
<td>For excess over</td>
<td>25,000 Mlb</td>
<td>$35.488 / Mlb</td>
</tr>
</tbody>
</table>

Customer Charge

$4,147.03 per month, exclusive of increase in rates and charges. A Customer who requests a temporary discontinuance of service will be required to pay the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly customer charge for each month that service was discontinued.

* Pursuant to General Information Section 5.3, these charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment.

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SERVICE CLASSIFICATION NO. 2 - Continued
ANNUAL POWER SERVICE

Rate II *

Applicability:

(1) Commencing with the monthly billing period terminating within the month of November:

   (a) to Customers whose usage over the 12 monthly billing periods ending in August of that year equaled or exceeded 14,000 Mlb of steam; and

   (b) to Customers who have usage for fewer than 12 monthly billing periods ending in August of that year, if the usage through the billing period(s) ending in August equaled or exceeded 14,000 Mlb of steam.

(2) To successors of Customers billed under Rate II.

A Rate II Customer will be transferred to and billed under Rate I commencing with the monthly billing period that terminates within the month of November if such Customer’s usage over the 12 monthly billing periods ending in August of that year did not exceed 12,000 Mlb of steam.

* Pursuant to General Information Section 5.3, these charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment.

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### SERVICE CLASSIFICATION NO. 2 - Continued

#### ANNUAL POWER SERVICE

**Rate II - Continued**

**Usage Charge** (per Mlb of steam in each monthly period)

<table>
<thead>
<tr>
<th>Period</th>
<th>Mlb</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(a) During monthly billing periods terminating within the months of May to October, inclusive:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For the first</td>
<td>250 Mlb</td>
<td>$17.734 / Mlb</td>
</tr>
<tr>
<td>For the next</td>
<td>750 Mlb</td>
<td>$15.277 / Mlb</td>
</tr>
<tr>
<td>For excess over</td>
<td>1,000 Mlb</td>
<td>$13.883 / Mlb</td>
</tr>
<tr>
<td><strong>(b) During monthly billing periods terminating within the months of December to March, inclusive:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For the first</td>
<td>250 Mlb</td>
<td>$27.795 / Mlb</td>
</tr>
<tr>
<td>For the next</td>
<td>1,250 Mlb</td>
<td>$26.978 / Mlb</td>
</tr>
<tr>
<td>For the next</td>
<td>3,500 Mlb</td>
<td>$24.739 / Mlb</td>
</tr>
<tr>
<td>For the next</td>
<td>20,000 Mlb</td>
<td>$23.101 / Mlb</td>
</tr>
<tr>
<td>For excess over</td>
<td>25,000 Mlb</td>
<td>$20.144 / Mlb</td>
</tr>
<tr>
<td><strong>(c) During monthly billing periods terminating within the months of November and April:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For the first</td>
<td>250 Mlb</td>
<td>$34.041 / Mlb</td>
</tr>
<tr>
<td>For the next</td>
<td>1,250 Mlb</td>
<td>$33.223 / Mlb</td>
</tr>
<tr>
<td>For the next</td>
<td>3,500 Mlb</td>
<td>$29.430 / Mlb</td>
</tr>
<tr>
<td>For the next</td>
<td>20,000 Mlb</td>
<td>$27.541 / Mlb</td>
</tr>
<tr>
<td>For excess over</td>
<td>25,000 Mlb</td>
<td>$20.825 / Mlb</td>
</tr>
</tbody>
</table>

**Demand Charge** (per Mlb of steam per hour of maximum demand for each specified time period)

<table>
<thead>
<tr>
<th>Period</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(a) During monthly billing periods terminating within the months of December to March, inclusive:</strong></td>
<td></td>
</tr>
<tr>
<td>Monday through Friday, 6 a.m. 11 a.m.</td>
<td>$1,586.12 / Mlb/hr</td>
</tr>
<tr>
<td>All hours – All days</td>
<td>$164.77 / Mlb/hr</td>
</tr>
</tbody>
</table>

The demand charge for each time period will be determined by multiplying the maximum demand for the respective time period by the rate applicable to the demand for that time period. The total demand charge will be the sum of the charges for each of the time periods.

<table>
<thead>
<tr>
<th>Period</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(b) During all other monthly billing periods</strong></td>
<td></td>
</tr>
<tr>
<td>Monday through Friday, 6 a.m. 11 a.m.</td>
<td>$ 00.00</td>
</tr>
<tr>
<td>All hours – All days</td>
<td>$ 00.00</td>
</tr>
</tbody>
</table>

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SERVICE CLASSIFICATION NO. 2 - Continued
ANNUAL POWER SERVICE

Rate II - Continued

Customer Charge

$6,754.91 per month, exclusive of increase in rates and charges. A Customer who requests a temporary discontinuance of service will be required to pay the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly customer charge for each month that service was discontinued.
SERVICE CLASSIFICATION NO. 2 - Continued

ANNUAL POWER SERVICE

Common Provisions Applicable to Rate I and Rate II

Fuel Adjustment

The charges to the Customer set forth herein shall be subject to a fuel adjustment per Mlb of steam supplied hereunder (as explained in General Information Section 8).

Other Charges and Adjustments

Other charges and adjustments are applicable, as explained in General Information Section 5.

Increase in Rates and Charges

The rates and charges under this Service Classification including fuel adjustment and customer charge are increased by the applicable Percentage as explained in General Information Section 9 and shown on the related Statement.

Determination of Demand

The Company will install a demand measuring device of a type approved by the Public Service Commission for the determination of maximum demand if it is determined that the Customer used or might use at least 14,000 Mlb of steam over the 12 monthly billing periods ending in August; provided, however, that the Company may cease to meter the demand if less than 12,000 Mlb of steam are registered on the meter over the 12 monthly billing periods ending in August.

The maximum demand, when determined by a demand meter, shall be the two highest contiguous 15-minute integrated demands occurring during each applicable time period, expressed in Mlb of steam per hour. The integrated demand is the average of the pounds of steam use occurring in a 15-minute period, which average, if used continuously for 15 minutes, would produce the pounds of steam actually consumed during such period.

Whenever service is terminated to a Customer’s premises, and the same Customer applies for and receives service at the same location within what would have been the same billing period but for the termination in service, the maximum demand for the billing period shall be determined as though there had been no termination of service.
SERVICE CLASSIFICATION NO. 2 - Continued
ANNUAL POWER SERVICE

Common Provisions Applicable to Rate I and Rate II - Continued

Terms of Payment

Net cash on presentation of bill, subject to late payment charge in accordance with provisions of General Rule 3.4.10.

Term

The term of the agreement for service shall be for a period ending no less than one year from the beginning of service under this Service Classification, and shall continue after the end of such period until terminated by the Customer upon thirty days' prior written notice, or by the Company in accordance with law or the provisions of this Rate Schedule.
SERVICE CLASSIFICATION NO. 2 - Continued
ANNUAL POWER SERVICE

Special Provisions

A. Service will not be available under this Service Classification to Customers eligible for service under Service Classification No. 4.

B. A Customer may request a temporary discontinuance of service by notifying the Company in writing at least five days in advance of the date on which each temporary discontinuance is to begin specifying the date on which service is to be discontinued and the date on which service is to be resumed. The Company may elect not to physically disconnect service at the service valve. In the event that a Customer takes service during a temporary discontinuance period, the Customer will be billed in accordance with this Service Classification.

C. A Customer having transferred from this Service Classification to another Service Classification may not transfer back to this Service Classification except on a date in any year which corresponds with the date when service was first supplied under this Service Classification.
D. Where a Customer installs a new or replacement steam air conditioning system on or after October 1, 2004, the Usage Charges in each monthly billing period for service furnished under this Service Classification during monthly billing periods terminating within the months of May to October, inclusive, will be reduced by an amount equal to $2.00 per Mlb of steam used in excess of the first 250 Mlb of steam used. A Customer applying for the foregoing reduction must notify the Company at least two months before installation of the air conditioning system. Such Customer will be eligible for the rate reduction effective with the first summer monthly billing period that commences subsequent to the date on which the Company receives written notice from the Customer that the installation is complete. Service will be provided under this Special Provision under the following conditions:

(1) in total, no more than 75,000 tons of new or replacement steam air conditioning capacity will be accepted under this Special Provision and Special Provision D of Service Classification No. 3;

(2) the Company will offer service to new applicants under this Special Provision until at least, December 31, 2016, after which time the level of the rates and charges and the terms and conditions of service may vary from those originally offered;

(3) the Company will provide service under the terms of this Special Provision to each Customer for a two-year period to Customers who commence service under this Special Provision on or after October 1, 2004, but before January 1, 2017; and

(4) to facilitate Customers' investment decisions, the Company may, at its sole discretion, negotiate the term of service under this Special Provision with a Customer who agrees to use steam for air conditioning and other purposes during the service term. In lieu of monthly bill reductions set forth under this Special Provision, the Company may, at its discretion, make a one-time payment of the net present value of the bill reduction, provided that the Customer commits to a contract term that is equivalent to the term value of the bill reduction.
E. Where a Customer does not own a steam air conditioning system and installs a new steam air conditioning system to replace or supplement existing electric air conditioning equipment, the Usage Charge in each monthly billing period for service furnished under this Service Classification during monthly billing periods terminating within the months of May to October, inclusive, will be reduced by $2.00 per Mlb of steam used in excess of the first 250 Mlb of steam used. A Customer applying for the foregoing reduction must notify the Company at least two months before installation of the air conditioning system. Such Customer will be eligible for the rate reduction effective with the first summer monthly billing period that commences subsequent to the date on which the Company receives written notice from the Customer that the installation is complete. Service will be provided under this Special Provision under the following conditions:

1. Service under this Rider will not be available until after a total of 25,000 tons of new or replacement steam air conditioning capacity is accepted under Special Provision D of this Service Classification and Special Provision D of Service Classification No. 3;

2. In total, no more than 25,000 tons of new steam air conditioning capacity will be accepted under this Special Provision and Special Provision E of Service Classification No. 3;

3. Steam purchased from the Company must be used solely for operating air conditioning equipment and only during the months of May to October, inclusive;

4. The Company will offer service to new applicants under this Special Provision until at least December 31, 2016, after which time the level of the rates and charges and the terms and conditions of service may vary from those originally offered;

5. The Company will provide service under the terms of this Special Provision to each Customer for a two-year period to Customers who commence service under this Special Provision on or after October 1, 2004, but before January 1, 2017; and

6. To facilitate Customers' investment decisions, the Company may, at its sole discretion, negotiate the length of the term of service under this Special Provision with a Customer who does not own a steam air conditioning system and installs a new steam air conditioning system to replace or supplement existing electric air conditioning equipment. In lieu of monthly bill reductions set forth under this Special Provision, the Company may, at its discretion, make a one-time payment of the net present value of the bill reduction, provided that the Customer commits to a contract term that is equivalent to the term value of the bill reduction.
SERVICE CLASSIFICATION NO. 2 - Continued
ANNUAL POWER SERVICE

Special Provisions - Continued

F. For Riders that may be applied to this Service Classification, see General Information Section 7.

G. For form of application under this Service Classification, see General Information Section 10.
SERVICE CLASSIFICATION NO. 3
APARTMENT HOUSE SERVICE

Applicable to Use of Service for

Power, Heat, or Power and Heat, for buildings containing three or more separate living apartments, the aggregate cubic contents of which constitute at least half the total of such buildings.

Character of Service

Continuous; supplied at an average gauge pressure in excess of 125 pounds.

Rate I *

Applicability: To all Customers other than those billed under Rate II.

Usage Charge (per Mlb in each monthly period)

(a) During monthly billing periods terminating within the months of May to October, inclusive:

- For the first 50 Mlb $11.681 / Mlb
- For the next 450 Mlb $18.551 / Mlb
- For excess over 500 Mlb $14.638 / Mlb

(b) During monthly billing periods terminating within the months of November to April, inclusive:

- For the first 150 Mlb $13.108 / Mlb
- For the next 350 Mlb $31.504 / Mlb
- For the next 3,500 Mlb $26.848 / Mlb
- For excess over 4,000 Mlb $25.717 / Mlb

Customer Charge

$3,010.96 per month, exclusive of increase in rates and charges. A Customer who requests a temporary discontinuance of service will be required to pay the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly customer charge for each month that service was discontinued.

* Pursuant to General Information Section 5.3, these charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment.
SERVICE CLASSIFICATION NO. 3 - Continued
APARTMENT HOUSE SERVICE

Rate II *

Applicability:

(1) Commencing with the monthly billing period terminating within the month of November:

   (a) to Customers whose usage over the 12 monthly billing periods ending in August of that year equaled or exceeded 14,000 Mlb of steam; and

   (b) to Customers who have usage for fewer than 12 monthly billing periods ending in August of that year, if the usage through the billing period(s) ending in August equaled or exceeded 14,000 Mlb of steam.

(2) To successors of Customers billed under Rate II.

A Rate II Customer will be transferred to and billed under Rate I commencing with the monthly billing period that terminates within the month of November if such Customer’s usage over the 12 monthly billing periods ending in August of that year did not exceed 12,000 Mlb of steam.

* Pursuant to General Information Section 5.3, these charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment.

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SERVICE CLASSIFICATION NO. 3 - Continued
APARTMENT HOUSE SERVICE

Rate II – Continued

Usage Charge (per Mlb of steam in each monthly period)

(a) During monthly billing periods terminating within the months of May to October, inclusive:

For the first 50 Mlb $11.600 / Mlb
For the next 450 Mlb $18.343 / Mlb
For excess over 500 Mlb $14.503 / Mlb

(b) During monthly billing periods terminating within the months of December to March, inclusive:

For the first 150 Mlb $11.708 / Mlb
For the next 350 Mlb $25.250 / Mlb
For the next 3,500 Mlb $21.822 / Mlb
For excess over 4,000 Mlb $20.989 / Mlb

(c) During monthly billing periods terminating within the months of November and April:

For the first 150 Mlb $13.002 / Mlb
For the next 350 Mlb $31.057 / Mlb
For the next 3,500 Mlb $26.488 / Mlb
For excess over 4,000 Mlb $25.378 / Mlb

Demand Charge (per Mlb of steam per hour of maximum demand for each specified time period)

(a) During monthly billing periods terminating within the months of December to March, inclusive:

Monday through Friday, 6 a.m. – 11 a.m. $1,891.13 / Mlb/hr
All hours – All days $200.09 / Mlb/hr

The demand charge for each time period will be determined by multiplying the maximum demand for the respective time period by the rate applicable to the demand for that time period. The total demand charge will be the sum of the charges for each of the time periods.

(b) During all other monthly billing periods

Monday through Friday, 6 a.m. – 11 a.m. $ 00.00
All hours – All days $ 00.00

Issued By: Robert Hoglund, Senior Vice President & Chief Financial Officer, 4 Irving Place, New York, N. Y. 10003
SERVICE CLASSIFICATION NO. 3 - Continued
APARTMENT HOUSE SERVICE

Rate II – Continued

Customer Charge

$2,498.84 per month, exclusive of increase in rates and charges. A Customer who requests a temporary discontinuance of service will be required to pay the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly customer charge for each month that service was discontinued.
SERVICE CLASSIFICATION NO. 3 - Continued
APARTMENT HOUSE SERVICE

Common Provisions Applicable to Rate I and Rate II

Fuel Adjustment

The charges to the Customer set forth herein shall be subject to a fuel adjustment per Mlb of steam supplied hereunder (as explained in General Information Section 8).

Other Charges and Adjustments

Other charges and adjustments are applicable, as explained in General Information Section 5.

Increase in Rates and Charges

The rates and charges under this Service Classification including fuel adjustment and customer charge are increased by the applicable Percentage as explained in General Information Section 9 and shown on the related Statement.

Determination of Demand

The Company will install a demand measuring device of a type approved by the Public Service Commission for the determination of maximum demand if it is determined that the Customer used or might use at least 14,000 Mlb of steam over the 12 monthly billing periods ending in August; provided, however, that the Company may cease to meter the demand if less than 12,000 Mlb of steam are registered on the meter over the 12 monthly billing periods ending in August.

The maximum demand, when determined by a demand meter, shall be the two highest contiguous 15-minute integrated demands occurring during each applicable time period, expressed in Mlb of steam per hour. The integrated demand is the average of the pounds of steam use occurring in a 15-minute period, which average, if used continuously for 15 minutes, would produce the pounds of steam actually consumed during such period.

Whenever service is terminated to a Customer’s premises, and the same Customer applies for and receives service at the same location within what would have been the same billing period but for the termination in service, the maximum demand for the billing period shall be determined as though there had been no termination of service.
SERVICE CLASSIFICATION NO. 3 - Continued
APARTMENT HOUSE SERVICE

Common Provisions Applicable to Rate I and Rate II - Continued

Terms of Payment

Net cash on presentation of bill, subject to late payment charge in accordance with provisions of General Rule 3.4.10.

Term

The term of the agreement for service shall be for a period ending no less than one year from the beginning of service under this Service Classification, and shall continue after the end of such period until terminated by the Customer upon thirty days' prior written notice, or by the Company in accordance with law or the provisions of this Rate Schedule.
SERVICE CLASSIFICATION NO. 3 - Continued
APARTMENT HOUSE SERVICE

Special Provisions

A. Service will not be available under this Service Classification to Customers eligible for service under Service Classification No. 4.

B. A Customer may request a temporary discontinuance of service by notifying the Company in writing at least five days in advance of the date on which each temporary discontinuance is to begin specifying the date on which service is to be discontinued and the date on which service is to be resumed. The Company may elect not to physically disconnect service at the service valve. In the event that a Customer takes service during a temporary discontinuance period the Customer will be billed in accordance with this Service Classification.

C. On and after February 10, 1981, any new Customer requesting apartment house service will not be eligible for service under Service Classification Nos. 1 and 2.
D. Where a Customer installs a new or replacement steam air conditioning system on or after October 1, 2004, the Usage Charges in each monthly billing period for service furnished under this Service Classification during monthly billing periods terminating within the months of May to October, inclusive, will be reduced by $2.00 per Mlb of steam used in excess of the first 50 Mlb of steam used. A Customer applying for the foregoing reduction must notify the Company at least two months before installation of the air conditioning system. Such Customer will be eligible for the rate reduction effective with the first summer monthly billing period that commences subsequent to the date on which the Company receives written notice from the Customer that the installation is complete. Service will be provided under this Special Provision under the following conditions:

1. In total, no more than 75,000 tons of new or replacement steam air conditioning capacity will be accepted under this Special Provision and Special Provision D of Service Classification No. 2;

2. The Company will offer service to new applicants under this Special Provision until at least December 31, 2016, after which time the level of the rates and charges and the terms and conditions of service may vary from those originally offered; and

3. The Company will provide service under the terms of this Special Provision to each Customer for a two-year period to Customers who commence service under this Special Provision on or after October 1, 2004, but before January 1, 2017; and

4. To facilitate Customers' investment decisions, the Company may, at its sole discretion, negotiate the term of service under this Special Provision with a Customer who agrees to use steam for air conditioning and other purposes during the service term. In lieu of monthly bill reductions set forth under this Special Provision, the Company may, at its discretion, make a one-time payment of the net present value of the bill reduction, provided that the Customer commits to a contract term that is equivalent to the term value of the bill reduction.
PSC NO: 4 - Steam
Consolidated Edison Company of New York, Inc.
Initial Effective Date: 03/01/2014
Issued in compliance with order in Case 13-S-0032 dated 02/21/2014

SERVICE CLASSIFICATION NO. 3 - Continued
APARTMENT HOUSE SERVICE

Special Provisions – Continued

E. Where a Customer does not own a steam air conditioning system and installs a new steam air conditioning system to replace or supplement existing electric air conditioning equipment, the Usage Charge in each monthly billing period for service furnished under this Service Classification during monthly billing periods terminating within the months of May to October, inclusive, will be reduced by $2.00 per Mlb of steam used in excess of the first 50 Mlb of steam used. A Customer applying for the foregoing reduction must notify the Company at least two months before installation of the air conditioning system. Such Customer will be eligible for the rate reduction effective with the first summer monthly billing period that commences subsequent to the date on which the Company receives written notice from the Customer that the installation is complete. Service will be provided under this Special Provision under the following conditions:

1. service under this Special Provision will not be available until after a total of 25,000 tons of new or replacement steam air conditioning capacity is accepted under Special Provision D of this Service Classification and Special Provision D of Service Classification No. 2;

2. in total, no more than 25,000 tons of new steam air conditioning capacity will be accepted under this Special Provision and Special Provision E of Service Classification No. 2;

3. steam purchased from the Company must be used solely for operating air conditioning equipment and only during the months of May to October, inclusive;

4. the Company will offer service to new applicants under this Special Provision until at least December 31, 2016, after which time the level of the rates and charges and the terms and conditions of service may vary from those originally offered;

5. the Company will provide service under the terms of this Special Provision to each Customer for a two-year period to Customers who commence service under this Special Provision on or after October 1, 2014, but before January 1, 2017; and

6. to facilitate Customers' investment decisions, the Company may, at its sole discretion, negotiate the length of the term of service under this Special Provision with a Customer who does not own a steam air conditioning system and installs a new steam air conditioning system to replace or supplement existing electric air conditioning equipment. In lieu of monthly bill reductions set forth under this Special Provision, the Company may, at its discretion, make a one-time payment of the net present value of the bill reduction, provided that the Customer commits to a contract term that is equivalent to the term value of the bill reduction.
SERVICE CLASSIFICATION NO. 3 - Continued
APARTMENT HOUSE SERVICE

Special Provisions – Continued

F. For Riders that may be applied to this Service Classification, see General Information Section 7.

G. For form of application under this Service Classification, see General Information Section 10.
SERVICE CLASSIFICATION NO. 4
BACK-UP/SUPPLEMENTARY SERVICE

Applicable to Use of Service for

Power, Heat, or Power and Heat to Customers who utilize both steam supplied by the Company's steam system for any purpose and another energy source for the same purpose at any time during the months of November through April, inclusive, subject to the Common Provisions and Special Provisions of this Service Classification.

Character of Service

Continuous; supplied at an average gauge pressure in excess of 125 pounds.

Rate I *

**Applicability:** To Customers who would otherwise be served under Rate I of Service Classification No. 2 if they did not utilize both steam supplied by the Company's steam system and another energy source for the same purpose during the months of November through April, inclusive, provided such Customers are not eligible for service under Rate III of this Service Classification.

**Charges Applicable to Peak Period Customers, pursuant to Special Provision B hereof**

- **Contract Demand Charge**
  - (per Mlb per hour of the contract demand in each monthly billing period) $1,404.13 /Mlb/hr

- **Usage Charge** (per Mlb of steam in each monthly billing period):
  - For billing periods terminating within the months of November through April $19.093 /Mlb
  - For billing periods terminating within the months of May through October $7.349 /Mlb

- **Customer Charge (per month)** $4,147.03

**Charges Applicable to Off-Peak Period Customers, pursuant to Special Provision B hereof**

- **Contract Demand Charge**
  - (per Mlb per hour of the contract demand in each monthly billing period) $1,020.08 /Mlb/hr

- **Usage Charge** (per Mlb of steam in each monthly billing period):
  - For billing periods terminating within the months of November through April $21.925 /Mlb
  - For billing periods terminating within the months of May through October $7.349 /Mlb

- **Customer Charge (per month)** $4,147.03

* Pursuant to General Information Section 5.3, these charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment.

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SERVICE CLASSIFICATION NO. 4 – Continued
BACK-UP/SUPPLEMENTARY SERVICE

Rate II *

Applicability: To Customers who otherwise be served under Rate I of Service Classification No. 3 if they did not utilize both steam supplied by the Company's steam system and another energy source for the same purpose during the months of November through April, inclusive, provided such Customers are not eligible for service under Rate IV of this Service Classification.

Charges Applicable to Peak Period Customers, pursuant to Special Provision B hereof

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period) $1,537.10 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period):
   For billing periods terminating within the months of November through April $15.769 /Mlb
   For billing periods terminating within the months of May through October $7.349 /Mlb

Customer Charge (per month) $3,010.96

Charges Applicable to Off-Peak Period Customers, pursuant to Special Provision B hereof

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period) $1,112.58 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period):
   For billing periods terminating within the months of November through April $16.616 /Mlb
   For billing periods terminating within the months of May through October $7.349 /Mlb

Customer Charge (per month) $3,010.96

* Pursuant to General Information Section 5.3, these charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment.
SERVICE CLASSIFICATION NO. 4 – Continued
BACK-UP/SUPPLEMENTARY SERVICE

Rate III *

Applicability: To Customers who would otherwise be served under Rate II of Service Classification No. 2 if they did not utilize both steam supplied by the Company's steam system and another energy source for the same purpose during the months of November through April, inclusive, provided that the Customer used or the Company has determined the Customer could potentially use 14,000 Mlb of steam or more over 12 monthly billing periods in the absence of the other energy source.

Customers will be transferred to Rate I of this Service Classification if they demonstrate, based on an engineering analysis submitted to the Company, that steam-consuming equipment is removed or that permanent energy-efficiency or load-limiting equipment is installed, so that the Customer cannot use more than 12,000 Mlb of steam over 12 consecutive monthly billing periods in the absence of the other energy source. No retroactive adjustment will be made for a change in use.

Charges Applicable to Peak Period Customers, pursuant to Special Provision B hereof

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period) $2,042.10 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period):
  For billing periods terminating within the months of November through April $18.498 /Mlb
  For billing periods terminating within the months of May through October $7.349 /Mlb

Customer Charge (per month) $6,754.91

Charges Applicable to Off-Peak Period Customers, pursuant to Special Provision B hereof

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period) $1,480.82 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period):
  For billing periods terminating within the months of November through April $21.187 /Mlb
  For billing periods terminating within the months of May through October $7.349 /Mlb

Customer Charge (per month) $6,754.91

* Pursuant to General Information Section 5.3, these charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment.
SERVICE CLASSIFICATION NO. 4 – Continued
BACK-UP/SUPPLEMENTARY SERVICE

Rate IV *

**Applicability:** To Customers who would otherwise be served under Rate II of Service Classification No. 3 if they did not utilize both steam supplied by the Company's steam system and another energy source for the same purpose during the months of November through April, inclusive, provided that the Customer used or the Company has determined the Customer could potentially use 14,000 Mlb of steam or more over 12 monthly billing periods in the absence of the other energy source.

Customers will be transferred to Rate II of this Service Classification if they demonstrate, based on an engineering analysis submitted to the Company, that steam-consuming equipment is removed or that permanent energy-efficiency or load-limiting equipment is installed, so that the Customer cannot use more than 12,000 Mlb of steam over 12 consecutive monthly billing periods in the absence of the other energy source. No retroactive adjustment will be made for a change in use.

**Charges Applicable to Peak Period Customers, pursuant to Special Provision B hereof**

- Contract Demand Charge (per Mlb per hour of the contract demand in each monthly billing period) $1,935.09 /Mlb/hr

- Usage Charge (per Mlb of steam in each monthly billing period):
  - For billing periods terminating within the months of November through April $16.511 /Mlb
  - For billing periods terminating within the months of May through October $7.349 /Mlb

- Customer Charge (per month) $2,498.84

**Charges Applicable to Off-Peak Period Customers, pursuant to Special Provision B hereof**

- Contract Demand Charge (per Mlb per hour of the contract demand in each monthly billing period) $1,402.08 /Mlb/hr

- Usage Charge (per Mlb of steam in each monthly billing period):
  - For billing periods terminating within the months of November through April $17.434 /Mlb
  - For billing periods terminating within the months of May through October $7.349 /Mlb

- Customer Charge (per month) $2,498.84

* Pursuant to General Information Section 5.3, these charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment.
SERVICE CLASSIFICATION NO. 4 - Continued
BACK-UP/SUPPLEMENTARY SERVICE

Common Provisions Applicable to Rate I, Rate II, Rate III, and Rate IV

Interconnection Charge

In addition to the charges described in General Information Sections 3 and 4, Customers in this Service Classification shall be subject to the following charges for interconnection costs:

(1) A charge for the reasonable costs of providing service under this Service Classification, including but not limited to costs for steam system reinforcement, metering and associated piping, incurred by the Company directly related to the installation of the facilities deemed necessary by the Company to permit the provision of service under this Service Classification, to the extent such costs are in excess of the corresponding costs which the Company would have incurred had the Customer taken service under Rate I or Rate II of Service Classification Nos. 2 or 3, as appropriate. All such facilities will remain the property of the Company. The Customer may pay for the foregoing interconnection costs either:

(a) by paying in full prior to the commencement of service under this Service Classification; or
(b) by paying at least 25 percent of the interconnection costs prior to the commencement of service under this Service Classification and arranging with the Company to pay over not more than a five-year period the balance of such interconnection costs plus interest at the unadjusted Customer deposit rate in effect at the time a payment plan is agreed upon with the Company. The Company may require a Customer to provide adequate security for the payment of the balance of the interconnection costs due the Company under the payment agreement.

(2) An annual charge of 10 percent of the capital costs of interconnection, including the costs to cover property taxes and operation and maintenance expenses. The annual charge shall be determined by multiplying the rate of 10 percent by the total capital costs of interconnection. The annual charge is payable by the Customer in monthly installments equal to one-twelfth of the annual charge.

Failure of the Customer to pay any of the interconnection charges or annual charges, when due, shall be cause for termination of service in accordance with the procedures specified in this Rate Schedule.

Fuel Adjustment

The charges to the Customer set forth herein shall be subject to a fuel adjustment per Mlb of steam supplied hereunder (as explained in General Information Section 8).

Other Charges and Adjustments

Other charges and adjustments are applicable, as explained in General Information Section 5.

Increase in Rates and Charges

The rates and charges under this Service Classification including fuel adjustment and customer charge are increased by the applicable percentage as explained in General Information Section 9 and shown on the related Statement.
SERVICE CLASSIFICATION NO. 4 - Continued
BACK-UP/SUPPLEMENTARY SERVICE

Common Provisions Applicable to Rate I, Rate II, Rate III, and Rate IV - Continued

Contract Demand

1. A Customer applying for service under this Service Classification for the first time is required to specify in its request for service hereunder an initial contract demand (expressed in Mlb per hour), set as the maximum potential demand during the months of December through March, on the basis of a reasonable estimate provided by a professional engineer retained by the Customer. The estimate is subject to the Company’s approval.

The Company will set the contract demand if the Customer does not specify a contract demand in its request for service or within 30 days of submitting such request, or within 30 days of the Company becoming aware that the Customer should be billed under this Service Classification. The Company will set the contract demand at the maximum potential demand during the months of December through March. The contract demand will be reasonably determined using information available to the Company, such as an engineering analysis performed by the Company of the Customer’s steam-consuming equipment and diversity of load, premises to be served, information supplied by the Customer at the Company’s request, and the Customer’s historical usage over the past 36 months, if available.

2. The contract demand that is set by the Customer or the Company under this Service Classification shall remain in effect unless and until the Customer or the Company revises the contract demand, as described hereunder, or the maximum demand exceeds the contract demand by more than two percent within the months of December through March, inclusive. If the maximum demand exceeds the contract demand by more than two percent for any month within the months of December through March, such higher maximum demand (a) shall be considered to be a Customer-set contract demand; and (b) will become the Customer-set contract demand for that month and thereafter unless and until exceeded by a still higher maximum demand, which in turn shall likewise be subject to the foregoing conditions.

No surcharge will be assessed the first time that the monthly maximum demand on an account exceeds the initially-set contract demand (that is, the contract demand established at the Customer’s initiation of service) by more than two percent.

3. If the monthly maximum demand within the months of December through March, inclusive, exceeds the currently effective contract demand by more than two percent, a surcharge equal to the demand registered in excess of the current contract demand multiplied by the contract demand rate multiplied by the Multiplier will apply to the monthly bill. The Multiplier will be equal to the number of months since the Customer commenced service under this Service Classification; provided, however, that the number shall not be more than 12.

The surcharges shall not be applicable to any portion of the increased contract demand attributable to a colder-than-design weather variable. The “weather variable” consists of the weighted average of the temperature at the peak hour (80% weighting) and the average temperature over the preceding 24 hours (20% weighting). “Design weather” is defined as a weather variable of 5 degrees F. If a Customer’s peak demand for a month exceeds the contract demand and the weather variable for the customer’s peak hour is colder than the design weather, the Company will apply a factor based on the slope of the Company’s steam system’s design demand curve for that winter period to determine what the customer’s peak demand would have been for the design weather. The surcharge shall apply only for that amount, if any, by which the design weather-adjusted Customer peak demand exceeds the contract demand.

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Common Provisions Applicable to Rate I, Rate II, Rate III, and Rate IV - Continued

Contract Demand - Continued

4. A Customer may revise its contract demand upward for a prospective billing period by providing written notice. Such notice must be received by the Company no later than 10 days before the beginning of the first billing period for which the revised contract demand will apply. There is no limit on the number of times that a Customer may revise its contract demand upward.

5. A Customer may request to revise its contract demand downward for a prospective billing period by providing written notice and documentation, based on an engineering analysis performed within 11 months of the request, that steam-consuming equipment is removed or abandoned in place or that permanent energy-efficiency or load-limiting equipment is installed. Such notice and documentation must be received by the Company no later than 30 days before the beginning of the first billing period for which the Customer requests the revised contract demand to apply. A Customer may request a downward revision in its contract demand no more than once every 12 months subsequent to the date of the last Customer-requested upward or downward revision.
SERVICE CLASSIFICATION NO. 4 - Continued
BACK-UP/SUPPLEMENTARY SERVICE

Common Provisions Applicable to Rate I, Rate II, Rate III, and Rate IV – Continued

Determination of Demand

Whenever service is terminated to a Customer's premises and the same Customer applies for, and receives, service at the same location, within what would have been the same billing period, but for the termination of service, the maximum demand for the billing period will be determined as though there had been no termination of service.

The Company will install a demand measuring device of a type approved by the Public Service Commission for the determination of maximum demand. The maximum demand, when determined by a demand meter, shall be the highest 30-minute integrated demand occurring during the billing period in which such use is made. The integrated demand is the average of the pounds of steam use occurring in a 30-minute period, which average, if used continuously for 30 minutes, would produce the pounds of steam actually consumed during such period.

Terms of Payment

Net cash on presentation of bill, subject to late payment charge in accordance with provisions of General Rule 3.4.10.

Term

The term of the agreement for service shall be for a period ending no less than one year from the beginning of service under this Service Classification, and shall continue after the end of such period until terminated by the Customer upon thirty days' prior written notice, or by the Company in accordance with law or the provisions of this Rate Schedule.

Temporary Discontinuance of Service

A Customer who requests a temporary discontinuance of service will be required to pay the monthly contract demand charge and the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly contract demand charge and the monthly customer charge for each month that service was discontinued and for which the Customer Charge would have been applicable.

Effective date postponed to 06/01/2015. See Supplement No. 15.

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SERVICE CLASSIFICATION NO. 4 - Continued
BACK-UP/SUPPLEMENTARY SERVICE

Special Provisions

A. Unless the steam service is physically disconnected each year during the months of November through April, inclusive, service will commence under this Service Classification when the other energy source has the ability to provide energy either contemporaneously with or in place of the steam service (e.g., the other energy source is connected to the utility’s gas system, or there is a contract for fuel supply), whether or not the other energy source is in use.

Applicability of service under this Service Classification is subject to the following exemptions, commencing November 1, 2016:

(1) A Customer who notifies the Company in writing that the total nameplate rating of its other energy source(s) used for the same purpose as Con Edison’s steam equals no more than 15 percent of the Customer’s maximum potential demand for steam served from all sources during the months of December through March will be billed prospectively under the Service Classification that would otherwise be applicable if the Customer did not have that other energy source.

(2) A Customer who notifies the Company in writing that its only other energy source used for the same purpose as Con Edison’s steam is a geothermal or solar thermal technology will be billed under the Service Classification that would otherwise be applicable if the Customer did not have that other energy source.

(3) A Customer who notifies the Company in writing that its only other energy source used for the same purpose as Con Edison’s steam is one of the Designated Technologies specified in General Rule 20.3.2 of the Company’s Schedule for Electricity Service, except for geothermal or solar thermal technologies, will be billed prospectively, through the end of the electric Designated Technologies exemption period, under the Service Classification that would otherwise be applicable if the Customer did not have that other energy source.

Customers seeking one of the above exemptions must provide as part of their written notification: the total nameplate rating of the other energy source(s) in Mlb/hour; and the total maximum potential demand for steam in Mlb/hour, as documented in a Load Letter from a professional engineer.

Customers who are exempt pursuant to (2) or (3) above may make a one-time election in writing to be billed prospectively under this Service Classification, instead of the otherwise applicable Service Classification.

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SERVICE CLASSIFICATION NO. 4 - Continued
BACK-UP/SUPPLEMENTARY SERVICE

Special Provisions

B. A Peak Period Customer is a Customer who will require service under this Service Classification during the months of November through April, inclusive, at any time during the Peak Period. The Peak Period is defined as Monday through Friday, 5:00 a.m. to 8:00 p.m., during the months of November through April, inclusive. An Off-Peak Period Customer is a Customer who will require service under this Service Classification during the months of November through April, inclusive, but will not use service at any time during the Peak Period. A surcharge will apply to the monthly bill in the month in which an Off-Peak Period Customer utilizes service during the Peak Period, equal to 24 times the product of the Customer’s contract demand and the difference between the Contract Demand Charge applicable to Peak Period Customers and the Contract Demand Charge applicable to Off-Peak Period Customers. Subject to the availability of the Company's steam system capacity, the Off-Peak Period Customer will become a Peak Period Customer in the month following the surcharge and thereafter.

C. A Customer may request a temporary discontinuance of service by notifying the Company in writing at least five days in advance of the date on which each temporary discontinuance is to begin specifying the date on which service is to be discontinued and the date on which service is to be resumed. The Company may elect not to physically disconnect service at the service valve. In the event that a Customer takes service during a temporary discontinuance period, the Customer will be billed in accordance with this Service Classification.
SERVICE CLASSIFICATION NO. 5
NEGOTIATED AGREEMENT SERVICE

Applicable to Use of Service for

This service is offered by the Company, at its sole discretion, to retain and attract Customers with viable competitive alternatives to the Company’s steam service.

Character of Service

Continuous; supplied at an average gauge pressure in excess of 125 pounds.

Eligibility

To receive service hereunder, a Customer must meet the following eligibility requirements:

(1) The Customer must submit an application for service under this Service Classification. The application must include documentation detailing the nature and characteristics of the competitive alternatives to the Company’s steam service available to the customer. Such documentation must clearly demonstrate that the price of steam is a major factor in the Customer’s decision to pursue competitive alternatives. The Customer must also provide any additional information requested by the Company that it reasonably requires to analyze the application.

(2) The Customer must agree to use exclusively the Company’s steam service for the purposes of heating and/or cooling for a period of time to be stipulated in the Service Agreement.

(3) The Customer must maintain a minimum level of steam usage during any 12-month period as stipulated in the Service Agreement.

The Company will review the Customer’s application and determine eligibility for service under this Service Classification on a case-by-case basis. In making such a determination, the Company will consider the viability of the Customer’s competitive alternatives to the Company’s steam service, as well as the practical aspects of securing the alternatives (e.g., ability to secure environmental permits, building permits, or required capital).

The Company will respond to applications for service under this Service Classification within 30 calendar days. When requested by a Customer, the Company will provide the basis for its decision not to offer a negotiated rate within 15 business days of the later of the date of the decision or the date of the request. A Customer who either fails to receive a negotiated rate or objects to the offered rate may appeal the Company’s decision to the Department of Public Service’s Director of Economic Development and Policy Coordination.
SERVICE CLASSIFICATION NO. 5 - Continued
NEGOTIATED AGREEMENT SERVICE

Service Agreement

The Company and a Customer determined by the Company to be eligible for service under this Service Classification shall negotiate and execute a Service Agreement prior to the commencement of service hereunder. The Service Agreement shall contain all information necessary for the Company to supply steam service to the Customer including, but not limited to:

1. the term of service, including the period of time during which the Customer agrees to use exclusively the Company’s steam service for the purposes of heating and/or cooling, options for continuing service and options for canceling service;
2. the exact character of service and steam requirements, including the required minimum level of steam usage during any 12-month period, and Customer’s equipment to be served;
3. additional facilities to be constructed or installed; and
4. a listing of all charges to be billed by the Company and paid by the Customer for services rendered and for facilities constructed or installed.

Service under this Service Classification may be terminated at the Company’s option for breach of the Service Agreement by the Customer. In the event of such termination of service, the Customer shall be eligible for steam service under its otherwise applicable Service Classification after making any prepayment required under General Information Sections 3 and 4.

Rate

The specific charges under this Service Classification will be stated in the negotiated Service Agreement executed by the Company and each Customer. The rate per Mlb included in any Service Agreement with any Customer shall be no lower than the Company’s marginal cost of steam service to the Customer per Mlb of steam supplied plus a contribution to fixed costs. Unless otherwise agreed to by the Customer and upon full disclosure, the negotiated rate shall not exceed the tariff rate in effect for or applicable to the Customer at the time the Service Agreement is executed. The Company may, at its discretion, provide monthly bill reductions from otherwise applicable rates or make a one-time payment of the net present value of a bill reduction, provided that the Customer commits to a contract term that is equivalent to the term value of the bill reduction.

The Company will provide marginal cost calculations to Staff and may request trade secret protection for such calculations. The Company shall use marginal costs appropriate to the length of the Service Agreement. Capital costs will not be included if short run marginal costs are used.
SERVICE CLASSIFICATION NO. 5 - Continued
NEGOTIATED AGREEMENT SERVICE

Other Charges and Adjustments

Other charges and adjustments are applicable, as explained in General Information Section 5.

Increase in Rates and Charges

The rates and charges under this Service Classification are increased by the applicable Percentage as explained in General Information Section 9 and shown on the related Statement.

Terms of Payment

Net cash on presentation of bill, subject to late payment charge in accordance with provisions of General Rule 3.4.10.

Term

The initial term and renewal options shall be provided for in the Service Agreement. The minimum term shall be one year.
SERVICE CLASSIFICATION NO. 6
TRANSPORTATION SERVICE

Applicable to Use of Service for

Transportation and delivery of steam within the Company's steam service area to the premises of a Customer who arranges for third-party supply of steam, subject to the Availability and Special Provisions of this Service Classification

Character of Service

Firm transportation supplied at an average gauge pressure in excess of 125 pounds under conditions of this Rate Schedule inclusive of General Rule 3.6.a.

Rate I *

Applicability: To Customers who would otherwise be served under Rate I of Service Classification No. 2 for their steam requirements.

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period) $789.65 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period) for under-deliveries, as described below: $27.195 /Mlb

The Usage Charge is applicable to the difference between (a) monthly metered Mlb input to the Company's steam system by the Customer's third-party supplier, adjusted for 13.5% system losses and (b) the Customer's monthly metered Mlb usage. If the third-party supplier serves more than one Customer, each Customer will be subject to the Usage Charge for the product of the third party supplier's total under-delivery amount and the ratio of that Customer's total metered usage to the total metered usage of all Customers served by the third-party supplier, unless the third-party supplier otherwise specifies to the Company in writing, in advance, each Customer's allocation of the total steam deliveries.

Customer Charge (per month) $4,147.03

* Pursuant to General Information Section 5.3, these charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment.
SERVICE CLASSIFICATION NO. 6 - Continued
TRANSPORTATION SERVICE

Rate II *

Applicability: To Customers who would otherwise be served under Rate I of Service Classification No. 3 for their steam requirements.

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period) $857.87 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period) for under-deliveries, as described below:
The Usage Charge is applicable to the difference between (a) monthly metered Mlb input to the Company’s steam system by the Customer’s third-party supplier, adjusted for 13.5% system losses and (b) the Customer’s monthly metered Mlb usage. If the third-party supplier serves more than one Customer, each Customer will be subject to the Usage Charge for the product of the third party supplier's total under-delivery amount and the ratio of that Customer's total metered usage to the total metered usage of all Customers served by the third-party supplier, unless the third-party supplier otherwise specifies to the Company in writing, in advance, each Customer's allocation of the total steam deliveries.

$21.618 /Mlb

Customer Charge (per month) $3,010.96

* Pursuant to General Information Section 5.3, these charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment.

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SERVICE CLASSIFICATION NO. 6 - Continued
TRANSPORTATION SERVICE

Rate III *

Applicability: To Customers who would otherwise be served under Rate II of Service Classification No. 2 for their steam requirements.

Customers will be transferred to Rate I of this Service Classification if they demonstrate, based on an engineering analysis submitted to the Company, that steam-consuming equipment is removed or that permanent energy-efficiency or load-limiting equipment is installed, so that the Customer cannot use more than 12,000 Mlb of steam over 12 consecutive monthly billing periods. No retroactive adjustment will be made for a change in use.

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period) $1,144.05 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period)
for under-deliveries, as described below: $26.428 /Mlb
The Usage Charge is applicable to the difference between (a) monthly metered Mlb input to the Company’s steam system by the Customer’s third-party supplier, adjusted for 13.5% system losses and (b) the Customer’s monthly metered Mlb usage. If the third-party supplier serves more than one Customer, each Customer will be subject to the Usage Charge for the product of the third party supplier's total under-delivery amount and the ratio of that Customer's total metered usage to the total metered usage of all Customers served by the third-party supplier, unless the third-party supplier otherwise specifies to the Company in writing, in advance, each Customer's allocation of the total steam deliveries.

Customer Charge (per month) $6,754.91

* Pursuant to General Information Section 5.3, these charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment.

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SERVICE CLASSIFICATION NO. 6 - Continued
TRANSPORTATION SERVICE

Rate IV *

Applicability: To Customers who would otherwise be served under Rate II of Service Classification No. 3 for their steam requirements.

Customers will be transferred to Rate II of this Service Classification if they demonstrate, based on an engineering analysis submitted to the Company, that steam-consuming equipment is removed or that permanent energy-efficiency or load-limiting equipment is installed, so that the Customer cannot use more than 12,000 Mlb of steam over 12 consecutive monthly billing periods. No retroactive adjustment will be made for a change in use.

Contract Demand Charge
(per Mlb per hour of the contract demand in each monthly billing period) $1,082.28 /Mlb/hr

Usage Charge (per Mlb of steam in each monthly billing period)
for under-deliveries, as described below: $22.684 /Mlb
The Usage Charge is applicable to the difference between (a) monthly metered Mlb input to the Company’s steam system by the Customer’s third-party supplier, adjusted for 13.5% system losses and (b) the Customer’s monthly metered Mlb usage. If the third-party supplier serves more than one Customer, each Customer will be subject to the Usage Charge for the product of the third party supplier's total under-delivery amount and the ratio of that Customer's total metered usage to the total metered usage of all Customers served by the third-party supplier, unless the third-party supplier otherwise specifies to the Company in writing, in advance, each Customer's allocation of the total steam deliveries.

Customer Charge (per month) $2,498.84

* Pursuant to General Information Section 5.3, these charges will be reduced by the credit shown on the Statement of Temporary Rate Adjustment.

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Common Provisions Applicable to Rates I, II, III, and IV

Interconnection Charge

In addition to the charges described in General Information Sections 3 and 4, Customers in this Service Classification shall be subject to the following charges for interconnection costs:

(1) A charge for the reasonable costs of providing service under this Service Classification, including but not limited to costs for steam system reinforcement, metering and associated piping, incurred by the Company directly related to the installation of the facilities deemed necessary by the Company to permit the provision of service to the Customer under this Service Classification, to the extent such costs are in excess of the corresponding costs which the Company would have incurred had the Customer taken service under Service Classification Nos. 2 or 3, as appropriate. All such facilities will remain the property of the Company. Where a customer disputes the Company’s cost determination, the Customer may apply to the Commission for a ruling in this matter. The Customer may pay for the foregoing interconnection costs either:

(a) by paying in full prior to the commencement of service under this Service Classification; or

(b) by paying at least 25% of the interconnection costs prior to the commencement of service under this Service Classification and arranging with the Company to pay over not more than a two-year period the balance of such interconnection costs plus interest at the unadjusted Customer deposit rate in effect at the time a payment plan is agreed upon with the Company. The Company may require a Customer to provide adequate security for the payment of the balance of the interconnection costs due the Company under the payment agreement.

(2) An annual charge of 10 percent of the capital costs of interconnection, including the costs to cover property taxes and operation and maintenance expenses. The annual charge shall be determined by multiplying the rate of 10 percent by the total capital costs of interconnection. The annual charge is payable by the Customer in monthly installments equal to one-twelfth of the annual charge.

Failure of the Customer to pay any of the interconnection charges or annual charges, when due, shall be cause for termination of service in accordance with the procedures specified in this Rate Schedule.

Issued by: Robert N. Hoglund, Senior Vice President & Chief Financial Officer, New York, NY
Common Provisions Applicable to Rates I, II, III, and IV - Continued

Fuel Adjustment

The Usage Charge set forth herein shall be subject to a fuel adjustment per Mlb of steam supplied hereunder (as explained in General Information Section 8).

Other Charges and Adjustments

Other charges and adjustments are applicable, as explained in General Information Section 5.

Increase in Rates and Charges

The rates and charges under this Service Classification including fuel adjustment and customer charge are increased by the applicable percentage as explained in General Information Section 9 and shown on the related Statement.

Determination of Demand

The contract demand under this Service Classification shall be the contract demand as specified in the Customer’s request for service hereunder (expressed in 1000 pounds of steam per hour), unless and until a higher maximum demand is created by the Customer within the months of November through April, inclusive, in which case such higher maximum demand shall become the contract demand for that month and thereafter unless and until exceeded by a still higher maximum demand, which in turn shall likewise be subject to the foregoing conditions.

If the monthly maximum demand within the months of November through April, inclusive, exceeds the contract demand by ten percent or less, a surcharge equal to twelve times the monthly contract demand rate for the excess in demand will apply to the monthly bill. If the monthly maximum demand within the months of November through April, inclusive, exceeds the contract demand by more than ten percent, a surcharge equal to twenty-four times the monthly contract demand rate for the excess in demand will apply to the monthly bill. For peak load forecasting purposes, weather is measured by a “weather variable” which consists of the weighted average of the temperature at the peak hour (80% weighting) and the average temperature over the preceding 24 hours (20% weighting). “Design weather” is defined as a weather variable of 5 degrees F. The surcharges shall not be applicable to any portion of the increased contract demand attributable to a colder-than-design weather variable. If a Customer’s peak demand for a month exceeds the contract demand and the weather variable for the customer’s peak hour is colder than the design weather, the Company will apply a factor based on the slope of the Company’s steam system’s design demand curve for that winter period to determine what the customer’s peak demand would have been for the design weather. The surcharge shall apply only for that amount, if any, by which the design weather-adjusted Customer peak demand exceeds the contract demand.
Determination of Demand - Continued

A Customer applying for service under this Service Classification for the first time is required to establish an initial contract demand on the basis of a reasonable estimate provided by a professional engineer retained by the Customer. The estimate is subject to the Company's approval. In the event that such initially-established contract demand is exceeded, or a higher demand is later specified by the Customer, for any month within the months of November through April, no retroactive surcharge will be imposed, but such higher maximum demand shall become the contract demand for that month and thereafter (“Revised Contract Demand”). In the event that the Revised Contract Demand is exceeded thereafter by a still higher demand, the provisions included in the first two paragraphs under this Determination of Demand provision for this Service Classification will be applicable.

Whenever service is terminated to a Customer's premises and the same Customer applies for, and receives service, at the same location, within what would have been the same billing period, but for the termination of service, the maximum demand for the billing period will be determined as though there had been no termination of service.

The Company will install a demand-measuring device of a type approved by the Public Service Commission for the determination of maximum demand. The maximum demand, when determined by a demand meter, shall be the highest 30-minute integrated demand occurring during the billing period in which such use is made. The integrated demand is the average of the pounds of steam use occurring in a 30-minute period, which average, if used continuously for 30 minutes, would produce the pounds of steam actually consumed during such period.
SERVICE CLASSIFICATION NO. 6 - Continued
TRANSPORTATION SERVICE

Common Provisions Applicable to Rates I, II, III, and IV - Continued

Terms of Payment

Net cash on presentation of bill, subject to late payment charge in accordance with provisions of General Rule 3.4.10.

Term

Subject to the Availability section of this Service Classification, the term of the agreement for service shall be for a period ending no less than one year from the beginning of service under this Service Classification, and shall continue after the end of such period until terminated by the Customer upon thirty days' prior written notice, or by the Company in accordance with law or the provisions of this Rate Schedule.

Temporary Discontinuance of Service

A Customer who requests a temporary discontinuance of service will be required to pay the monthly contract demand charge and the monthly customer charge for each month that service is discontinued. A Customer whose service is discontinued for non-payment and who applies for service within twelve months at the same location will be regarded as having taken a temporary discontinuance of service and will be required to pay the monthly contract demand charge and the monthly customer charge for each month that service was discontinued and for which the Customer Charge would have been applicable.

Availability

Service will be available under this Service Classification on a pilot program basis, on a first-come first-served basis, until at least September 30, 2002, and will be limited to a total of 100,000 pounds of steam per hour of supply capacity during the months of November through April. Commencement of service under this Service Classification will be limited in each of the 12-month periods commencing October 1, 2000 and October 1, 2001 to no more than three new Customers for their full steam requirements and to no more than two existing Customers under Service Classification Nos. 2 and 3 for increases in their monthly steam requirements. For existing Customers, the increase in steam requirements will be measured on a separate meter, installed by the Company at Customer expense, unless such usage cannot be isolated for separate metering, in which case the increase in the Customer’s steam requirements will established in advance by the Company and the Customer. The Company may seek Commission approval to reduce the hourly volume of steam served under this Service Classification or to otherwise limit this program, at any time, if necessary to maintain system reliability.
SERVICE CLASSIFICATION NO. 6 - Continued
TRANSPORTATION SERVICE

Special Provisions

A. No credit will be given to either a Customer or third-party supplier for net excess deliveries in any month unless the Company agrees in advance to accept such excess deliveries, in which case the Company will pay the Customer for the excess at the Company’s average cost of fuel inclusive of fuel costs recovered through the Fuel Adjustment.

B. Service under this Service Classification will not be provided or will be terminated unless the third-party supplier executes and complies with an interconnection agreement with the Company, requiring, among its terms, that the third-party supplier:

(1) pay the cost of connecting its plant to the Company’s steam system, including all necessary metering and telecommunications;
(2) use best efforts to reasonably match, at all times, its steam supply to the requirements of the Customers that it supplies;
(3) use best efforts to limit deliveries of steam, at all times, to the sum of the loads of the Customers that it supplies plus losses, or as otherwise limited by the Company’s steam system operator based on steam system operating constraints;
(4) meet the Company’s steam quality specifications, at all times, for any steam deliveries; and
(5) comply, at all times, with the Company’s safety and operating procedures.

C. A Customer may request a temporary discontinuance of service by notifying the Company in writing at least five days in advance of the date on which each temporary discontinuance is to begin specifying the date on which service is to be discontinued and the date on which service is to be resumed. The Company may elect not to physically disconnect service at the service valve. In the event that a Customer takes service during a temporary discontinuance period, the Customer will be billed in accordance with this Service Classification.

D. For Riders that may be applied to this Service Classification, see General Information Section 7.

E. Requests for service under this Service Classification shall be made in writing.