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Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York NY 10003
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DEC 17 2008

TARIFF FILES
ALBANY, N.Y.

December 17, 2008

Honorable Jaclyn A. Brillling
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Rider U – Distribution Load Relief Program

Dear Secretary Brillling:

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) is filing with the Public Service Commission (the “Commission”) revisions to the Company’s Schedule for Electricity Service, P.S.C. No. 9 – Electricity, applicable to its customers in the City of New York and the County of Westchester.

Tariff leaves reflecting the proposed changes are identified in Appendix A. The leaves bear an issue date of December 18, 2008, and an effective date of March 16, 2009.

Reason for Filing

The Company is proposing two principal changes to Rider U, its Distribution Load Relief Program (“DLRP”). First, the Company proposes to require participants in the program to have interval metering used for monthly Company billing except in limited circumstances and for a limited period as described below. Second, the Company proposes to add a second methodology (Customer Baseline Load “CBL”) to the current Average Peak Monthly Demand or “APMD” methodology to evaluate performance in the Summer Reservation Payments Program. The Company will provide different reservation payment amounts depending on which methodology is used. These changes will improve the quality of the data provided to the utility to verify performance of participating loads, and increase assurance that pledged, and compensated for, load relief is more aligned with actual load relief experienced on the system. In addition, the Company proposes to reorganize and clarify various provisions based on its experience with the program and its interest in improving program understanding to increase enrollment.

Verification of Performance (Paragraph (E), formerly (F))

In 2007 and 2008, the Company allowed customers that did not have interval metering used for monthly Company billing to enroll in the DLRP. These customers relied upon

interval meters that were previously installed behind the utility's meter ("non-billing interval meter") to measure load relief under the New York Independent System Operator's Special Case Resources ("SCR") program.

The Company's proposed modifications seek to maximize potential Rider U participation, while attempting to balance the need for verifiable data in the Summer Reservation Payments Program by allowing Customers and customers of Aggregators who do not have interval metering used for monthly Company billing and participated in the 2008 Summer Reservation Payments Program with non-billing interval meters, to continue to participate in the Summer Reservation Payments Program during 2009 if they meet criteria established in the Rider. For example, in order to increase verification and independence of this meter data, the Company will require that hourly data be submitted by a Meter Data Service Provider ("MDSP").

Although it is preferable that participants have interval meters that are used for monthly Company billing ("interval billing meters"), it is reasonable to rely, on a temporary basis, upon the already established NYISO SCR metering requirement in order to allow additional opportunity for participants with non-billing interval meters to overcome obstacles or concerns with the installation of interval billing meters. The Commission addressed the issue of non-billing interval meters in its August 2007 Order and in an order issued April 24, 2008. The Company has streamlined its process for upgrading metering at a customer's request and believes that most customers have had adequate time to obtain interval billing meters. Some participants indicate that they have concerns and obstacles with switching to interval billing meters, and the Company will focus efforts to help address these concerns in the coming year. As a result, all customers who wish to participate in 2010 will be required to have interval billing meters. The Company's direct access to, and verifiability of, meter data will assure the quality of the meter data and will facilitate the Company's evaluation of customer performance during tests and events.

Summer Reservation Program Performance Evaluation Methodology

To improve the accuracy of participant load relief measurement and to better align the program with its emergency purpose, the Company is proposing to offer most Summer Reservation program participants the choice of baseline verification methodology. Except for (1) customers with on-site generation, (2) customers using non-billing interval meters, and (3) customers with peak kW values that are not representative of their average weekday operations, customers will be allowed to choose their Summer Reservation Baseline Verification Methodology, either APMD or CBL.

Obtaining and processing load data from customers with non-billing interval meters has been time-consuming, administratively burdensome, and prone to errors, and the data continues to be unverifiable. During the 2008 Capability Period, many errors were found in self-reported non-billing meter data. In fact, in December 2008, the Company was still attempting to rectify outstanding data issues submitted from these meters. Through analysis of 2008 Summer Capability Period performance, the 2008 Nexant DLRP

Program Evaluation, and 2008 Summit Blue Callable Load Study, the Company believes that assessing resources with a CBL methodology for load relief measurements can result in consistently more accurate measurement of demand reduction.

The CBL methodology relies on current and recent load data to calculate the customer's load profile. In contrast, the APMD methodology uses the previous summer's monthly peak load data. As compared to the APMD methodology, the CBL methodology will provide consistently more accurate customer load relief measurement throughout the Summer Capability Period, including during shoulder months and off-peak hours, and therefore, will better align this program's measurement accuracy with its emergency purpose. This is borne out by analysis of 2008 Summer Capability Period performance, the 2008 Nexant DLRP Program Evaluation, and 2008 Summit Blue Callable Load Study.

The Company's studies indicate that reductions based on the CBL methodology would be at least two times more valuable than reductions based on the APMD methodology at similar pledged levels. Therefore, in order to increase customer selection of the CBL methodology, the Company is introducing the CBL Summer Reservation Verification Methodology option¹ and proposing to pay customers electing this CBL methodology a capacity payment that is two times the payment amount payable to customers electing the APMD methodology.²

Customers with on-site generation and customers with peak kW values that are not representative of their average weekday operations must use the CBL methodology due to the APMD methodology's deficiencies in dealing with these types of variable load profiles. Customers who use non-billing interval metering must choose the APMD methodology, so long as they do not have on-site generation or an APMD that is not representative of their average weekday operations.

Tariff Changes Proposed

Based on the Company's experience and questions arising under Rider U, the Company concluded that the tariff language was unclear. In many instances, the changes proposed merely clarify the language; in other instances, intent is changed as well. Many of the changes are designed to clarify the distinction between the Voluntary program and the Summer Reservation Payment ("Mandatory") program. With the exception of Metering provisions, existing Rider U provisions that relate solely to the Mandatory Program were moved to the section on the Mandatory program (Section (J)) to improve clarity.

Applicability (Paragraph (A)) – The Company clarified that SC 14-RA standby service customers may participate in the program whether they receive billing under SC 14-RA rates or under a firm rate service classification.

¹ The data intensiveness of the CBL methodology requires those selecting the CBL option to have interval billing meters and associated telecommunications equipment.

² The energy payment to customers will remain the same regardless of which methodology is applied.

Contracting for Distribution Load Relief Service (Paragraph (B)) – The Company clarified that there are two programs under Rider U (Voluntary Load Relief and Summer Reservation Payments) and added text to describe the information that must be provided by participants with electric generating equipment. Text about limiting interconnections that could jeopardize safety was moved from Paragraph (B) to new Paragraph (F) (formerly Paragraph (G)).

Definitions (Paragraph (C)) – Definitions were developed for the abbreviations APMD and CBL and for the terms Capability Period, electric generating equipment, Performance Factor, and Verification Methodology. They are included at the beginning of the Rider and should make understanding the Rider easier. Electric generating equipment includes base-load and emergency generation as well as generation on the premises of customers taking service under Rider R (net metering). Paragraph (B) employs the new definition of “electric generating equipment” to clarify the conditions applicable to a customer’s use of such equipment to satisfy its commitment under the Rider. The definitions of APMD, CBL, and Verification Methodology describe the purposes for which such methodologies will be used. The definition of Load Delivery no longer requires interconnection to primary distribution feeders.

Load Relief Period (Paragraph (D)) – The minimum length of a Load Relief Period will be determined by the amount of notice provided by the Company. If the Company provides a minimum of two hours’ notice, the Load Relief Period will be at least four hours; if the notice is given less than two hours in advance, the Load Relief Period will be not less than six hours.

Metering (Paragraph (E), formerly (F)) – This section establishes a requirement that the participant’s service be measured by interval metering with telecommunications capability used by the Company for monthly billing. The exceptions, or conditions under which a customer with a non-billing interval meter may take service under the Summer Reservation Payments Program, are set out in a new subsection (2). The requirements include, among other things, the use of the APMD Verification Methodology, the preclusion of customers with on-site generating equipment, and a requirement for prompt delivery of hourly data to the Company every month. The application of these criteria is intended to overcome difficulties the Company experienced during 2008 with obtaining meter data needed to verify customer performance during events and tests and perform other program assessments from non-billing interval meter data.

Interconnection and Delivery for Load Delivery Customers (Paragraph (F), formerly Paragraph (G)) – The Company clarified that SC 11 provisions are not applicable to Load Delivery by a customer served under Rider R – Net Metering.

Data Review (Paragraph (G)) – A new subsection establishes the Company’s rights with respect to reviewing enrollment information and performance data. The Company would be permitted to suspend payment of any amounts due the Customer or Aggregator during the course of a review. If the Customer or Aggregator failed to cooperate with a review or if the review established that the Customer or Aggregator failed to comply with the

provisions of the Rider or provided inaccurate data to the Company, the Customer or customer of the Aggregator would be ineligible to participate in the program until the matter was corrected, and the Customer or Aggregator may be required to repay the Company payments previously received for the Capability Period.

Aggregation (Paragraph (H), formerly Paragraph (K)) – This new section incorporates three provisions formerly set out in Paragraph (K), omitting the provision that required all customers of an Aggregator to accept the same Verification Methodology and clarifying that only the Aggregator will be notified of a test or Load Relief Period. (This section previously indicated that the Aggregator would be notified of a Load Relief Period.)

Voluntary Load Relief Program (Paragraph (I)) – This paragraph formerly addressed only payment for energy reduced or delivered in the event of performance under the Rider. In an effort to clarify the differences between the Voluntary program and the Summer Reservation Payments Program, this section now addresses only the Voluntary program and includes all terms and conditions specific to that program. New subsections describe the application process and term of service, the conditions applicable to the Company's obligation to make energy payments for Load Relief, and the Verification Methodology the Company will employ. The program will not have a minimum term of service in recognition of its voluntary nature. The section describing the basis for and calculation of the payment amount was revised to clarify, among other things, that payment will be determined separately for each hour of an event provided that no less than four consecutive hours of Load Relief were supplied. The coordination of participation under this Rider and other Riders has been clarified to preclude energy payment if the participant receives energy payments under Rider P or Rider V or a similar load relief program. (This section previously precluded energy payments under Rider P, and specified that payment for participants served under both Riders U and V would be the higher of the Rider U and Rider V payment amounts for concurrent load relief hours.)

Summer Reservation Payments Program (Paragraph (J)) – This paragraph formerly addressed only Reservation Payments. Consistent with establishing a distinct section for the Voluntary program, this portion of the revised tariff clarifies the rules for the Mandatory program and includes all terms and conditions specific to that program. The term "Network" is defined for the purpose of this program. New subsections describe the application process and term of service, the choices of Verification Methodology for evaluating the performance of a Customer or an Aggregator's portfolio, the rates for Summer Reservation payments depending on Network tier and Verification Methodology, how payment is calculated, hours subject to performance evaluation, bonus payments for additional performance, and energy payments for Load Relief. This paragraph also clarifies that a customer or Aggregator who fails a test called by the Company will be subject to a Performance Adjustment (de-rating). Although the tariff previously indicated that enrollment would be accepted through April 15 (except in the program's earlier years), enrollment will now be extended through June 15, and requests to increase contracted Load Relief will also be accepted through that date.

The Summer Reservation Program payment will differ based on Tier and by Verification Methodology selected. For CBL, the Tier 1 and Tier 2 payments will be \$4/kW-month and \$6/kW-month, respectively. For the APMD methodology, lower payment rates will be applicable (\$2/kW-month for Tier 1 and \$3/kW-month for Tier 2). Bonus Payments (previously listed under a subsection entitled "Voluntary Participation") continue to be \$1/kW-month for response to seven to nine Load Relief Periods or response of more than four but less than eight hours during a particular Load Relief Period and \$1.50/kW-month for response to ten or more Load Relief Periods or for a response of eight or more hours during a particular Load Relief Period. Payment will be made only for the higher amount if the Aggregator or Customer performed both during additional events and for additional hours during a single event. Text was added on Bonus Payments to clarify when these payments become applicable.

The Performance Adjustment provision is clarified to the effect that both deliveries and reductions will be considered in establishing the adjustment and to preclude a Customer's increasing its Load Relief commitment and an Aggregator's increasing its contracted Load Relief for its existing customers while under a de-rating.

Provisions deleted - As part of the extensive revision of the Rider, Paragraphs (E) and (J)(5), relating to Term, were deleted because these provisions were incorporated in the paragraphs dealing specifically with the Voluntary Load Relief Program and the Summer Reservation Payments Programs. Paragraph (K) was moved to Paragraph (H) and modified as described above.

Conclusion and Notice

The Company is issuing this filing to become effective on March 16, 2008. Enclosed is a proposed form of Notice of Proposed Rule Making for publication in the State Register pursuant to the State Administrative Procedure Act.

The Company will publish newspaper publication on December 26, and January 2, 9, and 16, 2009.

Respectfully submitted,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

By: Christine Colletti
Christine Colletti
Director
Rate Engineering

PSC No. 9 - Electricity

Sixth Revised Leaf No. 158-Q
Superseding Fifth Revised Leaf No. 158-Q

Fifth Revised Leaf No. 158-Q-1
Superseding Fourth Revised Leaf No. 158-Q-1

Tenth Revised Leaf No. 158-R
Superseding Ninth Revised Leaf No. 158-R

Fifth Revised Leaf No. 158-R-1
Superseding Fourth Revised Leaf No. 158-R-1

Third Revised Leaf No. 158-R-2
Superseding Second Revised Leaf No. 158-R-2

Fourth Revised Leaf No. 158-R-3
Superseding Third Revised Leaf No. 158-R-3

Fourth Revised Leaf No. 158-R-4
Superseding Third Revised Leaf No. 158-R-4

First Revised Leaf No. 158-R-5
Superseding Original Leaf No. 158-R-5

Original Leaf No. 158-R-6

Original Leaf No. 158-R-7

Original Leaf No. 158-R-8

GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

PUBLIC SERVICE COMMISSION

RIDER U

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Applicable to Service Classification Nos. 4, 8, 9, 12, 13 and 14-RA
(Subject to the provisions thereof)

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ALBANY, N.Y.

U - DISTRIBUTION LOAD RELIEF PROGRAM

(A) Applicability

To any Customer taking service under Service Classification ("SC") No. 4, 8, 9, 12, or 13 of this Rate Schedule or an equivalent service classification of the Retail Access Rate Schedule; to any Customer taking service under SC No. 14-RA, independent of whether billing is issued under that SC; to any customer of the New York Power Authority ("NYPA"), the New York City Public Utility Service ("NYCPUS"), or the County of Westchester Public Utility Service Agency ("COWPUSA"); and to an Aggregator that meets the requirements of this Rider.

(B) Contracting for Distribution Load Relief Service

There are two programs under this Rider under which a Customer or Aggregator may contract to provide Load Reduction and/or Load Delivery during Load Relief Periods designated by the Company: the Voluntary Load Relief Program and the Summer Reservation Payments Program. The amount of Load Relief by a Customer must be at least 50 kW of Load Reduction or at least 50 kW of Load Delivery. The amount of Load Relief by an Aggregator must be at least 100 kW of Load Reduction or at least 100 kW of Load Delivery.

If other requirements for service under this Rider are met, electric generating equipment (as defined hereunder) may be operated under this Rider, provided the Customer or Aggregator has provided the Company with generator information, including the unit's serial number, nameplate rating, manufacturer, and date of manufacture, and the Company has approved the interconnection of such equipment. The participating Customer or Aggregator is responsible for determining that the operation of generating equipment under this Rider will be in conformance with any governmental limitations on operation.

(C) Definitions

The following terms are defined for purposes of this Rider only:

"APMD" means the average peak monthly demand as calculated under the New York Independent System Operator ("NYISO") Average Peak Monthly Demand methodology. The APMD methodology is one of the Verification Methodologies used by the Company to assess demand (kW) reductions under the Summer Reservation Payments Program.

"Aggregator" means a party other than the Company that aggregates the load of Customers who collectively have a load reduction potential of 100 kW or greater and is responsible for the actions of the Customers it represents, including performance and, as applicable, performance adjustments and repayments to the Company.

(General Information - Continued on Leaf No. 158-Q-1)

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and Chief Financial Officer
4 Irving Place, New York, N.Y. 10003

GENERAL INFORMATION - Continued

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VI. Service Classification Riders (Available on Request) - Continued

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U - DISTRIBUTION LOAD RELIEF PROGRAM - Continued

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(C) Definitions - Continued

"Capability Period" refers either to the Summer Capability Period (May 1 through October 31) or the Winter Capability Period (November 1 through April 30).

"CBL" means the customer baseline load as calculated under the NYISO Customer Baseline Load methodology, using either the average-day CBL or the weather-sensitive adjustment option (the "weather adjusted CBL"). The CBL methodology is the Verification Methodology used by the Company to assess energy reductions (kWh) under the Voluntary Load Relief Program and the Summer Reservation Payments Program and is one of the Verification Methodologies used by the Company to assess demand (kW) reductions under the Summer Reservation Payments Program.

"Electric generating equipment" refers to: electric generating equipment that is served under Service Classification No. 14-RA of the Retail Access Rate Schedule or Rider R and used to provide Load Reduction or Load Delivery under this Rider; emergency electric generating equipment that is interconnected and operated in compliance with General Rule III-13(E) and used to provide Load Reduction under this Rider; or electric generating equipment that is interconnected and operated in compliance with General Rule III-13(F) and used to provide Load Delivery under this Rider.

"Load Delivery" means power (kW) and energy (kWh) produced by use of electric generating equipment and delivered to the Company's distribution system during a Load Relief Period.

"Load Reduction" means power (kW) and energy (kWh) ordinarily supplied by the Company that is displaced by use of electric generating equipment and/or reduced by the Customer or Aggregator during a Load Relief Period.

"Load Relief" refers to limiting demand on the Company's system through Load Reduction or delivering demand to the Company's system through Load Delivery, as specified in the Customer or Aggregator's contract with the Company and for the time period directed by the Company.

"Performance Factor" is the ratio of the lowest kW actually reduced or delivered in any hour to the kW of contracted Load Relief.

"Verification Methodology" means the methodology used by the Company to verify the contracted Load Reduction and/or Load Delivery (kW and kWh) for each hour of each designated Load Relief Period under either the Voluntary Load Relief Program or the Summer Reservation Payments Program, as applicable, as well as the methodology used by the Company to verify the entire contracted Load Reduction and/or Load Delivery (kW and kWh) during a test under the Summer Reservation Payments Program.

(General Information - Continued on Leaf No. 158-R)

GENERAL INFORMATION - Continued

PUBLIC SERVICE COMPANY OF NEW YORK
REGULATORY DIVISION

VI. Service Classification Riders (Available on Request) - Continued

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U - DISTRIBUTION LOAD RELIEF PROGRAM - Continued

(D) Load Relief Period

TARIFF 118
ALBANY NY

- (1) A Load Relief Period is a period designated by the Company of: (a) not less than four hours if the Company provides two or more hours' advance notice; or (b) not less than six hours if the Company provides less than two hours' advance notice.
- (2) Criteria for Designating a Load Relief Period: If the next contingency would result in a Condition Yellow, or if a voltage reduction of five percent or greater has been ordered, the Company may designate such period as a Load Relief Period. The Company may designate specific networks, feeders or geographical areas in which load relief will be requested. A Condition Yellow exists when the next contingency (excluding breaker failure) either will result in an outage to more than 15,000 customers or will result in some equipment being loaded above emergency ratings.
- (3) Notice of a Load Relief Period: The Company will notify Customers or Aggregators (as specified in Section H of this Rider) in advance of the commencement of a Load Relief Period. The Customer or Aggregator shall designate in writing an authorized representative and an alternate representative to receive the notice.

(E) Metering

- (1) Except as specified in paragraph (2) below, participation in either the Voluntary Load Relief Program or the Summer Reservation Payments Program requires that each participant's entire service be measured by interval metering with telecommunications capability used by the Company for monthly billing. If the Company does not bill the participant monthly using interval metering, the Customer shall arrange for the furnishing and installation of interval metering with telecommunications capability to be used for billing, and arrange for telecommunications service, at the Customer's expense, net of any discount or rebate received by the Customer, before the Customer's application shall be accepted for service under this Rider. Where the Customer contracts to provide Load Delivery, such delivery must be separately metered.
- (2) The Company will permit participation in the 2009 Summer Reservation Payments Program by a participant whose interval metering is not used by the Company for monthly billing, if the participant meets all of the following conditions:
 - (a) it is enrolled in the NYISO's Special Case Resources Program ("SCR") and (i) its participation in the 2009 Summer Reservation Payments Program does not exceed the kW amount enrolled in the NYISO SCR Program; (ii) it reports to the Company the results of any audit or verification conducted by the NYISO under the SCR Program within ten days of such audit or verification;
 - (b) it participated in the 2008 Summer Reservation Payments Program and does not have interval metering used by the Company for monthly billing at the time of application for the 2009 Summer Reservation Payments Program;
 - (c) its peak kW is representative of its average weekday operations;
 - (d) it does not have electric generating equipment on the premises;
 - (e) the meter used to provide Load Reduction records the Customer's entire requirements served by the Company;

(General Information - Continued on Leaf No. 158-R-1)

Date of Issue: December 18, 2008

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GENERAL INFORMATION – Continued

VI. Service Classification Riders (Available on Request) - Continued

U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued

(E) Metering – Continued

(2) - Continued

- (f) the Customer or Aggregator has chosen the APMD Verification Methodology (as explained in Section(J)(3)) and has supplied hourly data validating the 2008 APMD levels in the format prescribed on the Company's website; and
- (g) an MDSP certified by the Public Service Commission provides hourly data to the Company for each calendar month of participation in the 2009 Summer Reservation Payment Program, in the format and manner specified on the Company's website, within 15 days after the calendar month's end. If the Company does not receive the hourly data within 30 days after the calendar month's end, the Customer or the Aggregator's customer, as applicable, will be removed from the then-current Summer Reservation Payments Program commencing with the calendar month for which data was not provided. The Customer or Aggregator will also be required to promptly return any payments made by the Company to the Customer, or to the Aggregator on behalf of its customer, under the Summer Reservation Payments Program.

If the Company commences issuing monthly bills using interval metering with associated telecommunications service during the Capability Period, such meter will be used to measure performance thereafter under this Rider.

(F) Interconnection and Delivery for Load Delivery Customers

The Company reserves the right to exclude a generator from connecting to the Company's distribution system when the Company deems it necessary to protect its system, facilities, or other Customers. In addition, the Company may prohibit a Customer from delivering power and energy to the Company's distribution system, or limit the amount of power and energy delivered, for operational reasons.

Except for those served under Rider R, a Customer who contracts, or a customer of an Aggregator who contracts, to provide Load Delivery must comply with the following provisions of Service Classification No. 11 of this Rate Schedule: (1) all Common Provisions, including the Interconnection Charge and Determination of Demand, including establishment of a contract demand and installation of appropriate metering to measure the energy delivered to the Company's system, and (2) Special Provision C or D, as applicable. Further, such Customer is required to pay charges as would be required of Customers taking service under Service Classification No. 11. The Customer will pay any costs associated with reinforcing the distribution system and/or adding facilities as may be required for Load Delivery.

(General Information - Continued on Leaf No. 158-R-2)

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GENERAL INFORMATION – Continued PUBLIC SERVICE COMMISSION

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VI. Service Classification Riders (Available on Request) - Continued

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U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued

(G) Data Review

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ALBANY N.Y.

The Company reserves the right to review records and/or operations of any Customer, Aggregator, customer of an Aggregator, or MDSP to verify enrollment information and performance associated with a designated Load Relief Period or one-hour test called by the Company. Once the Company initiates a data review, all payments will be suspended pending the outcome of the review. If the Company determines that a Customer, Aggregator, customer of an Aggregator, or MDSP failed to cooperate fully and promptly with the review and/or did not fully comply with the provisions of this Rider and/or provided inaccurate data, the Customer or the customer of the Aggregator will be deemed ineligible to participate in the program until the issue is rectified. In addition, the Customer or Aggregator will be required to make prompt repayment to the Company of any payments that were made to such Customer or Aggregator, on behalf of its customer, for the Capability Period that was reviewed as well as the current Capability Period, if different.

(H) Aggregation

- (1) All customers of an Aggregator must meet the metering and telecommunications requirements of this Rider.
- (2) An Aggregator is responsible for the compliance of all customers in its aggregation group and will be liable for performance, including, as applicable, performance adjustments and repayments to the Company.
- (3) When the Company designates a Load Relief Period or calls a test, only the Aggregator will be notified. The Aggregator is responsible for notifying all of the customers within the aggregation group.

(I) Voluntary Load Relief Program

(1) Applications and Term of Service

The form of application is available on the Company's website. Participation under the Voluntary Load Relief Program will be available upon the Company's receipt and approval of a completed application. Such application must be submitted electronically or by mail. The application must state the amount of Load Relief that the Customer or Aggregator intends to provide and may specify a Verification Methodology for energy payments. Customers who take service under Rider R are not eligible to participate in this program.

A Customer or Aggregator may terminate service under this program at any time upon written notice to the Company.

(2) Verification Methodology

CBL is the Verification Methodology for the Voluntary Load Relief Program. Customers and Aggregators will be assumed to have selected the average-day CBL methodology unless the weather-adjusted CBL was previously elected in writing. A Customer or Aggregator may not change its CBL methodology after the onset of the Capability Period.

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GENERAL INFORMATION – Continued

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VI. Service Classification Riders (Available on Request) - Continued

U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued

(I) Voluntary Load Relief Program - Continued

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(3) Energy Payments for Load Relief

The Company will make payment to a Customer or Aggregator under this Rider for energy reduced or delivered during a designated Load Relief Period, provided the Company can verify a Load Reduction or Load Delivery of at least 50 kW by a Customer or at least 100 kW by an Aggregator for at least four consecutive hours during any Load Relief Period. For such Customer or Aggregator, energy payments for Load Relief will be made as follows:

- (a) Payment will be calculated per kWh for each hour of Load Relief, provided that no less than four hours of Load Relief were supplied, based on the greater of: (i) 50 cents per kWh of Load Relief or (ii) the real-time, zonal Locational Based Marginal Price (“LBMP”) per kWh of Load Relief, adjusted for losses, minus the sum of the applicable monthly energy charge component of the Market Supply Charge (“MSC”) and the Adjustment Factor – MSC I that would be applicable under the participant’s Service Classification or the Service Classification that would otherwise be applicable if the participant were served under this Rate Schedule. Where part of the Customer’s requirements are served under Rider Q of this Rate Schedule and/or in part by NYPA, NYCPUS or COWPUSA, Load Relief for service under each applicable economic development program will be calculated as specified in General Rule III-11(W).
- (b) The Company will make payment to a Customer or Aggregator, on a quarterly basis, for the sum of the payments due for all Load Relief Periods in a quarter. Aggregators and customers of NYPA, NYCPUS and COWPUSA will be paid by check or wire transfer. All others will receive payment by bill credit.

(4) Payment for Customers and Aggregators Participating in Other Programs

Payment for energy will not be made under this Rider if the Customer or Aggregator (on behalf of its customer) receives payment for energy under Rider P or Rider V or a similar load relief program, such as a Special Case Resources or peak load management program implemented by either the Company or another entity, for load relief during concurrent load relief hours. For participants served under both this Rider and Rider W, payment for energy will be made under this Rider for load relief in excess of the Customer’s accepted Rider W Bid, expressed in kWh, for concurrent Rider U and Rider W load reductions.

(General Information - Continued on Leaf No. 158-R-4)

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GENERAL INFORMATION – Continued

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VI. Service Classification Riders (Available on Request) - Continued

U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued

(J) Summer Reservation Payments Program

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(1) Applicability

A Customer or Aggregator will receive Summer Reservation Payments if such Customer or Aggregator agrees in writing to respond to not less than six Load Relief Periods, each for a period of four hours, if designated by the Company in a specific Tier 1 or Tier 2 Network during the effective Summer Capability Period (“Mandatory Participation”). For purposes of this program, “Network” refers either to a distribution Network or a load area designated by the Company.

(2) Applications and Term of Service

The form of application is available on the Company’s website. Applications for the Summer Reservation Payments Program will be accepted electronically or by mail through June 15 of each Summer Capability Period. Each application must state the kW of Load Relief that the Customer or Aggregator contracts to provide, whether the Load Relief will be supplied by Load Delivery or Load Reduction, and the Verification Methodology selected.

Service will commence under the Summer Reservation Payments Program on the first day of the calendar month in the Summer Capability Period following the Company’s receipt and acceptance of a completed application. A Customer or Aggregator may apply in writing to increase the kW of contracted Load Relief in a specific Network no more than once during each Summer Capability Period, provided, however, that no change will be accepted after June 15.

A Customer or Aggregator may terminate service under this program prior to October 31 of the contract year, upon written notice to the Company accompanied by refund of all Summer Reservation Payments received. Unless terminated earlier, the term of service under the Summer Reservation Payments Program will expire on the last day of the Summer Capability Period.

(3) Verification Methodology

(a) Performance of an Aggregator will be measured on a portfolio basis by Network by Verification Methodology. Except as specified in paragraph (b) below, all Customers and Aggregators, for each of their customers, must select in writing a Summer Reservation Verification Methodology: either CBL or APMD. If the CBL Verification Methodology is selected, the Customer or Aggregator must specify which CBL methodology (i.e., either average-day CBL or weather-adjusted CBL) is to be used. Such CBL methodology will be used to assess both energy (kWh) and demand (kW) reductions.

A Customer or Aggregator, for each of its customers, may not change its Verification Methodology during a Summer Capability Period.

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VI. Service Classification Riders (Available on Request) - Continued

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(J) Summer Reservation Payments Program - Continued

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(3) Verification Methodology - Continued

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(b) Exceptions

- (i) A Customer or Aggregator must select the CBL methodology if there is electric generating equipment at the premises or if the APMD methodology would result in a peak kW that is not representative of average weekday operations. Such Customer or Aggregator must also select in writing whether the average-day CBL or weather-adjusted CBL is to be used.
- (ii) The Customer or Aggregator must select the APMD methodology during the 2009 Summer Reservation Payments program if the Company does not bill the participant monthly using interval metering.

(4) Reservation Payments for Mandatory Participation

Different Summer Reservation Payments are applicable to Tier 1 and Tier 2 Networks. Tier 2 payments are applicable in Networks that the Company identifies to be of a higher priority than Tier 1 Networks. The total demand response resource eligible for Tier 1 and Tier 2 enrollment, combined, is capped at 400 MW.

(a) Tier 1 Networks:

- (i) \$2.00 per kW per month if APMD is the Verification Methodology;
- (ii) \$4.00 per kW per month if CBL is the Verification Methodology.

(b) Tier 2 Networks:

- (i) \$3.00 per kW per month if APMD is the Verification Methodology;
- (ii) \$6.00 per kW per month if CBL is the Verification Methodology.

Reservation Payments per month are equal to the kW of contracted Load Relief multiplied by the applicable Summer Reservation Payment per kW per month, except that Reservation Payments are equal to the above amount times the Performance Factor during months in which a Performance Adjustment is applicable. Summer Reservation Payments will be made under this Rider independent of whether payments are made for capacity under any other program.

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VI. Service Classification Riders (Available on Request) - Continued

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(J) Summer Reservation Payments Program - Continued

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(5) Bonus Payments

The Company will pay a Bonus in addition to the monthly Reservation Payment if a Customer or Aggregator responds to more than six Load Relief Periods in a specific Network during the Summer Capability Period and/or responds for more than four consecutive hours to a Load Relief Period in any Summer Capability month.

(a) Bonus Periods: The following payment amounts per kW of contracted Load Relief will be made to a Customer or Aggregator who responds to more than six Load Relief Periods in a specific Network, for each month of the Summer Capability period commencing in the month in which there were seven or more cumulative responses since the onset of the Capability Period. A response will be deemed to have occurred during a Load Relief Period if the Company verified full performance during the Hours Subject to Performance Evaluation, as specified in Section (J)(7):

- (i) \$1.00 per kW per month for a response to seven to nine Load Relief Periods;
- (ii) \$1.50 per kW per month for a response to ten or more Load Relief Periods.

(b) Bonus Hours: The following payment amounts per kW will be made for the specific Summer Capability month in which the Customer or Aggregator responds for more than four consecutive hours to a Load Relief Period. Such payment will be calculated based on the average kW of Load Relief provided per hour subsequent to the fourth hour of the Load Relief Period:

- (i) \$1.00 per kW for a month with a response to a Load Relief Period of more than four hours but less than eight hours;
- (ii) \$1.50 per kW for a month with a response to a Load Relief Period of eight or more hours.

(c) If the Customer or Aggregator would be eligible in any month for payments specified in both subsections (a) and (b) above, the amounts will not be cumulative. The higher amount will apply.

(6) Energy Payments for Load Relief

Subject to the Metering requirements of this Rider, Customers and Aggregators who participate in the Summer Reservations Payment Program are eligible to receive energy payments during the Summer Capability Period if a Load Relief Period is called, unless service is taken under Rider R. The Verification Methodology and Energy Payments for Load Relief will be as specified under Section (I) of this Rider; provided, however, that, if CBL is the Verification Methodology used under the Summer Reservation Payments Program, the Verification Methodology will be as specified in Section (J)(3) of this Rider.

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VI. Service Classification Riders (Available on Request) - Continued

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(J) Summer Reservation Payments - Continued

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(7) Performance Adjustment

- (a) If the Company determines that the Customer or Aggregator did not provide the entire contracted Load Reduction and/or Delivery Amount in a Summer Capability Period month either during a one-hour test called by the Company pursuant to Section (J)(9) of this Rider, or during any hour of the “Hours Subject to Performance Evaluation” (as described below), a Performance Adjustment will be applied in calculating the Reservation Payment. The Performance Adjustment will be the contracted Load Relief multiplied by the Performance Factor. The Performance Adjustment will be applied commencing in the month in which the Customer or Aggregator did not provide the entire kW of Contracted Load Relief and continue through the month preceding the earlier of the next test or the next Load Relief Period called by the Company in that Network during the current or subsequent year’s Summer Capability Period.

During the months in which a Performance Adjustment is applied:

- (i) a Customer may not increase its kW of contracted Load Relief;
- (ii) an Aggregator may not increase its contracted kW of Load Relief for existing participants in the Network that is subject to the Performance Adjustment. The Aggregator may, however, increase the kW of contracted Load Relief by enrolling new participants, subject to the provisions of Section (J)(2).
- (b) Hours Subject to Performance Evaluation: If the Company provides two or more hours’ advance notice of a Load Relief Period, the Performance Factor will be based on performance for the first four hours of the Load Relief Period. If the Company provides less than two hours’ advance notice of a Load Relief Period, the Performance Factor will be based on four hours’ performance commencing the top of the hour after Notice, the top of the second hour after Notice, or the top of the third hour after Notice, depending on which four-hour period would result in the highest Performance Factor.

A Performance Adjustment will not be applied based on performance in a Network during a Load Relief Period if the Company previously designated six Load Relief Periods in such Network during that Summer Capability Period.

(8) Application of Payments

Summer Reservation Payments will be calculated on a monthly basis. Payments to Customers enrolled in the program will be posted to their accounts. Payments to Aggregators and customers of NYPA, NYCPUS and COWPUSA will be made by check or wire transfer.

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(J) Summer Reservation Payments Program - Continued

(9) Testing

Once during each summer capability period, the Company may require a Customer or Aggregator to run a test for a period not to exceed one hour, commencing at a time determined solely at the Company's discretion. The Company will give at least two hours' advance notice of the test to the same representative or alternative representative that was designated in writing by the Customer or Aggregator to receive notice of a Load Relief Period (pursuant to Section (D)(3) of this Rider).

If the Company can verify that a Customer provided at least 50 kW of Load Reduction or 50 kW of Load Delivery during the test period, the Company will make a payment for one hour of energy up to the contracted amount using the calculation specified in Section (I) of this Rider for the load relief achieved. A Customer or Aggregator who fails the test will be subject to a Performance Adjustment as described in Section (J)(7) of this Rider.

If the kW of Contracted Load Relief is increased during a Summer Capability Period, as described in Section (I) of this Rider, the Company may require such Customer or Aggregator to run a re-test. A re-test will not be required if the kW of Contracted Load Relief was already achieved during that Capability Period during an earlier test or during a Load Relief Period.

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