

**CONSOLIDATED EDISON COMPANY  
OF NEW YORK, INC.**

**SALES AND TRANSPORTATION  
OPERATING PROCEDURES MANUAL**

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## **SECTION I. INTRODUCTION**

These Operating Procedures provide Customers taking service under SC 9 and SC 12 and Sellers taking service under SC 20 with additional details about their rights and responsibilities under those service classifications.

These Operating Procedures together with the terms and conditions for service set forth in the applicable service classifications and the general rules, regulations, terms, and conditions set forth in the General Information section of the Company's Schedule for Gas Service govern the Company's provision of gas service.

The Company's rights under its Schedule for Gas Service and under the law for a Customer's or Seller's failure to comply with that Schedule apply equally to a Customer's or Seller's failure to comply with these Operating Procedures.

These Operating Procedures contain the following chapters to assist users in understanding the Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") gas retail access program and their rights and responsibilities therein:

- Overview of the organizational structure of Con Edison, its franchise territory, standards of competitive conduct, gas service classifications as approved by the New York State Public Service Commission ("Commission") and number of gas customers and annual consumption as of December 31, 2001;
- Operating and enrollment procedures applicable to residential, small commercial and industrial customers participating in retail access;
- Operating and enrollment procedures applicable to large commercial and industrial customers and interruptible customers participating in retail access;
- Requirement of gas pooling operations;
- Communication protocols for the retail access program; and
- Description of Operational Flow Orders and System Alerts

In addition, Appendix A is a Glossary of Terms, Appendix B contains copies of the forms to be completed by customers and marketers for participation in the Con Edison programs and Appendices C, D, and E pertain to RNG.

Pursuant to Miscellaneous Provision J of Service Classification No. 9 of Con Edison's Schedule for Gas Service P.S.C. No. 9 – Gas and Order Concerning Reliability issued by the New York State Public Service Commission ("NYPSC") on December 21, 1999 in Case No. 97-G-1380, Con Edison shall provide the NYPSC, all marketers qualified to do business in its service territory and all direct customers with notice of any proposed changes to its Sales and Transportation Operating Procedures Manual not less than thirty (30) days prior to the effective date of such changes. Where necessary and appropriate and upon consultation with Commission Staff, the

Company may implement changes on less than thirty days' notice. This procedure is applicable solely to the following provisions of the Con Edison's Sales and Transportation Operating Procedures Manual: Section II (Corporate Structure, Territory, Service Classifications; Customer Breakdown); Section IV. (all); Section V. (all); Section VI. (all); Section VII. (all). Revisions to Con Edison's Schedule for Gas Service P.S.C. No. 9 – Gas shall only be made in conformance with applicable New York law and the orders and regulations the NYPSC. Similarly, the following provisions of Con Edison's Sales and Transportation Operating Procedures Manual are included for informational purposes only and are subject to revision only in conformance with orders of the

NYPSC: (1) Section I. (all) and (2) Section II B. – Con Edison's Standards of Competitive

***Gas Sales and Transportation Operating Procedures Manual***

***Effective Date: November 1, 2023***

**Consolidated Edison Company of New York, Inc.**

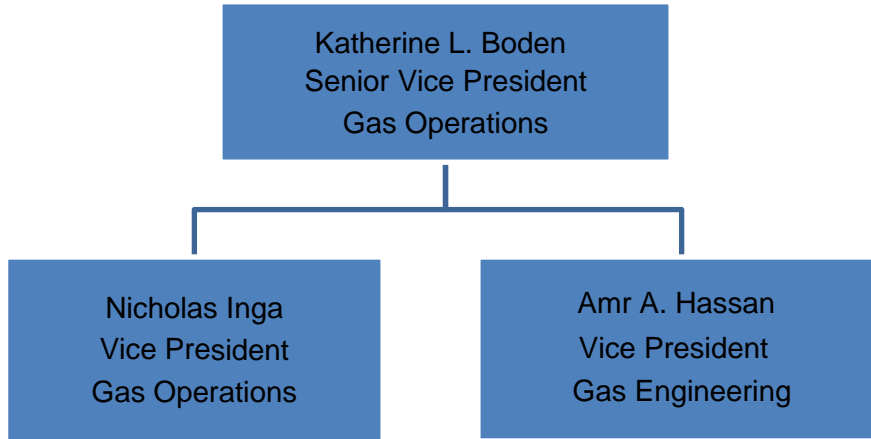
Conduct. Specific processes and procedures are established in the Uniform Business Practices (“UBP”) and by the Home Energy Fair Practices Act (“HEFPA”), and reference should be made to Addendum UBP in the Gas Tariff and the Public Service Law and related regulations for the details of those processes and procedures.

**SECTION II. OVERVIEW OF THE COMPANY**

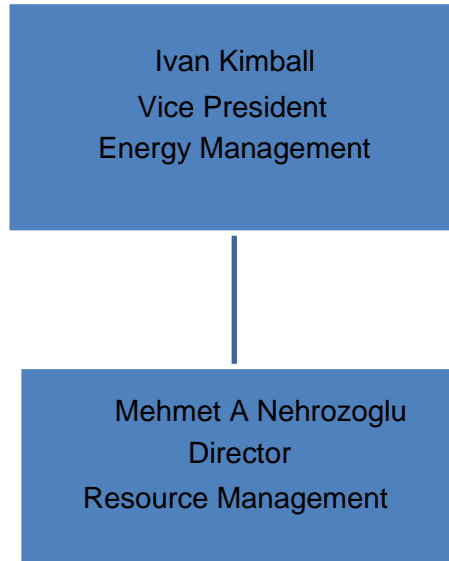
**Consolidated Edison Company of New York, Inc.  
Corporate Structure**

<https://www.conedison.com/en/about-us/corporate-governance/corporate-leadership>

**Consolidated Edison Company of New York, Inc.  
Gas Operations Structure**



**Energy Management**



**Consolidated Edison Company of New York, Inc.**

**Transportation Customer and Marketer Support Personnel and Services  
Consolidated Edison Company of New York, Inc.**

**Retail Services  
4 Irving Place, 14<sup>th</sup> Floor  
New York, NY 10003**

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Manager	212-466-8238
Marketer Cashouts and Interruptible Transportation Issues, Capacity Release Service Information	212-466-8241
Firm Transportation Issues, Access to Transportation Customer Information System (TCIS) on the Internet	212-466-8242 or 212-466-8244
Nominations to Con Edison's Citygate (During Normal Business Hours)	212-466-8244
Email:	<a href="mailto:tcis@coned.com">tcis@coned.com</a>

**Note: During the Off-Hours Please Contact Gas Control using  
telephone numbers listed below.**

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**Gas Control Center**

Gas Dispatcher (24-hours)	718-794-2900 718-794-2903 718-794-2904
Gas Control Fax Number	718-794-2924

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**Retail Choice Operations**

Manager	212-780-6702
Supervisor	212-780-6760 212-780-6701 212-780-6723 212-780-8646

E-Mail Address: [RetailAccess@coned.com](mailto:RetailAccess@coned.com)

***Gas Sales and Transportation Operating Procedures Manual  
Effective Date: November 1, 2023***

**Consolidated Edison Company of New York, Inc.**

**Energy Services**

**Interruptible Sales Service**

Manhattan	Phone	212-460-2761
4 Irving Place	Fax	212-673-1729
New York, NY 10003		

Brooklyn and Queens (Southern Region)		
30 Flatbush Avenue	Phone	718-802-5353
Brooklyn, NY 11217	Fax	718-624-7060

Westchester	Phone	914-925-6296
Bronx	Phone	914-925-6017
(Northern Region)	Fax	914-925-6487

For Firm Gas Sales and Retail Access  
Information and to establish an account  
With Con Edison

1-800-75-ConEd

Con Edison Internet Home Page

<http://www.coned.com>

How to Become an Energy Service  
Company Partner

from the Homepage -  
[www.coned.com](http://www.coned.com) – scroll to  
Bottom – click on Con Edison  
of New York – scroll to bottom  
– under Business Partners  
choose “Become an Energy  
Service Company Partner

Transportation Customer Information System (TCIS)

<https://www.coned.com/tcisng>



**B. AFFILIATE TRANSACTION STANDARDS  
Standards of Competitive Conduct**

The standards of competitive conduct governing the Company's relationship with any gas or electric energy supply and energy service affiliates are contained in the Appendix A to the Settlement Agreement in Case 98-M-0961 – Joint Petition of Consolidated Edison, Inc., Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. for Approval of a Certificate of Merger and Stock Acquisition dated March 8, 1999.

Inquiries regarding these Standards of Competitive Conduct should be directed to:

Vijay V. Bondada  
Vice President, Regulatory Services  
Consolidated Edison Company of New York, Inc.  
4 Irving Place  
New York, NY 10003  
212-460-3389

This section is included for informational purposes only and is subject to revision only in conformance with orders of the New York State Public Service Commission.

**CASE 98-M-0961 – SETTLEMENT AGREEMENT**

**Standards of Competitive Conduct**

The following standards of competitive conduct shall govern the Con Edison's relationship with any energy supply and energy service affiliates:

- (I) There are no restrictions on affiliates using the same name, trade names, trademarks, service name, service mark or a derivative of a name, of Con Edison, Inc. (herein "CEI") or Consolidated Edison Company of New York, Inc. (herein "Con Edison"), or in identifying itself as being affiliated with CEI or Con Edison. However, Con Edison will not provide sales leads for customers in its service territory to any affiliate, including the ESCO, and will refrain from giving any appearance that Con Edison speaks on behalf of an affiliate or that an affiliate speaks on behalf of Con Edison. If a customer requests information about securing any service or product offered within the service territory by an affiliate, Con Edison may provide a list of all companies known to Con Edison operating in the service territory who provide the service or product, which may include an affiliate, but Con Edison will not promote its affiliate. Con Edison must process all similar requests for distribution services in the same manner and within the same period of time.
- (ii) Neither Con Edison nor an affiliate will represent to any customer, supplier, or third party that an advantage may accrue to such customer, supplier, or third party in the use of Con Edison's services as a result of that customer, supplier or third party dealing with any affiliate. This standard does not prohibit two or more of the unregulated subsidiaries from lawfully packaging their services. Con Edison will not pay a premium to a supplier of goods or services in return for that supplier's agreeing to purchase goods or services from, or sell goods or services to, an affiliate.
- (iii) All similarly situated customers, including energy services companies and customers of energy service companies, whether affiliated or unaffiliated, will pay the same rates for Con Edison utility services and Con Edison shall apply any tariff provision in the same manner if there is discretion in the application of the provision. If Con Edison provides to an energy service company or a customer of an energy service company, whether affiliated or unaffiliated, a delivery, billing, metering or other service set forth in its tariff or associated operating procedure, at a discounted or negotiated rate or pursuant to a special arrangement, Con Edison will expeditiously post on its website the information that the Commission requires a utility to file in association with providing, a discount or negotiated rate or special arrangement, subject to the Commission's trade secret rules, if applicable, in the same manner and within the same time period for affiliates and nonaffiliates.
- (iv) Transactions subject to FERC's jurisdiction will be governed by FERC's orders or standards as applicable.
- (v) Release of proprietary customer information relating to customers within Con Edison's service territory shall be subject to prior authorization by the customer and subject to the customer's direction regarding the person(s) to whom the information may be released. If a customer authorizes the release of information to a Con Edison affiliate and one or more of the affiliate's competitors, Con Edison shall make that information available to the affiliate and such competitors on an equal basis.

**Consolidated Edison Company of New York, Inc.**

- (vi) Con Edison will not disclose to its affiliate any customer or marketer information relative to its service territory that it receives from a marketer, customer or potential customer, which is not available from sources other than Con Edison, unless it discloses such information to its affiliate's competitors contemporaneously on an equal basis to the extent practicable.
- (vii) If any competitor or customer of Con Edison believes that Con Edison has violated the standards of conduct established in this section of the agreement, such competitor Or customer may file a complaint in writing with Con Edison. Con Edison will respond to the complaint in writing within twenty (20) business days after receipt of the complaint. Within fifteen (15) business days after the filing of such response, Con Edison and the complaining party will meet in an attempt to resolve the matter informally. If Con Edison and the complaining party are not able to resolve the matter informally, the matter will be referred promptly to the Commission for disposition.
- (viii) The Commission may impose on Con Edison remedial action (including redress or penalties, as applicable) for Con Edison's violations of the standards of competitive conduct. If the Commission finds that Con Edison has engaged in a consistent pattern of material violations of the standards of competitive conduct during the course of this Agreement, it shall provide Con Edison notice of a reasonable opportunity to remedy such conduct. If Con Edison fails to remedy such conduct within a reasonable period after receiving such notice, the Commission may take remedial action with respect to the CEI to prevent Con Edison from further violating the standard(s) at issue. Such remedial action may include directing CEI to divest the unregulated subsidiary, or some portion of the assets of the unregulated subsidiary, that is the subject of Con Edison's consistent pattern of material violations but exclude directing CEI to divest Con Edison or imposing a service territory restriction on the unregulated subsidiary. If CEI is directed to divest an unregulated subsidiary, it may not thereafter, without prior Commission approval, use a new or existing subsidiary of CEI to conduct within its service territory the same business activities as the divested subsidiary (e.g., energy services). Con Edison and CEI may exercise any or all of their administrative and judicial rights to seek a reversal or modification of remedial actions ordered by the Commission and may seek to obtain any and all legal and/or equitable relief from such remedial actions, including but not limited to injunctive relief. Con Edison will not challenge the Commission's authority to implement this subparagraph.

## **Consolidated Edison Company of New York, Inc.**

### C. Gas Service Territory

Consolidated Edison Company of New York, Inc. a wholly owned subsidiary of Consolidated Edison, Inc., is an electric, gas and steam utility headquartered in New York City. Con Edison's service area covers 660 square miles in New York City and Westchester County. Con Edison distributes electricity to approximately three million customers, natural gas to approximately one million customers and steam service for heating and cooling to approximately 2,000 commercial and residential buildings in Manhattan.

**Consolidated Edison Company of New York, Inc.**

**Receipt Points into Con Edison's Distribution System**

Following is a list of receipt points into Con Edison's System:

<b><u>Pipeline</u></b>	<b><u>Receipt Point</u></b>
Transcontinental Gas Pipeline Corporation (TRANSCO)	134 <sup>th</sup> Street - Manhattan Central Manhattan Narrows Long Beach
Texas Eastern Transmission Corporation (TETCO)	Goethals
Texas Eastern Transmission Corporation (Spectra)	Lower Manhattan
Tennessee Gas Pipeline Company (Tennessee)	White Plains
Iroquois Gas Transmission System (Iroquois)	Commack Hunts Point
Algonquin Gas Transmission System (Algonquin)	Peekskill Cortlandt Yorktown North Somers

**P.S.C. NO. 9 – GAS  
SUMMARY OF SERVICE CLASSIFICATIONS  
AS OF August 1, 2023**

*The rate summaries below represent a brief explanation of the gas rates in effect as of August 1, 2023 and are not meant to represent all tariff provisions applicable to a rate.*

*If you wish to know more information about a particular rate(s) please refer to the Company's tariff. Tariff changes subsequent to August 1, 2023 will not be reflected here.*

<b>Service Class</b>	<b>Type of Service</b>	<b>Customer Size</b>	<b>Customer Type</b>	<b>Rate</b>	<b>Comments</b>
<b>SC 1</b>	Firm	No Restrictions	Residential and Religious	First 3 therms or less: \$30.00	Firm Sales Gas Cost Factor, Monthly Rate Adjustment, Merchant Function Charge, Billing and Payment Processing Charge, System Benefits Charge and Revenue Decoupling Mechanism apply. The Gross Receipts and Sales Taxes also apply. Low Income Customers are eligible for a discount.
			– Non-Heating	Over 3 therms (\$/therm): \$1.7347	
<b>SC 2</b>	Firm	No Restrictions	Non-Residential	First 3 therms or less: \$39.00	Firm Sales Gas Cost Factor, Monthly Rate Adjustment, Merchant Function Charge, Billing and Payment Processing Charge, System Benefits Charge, and the Revenue Adjustment Mechanism apply. The Gross Receipts and Sales Taxes also apply. A special minimum charge is applicable to large dual-fuel customers.
			Rate I	Next 87 therms (\$/therm): \$1.0479	
			Annual Load Factor < 1.8	Next 2,910 therms (\$/therm): \$0.5690	
				Over 3,000 therms (\$/therm): \$0.4104	
			Non-Residential	First 3 therms or less: \$39.00	
			Rate II	Next 87 therms (\$/therm): \$1.1001	
			Annual Load Factor > 2.2	Next 2,910 therms (\$/therm): \$0.8463	
				Over 3,000 therms (\$/therm): \$0.4604	
				Firm Sales Gas Cost Factor, Monthly Rate Adjustment, Merchant Function Charge, Billing and Payment Processing Charge, System Benefits Charge, and the Revenue Adjustment Mechanism apply. The Gross Receipts and Sales Taxes also apply. A special minimum charge is applicable to large dual-fuel customers. Weather Normalization Adjustment applies during period October 1 through May 31 of each year.	

**Consolidated Edison Company of New York, Inc.**

General – Non-Residential Air Conditioning	First 1,200 therms (\$/therm):	\$0.5168	Rates are applied during the period from June 14 to October 14 on A/C use only. Firm Sales Gas Cost Factor, Monthly Rate Adjustment, Merchant Function Charge, Billing and Payment Processing Charge, System Benefits Charge, and Revenue Decoupling Mechanism. The Gross Receipts and Sales Taxes also apply.
	Over 1,200 therms (\$/therm):	\$0.4420	

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
P.S.C. NO. 9 – GAS  
SUMMARY OF SERVICE CLASSIFICATIONS  
AS OF August 1, 2023**

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<b>Service Class</b>	<b>Type of Service</b>	<b>Customer Size</b>	<b>Customer Type</b>	<b>Rate</b>		<b>Comments</b>
<b>SC 3</b>	Firm	No Restrictions	Residential and Religious - Heating	First 3 therms or less:	\$26.00	Firm Sales Gas Cost Factor, Monthly Rate Adjustment, Merchant Function Charge, Billing and Payment Processing Charge, System Benefits Charge and the Revenue Decoupling Mechanism apply. The Gross Receipts and Sales Taxes also apply. A special minimum charge is applicable to large dual-fuel customers. Weather Normalization Adjustment applies during period October 1 through May 31 of each year. Low Income Customers are eligible for a discount.
				Next 87 therms (\$/therm):	\$1.3800	
				Next 2,910 therms (\$/therm):	\$1.0751	
				Over 3,000 therms (\$/therm):	\$0.8520	
			Residential and Religious - Air Conditioning	First 1,200 therms (\$/therm):	\$0.5168	Rates are applied during the period from June 14 to
				Over 1,200 therms (\$/therm):	\$0.4420	



October 14 on A/C use only. Firm Sales Gas Cost Factor, Monthly Rate Adjustment, Merchant Function Charge, Billing and Payment Processing Charge, System Benefits Charge, and the Revenue Decoupling Mechanism apply. The Gross Receipts and Sales Taxes also apply.

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
P.S.C. NO. 9 – GAS  
SUMMARY OF SERVICE CLASSIFICATIONS  
AS OF August 1, 2023**

*The rate summaries below represent a brief explanation of the gas rates in effect as of August 1, 2023 and are not meant to represent all tariff provisions applicable to a rate.*

*If you wish to know more information about a particular rate(s) please refer to the Company's tariff. Tariff changes subsequent to August 1, 2023 will not be reflected here.*

<b>Service Class</b>	<b>Type of Service</b>	<b>Customer Size</b>	<b>Customer Type</b>	<b>Rate</b>	<b>Comments</b>			
<b>SC 12 Rate 1 (Sales)</b>	Interruptible Sales and Transportation	No Restrictions	Residential and Non-Residential	Effective 2/1/2020, an Interruptible Declining Block Rate Structure similar to the Firm Rate structure will be implemented. Rates are updated annually primarily upon 30% discount from their applicable firm rates . Rates are posted to Internet 3 working days before the beginning of the next month. The Gross Receipts and Sales Taxes are applied to the Customer's bill.		Effective 11/1/2020 the Temperature Control option was eliminated and all Interruptible Customers will be interrupted by notification from the Company.		
				Residential	First 3 therms or less:		\$100.00	On a monthly basis, Customers are allowed to elect either sales or transportation service.
					Next 87 therms (\$/therm):		0.9660	
					Next 2,910 therms (\$/therm):		0.7525	
	Over 3,000 therms (\$/therm):	0.5964						
<b>And SC 9 Rate B</b>			Non-Residential	First 3 therms or less:	\$100.00	Customer's alternate fuels are #2 Oil and #4 Oil, as allowed by local ordinance. #4 Oil is scheduled to be eliminated by 2030.		
				Next 87 therms (\$/therm):	0.7701			
				Next 2,910 therms (\$/therm):	0.5924			
				Over 3,000 therms (\$/therm):	0.4202			

**Consolidated Edison Company of New York, Inc.**

<b>(Transportation)</b>	SC 9 transportation customers with annual usage less than 35,000 therms must join a small customer aggregation group.				
<b>SC 12 Rate 2 (Sales)</b>	Off-Peak Firm Sales and Transportation	Annual Usage of at least 1 million therms.	Residential and Non-Residential	On or after January 1, 2019, the rate per therm for one, two, or three year contracts shall be 8.75 cents per therm until these contracts expire. *Commodity Rates are updated monthly and posted to the Internet three working days before the month begins.	Maximum 30 days interruption during winter period. Monthly election to switch between sales and transportation.
<b>And SC 9 Rate C (Transportation)</b>					

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
P.S.C. NO. 9 – GAS  
SUMMARY OF SERVICE CLASSIFICATIONS  
AS OF August 1, 2023**

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*If you wish to know more information about a particular rate(s) please refer to the Company's tariff. Tariff changes subsequent to August 1, 2023 will not be reflected here.*

<b>Service Class</b>	<b>Type of Service</b>	<b>Customer Size</b>	<b>Customer Type</b>	<b>Rate</b>	<b>Comments</b>
<b>SC 9 Rate A</b>	Firm Transportation	If the annual usage is less than 35,000 therms must join a small customer aggregation group.	Residential and Non-Residential	Same rates as equivalent firm sales rates for SC 1, 2, 3 and 13.	Monthly Rate Adjustment, Billing and Payment Processing Charge, System Benefits Charge, Balancing Charges, Imbalance Charges and Cash Out credits and charges apply. Gross Receipts and Sales Tax apply
<b>SC 13</b>	Seasonal Off-Peak Firm Sales	No Restrictions	Residential and Non-Residential	First 3 therms or less: \$66.68 Next 1,197 therms (\$/therm): \$0.5168 Over 1,200 therms (\$/therm): \$0.4420	SC 13 applies to customers who use gas solely during the period from April 1 through October 31. Firm Sales Gas Cost Factor, Monthly Rate Adjustment, Merchant Function Charge, Billing and Payment Processing Charge, System Benefits Charge, and Gross Receipts and Sales Tax apply.
<b>SC 14 (Sales)</b>	Natural Gas  Vehicle Sales	No Restrictions	SC 14 Rate I - Compressed Natural Gas  SC 14 Rate II - Uncompressed Natural Gas	SC 14 Rate I-revised monthly and published on statement.  SC 14 Rate II negotiated rate.	Rate I-Petroleum Business Tax, Motor Fuel Tax and Transportation Fuels Tax apply.
<b>SC 9 Rate D (1)</b>	Transportation for Compressed Natural Gas and	No Restrictions	Transportation may be Firm, Off-	Negotiated Rate may include fixed and volumetric	

**Consolidated Edison Company of New York, Inc.**

	Bypass Customers		Peak Firm or Interruptible	components, shall recover all incremental costs of service (including metering and communication costs), and shall provide a reasonable contribution to system costs.
<b>SC 9 Rate D (2)</b>	Power Generation Transportation	On-Site Generating Facilities having dual-fuel capability and a nameplate rating of at least 50 MW	Off-Peak Firm	Rate Components: System Cost Component: 1.0 cent per therm Marginal Cost Component: 0.92 cent per therm Value Added Charge Component

**Consolidated Edison Company of New York, Inc.**

**E. Customer Breakdown**

**Consolidated Edison Company of New York, Inc.  
Gas Customers and Sales  
Twelve Months Ended December 31, 2022**

<b>CUSTOMER CLASS</b>	<b>NO. OF CUSTOMERS</b>	<b>ANNUAL SALES (Dekatherms)</b>
<u><b>Sales Service</b></u>		
<b>Residential</b>	863,009	52,466,000
<b>Commercial General Service</b>	121,390	33,556,000
<b>Interruptible &amp; Off-Peak Firm</b>	160	5,130,000
<b>TOTAL SALES SERVICE</b>	984,559	91,152,000
<u><b>Transportation Service</b></u>		
<b>Residential</b>	55,645	66,900,000
<b>Non-Residential</b>	25,849	36,280,000
<b>Interruptible &amp; Off Peak Firm</b>	383	19,186,000
<b>TOTAL TRANSPORTATION SERVICE</b>	81,877	122,366,000

The foregoing information shall be updated on an annual basis.

**SECTION III. GAS DELIVERY MANAGEMENT PROCEDURES FOR RESIDENTIAL, SMALL AND LARGER COMMERCIAL CUSTOMERS – FIRM**

**A. Customer Eligibility**

**1. Establishing a New Con Edison Account**

- (a) A customer establishing a new account in the Con Edison service area must apply or have its Marketer apply to Con Edison for service. A customer or Marketer may request new service through the Company's Customer Assistance Center at 1-80075-CONED. A completed oral, written, or electronic application, satisfactory to the Company, must be provided. The Company will acknowledge receipt of the application for service by providing the Marketer with the new account number within five (5) business days of its receipt of the customer's/Marketer's application.
- (b) The customer or its Marketer shall provide information about any special need's customer. (See Glossary of Terms – Appendix A).
- (c) The customer has the option to take sales service from the Company or purchase natural gas from a Marketer and take transportation service from the Company. If a Marketer does not notify the Company that the customer wants gas transportation service, the account will be established as a sales service account as of the turn-on date.
- (d) If a Marketer supplies a completed application to Con Edison to enroll a residential customer at least 5 business days prior to the turn-on date and the turn-on date is at least 10 days prior to the end of the month, the first day of the next calendar month will be the effective date of enrollment, provided that no construction is required and the customer has met all tariff requirements. If construction is required, service will commence after all connections are complete. Applications for non-residential service must be submitted at least 10 calendar days prior to the turn-on date. The effective date of enrollment for those applicants who do not meet the above time requirements will be the first day of the second calendar month from the date of application.

**2. Customer Closes Con Edison Account**

- (a) If a customer closes its Con Edison account, Con Edison will send the customer a final bill according to Company procedures.
- (b) The Company will notify the customer's Marketer electronically when the customer notifies the Company that the customer is moving or otherwise closing its account.

**3. Con Edison Discontinues Service for Non-Payment**

- (a) Regardless of the billing option selected, Con Edison will issue Notice of Termination to customers and terminate service according to HEFPA, PSC rules, and Company procedures.

## **Consolidated Edison Company of New York, Inc.**

- (b) Suspension of service to an SC No. 9 transportation customer made upon the request of a Marketer will be fulfilled in accordance with the UBP and the HEFPA (Public Service Law, Article 2), and regulations adopted there under.
- (c) Upon issuance of the final bill following service termination, Con Edison will notify the Marketer that the customer is no longer receiving service.

### **4. Discontinuance of Service**

- (a) Con Edison will issue Notices of Termination to customers and terminate service according to HEFPA, PSC rules, and Company procedures, as applicable.
- (b) Upon issuance of the final bill following delivery service discontinuance, Con Edison will notify the Marketer that the customer is no longer receiving service.
- (c) A Marketer may not physically disconnect a transportation Customer's gas service. Con Edison may disconnect service to a Customer in accordance with the provisions of the General Information Section of the Gas Tariff and HEFPA.
- (d) Only Con Edison may physically disconnect a customer's service.

### **5. Notification of Unauthorized Switches**

Con Edison will report monthly all claims of slamming (see Glossary of Terms – Appendix A) to the Department of Public Service.

### **6. Marketers Applying for Service Classification No. 20 Transportation Receipt Service**

- (a) A Marketer or Direct Customer seeking to qualify as a Seller in Con Edison's service area must initially complete Parts A through D of the "New Application for SC 20 Transportation Receipt Service" contained in the forms section. Part E, which relates to, respectively, balancing service options, may be submitted at a subsequent date when the Seller is ready to serve prospective SC 9 customer(s) or when the Direct Customer is ready to commence service. All parts may be completed and submitted at the same time if the Seller has SC 9 customers ready to take service. The Seller must re-submit Part E each time it forms a new Small Customer Aggregation Group or Imbalance Aggregation Group. Once the application is approved, the Company will provide the Seller an account number and access to the Internet for Seller to establish its Customer Group. Seller will be required to attend a training session which will cover various aspects of the Power *YouWay* Program (i.e., balancing, capacity release, imbalance penalties, etc.) as well as a detailed session of how to use the TCIS Internet application and how to implement EDI transactions. Seller must also be tested and certified for executing all appropriate and required EDI transactions.
- (b) Service to a Service Classification No. 20 Seller shall commence on the first day of the calendar month following receipt of a completed and executed



Transportation Receipt Service application, and establishment of Seller's creditworthiness or receipt of any financial security, if required, from Seller.

(c) **Establishing Marketers as Billing Agent**

Agents can act on behalf of single service or dual service Customers for their electric service, their gas service or both services.

1. **Dual Service Accounts**

If the Marketer will be acting as the Agent for both the gas and electric services, the bill for both services will be sent to the Agent. The Con Edison account will be noted with the Marketer identification code and agency designation.

2. **Separating Dual Service Accounts**

A Marketer/ESCO designated as Billing Agent by a Customer taking retail access service for only one service or taking retail access service for both gas and electric services but designates the Marketer/ESCO as Billing Agent only for retail access service for the one service may request that the Company to separate the Customer's account by type of service so that the Marketer/ESCO may act as Billing Agent for one service only and not as Billing Agent for the Customer's both services. The Company will charge the Marketer/ESCO the Account Separation Fee of \$34.50 for the separation of the customer's account. When a dual service Customer takes retail access service for both services but from different Marketers/ESCOs and, upon initial enrollment or thereafter, but before the Company takes action to separate the account on the request of one Marketer/ESCO, authorizes each Marketer/ESCO to be the Billing Agent only for the service provided for that Marketer/ESCO, the Company will separate the Customer's account by service and charge each Marketer/ESCO one-half of the applicable fee.

The new account will be established within 6 business days and the Billing Agent will be notified of the new customer account number applicable to the service for which the Marketer/ESCO is Billing Agent. A notification letter will be sent to the customer with the new account number. The customer will continue to receive directly from the Company the bill for the service not handled by the ESCO, unless the Customer has authorized another Marketer/ESCO as Billing Agent for that service.

(d) Where a Billing Agency arrangement is in effect, the Marketer must comply with the conditions listed below:

1. The customer must choose the Billing Agency arrangement before it may be used as the mechanism to bill the customer.
2. The Marketer must obtain authorization from the customer appointing it as the Billing Agent. The customer authorization must be verifiable and be retained by the ESCO for at least one year after termination of the agency authorization. A copy must be provided to the Company upon request. As part of the authorization process, the

Marketer must inform the customer that the agent will receive all bills or billing information, mandatory bill inserts and bill messages.

3. Marketers must include a clear, plain language explanation of Billing Agency and its implications in their standard contract/disclosure statements, if such an arrangement is to be offered.
4. Marketers must distribute annually, to each customer, the “Summary of Customer Rights Notices”, and to each gas customer, the Annual Gas Safety Notice”, which will be provided to them, in bulk, by the Company.
5. Within two business days after Con Edison’s electronic transmission of the billing data to the Marketer, the Marketer will bill all accounts for which data has been transmitted except those for which notice of an alleged error or problem is given. If the Marketer promptly contacts the Company regarding transmission errors or billing data problems caused by the Company that affect individual customer bills, Con Edison will delay any credit action on the accounts of the customers whose bills may be affected until one billing cycle has elapsed from the next cycle read data. The contact from the Marketer shall be by electronic (e.g., e-mail) notice to the Company sent within two business days after Con Edison’s electronic transmission of the billing data to the Marketer and must contain detailed documentation of the alleged error or problem. For any account for which notice was given, within two business days after Con Edison’s electronic retransmission of billing data in resolution of any transmission or billing data problem identified, Marketer will bill such account.

(e) Where the Marketer has a Billing Agency arrangement, the Company will:

- a. Provide the Marketer with the “Summary of Customer Rights Notice” and the “Annual Gas Safety Notice”, in bulk, for distribution by the Marketer to customers annually.
- b. Incorporate bill messages regarding a customer’s specific bill (e.g., messages regarding adjustments, level billing plan) into the billing information transmitted electronically.
- c. Send a confirmation letter to the customer that also informs the customer what communications to expect from the Company, and what to expect from the Billing Agent.
- d. Send to the customer all Company disconnect notices and all other communications for specific customer actions or requests except meter-related actions it requests, which may be sent by the customer’s MSP or MDSP where applicable.
- e. Adjust the due date of customer’s bills, to allow for any delays in transmitting billing data caused by the Company.
- f. Collect Financial Security from the Marketer.
- g. Continue to accept payment of delivery service charges at all authorized payment locations where payments by customers who have not selected Billing Agency are accepted.
- h. Notify the customer of the failure of a Marketer to remit the customer’s payment to the Company on time.
- i. Recover losses that may result from such non-payments from available security and defer any remaining balances.

- (f) The Company may terminate a Billing Agency arrangement and send its invoices for delivery charges directly to the Marketers' Customers after providing five (5) calendar days' notice to the Marketer if:
  - a. The Marketer has not paid the Company on a timely basis for its customers charges due Con Edison, unless such payment is made in full before the expiration of the five-calendar day notice period (note: untimely payments may be a basis for a termination if a pattern of such payments develops; or
  - b. The Marketer's security is no longer adequate to meet the Company's credit exposure, and the Marketer fails to post the necessary additional security within the five (5) calendar day notice period; or
  - c. The Company draws on the Marketer's security deposit and the Marketer does not reinstate the required security within 5 calendar days; or
  - d. The Marketer has on several occasions failed, after notice from the Company, to meet its other obligations as Billing Agent.

### **3. Dispute Resolution in connection with Utility Consolidated Billing**

For purposes of the utility consolidated billing arrangement, a "dispute" is a customer claim related to an amount billed and purchased as of the date of billing by Con Edison for ESCO charges under the Purchase of Receivables program.

The ESCO will examine, investigate, and seek to resolve all customer disputes. The ESCO will acknowledge receipt of the dispute or respond to the customer within two (2) days or, if only an acknowledgement is provided, will respond to the customer within 14 days of receipt.

If the dispute was one brought to the ESCO's attention by Con Edison, the ESCO will report to the utility the outcome of the dispute and the reason for its determination with a copy of any close-out correspondence from the ESCO to the customer.

In the event the ESCO decides to reduce the ESCO charges for which the customer is liable, the ESCO will promptly send Con Edison a check for the credit amount for application to the customer's open balance and promptly contact the customer to explain the account credit.

If the dispute is the basis of a proceeding before the Department of Public Service or any legal action initiated by the customer, the ESCO will participate and/or cooperate with Con Edison in the proceeding even if not a named party.

ESCO compliance with this procedure is a material part of Con Edison's agreement to provide billing services. If Con Edison determines, in its sole discretion to be reasonably exercised, that an ESCO is not in compliance with this procedure, Con Edison will assess a charge on the ESCO equal to the amount disputed by the customer.

**4. Suspension Criteria**

The Public Service Commission may temporarily suspend or permanently revoke a Seller's eligibility. When such action becomes effective the Company will cease to provide service to the Seller. The Company shall notify the Seller's Customers and inform them of their option to select another Seller or to return to Con Edison sales service.

**B. DELIVERY QUANTITY DETERMINATION PROCEDURES**

**1. Forming a Small Customer Group**

- (a) A Seller is required to apply for SC20 service each time it forms a new Small Customer Group. For a Seller who is currently serving an existing Small Customer Group, the Company may waive the credit approval process.
- (b) A Group may be comprised of Firm, Interruptible or both Firm and Interruptible Transportation Customers whose aggregate annual requirements are at least 50,000 therms. Additionally, all members of the group shall be required to select the same Balancing Service option. A Group comprised of both Firm and Interruptible Transportation Customers must subscribe to Daily Delivery Service in conjunction with Interruptible Daily Balancing Service.
- (c) The SC 20 tariff describes the Seller's responsibility for maintaining a Small Customer Group with aggregate annual requirements of at least 50,000 therms.

**2. Firm Transportation Service**

(a) Daily Delivery Service:

The Daily Delivery Service ("DDS") program will provide a Marketer with a design-day peak release of the Company's assets to deliver gas to meet the daily forecasted consumption of the Marketer's customers. Each Marketer is required to deliver gas according to an aggregated customer temperature equation that is calculated using the customer's Profile (explained below), inclusive of line loss ("base and slope").

- 1. Forecasting Equation. Each gas transportation customer will receive a temperature equation calculated based on its profile information (Daily Delivery Quantity = heat factor X Heating Degree Days + base load quantity).
  - i. The customer's Profile will be derived from customer's billing data that is converted from a billing cycle to calendar period and then normalized for weather. If a customer has less than 12 months of billing information, the average usage for the year or a typical load shape per its service classification will be used as a proxy.
  - ii. The heat factor is the (annual usage minus the annual baseload) divided by the annual HDDs. The annual baseload is calculated as

the daily average usage of June, July and August times the number of days in the year. If the calculated heat factor is less than zero, a value of zero will be assigned.

- iii. The base load quantity is the daily average of the customer's Summer months' usage, given that the heat factor is greater than "0". Otherwise, the base load quantity is the average daily usage of the customer's annual Profile data.
- iv. The Summer months for the Forecasting Equation are defined as the months of June, July and August.
- v. A Marketer Profile is an aggregation of all the customer Profiles in its customer pool.

2. Forecasting Temperature.

- i. The 5-day-ahead forecast will be displayed on the Internet (TCIS).
  - ii. The "locked" temperature at 6:00 AM will range one-to-five days ahead, depending on the day-ahead trading calendar.  
The Company's HDD is defined as 62 minus the "locked" temperature.
  - iii. The day-ahead HDD to be used for the Daily Delivery Service Quantity ("DDSQ") calculation is comprised equally of the following (i) the current gas day's average temperature times 30% and (ii) the next gas delivery day's average forecast times 70%.
3. The Company shall provide the "locked" DDSQ via daily posting on the Internet (TCIS) by 6:00 A.M. on the day prior to the applicable pipeline nomination deadline. For weekends and Company holidays, the "locked" DDSQ will be posted by 6:00 A.M. on the business day preceding the weekend and/or Company holiday. In a month where the last day falls during a weekend trading schedule the "locked" DDSQ will be posted by 6:00 A.M. on the business day preceding the pipeline nomination deadline. Should the customer/ Marketer disagree with the daily quantities established, the customer/Marketer must provide to Retail Services the additional information it would like to be considered no later than one business day prior to the applicable pipeline deadline (sent via email to [gaschoice@coned.com](mailto:gaschoice@coned.com) or [tcis@coned.com](mailto:tcis@coned.com)).

**C. DAILY DELIVERY SERVICE (DDS)**

**1. Asset Tiers**

In DDS, the Company will allocate its gas assets to the Marketers in the following three tiers after the Baseload Service is fully allocated to each Marketer:

- Tier 1 – Mandatory Capacity Release (the release of interstate pipeline transportation capacity)
- Tier 2 – Managed Supply (Storage)
  - Tier 2(A) – Virtual Storage (a virtual access to Storage assets which will be managed by the Company)
  - Tier 2(B) – Physical Storage (a physical release of Company Storage)

Tier 3 – Peaking (a virtual access to Peaking assets which will be managed by the Company)

**2. Program Updates**

The Company will continue its collaboratives with the gas marketers on its Retail Access program and file any proposed updates to its Retail Access program to the Secretary on or before July 1, 2017 and every year thereafter (by July 1<sup>st</sup>), to provide an adequate review process prior to November 1<sup>st</sup> of each year.

**3. City Gate Delivery Protocols**

Marketer city gate deliveries may not exceed the interstate pipeline volumes allocated under the Capacity Release Service Program. Beginning January 1, 2021 TCIS will reject nominations that are over-nominated at city gates for firm supply under the Company's DDS program.

From April to October (non-winter months), Marketers are required to limit their deliveries to Texas Eastern-Goethals Citygate to 75% of the capacity released.

**4. Baseload Service**

For the months of December, January and February each year, Marketers will be allocated shares of the Company's total baseload delivered supplies or assets ("Baseload Service"). The Marketer's Baseload Service Quantity will be based on multiplying (1) the ratio of the Marketer's Slope Component to the total of all Marketers' Slope Components times (2) the Marketer's share of the Company's total Baseload Service assets.

The Marketer's Baseload Service must be utilized in full by the Marketers in each of the three peak winter months. It will be applied first to a Marketer's Daily Delivery Service Quantity to its customers before any quantities from DDS Tiers 1, 2 or 3 may be utilized by the Marketer.

**Pricing**

1. The Baseload Service Commodity Price will be stated in dollars per dekatherm and derived by adding (1) the NYMEX settlement price for the month of flow and (2) a weighted average of the contracted basis for the following city gates with the weighting based on the quantity of Baseload Service delivered at each of the city gates:

• Tennessee – White Plains	-	100%
• Enbridge – Lower Manhattan	-	0%
• Iroquois – Hunts Point	-	0%
• Transco – Zone 6 NY	-	0%

2. The Marketer's Baseload Service Charge is computed by multiplying the Baseload Service Commodity Price by a Marketer's Baseload Service Quantity.

**5. Tier 1 - Mandatory Capacity Release Service (the “Program”)**

On August 30, 2007, the Commission issued an Order directing the Company to implement a Mandatory Capacity Release Service Program (“the Program”), commencing November 1, 2007.

In accordance with the terms of that Order and subsequent ones, Con Edison’s Gas Tariff and this GTO Section, the Company offers the Program commencing November 1, of each year.

The process for implementing the Program is as follows:

- The Company will send email notification, on or before September 15 of each year, to all Marketers specifying the available pipeline paths and percentage of capacity to be released on each path for the upcoming Capacity Release Year, (i.e., from November 1 through the following October 31).
- The Company will send to all Marketers on or before October 1<sup>st</sup> of each year, a Capacity Release Service Agreement for execution. The Marketer is required to return the executed Capacity Release Service Agreement by November 1 of each year. In addition, if capacity is being released to a Marketer’s Agent/Designee (“Agent”), then the Company will send a Capacity Release – Confirmation of Agency Letter (“Letter”) to the Agent. The Agent must execute the Letter and return it to the Company within two (2) calendar weeks of the date on the Letter.
- In light of the issuance of FERC Order 712-B (April 16, 2009), the Company may release its interstate pipeline capacity in the Program to a Capacity Release Seller/Marketer either as a principal or as an agent for its customers.
- Capacity released during the period November 1, 2023 through October 31, 2024 will be on the following pipelines and percentages:

<u>Pipeline</u>	<u>Capacity Release %</u>
Tennessee	2.7%
Iroquois-Waddington	1.7%
Millennium/Alg/Iroquois	5.2%
Nat Fuel/Transco (short haul)	3.4%
Texas Eastern	6.8%
Texas Eastern Spectra	11.1%
Transco Leidy ( <i>Leidy to Manhattan</i> )	6.8%
Tenn – Marcellus ( <i>4-300 Leg Station 319-321</i> )	2.3%
Tetco – Spectra NY-NJ ( <i>Ramapo/Mahwah to Lower Manhattan</i> )	12.8%
Transco	47.2%

- The pipeline capacity releases will be a slice of the releasable contracts in the Company's portfolio.
- If a Marketer's pool increases or decreases in any month by 3,500 dt/day, the pipeline capacity releases will be re-sliced accordingly.
- In the event a pipeline contract has been fully released and no volumes are available as part of a re-slice, the remaining volumes will be released on another contract.
- Transco will be the monthly balancing swing pipe.
- Firm pipeline capacity will be used to meet all base-load design- day requirements.
- The remainder of the pipeline capacity will be distributed based on a Marketer's share of the total slope of all Marketers.
- Firm interstate pipeline capacity will be released to the Marketer/Agent at the Company's weighted average cost of capacity ("WACOC"). The WACOC will be effective each November 1<sup>st</sup> for a 12-month release term. The Marketer shall be directly billed by the pipeline for such capacity and will be responsible for paying the interstate pipeline for such charges. Each pipeline will credit or debit the Company the difference between the WACOC and its maximum FERC pipeline rate, which will be flowed back or billed to Firm Customers. Pipeline capacity will be released in accordance with the terms and conditions of the interstate pipeline's FERC gas tariff and FERC's rules and regulations.
- Capacity Releases will be made available on the Pipeline Bulletin Boards no later than seven (7) calendar days prior to the effective date.

**6. Tier 2 – Managed Supply (Storage)**

The Company will provide Marketers with Tier 2 – Managed Supply (Storage) each month from November 1<sup>st</sup> through March 31<sup>st</sup>. Prior to the start of each month, the Company will determine the quantity of Tier 2 – Managed Supply (Storage) to be provided to each Marketer by multiplying: (1) the capacity of the Company's total storage contracts times (2) the Marketers' share of the Company's total storage assets/contracts times (3) the ratio of the Marketer's Slope Component to the Slope Components of all Marketers.

The quantity of Tier 2 – Managed Supply (Storage) allocated to each Marketer is then divided between Tiers 2(A) and (B) as described below. A Marketer and/or its Agent can meet its Daily Delivery Quantity by utilizing a combination of both Tier 2(A) - Virtual Storage and Tier 2(B) - Physical Storage.

The capacity of the Company's total storage contracts is 40 Bcf.



(a) **Tier 2(A) – Virtual Storage**

Quantity: The Tier 2(A) Virtual Storage capacity will equal the total Tier 2 – Managed Supply (Storage) capacity less the amount of capacity allocated to Tier 2(B) – Physical Storage (see below). Tier 2(A) Virtual Storage therefore consists of an 85% allocation of the Tier 2 Managed Supply (Storage) assets.

1. **Rules Applicable to Tier 2(A):**

- Daily storage withdrawals must not exceed the maximum daily withdrawal quantity (“MDWQ”) of 1.3% of storage volume.
- Monthly storage withdrawals must not exceed the limit of 25% for November and December, and 30% for January through March.
- When the “locked” temperature is at or below 25 degrees F, a Marketer must utilize 100% of Company-released pipeline capacity and Tier 2(B) Physical Storage allocations before using any Tier 2(A) Virtual Storage. When the “locked” temperature is greater than 25 but less than 30 degrees F, a Marketer must utilize 85% of its Tier 1 and Tier 2(B) allocations before utilizing its Tier 2(A) allocation. For the month of March, the Company may, at its sole discretion, waive these two rules due to warmer than normal weather experienced during the previous December through February period.
- When the day-ahead temperature is forecast to be at or below 46 degrees F during April, a Marketer may utilize any remaining Tier 2(A) Virtual Storage from its allocated share. In October, Marketers may utilize their Tier 2(A) allocation for the upcoming November through March period on days in which the day-ahead temperature is forecast to be at or below 46 degrees F.
- No intraday storage nominations will be allowed.
- Nominations must be entered into the system by 10:30 am.
- A Marketer’s Tier 2(A) Virtual Storage cannot be more than 35% full at the end of March.

Penalties

If a Marketer violates the “locked” temperature rules two (2) times during a Winter season, the Marketer will have its Tier 2(A) storage allocation lowered to zero for the remainder of the Winter season and will have to balance its daily loads using Tier 3 – Peaking. This same penalty provision also applies to the locked-in temperature rules in Tier 2(B) below.

If a Marketer does not have its Tier 2(A) – Virtual Storage inventory at or below 35% of its Virtual capacity storage allocation by March 31 of each Program year, the Marketer will be surcharged for the inventory overage quantity at the weighted average cost of gas in inventory as of March 1 of the Program year. The Company, at its sole discretion, may decide not to charge this penalty, if warmer than normal weather conditions during the previous December through February period caused every Marketer to exceed the 35% limitation.

Intraday Balancing – The difference in the “locked” forecast and the actual weather will be balanced with a Marketer’s allocated storage, if applicable.

- i. If a Marketer over-delivers gas using pipeline capacity or Peaking, no adjustment will be made.
- ii. If a Marketer over-delivers gas using storage, a reduction in Marketer's storage delivery will be made.
- iii. If a Marketer under-delivers gas, a withdrawal from Marketer's storage will be made, if available

The Tier 2 – Managed Supply Demand and Commodity prices for Tiers 2(A) and (B) will be determined as per the Tariff.

(b) **Tier 2(B) – Physical Storage Release**

The Company will release Physical Storage capacity in each of the releasable storage contracts (see Storage Fields section below) to the Marketer and/or its Agent for each 12-month period starting April 1st.

Tier 2(B) – Physical Storage Release is voluntary. A Marketer electing to participate in Tier 2(B) are required to notify the Company by February 1 prior to the start of each program year which runs from April 1 through March 31. A participating Marketer will receive its allocation of Tier 2(B) storage field capacity on April 1 of each year based upon its customers' demand requirements. A Marketer that chooses not to participate in Tier 2(B) will receive its total allocation of storage under Tier 2(A).

- The Tier 2(B) Physical Storage consists of a 15% allocation of the Tier 2 Managed Supply (Storage) assets.
- Marketers and/or their Agents will be responsible for the daily scheduling of their physical storage releases and associated pipeline transportation releases for the deliveries to the Company's city gates.
- A Marketer that first begins serving load during the 12-month period after Physical Storage has already been released for that period will not receive any Physical Storage. Instead, the Company will adjust the Marketer's Tier 2(A) Virtual Storage to a level that satisfies the Marketer's total storage requirement as indicated by its pool size.
- Each Marketer's Tier 2(B) Physical Storage capacity allocation will remain constant over the 12-month period of the release unless a Marketer and or its Agent loses a significant number of customers.
- Any Marketer and/or its Agent whose volume releases do not meet the minimum releases of the Storage field operator will be completely serviced under Tier 2(A) Virtual Storage.
- A marketer that continues to participate in Tier 2(B) will be allowed to keep as much commodity in each of its allocated storage fields at March 31 for the following program year as does not exceed its new April 1 allocated capacity release, minus two (2) dekatherms, for each field.
- When the locked-in temperature is at or below 25 degrees F, Marketers must utilize 100% of their Tier 1 Capacity Releases and Tier 2(B) Physical Storage allocations before utilizing any Tier 2(A) Virtual Storage allocations.
- When the locked- in temperature is greater than 25 degrees F but less than 30 degrees F, Marketers must utilize 85% of their Tier 1 Capacity Releases and Tier 2(B) Physical Storage allocations before utilizing any Tier 2(A) Virtual Storage allocations.

- For the month of March, the Company may, at its sole discretion, waive the two locked-in temperature rules due to warmer than normal weather experienced during the previous December through February period.

1. Storage Fields

The releasable storage field contracts are:

- Tennessee Northern Storage FSMA contract 1974
- Stagecoach Storage contract CED\_SC0001FSS

Marketers must adhere to each storage field operator's Tariff with respect to maintaining minimum storage inventory levels.

2. Injection Rates

The Maximum Daily Injection Quantity (MDIQ) storage injection rates are the following:

- Tennessee Northern Storage: 61% of MDWQ
- Stagecoach: 50% of MDWQ

3. Additional Tier 1 Capacity Release Associated with Tier 2(B) Physical Storage Capacity

Each 12-month period (starting April 1<sup>st</sup>), the Company will release to the Marketer and/or its Agent Tier 1 pipeline transportation capacity that is associated with the Tier 2(B) Physical Storage capacity released to the Marketer and/or its Agent. The amount of pipeline transportation capacity released on each transportation contract will be proportionate to the amount of physical storage capacity that is released. The releasable transportation contracts are as follows:

- Tennessee Pipeline K# 350 (Tennessee Northern Storage)
- Iroquois Pipeline K# 56016 (Stagecoach Storage)
- Algonquin Pipeline K# 510371 (Stagecoach Storage)
- Millennium Pipeline K# 5582 (Stagecoach Storage)
- Stagecoach Wheel K# CED\_SC0001FWS (Stagecoach Storage)

4. Monthly Charges

i) Demand Charges

A Marketer and/or its Agent will be responsible for paying for all its released Tier 2(B) – Physical Storage and associated pipeline demand charges directly to the storage field operators and pipeline companies. The storage field operators and pipeline companies will then credit these demand payments to the Company on their respective monthly invoices to the Company. A Marketer and/or its Agent will pay the same FERC tariff/negotiated rates as the Company would have paid had it not made the releases and will abide by the same storage fields' tariffs/contract terms and conditions as the Company would have abided by had it not made the releases.

ii) Commodity Charges

Marketers and/or their Agents will be responsible for procuring their own natural gas commodity from third parties and scheduling the injections and withdrawals with the storage field operators and pipeline companies. Marketers and/or their Agents will also be responsible for paying the storage field operators for injections and withdrawals services. The Company will not release commodity in conjunction with the storage field capacity and associated transportation capacity releases.

5. Operational Limitations/Requirements

For Tier 2(A), refer to the limitations set forth above in “Rules Applicable to Tier 2(A)”. For Tier 2(B), refer to the Tier 2(B) sections on Storage Fields and Injection Rates above.

In addition, Marketers and/or their Agents will receive their allocations of Tier 2(B) Physical Storage capacity empty on April 1. A marketer that elects not to continue its participation in the Tier 2(B) Program must return the its allocated storage capacity empty by March 31. If the non-participating Marketer and/or its Agent has any residual commodity left in storage at the end of the 12-month period (and cannot find a third-party buyer for it), the Company will purchase all of the gas at the lower of the Company’s weighted average cost of inventory as of March 1<sup>st</sup> (excluding the cost of LNG, CNG and propane) minus \$0.50 Dt/d or the FERC first of the month price of gas for March at the specific storage field.

Marketers and/or their Agents must also observe any minimum storage field withdrawal requirements set forth in the storage field operator’s Tariff.

Any storage or city gate operational limitations that the Company is subject to will also be proportionately applied to the Marketer and/or its Agent.

6. Tier 2(B) Physical Storage Capacity Recall

The Marketer’s and/or its Agent’s Tier 2(B) Physical Storage capacity and associated Transportation capacity will be recalled if:

- (i) the Marketer and/or its Agent fails to comply with the terms and conditions of Con Edison’s Gas Tariff, the GTOP, or the applicable storage field or interstate pipeline tariffs governing the released capacity; or
- (ii) a Marketer and/or its Agent loses a significant number of Customers. In that circumstance, the Company will reduce or recall completely the Marketer’s and/or its Agent’s Tier 2(A) and Tier 2(B) storage and associated pipeline capacity. Any such adjustment will be made first to the Marketer’s and/or its Agent’s Tier 2(A) Virtual Storage and then to the Marketer’s Tier 2(B) Physical Storage.

In addition, a Marketer’s Tier 2(B) Physical Storage will be recalled if its Tier 2(A) Virtual Storage capacity level drops to a point that is less than or equal to its released Tier 2(B) Physical Storage capacity level.

In each recall case above, any remaining gas inventory left in physical storage, up to an amount equal to the minimum storage inventory level for the month of transfer, will be transferred to the Company and the Company shall pay the Marketer an amount equal to the lower of the following:

- the Company's weighted average cost of inventory as of March 1st (excluding the cost of LNG, CNG and propane) minus \$0.50 Dt/d or
- the FERC first of the month market price of gas for March at the specific storage field.

**7. Tier 3 – Peaking**

Peaking will be automatically deployed by the Company after a Marketer's pipeline and storage allocations are exhausted to meet its daily delivery requirement.

In instances where storage is exhausted under normal weather, a Marketer may be penalized for using Peaking that exceeds its allocation.

Peaking will also be automatically deployed to meet the DDSQ if a Marketer does not nominate sufficient pipeline and storage deliveries.

The Tier 3 – Peaking Demand price will be determined as per the tariff. The Tier 3 - Peaking commodity price will be based on the weighted average of the following daily indices:

- Transco Zone 6 NY mid-point price – 28.0%
- Texas Eastern M3 mid-point price – 41.0%
- Iroquois Zone 2 mid-point price – 31.0%

If LNG or CNG is used during the month, the Peaking price would reflect the inventory cost of LNG or CNG for the utilized portion of LNG or CNG.

For example:

$$\% \text{ of Peaking that is LNG/CNG} = \frac{\text{LNG/CNG Volume}}{\text{Non-LNG/CNG Volume} + \text{LNG/CNG Volume}} \times 100$$

**Note: The example above includes Marketer Peaking Nomination**

**Penalty**

When, on a daily basis, a Marketer uses more than its Tier 3 - Peaking allocation, the Marketer shall be charged \$10 per dekatherm above the daily price for the commodity.

**8. Security Prepayment Requirement and POR Netting Requirement**

Marketers who are not participating in the Company's POR program will be required to prepay the Baseload Service Charge and the demand and commodity components of Tier 2(A) - Virtual Storage and Tier 3 - Peaking. The Marketer prepayment must be made to the Company via wire transfer or ACH payment no

later than three (3) business days prior to the last day of the month preceding the month in which the Marketer will be charged for the cost of the Baseload Service, Tier 2(A) - Virtual Storage and Tier 3 - Peaking. The prepayment for the demand component of Tiers 2(A) and 3 will be calculated by taking the product of 0.9 times the estimated demand price of Tiers 2(A) and 3 for the month that the Marketer will be charged. The prepayment for the commodity component of Tiers 2(A) and 3 will be calculated by taking the total amount of gas in storage allocated to the Marketer, dividing that amount by 5, and then multiplying the resulting amount by the most recent 1st of the month weighted average cost of gas in storage. The prepayment for the Baseload Service Charge will be calculated by multiplying the Baseload Service Quantity allocated to the Marketer by the estimated Baseload Service Commodity Price for that month. The prepayment amount will be true-up when the actual costs of the Virtual Storage and Peaking are available, and any adjustment will be made in the Marketer's succeeding billing period.

For Marketers who are participating in the Company's POR program, payment amounts owed to the Company for any of a Marketer's Baseload Service, Tier 2(A) and Tier 3 demand and commodity components will be netted by the Company against the Company's monthly POR payment to the Marketer unless the Marketer submits payment directly to the Company for those components. In any month that the POR payment amount is insufficient to cover the Baseload Service and Tier 2(A) and Tier 3 demand and commodity components, the Marketer will be required to pay the Company directly for the full amount of those demand and commodity components. Notwithstanding this POR netting by the Company, if the Marketer owes the Company any additional amounts for those components, the Company retains all of its rights to collect such additional owed amounts as well as the right to require a prepayment or the posting of a Letter of Credit for any potential amount that may be owed to the Company for those demand and commodity components.

## **D. Nominating Procedures**

### **1. Daily Nominations**

- (a) Marketers shall submit daily nominations through the Company's Internet (TCIS) according to the NAESB cycles (see below). The nomination screens in TCIS are available 24 hours a day. If a nomination changes for any reason, Marketers should update TCIS and notify Gas Control via email at [gascontrol@coned.com](mailto:gascontrol@coned.com). For access to the Internet, a Marketer should contact Retail Services at [tcis@coned.com](mailto:tcis@coned.com).
- (b) The Company will notify the Marketer if it is unable to render the service nominated due to constraints at city gate receipt points. No notice will be issued if the nomination is accepted by the Company.
- (c) The Company will accept intra-day nomination changes during weekends and holidays provided that the intra-day nominations are pre-approved by Con Edison's Gas Control Department (718-794-2900 or [gascontrol@coned.com](mailto:gascontrol@coned.com)).

### **2. NAESB Standards**

Transaction schedules and procedures upstream of the Company's City gate are controlled by the FERC Regulations and NAESB Standards.

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Where designated herein, the NAESB Standards also apply to transaction schedules and procedures at the city gates.

The following table shows the current NAESB Daily Nomination Cycle –

All times Central Clock Time (CCT)		NAESB Standards
Timely	Nomination Deadline	1:00 PM
	Confirmations	4:30 PM
	Schedule Issued	5:00 PM
	Start of Gas Flow	9:00 AM
Evening	Nomination Deadline	6:00 PM
	Confirmations	8:30 PM
	Schedule Issued	9:00 PM
	Start of Gas Flow	9:00 AM
Intraday 1	Nomination Deadline	10:00 AM
	Confirmations	12:30 PM
	Schedule Issued	1:00 PM
	Start of Gas Flow	2:00 PM
	IT Bump Rights	bumpable
Intraday 2	Nomination Deadline	2:30 PM
	Confirmations	5:00 PM
	Schedule Issued	5:30 PM
	Start of Gas Flow	6:00 PM
	IT Bump Rights	bumpable
Intraday 3	Nomination Deadline	7:00 PM
	Confirmations	9:30 PM
	Schedule Issued	10:00 PM
	Start of Gas Flow	10:00 PM
	IT Bump Rights	no bump

**6. Holidays Observed by Con Edison**

January	New Year's Day Martin Luther King, Jr.'s Birthday
February	President's Day
May	Memorial Day
June	Juneteenth
July	Independence Day
September	Labor Day

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October	Columbus Day
November	Veterans' Day Thanksgiving Day Day After Thanksgiving
December	Christmas Day

**E. Imbalance Charges**

**1. Daily Delivery Service**

The SC 9 and SC 20 tariff leaves describe the Company's Daily Delivery Service for Firm Transportation Customers, Direct Customers and Marketer requirements. The Marketer and/or Direct Customer is responsible for imbalance and cashout charges and credits.

Imbalance charges for all volumes above the first balancing tier (including any unauthorized use of gas during an OFO) will be considered penalty gas unless otherwise defined in a negotiated agreement.

The following are the currently effective daily imbalance charges:

	<b><u>Charge per Therm</u></b>
<i>Surplus Imbalances</i>	\$0.10 per therm

**Deficiency Imbalance During A Summer Period**

up to 2%.....	100% of cost of gas
greater than 2% but less than 5%.....	110% of cost of gas 5%
and above.....	120% of cost of gas plus \$0.10 per therm

**Deficiency Imbalance During A Winter Period**

<b><u>Deficiency Imbalance</u></b>	<b><u>Charge per Therm</u></b>
up to 2%	100% of cost of gas
greater than 2% but less than 5%	110 % of cost of gas
5% and above	120% of cost of gas plus \$1.00 per therm

**Deficiency Imbalance During an OFO Period**

A charge equal to the higher of \$5.00 per therm or 120% of the cost of gas plus \$1.00 per therm. The cost of gas used in calculating the Deficiency Imbalance Charge for Marketers serving Customers taking Load Following will be based on the Daily High Spot Citygate Price at Transcontinental Pipeline Zone 6 as set forth in the publication entitled "Gas Daily" for the day on which the imbalance was incurred.



**2. Cashout Charge/Credit**

- (a) The SC 9 and SC 20 tariff leaves describe how a Cashout Charge or Credit is calculated and applied to the Daily Delivery Service.
- (b) A Monthly Cashout Credit applies when the amount by which the sum of the Adjusted Daily Delivery Service Quantity exceeds the sum of the Daily Delivery Quantities for the monthly bill period (“Net Surplus Imbalance”).
- (c) A Monthly Cashout Charge applies when the amount by which the sum of the Daily Delivery Quantities exceeds the sum of the Adjusted Daily Delivery Service Quantity for the monthly billing period (“Net Deficiency Imbalance”).
- (d) Cashout charges for all volumes above the first 2% will be considered penalty gas, unless otherwise defined in a negotiated agreement. (e) Monthly Cashout – Daily Delivery Service

The derivation of the Citygate cost of gas used to calculate a Net Surplus or Deficiency is as follows:

- (i) For the first 2 percent of Net Surplus and Deficiency Imbalances, the Citygate cost of gas shall be a weighted average price equal to the product of the percentage weightings and the first-of-the-month Transco Zone 6NY, Texas Eastern Transmission (Tetco M3) and Iroquois Gas Transmission System (Z2) Citygate index prices, as set forth in the publication, “Gas Daily Price Guide.”
- (ii) For Net Surplus and Deficiency Imbalances greater than the first 2 percent, the Citygate cost of gas shall be a weighted average price equal to the product of the percentage weightings and the average of the daily Transco Zone 6-NY, Texas Eastern Transmission (Tetco M3) and Iroquois Gas Transmission System (Z2) Citygate midpoint prices as set forth in the publication, “Gas Daily”, for the month in which the Imbalances occurred.

The derived cost will be provided to each Marketer within five (5) business days after the end of the delivery month.

The weighting percentages for the volumes associated with each of the pipeline indices will be based on the previous year’s historic weighted average of the total volumes delivered to the Company on each pipeline. These fixed percentages will be recalculated on an annual basis.

**3. Imbalance Trading Service**

Marketers serving Firm, Interruptible or Off-Peak Firm, or Power Generation customers under Service Classification No. 9 or Direct Customers will be permitted to trade end-of-month imbalances with other Marketers/Direct Customers at specific pipeline Citygate Receipt Points. Any imbalances not traded will be subject to imbalance charges and cashout credits and surcharges applicable under Service Classification No. 20.

Imbalance trading will be limited to imbalances incurred during the same calendar month. Marketers/Direct Customers electing to trade firm and interruptible or off-peak firm imbalances are responsible for the full risk of their trade, since consumption data for firm customers (and therefore their imbalance position) will not be determined until the second calendar month following the month in which the imbalance occurred.

By 4:00 PM on the 12<sup>th</sup> business day of each month, the Company will post monthly imbalance information from the previous month on its TCIS Internet Site. Only the imbalance positions for Marketers serving Interruptible or Off-Peak Firm and Power Generation customers under Service Classification No. 9 or Direct Customers will be posted since consumption data for firm customers will not be determined until the second calendar month. The posting will include a list of Marketers with telephone and e-mail information, the pipeline on which the imbalance occurred, and a + or – sign to indicate the direction of each Marketer's imbalance for the prior month. The actual monthly imbalances of Marketers will not be disclosed. It will be the responsibility of the Marketer to review the imbalance information on TCIS and to contact Marketers with whom a monthly imbalance trade appears feasible. Marketers will have three (3) business days from the time of the posting to contact the Company with their imbalance trading results. Imbalance trading results will be communicated back to the Company via the TCIS Internet Site. Imbalance trading results must be authorized by both trading partners in order to be considered valid by the Company. Trading results not received within the three-business day period will not be processed by the Company.

If a Marketers/Direct Customer's cashout position changes as the result of an adjustment to a customer's bill that leaves the Marketer/Direct Customer short for that month, the imbalance trade for that month will only be adjusted at the agreement of both Marketers/Direct Customers involved in the trade.

#### **F. Gas Curtailment**

A curtailment is the reduction of gas deliveries caused by a shortage of supply or pipeline capacity. A curtailment situation is a more significant event than a System Alert ("SA") or an Operational Flow Order ("OFO"). In a curtailment situation, the Company physically curtails gas flow to similar types of end use customers. A curtailment may be required to protect the needs of firm customers and/or to protect the operational reliability of the gas system.

##### **Curtailment Guidelines**

The Company will observe the following guidelines with respect to any curtailments:

- The Company shall implement a curtailment only as a last resort. Mutual aid, contractual and other non-curtailment supply management tools, Operational Flow Orders, interruption of contractual-interruptible load, and supply acquisition shall be utilized before a curtailment is declared.
- Curtailments shall be limited in scope and duration as necessary to alleviate an emergency.
- Economic considerations shall not be the basis for a curtailment.
- When a curtailment is declared and when the situation returns to normal, the Company shall notify the Director of the Office of Electric, Gas and Water of the New York State Department of Public Service.

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- The Company shall provide periodic updates to Marketers and curtailed customers so that they can plan accordingly.
- If during a curtailment period, the Company is aware of Marketers or Direct Customers that are not responding to the required actions, it shall make all reasonable efforts to inform the non-responding Marketers and Direct Customers that required actions are not being taken. Lack of such notice shall not relieve any Marketer or Direct Customer of its obligations.

### **Priority of Service**

1. Curtailments and notices of curtailment of sales and transportation services resulting from a gas supply deficiency will be made in the following order:
  - (a) Interruptible and off-peak firm service requirements under Service Classification Nos. 12 and 9.
  - (b) Firm requirements to customers whose facilities are capable of using an alternate fuel or energy source to supply the energy requirements of the premises otherwise supplied by gas (“Dual Fuel sales and transportation customers”).
  - (c) Industrial and commercial space heating boiler fuel requirements, air conditioning, electric generation, and other non-process purposes. Also included are the Company’s boiler ignition gas requirements.
  - (d) Industrial and commercial requirements for space heating (other than boiler fuel use).
  - (e) Process and feedstock requirements.
  - (f) Plant protection requirements for Customers curtailed in Categories 1 through 5 above.
  - (g) Industrial and commercial sales and transportation service requirements in firm service classifications.
  - (h) Residential sales and transportation service requirements in firm service classifications, including human needs requirements.

Within all categories, curtailment of residential customers in each category would begin only after full curtailment of all commercial and industrial customers in that category.

Except for category (a), curtailment of all other categories will be on a pro rata basis to the extent operationally feasible except for residential sales and transportation.

2. The following provisions shall govern curtailments and notices of curtailment of sales and transportation services resulting from a deficiency of capacity in gas transmission lines that are owned by the Company or that the Company has a contractual right to use (other than interstate pipeline transmission lines).

In the event of a transportation-capacity deficiency, curtailments and notices of curtailments will normally be made according to the following priorities to the extent permitted by operating feasibility.

- (a) Interruptible sales and transportation services including: notification interruptible customers; interruptible intra-Company transfers, non-tariff interruptible sales and transportation with plant protection requirements assigned the highest priority.
- (b) All firm sales and firm transportation services to customers with dual fuel or alternate energy facilities and off-peak firm sales and transportation services, including Temperature-Controlled Interruptible Customers above the specified temperature cutoffs, firm and off-peak firm intra-Company transfers; and non-tariff firm and off-peak firm sales and transportation services.

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3. When necessary to meet high-priority customer demand, the Company may divert gas supply received for delivery to non-firm customers to avoid such impairment of deliveries and/or sales to firm customers. Marketers/Direct Customers will be notified by email, fax or phone as timely as conditions allow that their gas deliveries shall be diverted for firm customers. Marketer/Direct Customers will be required to continue making nominations of gas through the curtailment period up to their maximum daily transportation quantity ("MDTQ") as directed by the Company, unless an upstream force majeure interruption or curtailment prevents it from securing and delivering its MDTQ to the city gate.
4. A Marketer/Direct Customer will be compensated for the diverted gas at the current market price in effect at the time of the curtailment. If the Marketer/Direct Customer can demonstrate with adequate support that its contract calls for a higher price, the Company will reimburse the Marketer/Direct Customer at the contract price.
5. The market price of gas shall be:

***A weighted average price equal to the product of the percentage weightings and the midpoint gas price for Transco Zone 6-NY, Texas Eastern Transmission (Tetco M3), and Iroquois Gas Transmission System (Z2) for the applicable diverted gas flow day as published by Platts in the Gas Daily Price Guide.***

### **G. Summary of Applicable Fees, Charges and Penalties**

#### **1. Billing Questions and Disputes**

- (a) All Marketer questions concerning their invoices should be directed to Retail Services (212) 466-8242. This department will direct the inquiry to the appropriate area of responsibility and procure the necessary answers and/or explanations. You can also email us at tcis@coned.com
- (b) Claims that invoices are not correct must be made in writing and postmarked no later than three months after the disputed invoice was mailed or provided electronically.
- (c) Responses to billing inquiries will be acknowledged in writing or by electronic transmission promptly, but no later than five working days from Con Edison's receipt of the inquiry. Con Edison will investigate and respond to the complaint, in writing, no later than 20 calendar days from the receipt of the inquiry.

#### **2. Invoices**

In accordance with Section 7 of the UBP, invoices will be issued to a Marketer for Marketer's monthly imbalance services, extraordinary Customer data provided on request (over and above the information provided without charge), meter-related charges, adjustments to prior invoices, CUBS billing service charges, and other services provided on request.

#### **3. Terms of Payment**

Bills are payable upon presentation of invoice and are subject to a late payment charge. The Marketer must pay the full amount stated in the invoice, without deduction, set-off or counterclaim, within 20 calendar days ("grace period") from the date of the invoice transmittal. On the first day following the grace period, late payment charges at the rate of 1.5% per month will be applicable to all overdue-billed amounts, including arrears and unpaid late payment charges. Upon failure of the Marketer to make any payment when due, the Company may apply any security that may be available.

**4. Overpayments**

- (a) Overpayments made by a Marketer as a result of an inaccurate invoice or as determined through the Dispute Resolution Process, shall be credited to the Marketer's account if a prior shortage exists or be refunded otherwise. Such credit or refund must occur within five calendar days of a determination that an overpayment occurred. Such overpayments shall earn interest at the rate of 1.5% per month from the date of the overpayment until the date of the credit or repayment, whichever applies. The refund shall be rendered to the Marketer by electronic funds transfers.
- (b) Overpayments made voluntarily by a Marketer/Direct Customer shall be credited to the Marketer's account and shall not earn interest unless the overpayment is applied to the security deposit account.

**5. Charges to Marketers**

Con Edison may charge Marketers/Direct Customers for the following:

- (a) Gas imbalances based on the Company's Tariff and/or Operating Procedures.
- (b) Penalties on gas imbalances during an OFO.
- (c) Late payment charges, at a rate of 1.5% per month, applicable to all overdue-billed amounts, including arrears and unpaid late payment charges and to under-billed amounts, as determined through the Dispute Resolution process. Interest on the latter is only payable when associated with a finding of deficiency on the part of the party holding the funds determined to be due the other party.
- (d) Dual-Service (Gas and Electric) Account Separation Charge
- (e) The Company will charge \$34.50 to separate a dual-service electric and gas account into two accounts.
- (f) Other rates and charges approved by the Public Service Commission and set for in the tariff, including, but not limited to, transportation or distribution rates, miscellaneous surcharges and taxes.
- (g) All charges applicable to the Daily Delivery Service (Tier 2 - Storage and Tier 3 - Peaking)

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The following information is provided at no charge to the Marketer:

- (a) A Marketer can obtain lists of its customers and summary customer data (number of customers and dth sales) via TCIS on the Internet.

**SECTION IV. GAS DELIVERY MANAGEMENT PROCEDURES FOR INTERRUPTIBLE AND OFF-PEAK FIRM CUSTOMERS – SALES AND TRANSPORTATION**

**A. Customer Eligibility/Enrollment Procedures**

**1. Customer Eligibility/Enrollment**

**(a) Marketers Applying for Service Classification No. 20 Transportation Receipt Service**

A Marketer or Direct Customer seeking to qualify as a Seller in Con Edison's service area must initially complete Parts A through D of the "New Application for SC 20 Transportation Receipt Service" contained in Appendix C. Parts E and F, which relate to, respectively, balancing service options and firm transportation capacity requirements, may be submitted at a subsequent date when the Seller is ready to serve prospective SC 9 customer(s) or when the Direct Customer is ready to commence service. All parts may be completed and submitted at the same time if the Seller has SC 9 customers ready to take service. The Seller must re-submit Part E each time it forms a new Small Customer Aggregation Group or Imbalance Aggregation Group. Once the application is approved, the Company will provide the Seller an account number and access to the Internet for Seller to establish its Customer Group. In addition, Seller will be required to attend a training session which will cover various aspects of the Power *YOUR*Way Program (i.e., balancing, capacity release, imbalance penalties, etc.) as well as a detailed session of how to use the TCIS Internet application.

- (b) Service to a Service Classification No. 20 Seller shall commence on the first day of the calendar month following receipt of a completed and executed Transportation Receipt Service application, and establishment of Seller's creditworthiness or receipt of any financial security, if required, from Seller. In addition, all Sellers are required to complete EDI testing and certification requirements.

An applicant (Seller) for Transportation Receipt Service under Service Classification No. 20 shall submit the application form and other required information to:

Con Edison  
Section Manager—Retail Choice Operations  
4 Irving Place, 9FL SE New  
York, NY 10003

**2. Applications for Service**

- (a) New Interruptible service customers, applying for Transportation Service under Service Classification No. 9, and/or Sales Service under Service Classification No. 12, themselves or through their Marketer shall submit the appropriate

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application form and other required information by mail or by fax at any of the Con Edison Energy Service Offices listed in Section II, page four.

The applicant or Marketer must provide information and/or a deposit sufficient to meet any other requirements imposed by the Company tariff or this procedure.

### **3. Applicants for Service Classification No. 9 Interruptible or Off-Peak Firm Sales and Transportation Service**

- (a) New Customers or their Marketer who are applying for Transportation Service under Service Classification No. 09, and/or Sales Service Classification No. 12 shall submit the appropriate application form and other required information at any of the Con Edison Energy Service Offices listed in Section II, page four.
- (b) An existing Interruptible or Off-Peak Firm Sales Service Customer transferring to Transportation Service shall submit the application form and other required information by mail or by fax (212-528-0397) to the address listed below. An applicant (Seller) for Transportation Receipt Service under Service Classification No. 20 shall submit the application form and other required information to:

Con Edison  
Retail Services  
4 Irving Place, 14<sup>th</sup> FL  
New York, NY 10003

- (c) **Existing Sales Service Customers**

A Customer who is now receiving gas service under Service Classification No. 12 of Con Edison's Schedule for Gas Service, or an Existing Firm Customer, who wishes to convert to SC 9 Interruptible or Off-Peak Firm Transportation Service must complete the "Application for SC 09 Interruptible or Off-Peak Firm Transportation Service For Existing Customers Transferring From other Service Classifications" contained in Appendix C.

- (d) Any Customer who is establishing a new gas delivery service account with the Company under SC 9 and SC 12 Interruptible or Off-Peak Firm Transportation and Sales tariff must complete the "New Customer Application for SC 9 and SC 12 Interruptible or Off-Peak Firm Transportation and Sales Service" contained in Appendix C.

### **4. Switching Between Interruptible/Off-Peak Firm Service and Firm Service**

If a Customer voluntarily switches to Firm Sales or Firm Transportation Service the Customer may reapply after 12 months for Interruptible or Off-Peak Firm service not less than 90 days prior to the proposed commencement date, except that the Customer may not request a commencement date that falls within the period from November 1 through March 31.

### **5. Applicants for Service Classification No. 9 CNG, Bypass, or Power Generation Transportation Service**

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An applicant must complete the appropriate application listed above and all other material deemed necessary by the Company in connection with the service to be provided (e.g. for a bypass Customer, the information necessary to evaluate the Customer's ability to physically and economically bypass the Company's facilities).

### **6. Commencement of Service**

For new applicants, services will commence after all connections are complete in accordance with provisions of the Company's tariff.

- (a) Service to an SC 9 or SC 12 Customer shall commence upon the later of:
  - 1. The first day of the calendar month that occurs no less than 10 Days after completion of the application process, or on the first of the month after the installation of any required metering equipment, recording devices, dedicated phone lines, and the like.
- (b) Service to a Service Classification No. 20 Seller shall commence on the first day of the calendar month following receipt of a completed and executed Transportation Receipt Service application, and establishment of Seller's creditworthiness or receipt of any financial security, if required, from Seller. In addition, all Sellers are required to complete EDI testing and certification requirements.

### **7. Initiation of Service Fees, Deposits, or Other Requirements**

Any fees, deposit requirements, or other charges identified in the Company's Tariff will apply to initiation of service to new transportation customer applicants.

### **B. Delivery Quantity Determination Procedures**

- 1. **Interruptible and Off-Peak Firm Transportation Services**
  - (a) **Forming a Small Customer Group**
    - 1. A Seller is required to apply for SC 20 service each time it forms a new Small Customer Group. For a Seller who is currently serving an existing Small Customer Group, the Company may waive the credit approval process.
    - 2. A Group may be comprised of Firm, Interruptible or both Firm and Interruptible Transportation Customers whose aggregate annual requirements are at least 50,000 therms. Additionally, all members of the group shall be required to select the same Balancing Service option. A Group comprised of both Firm and Interruptible Transportation Customers must subscribe to either (i) Load Following Service in conjunction with Interruptible Monthly Balancing Service.
- 2. **Making Changes to a Small Customer Group**



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- (a) Seller shall submit in writing to Retail Services and Planning additions to or deletions from a Small Customer Group at least 30 days before the commencement of the month of delivery. The information for each Customer shall be the same as that required on the SC 20 application.
- (b) The tariff describes the Seller's responsibility for maintaining a Small Customer Group with aggregate annual requirements of at least 50,000 therms.

### **3. Imbalance Reports**

#### **(a) Individual Customers**

The Company shall provide through the Internet or to each customer an Imbalance report as soon as reasonably possible after the end of each Gas Day. The report shall reflect the most accurate data then available to the Company. The data which is used to calculate cashout volumes shall be subject to adjustment to reflect subsequent reconciliations by the pipeline and any corrections to reflect operation or metering circumstances. Whenever daily metering information is not available an estimated metered volume will be substituted for that day and imbalance charges will be applied to the estimated metered volume.

If the Company fails to perform in accordance with the foregoing procedures, and if that failure causes a customer to incur an unauthorized use penalty or imbalance charges under the Company's tariff, the penalty or charge shall be waived. Such penalties or charges shall not be waived, however, if the customer could have taken steps to avoid their occurrence.

#### **(b) Groups**

For customers who are members of an Imbalance Aggregation Group, the Company shall provide through the Internet the report to Seller. The report will show the aggregated deliveries and aggregated consumption of the Customers in the Group.

### **4. Aggregated Groups of Firm and Interruptible Customers**

The SC 9 and SC 20 tariff leaves describe the methods by which the balancing charges and cashout charges and credits are calculated and applied and identifies who is responsible for paying the various charges.

## **C. Nominating Procedures**

### **1. Pre-Month Election of Sales or Transportation Service**

- (a) Prior to each calendar month, all Interruptible and Off-Peak Firm Transportation Customers must elect either SC 12 sales service or SC 9 transportation service for the entire following calendar month.

- (b) For Off-Peak Firm Customers, on the fourth business day prior to the first day of the following month, the customer shall be notified by the Company of the new city gate sales rate applicable to the following calendar month through the use of internet, by fax, or by telephone or other electronic medium. By 12:00 PM of the second business day prior to the first day of the following month, the customer must elect sales service or transportation service and daily balancing or monthly balancing for the entire following calendar month. The Company, at its discretion, may post subsequent prices that differ from the initial price, the last of which will be posted no later than 4:00 PM of the third business day prior to the first day of the following month. Customers may lock into any price offered by the Company until 12:00 PM of the second business day. Once a customer locks into a price, that price will be unaffected by any price posted thereafter.
- (c) Interruptible or Off-Peak Firm Customers must make their election to take either Sales or Transportation service by supplying all the information required by fax document, which must be returned by 12:00 PM of the second business day prior to the first day of the following calendar month. Customers who fail to make a timely election shall be deemed to have elected Interruptible or Off-Peak Firm Sales Service, unless the Customer previously advised the Company in writing that Transportation Service should be its default service.
- (d) The Company will notify Off-Peak Firm Sales or Transportation Customers by fax of any rate decrease occurring during the month at least 24 hours prior to the effective date of the rate change. In such an event, Customers that elected transportation service for that month shall have the option, subject to the availability of gas supply, to elect sales service for the balance of that month. The Company may make an intramonth rate change to avoid imposing costs on Firm Customers.

**2. Nominations**

Sellers of Small Customer Aggregation Group(s) or Imbalance Aggregation Group(s) must provide a total nomination for all Customers in a Small Customer Aggregation Group or Imbalance Aggregation Group.

**3. Pre-Month Nominations**

- (a) A Seller shall submit a total pre-month nomination for all the Customers in a Small Customer Aggregation Group or an Imbalance Aggregation Group.
- (b) A pre-month nomination shall be submitted through the Company's Internet (TCIS). For instructions and access to the Internet a Customer or Seller should contact Retail Services.
- (c) The following information is required for pre-month and daily nominations:

- name of the Customer's Agent or Seller, as applicable,
  - name(s) of the transporting pipeline(s),
  - pipeline contract number(s) and pipeline activity or service number (s) associated with the transaction
  - Daily Transportation Quantity by Receipt Point for the first day of the month (pre-month nomination), and
  - any other information required by a pipeline's nominating procedures.
- (d) Pre-month nominations shall apply to the first Gas Day of the month and to each subsequent Gas Day until superseded by a changed daily nomination or the next month's pre-month nomination.
- (e) Pre-month nominations must be received by Con Edison no later than 2:00 PM of the business day preceding the applicable pipeline nomination deadline for business commencing the next month.

**4. Daily Nominations**

- (a) Daily nominations must be submitted to the Company via the Internet (TCIS) by 2:00 PM on the business day preceding the Gas Day for which the nomination is applicable. The information specified in 3 (d) above is required for daily nominations.
- (b) A Seller shall submit a total daily nomination for all the customers in a Small Customer Aggregation Group or an Imbalance Aggregation Group.
- (c) The Company may accept daily or intra-day nominations during weekends and holidays, as long as the nominations are sent via email to Con Edison's Gas Control Department at [gascontrol@coned.com](mailto:gascontrol@coned.com).
- (d) On a day when the Company is testing its interruption systems the Company will notify the Seller that certain of its dual fuel customers are expected to use less gas than usual that day. If the test is for less than twenty-four (24) hours, Seller will be permitted to carry over any surplus gas delivered on the day of the test to a subsequent day within the month and imbalance charges for the day of the test will be automatically waived.

**5. When a Pre-Month or Daily Nomination Cannot Be Accepted**

- (a) The Company will notify the customer or the Customer's Agent or Seller, as applicable, if it is unable to render the service nominated by phone, fax or e-mail. No notice will be issued if the nomination is accepted by the Company.

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- (b) Notification of the rejection of a pre-month nomination will be made no later than 5:00 PM of the business day preceding the applicable pipeline nomination deadline. A notice rejecting a daily nomination will be made as soon as possible prior to the applicable pipeline nomination deadline.

**6. NAESB Standards**

Transaction schedules and procedures upstream of the Company’s city gate are controlled by the FERC Regulations and NAESB Standards. Where designated herein, the NAESB Standards also apply to transaction schedules and procedures at the city gates.

The following table shows the current NAESB Daily Nomination Cycle –

All times Central Clock Time (CCT)		NAESB Standards
Timely	Nomination Deadline	1:00 PM
	Confirmations	4:30 PM
	Schedule Issued	5:00 PM
	Start of Gas Flow	9:00 AM
Evening	Nomination Deadline	6:00 PM
	Confirmations	8:30 PM
	Schedule Issued	9:00 PM
	Start of Gas Flow	9:00 AM
Intraday 1	Nomination Deadline	10:00 AM
	Confirmations	12:30 PM
	Schedule Issued	1:00 PM
	Start of Gas Flow	2:00 PM
	IT Bump Rights	bumpable
Intraday 2	Nomination Deadline	2:30 PM
	Confirmations	5:00 PM
	Schedule Issued	5:30 PM
	Start of Gas Flow	6:00 PM
	IT Bump Rights	bumpable
Intraday 3	Nomination Deadline	7:00 PM
	Confirmations	9:30 PM
	Schedule Issued	10:00 PM
	Start of Gas Flow	10:00 PM
	IT Bump Rights	no bump

**7. Holidays Observed by Con Edison**

- January
  - New Year’s Day
  - Martin Luther King, Jr.’s Birthday
- February
  - President’s Day

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May	Memorial Day
June	Juneteenth
July	Independence Day
September	Labor Day
October	Columbus Day
November	Veterans' Day Thanksgiving Day Day after Thanksgiving
December	Christmas Day

**D. Balancing – Daily/Monthly, Tolerances, Penalties**

**1. Currently Effective Imbalance Charges Applicable to Interruptible or Off-Peak Firm Customers**

**(a) Daily and Monthly Balancing Options**

Customers and/or Sellers can choose between Daily and Monthly balancing on a month-to-month basis. Selections must be made three business days prior to the start of the month. The SC 9 and SC 20 tariffs leaves describe the Company's daily balancing and monthly balancing options and explain whether the Customer or the Seller is responsible for imbalance charges.

For a Seller serving a Group, the Company will apply the applicable charges to the net imbalance for the Group.

Imbalance charges for all volumes above the first balancing tier (including any unauthorized use of gas during an OFO) will be considered penalty gas, unless otherwise defined in a negotiated agreement.

**(b) Daily Balancing**

Customers will pay a Variable Balancing Charge of \$0.0015 per therm on all usage.

A Daily Cashout Credit/Charge, to be billed to the energy services company ("ESCO"), will apply to daily net surplus/deficiency imbalances that exceed 5% as follows:

**Net Surplus Imbalance Credit per therm**

(1) Greater than 5% but less than or equal to 10%	95% of cost of gas
(2) Greater than 10% but less than or equal to 15%	90% of cost of gas
(3) Greater than 15% but less than or equal to 20%	80% of cost of gas
(4) Greater than 20%	50% of cost of gas

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### **Net Deficiency Imbalance Charge per therm**

(1) Greater than 5% but less than or equal to 10%	105% of cost of gas
(2) Greater than 10% but less than or equal to 15%	110% of cost of gas
(3) Greater than 15% but less than or equal to 20%	120% of cost of gas
(4) Greater than 20%	150% of cost of gas

The cost of gas used in calculating the Daily Cashout Credit/Charge will be a weighted average price equal to the product of the percentage weightings, as defined in the GTOP below, and the Transco Z6 NY, Tetco M3 and Iroquois Z2 midpoint price as published in Platt's Gas Daily on the day in which the imbalance occurs.

### **(c) Monthly Balancing**

Customers will pay a Variable Balancing Charge of \$0.002 per therm on all usage.

### **Daily Delivery Quantity ("DDQ"):**

Each month, the Company shall determine the Customer's Non-Firm DDQ and the ESCO shall be obligated to deliver this amount each day to the Company's City Gate unless otherwise notified by the Company.

- a To the extent practical the Company will utilize a methodology for determining the Non-Firm DDQ similar to that utilized to determine the firm DDQ under Daily Balancing Service. ESCOs and/or Customers can request a modification to the DDQ by providing documentation to the Company as to why the DDQ is inappropriate. Changes will be granted at the discretion of the Company but can't be unreasonably withheld.
- b The Company, upon 48 hours' notice, may modify the DDQ intra-month for the purpose of adjusting to temperature swings, customer usage and to minimize end of month cash out exposure.
- c The ESCO shall provide to the Company notice of the natural gas scheduled for delivery at the City Gate by pipeline transporters for each day of the succeeding month. The scheduled nomination must equal Customer's Non-Firm DDQ.

### **City Gate Balancing:**

The ESCO shall nominate and schedule deliveries of gas to the Company's city gates in an aggregate amount equal to the Customer's Non-Firm DDQ within a tolerance of  $\pm 2\%$ .

- a The obligation to deliver the Non-Firm DDQ will be waived when service has been interrupted by the Company for a full day or when the Customer elects to burn an alternate fuel for a full day and notifies the Company of such.
- b In the event the total quantity of gas delivered to the city gate is less than 98% of the Customer's Non-Firm DDQ, the ESCO shall pay a per therm amount equal to the Company's Daily Cashout Charge (at 100% cost of gas and indice calculation based on Daily Cashout Credit/Charge) plus a City Gate Balancing Penalty Charge of \$25.00 per dekatherm (increased to \$50 per dekatherm if the Company has issued an OFO) multiplied by the difference between:
  - i. 98% of the Customer's Non-Firm DDQ for such day; and
  - ii. the total quantity of gas delivered by ESCO to the Company on such day.
- c The Company is not obligated to but may accept any volumes that have been nominated by the ESCO to the extent that such nomination exceeds Customer's Non-Firm DDQ +2%.

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In the event the total quantity of gas delivered to the city-gate is more than 102% of the Customer's Non-Firm DDQ, and the Company at its discretion accepts the gas, the Company shall pay the ESCO a per therm amount equal to the Daily Cash Out Price (at 100% cost of gas and indice calculation based on Daily Cashout Credit/Charge) multiplied by the difference between:

- i. the quantity of gas delivered by Customer to the Company on such day; and
  - ii. 102% of Customer's Non-Firm DDQ for such day.
- d In the event the Company interrupts service for at least one gas day to a Customer and the Company accepts the Customer's gas deliveries to the city gate during that interruption, the Company shall purchase the Customer's gas at the Daily Cash Out Price.

### **2. Imbalance Trading Service**

Marketers or Direct Customers shall be allowed to participate in either Monthly or Daily Imbalance Trading for a month. Daily Imbalance Trading will initially be available only to Marketers serving Interruptible or Off-Peak Firm Customers and Direct Customers.

#### **Monthly Imbalance Trading**

Effective April 1, 2001 Marketers serving Firm, Interruptible or Off-Peak Firm or Power Generation customers under Service Classification No. 9 or Direct Customers will be permitted to trade end-of-month imbalances with other Marketers/Direct Customers at specific pipeline Citygate Receipt Points. Any imbalances not traded will be subject to imbalance charges and cashout credits and surcharges applicable under Service Classification No. 20.

Imbalance trading will be limited to imbalances incurred during the same calendar month. Marketers/Direct Customers electing to trade firm and interruptible or off-peak firm imbalances are responsible for the full risk of their trade, since consumption data for firm customers (and therefore their imbalance position) will not be determined until the second calendar month following the month in which the imbalance occurred.

By 4:00 PM on the 12<sup>th</sup> business day of each month, the Company will post monthly imbalance information from the previous month on its TCIS Internet Site. Only the imbalance positions for Marketers serving Interruptible or Off-Peak Firm and Power Generation customers under Service Classification No. 9 or Direct Customers will be posted since consumption data for firm customers will not be determined until the second calendar month. The posting will include a list of Marketers with telephone and e-mail information, the pipeline on which the imbalance occurred, and a + or – sign to indicate the direction of each Marketer's imbalance for the prior month. The actual monthly imbalances of Marketers will not be disclosed. It will be the responsibility of the Marketer to review the imbalance information on TCIS and to contact Marketers with whom a monthly imbalance trade appears feasible. Marketers will have three business days from the time of the posting to contact the Company with their imbalance trading results. Imbalance trading results will be communicated back to the Company via the TCIS Internet Site. Imbalance trading results must be authorized by both trading partners in order to be considered valid by the Company. Trading results

not received within the three-business day period will not be processed by the Company.

If a Marketers/Direct Customer's cashout position changes as the result of an adjustment to a customer's bill that leaves the Marketer/Direct Customer short for that month, the imbalance trade for that month will only be adjusted at the agreement of both Marketers/Direct Customers involved in the trade.

### **Daily Imbalance Trading**

Daily Imbalance Trading will be limited to imbalances incurred during the same gas day. Any imbalances not traded will be subject to imbalance charges and cashout credits and surcharges applicable under Service Classification No. 20.

Imbalance information is available daily on the TCIS Internet Site by 2:00 PM for the prior gas day. Imbalance information for gas days ending on a Saturday, Sunday or on a Company-observed holiday will be updated in TCIS on the following business day. A list of participating Marketers with telephone and email information will be posted to the TCIS Internet Site. It will be the responsibility of the Marketer/Direct Customer to review the imbalance information and to contact Marketers/Direct Customers with whom a daily imbalance trade appears feasible.

Imbalance Trading results will be communicated back to the Company via the TCIS Internet Site and must be authorized by both trading partners in order to be considered valid by the Company. The TCIS trading screen will be available every day for the current month and until 4:00 PM on the 3<sup>rd</sup> business day of the following month. Trading results received after that date will not be accepted.

If a Marketer/Direct Customer's cashout position at the end of the month changes as the result of an adjustment to a customer's bill that leaves the Marketer/Direct Customer short for that month due to a daily imbalance trade, the imbalance trade for any day of the month will only be adjusted with the agreement of both Marketers/Direct Customers involved in the trade sent to the Company via e-mail at [TCIS@coned.com](mailto:TCIS@coned.com).

### 3. **Automatic Netting of Imbalances**

The Automatic Netting of Imbalances Program ("Program") will be available to Marketers serving Interruptible or Off-Peak Firm Customers under the Company's Service Classification No. 9 and Interruptible or Off-Peak Firm Direct Customers, excluding Power Generation Customers, to identify and net imbalances for the same gas day for two or more marketers using the same balancing service option (i.e., Daily Balancing Service or Monthly Balancing Service) and to determine the cash out tiers to be applied to end-of-month cash-out imbalances for such marketers. A Marketer may opt to not participate in the Program for any calendar month by notifying the Company by e-mail at least two (2) business days prior to the start of the calendar month; if the Company does not receive an opt-out notification, the Marketer will be included in the Program for that calendar month.

For Daily Balancing Service



For Marketers serving customers under Daily Balancing Service automatic netting will take place at the end of each gas day above the 5% tolerance currently allowed. Imbalances above 5% will be netted against each other to determine if as a pool the Marketers remain within the 5% allowance (“revised imbalance”). If the entire pool is within the 5% allowance no imbalance charge will be applied. If the revised imbalance is a surplus above the 5% allowance the marketer(s) contributing to that surplus will be assessed a prorated imbalance charge based on their contribution to the revised imbalance. If the revised imbalance is a deficit above the 5% allowance the marketer(s) contributing to that deficit will be assessed a prorated imbalance charge based on their contribution to the revised imbalance. After the automatic netting, imbalances will be eligible for Daily Imbalance Trading under the applicable imbalance trading provisions.

To determine the cash out tiers to be applied to end-of-month imbalances, the Company will net the Marketer’s end-of-month imbalance (the difference between the amount of gas delivered for a Marketer pool (less allowance for losses) and the amount of gas metered for each Marketer pool). Residual end-of-month imbalances will be eligible for Monthly Imbalance Trading under the applicable imbalance trading provisions.

There will be no automatic netting of imbalances under the Program on any day that an Operational Flow Order is in effect.

To determine the cash out tiers to be applied to end-of-month imbalances for Daily Balancing Service, the Company will net the Marketer’s end-of-month imbalance (the difference between the amount of gas delivered for a Marketer pool (less allowance for losses) and the amount of gas metered for each Marketer pool).

For Monthly Balancing Service

For Marketers serving customers under Month Balancing Service automatic netting will take place at the end of each gas day among Marketers/Direct Customers. If the entire pool exceeds the allowable tolerance the marketer(s) contributing to the imbalance will be assessed a prorated imbalance charge based on its contribution to the revised imbalance. After the automatic netting imbalances will be eligible for Daily Imbalance Trading under the applicable imbalance trading provisions.

For Monthly Balancing Service the monthly cashout credit/charge will apply to the aggregate daily surplus/deficiency imbalance at 100% of the cost of gas. There is no tiering. Residual end-of-month imbalances will be eligible for Monthly Imbalance Trading under the applicable imbalance trading provisions.

There will be no automatic netting of imbalances under the Program on any day that an Operational Flow Order is in effect.

4. **Cashout Charge/Credit**

**Monthly or Daily Balancing Service**

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- (a) The SC 9 and SC 20 tariff leaves describe how a Cashout Charge or Credit is calculated and applied and explains whether the Customer or the Seller is the responsible person.
- (b) For a Seller serving a Group, the Company will apply the applicable Cashout Charge/Credit to the net imbalance for the Group.
- (c) Cashout charges for all volumes above the first balancing tier (including any unauthorized use of gas during an (OFO) will be considered penalty gas, unless otherwise defined in a negotiated agreement.
- (d) The weighting percentages for the volumes associated with each of the pipeline indices will be based on the previous year's historic weighted average of the total volumes delivered to the Company on each pipeline. These fixed percentages will be recalculated on an annual basis.

Percentage Weightings effective January 1, 2023:

Transco	62%
TETCO M3	32%
Iroquois Z2	6%

**Daily Balancing Service**

A Monthly Cashout Credit/Charge, to be billed to the ESCO, will apply to the aggregate daily surplus/deficiency imbalances that fall within 5% as follows:

**Net Surplus Imbalance Credit per therm**

(1) Less than or equal to 5%	100% of cost of gas
(2) Greater than 5% but less than or equal to 10%	95% of cost of gas
(3) Greater than 10% but less than or equal to 15%	90% of cost of gas
(4) Greater than 15% but less than or equal to 20%	80% of cost of gas
(5) Greater than 20%	50% of cost of gas

**Net Deficiency Imbalance Charge per therm**

(1) Less than or equal to 5%	100% of cost of gas
(2) Greater than 5% but less than or equal to 10%	105% of cost of gas
(3) Greater than 10% but less than or equal to 15%	110% of cost of gas
(4) Greater than 15% but less than or equal to 20%	120% of cost of gas
(5) Greater than 20%	150% of cost of gas

The cost of gas used in calculating the Monthly Cashout Credit will be a weighted average price equal to the product of the percentage weightings, as defined in the GTOP above, and the lower of (i) the monthly average daily Transco Z6 NY, Tetco M3 or Iroquois Z2 prices (days of interruption excluded) or (ii) the Transco Z6 NY, Tetco M3 and Iroquois Z2 First of the Month Low Range Price as published in Platt's Gas Daily.

The cost of gas used in calculating the Monthly Cashout Charge will be a weighted average price equal to the product of the percentage weightings, as defined in the GTOP above, and the higher of (i) the monthly average daily Transco Z6 NY, Tetco M3 or Iroquois Z2 prices or (ii) the Transco Z6 NY, Tetco M3 and Iroquois Z2 First of the Month High Range Price as published in Platt's Gas Daily.

**Monthly Balancing Service**

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A Monthly Cashout Credit/Charge will apply to the aggregate daily surplus/deficiency imbalance at 100% of the cost of gas.

The cost of gas used in calculating the Monthly Cashout Credit will be a weighted average price equal to the product of the percentage weightings, as defined in the GTOP above, and the lower of (i) the monthly average daily Transco Z6 NY, Tetco M3 or Iroquois Z2 prices (days of interruption excluded); or (ii) the Transco Z6 NY, Tetco M3 and Iroquois Z2 First of the Month Low Range Price as published in Platt's Gas Daily.

The cost of gas used in calculating the Monthly Cashout Charge will be a weighted average price equal to the product of the percentage weightings, as defined in the GTOP above, and the higher of (i) the monthly average daily Transco Z6 NY, Tetco M3 or Iroquois Z2 prices (days of interruption excluded); or (ii) the Transco Z6 NY, Tetco M3 and Iroquois Z2 First of the Month High Range Price as published in Platt's Gas Daily.

### **5. Aggregating Imbalances**

#### **(a) Customers Purchasing Gas from Sellers**

A Seller may form an Imbalance Aggregation Group for purposes of minimizing imbalance and cashout charges by completing an SC 20 application form. Changes to an existing Imbalance Aggregation Group must be submitted to Retail Services no later than three (3) business days prior to the start of the delivery month. The Seller shall be responsible for reimbursing the Company for any applicable SC9 rates and charges not paid by the SC 9 Customer(s) the Seller is representing.

#### **(b) Customers Purchasing Gas from Con Edison**

1. A customer who requests to become part of an aggregation group must check off the appropriate box on its monthly SC 12 Off-Peak Firm price quotation form which will be faxed by the Company three days before the next calendar month. The customer's selection of Group balancing will be effective on the next calendar month.
2. The service charge applicable to any month will be included on the monthly Statement of Balancing Service Charges.
3. **Terms and Condition of Service**
  - (i) The Service Charge will be applied to all gas consumed during the month. The Company will assume the responsibility for all daily surplus and deficiency imbalance charges.
  - (ii) Customers opting for this service will not be subject to the end-of-month cashout charges or credits.
  - (iii) Customers will be required to provide an estimate of their monthly usage on the monthly price quotation form but will not be required to make daily nominations.

**E. Dual-Fuel Sales Services**

**1. Rate Information**

**(a) Interruptible Sales and Transportation Rates**

The monthly rate(s) for Interruptible Sales and Transportation Service (SC12 Rate 1 and SC 9 Rate 1) effective on the first day of the following calendar month will be available on or before the 2<sup>nd</sup> business day prior to the start of the new month. A Customer may obtain this rate information through the Company's Internet ([www.coned.com](http://www.coned.com) – scroll down to bottom of page and choose rates and tariffs). In the event that customer does not have Internet access, rate information may be obtained by contacting an Energy Services representative at one of the Company's offices listed in Section B. If the Company revises its effective Interruptible or Off-Peak Firm sales and/or transportation rates during the month, affected Customers will be notified by fax no later than 24 hours prior to the effective date of the rate change. The Internet will be updated accordingly.

Posted interruptible rate categories shall be changed no more frequently than once every calendar quarter, with 30 days prior notice to all affected SC12 Rate 1 customers. The Company will establish, at its sole discretion, a single rate or multiple rate levels applicable to each rate category, effective on the first calendar day of each month.

**(b) Off-Peak Firm Sales Rate**

The Company will advise all Off-Peak Firm Sales Service Customers (SC12 Rate 2) of the monthly Off-Peak firm sales rate by fax, or by telephone.

A Customer may also obtain this rate information through the Company's Internet site or by contacting an Energy Services representative at one of the Energy Services offices listed in Section B.

The monthly rate(s) for Off-Peak Firm Sales Service (SC12 Rate2) will be effective on the first day of the following calendar month. On the fourth business day prior to the first day of the following month, the Customer shall be notified by the Company of the new Citygate sales rate. The Company, at its discretion, may post subsequent prices that differ from the initial price, the last of which will be posted no later than 4:00 PM of the third business day prior to the first day of the following month. By 12:00 PM on the second business day prior to the first day of the following month, the Customer must elect sales service or transportation service and daily balancing or monthly balancing for the entire calendar month. Customers may lock into any price offered by the Company until 12:00 PM of that second business day. Once a Customer locks into a price, that price will be unaffected by any price posted thereafter.

**(c) Negotiated Off-Peak Firm Transportation Rates**

As provided in SC No. 9 Rate C and SC No. 12 Rate 2 of the Company's Gas Tariff, the Company will consider an Off-Peak Firm Customer's request to negotiate a delivery rate (other than the Base Rates set forth for such Customer in the Tariff) provided that the Customer's estimated annual gas usage on record

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with the Company is equal to or greater than 3,000,000 therms, as determined in accordance with Section IV.E.4 of this Operating Procedure.

Any negotiated delivery rate agreed to by the Company and the Customer will be fixed for a term of no less than three consecutive months, provided however, that the Customer will continue to be subject to the Minimum Charge equal to the product of fifty percent of the Customer's estimated annual gas usage multiplied by the non-negotiated Base Rate applicable to the one, two or three-year term of service that the Customer has elected under SC No. 9 Rate C or SC No. 12 Rate II of the Gas Tariff. Such Minimum Charge will be collected at least ratably over the Customer's annual billing period.

An Off-Peak Firm Customer's request to negotiate a delivery rate, including the required documentation set forth in (i) and (ii) below, must be submitted in writing by fax, e-mail or overnight mail no later than the tenth (10<sup>th</sup>) calendar day of the month immediately preceding the month in which the Customer is requesting that such negotiated rate take effect. Within one week of receipt of the required documentation from the Customer (as set forth below), the Company will either advise the Customer (or its designated representative) that the request to negotiate a rate is rejected or, if it is willing to consider such request, commence negotiations with the Customer. The Customer may update the information in (ii) below after the 10<sup>th</sup> calendar day of the month specified above for consideration by the Company in seeking to reach an agreement with the Customer. If an agreement is reached, the negotiated delivery rate and any related terms and conditions must be set forth in writing and signed by both parties no later than the fourth (4<sup>th</sup>) business day before the end of the month immediately preceding the month in which such rate is to take effect.

For a new applicant for Off-Peak Firm Service, acceptance of the contract for a negotiated delivery rate will also be subject to receipt of an acceptable and complete application for service from the Customer and completion of any necessary Company and/or required installations.

Documentation to be submitted by a Customer requesting a negotiated delivery rate must include the following:

- (i) Copies of the Customer's past twelve (12) months of oil bills confirming the Customer's actual alternate fuel oil costs, including all applicable taxes, or such other documentation that is acceptable to the Company showing the gallons of oil delivered and the price paid per gallon for such deliveries, including applicable taxes; and
- (ii) Copies of firm or binding oil company proposals or quotes for future oil prices per gallon and related quantities that will cover the term that the proposed negotiated rate will be in effect.

In determining the equivalent oil-gas price per dekatherms, the Customer's oil cost per gallon (\$ per gallon) will be multiplied by the following conversion factors:

**No. 2 Oil: 7.1942; No. 4 Oil: 7.0423 and No. 6 Oil: 6.8966**

The Company will decline a request to negotiate a delivery rate if the Customer does not submit the required documentation or submits incomplete or unacceptable documentation.

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Where the Company does engage in negotiations with the Customers, nothing in these procedures establishes any obligation on the Company to reach agreement with the Customer for a negotiated delivery rate.

Written requests by an existing Off-Peak Firm Customer (or its designated representative) for a negotiated delivery rate, including the required documentation and the Customer's account number, should be addressed to:

Section Manager, Retail Services  
Con Edison  
4 Irving Place, 14<sup>th</sup> FL  
New York, NY 10003

and

Senior Analyst, Retail Services  
Con Edison  
4 Irving Place, 14<sup>th</sup> FL  
New York, NY 10003

Written requests for a negotiated delivery rate by a new applicant for Off-Peak Firm Service, including the required documentation, should be addressed to:

Section Manager  
Gas Sales  
Energy Efficiency Programs  
Con Edison  
4 Irving Place, 10<sup>th</sup> Floor  
New York, NY 10003

and

Director  
Energy Efficiency Programs  
4 Irving Place, 10<sup>th</sup> Floor  
New York, NY 10003

Requests for a negotiated delivery rate, including the required documentation, should be sent via fax, e-mail or overnight mail to the appropriate Company representatives. Required documentation in support of such requests that is available only in hard copy should be sent via fax or overnight mail.

**2. Interruption Options – Sales Customers**

- (a) Effective November 1, 2020 an Interruptible Sales Customer must use notification as its method of service interruption
- (b) An Off-Peak Firm Customer or an Interruptible Customer must provide telephone, text message numbers and email addresses, which the Company will use to notify the Customer of any gas interruption. All

contact information should be for a 24-hour, 7-days a week (even holidays) period. The telephone number must not require an extension or be connected to an answering machine.

**3. Interruption Options – Transportation Customers**

Effective November 1, 2020 an Interruptible Customer who takes Transportation Service under SC9 must use notification as its method of service interruption.

An Interruptible Customer taking Transportation Service under SC 9 is required to:

1. Provide telephone numbers, text message numbers and/or email addresses that should be for a 24-hour, 7 days a week (even holidays) which the Company will use to notify the Customer of any gas interruption. The telephone must not require an extension or be connected to an answering machine.
2. Promptly notify the Company via email to [EM-InterruptibleContacts@coned.com](mailto:EM-InterruptibleContacts@coned.com) of any change in contact information, as applicable. Any change in contact information will not relieve the Customer of the responsibility to interrupt its gas usage during a Company curtailment.

**2. Pre-Season Customer Notification**

Prior to November 1 of each year, the Company will notify all Interruptible and Off-Peak Firm Customers in a letter that will be sent via email using the email address(es) the Company has on record, of the operating requirements for the coming heating season. The notice will include the current rates and charges for any unauthorized gas use and the Company's plan to conduct a planned interruption in early November and another planned interruption in late January (if customers are interrupted within five (5) days of the January planned interruption, this second January planned interruption will not be initiated). The notice will also include Company telephone numbers and contact personnel to call in the event that an equipment failure prevents the Customer from switching to its alternate fuel during a service interruption or curtailment. Also included in the Pre-Season Customer Notification letter is a form of Affidavit for Service Classification Nos. 9 & 12 that contains commitments from Customer concerning Customer's election of either the alternate fuel supply/alternate energy source option or the Shut-Down option. All Interruptible and Off-Peak Firm Sales and Transportation Customers must complete, sign and return the Affidavit (the form of which is contained in Appendix C) to the Company, as well as completing and returning a form to update any changes to their contact information.

**3. Determination of an Interruptible or Off-Peak Firm Customer's Annual Usage**

- (a) A Customer's annual gas requirements will be determined as follows:

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1. For a Customer using oil, the customer's historical operating usage will be converted to therms based on the type of fuel oil used.
2. For a Customer using service at a premise not previously supplied by gas or oil, the usage will be estimated based on the information used to size and meter the Customer's equipment.
3. For a Customer adding new load, the annual usage will be increased by the estimate of the input ratings of the equipment to be installed.
4. For an existing customer who alternates between the use of oil and gas throughout the year, the annual usage will be based on a review of the Customer's oil use converted to therms in addition to the amount of gas consumed during the year.

For all Customers, the Company will consider input from the Customer regarding changes in the Customer's annual gas usage.

**4. Reserve Requirements for Interruptible, Off-Peak Firm and Power Generation Customers**

Interruptible and Off-Peak Firm Sales and Transportation Customers are required to submit an Affidavit which is included in the Pre-Season Letter sent to customers prior to the heating season each year. Included in the Affidavit is a section for a Customer to provide its oil dealer's contact information. **Any Customer that does not return a completed Affidavit by the required date will be charged a penalty for each day beginning November 1 until the affidavit is returned or the end of the winter period (March 31) as follows:**

SC12 Rate 1 Customers (under 1,000,000 therms)	-	\$100 per day
SC 12 Rate 2 Customers (1,000,000 therms or greater)	-	\$1,000 per day

**The Company will send a delinquency notice to any customer that does not return the completed affidavit warning that the Daily Penalty Charge will be assessed beginning on November 1.**

Interruptible, Off-Peak Firm and Power Generation Customers must conform to the following additional requirement.

- (a) By October 1 of each year, all Interruptible, Off-Peak Firm and Power Generation Customers are required to demonstrate to the Company that, by November 1 of that year, they have adequate reserves of their alternate fuel or energy source based on each Customer's peak winter period requirements. A Customer may meet the reserve requirement through a combination of on-site storage capacity and by providing satisfactory proof to the Company that a relationship exists with the alternate fuel or energy provider to supply the Customer with the additional amount required to meet the Customer's reserve requirement.



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- Interruptible or Off-Peak Firm Notification Customers whose alternate fuel is diesel, propane, No. 2 oil, No. 4 oil, and/or No. 6 oil (hereinafter referred to “alternate fuel”) must have a ten-day reserve.
- A Power Generation Customer, Contract Interruptible or Off-Peak Firm Industrial Customer, as defined in the Definition section of SC No. 9 of the Tariff, whose alternate fuel is diesel, propane, No. 2 oil, No. 4 oil, and/or No. 6 oil must have a five-day reserve. Other Interruptible or Off-Peak Firm Customers must maintain reserve levels acceptable to the Company.
- To the extent (as outlined above) a Customer relies on alternate energy sources other than alternate fuel (“alternate energy source”), there must be in place one or more executed contracts with one or more supplier(s) for such alternate energy source during the Winter Season in quantities which meet the Customer’s alternate energy obligation based on peak winter requirements. The alternate energy requirement for Interruptible or Off-Peak Firm Notification Customers is ten days of reserves.
- Power Generation Customers must maintain operable Emergency Low Gas Inlet Pressure Trip Switch, Gas Telemetry Equipment, and any other equipment the Company deems necessary to provide service.

A new Interruptible or Off-Peak Firm Customer with alternate fuel capability, commencing service on and after November 1, 2001, must have as part of its applicable reserve requirement three days or more of on-site inventory of its alternate fuel, based upon the Customers’ peak Winter Period requirements. The Customer’s peak Winter Period requirements will be determined on the basis of the Customer’s peak day energy requirements during the prior Winter Period. (See Section IV - E.3 – Determination of an Interruptible or Off-Peak Firm Customer’s Annual Usage on Page 56).

In accordance with the New York Public Service Commission’s May 23, 2012 *Order Directing Certain Utilities to Submit Tariff Amendments* in Case 11-G-0543, a Customer may choose the Shut-Down Option in lieu of the obligation to maintain a full alternate fuel supply/alternate energy source during the Winter Season if the Customer meets the following criteria:

- a) Customer is a process load customer (as defined in the Gas Tariff under SC 9 and SC 12; and in Appendix A of this GTO) whose business operations Customer can timely shut down in response to a called interruption.
- b) Customer is not a school or human needs customer (as defined in the Gas Tariff under SC 9 and SC 12; and in Appendix A of this GTO) or an electric generator.
- c) Customer will shut down its business operations for the duration of any and all called interruptions.
- d) Customer will continue to comply with all other interruptible provisions as described in the Gas Tariff and this GTO.
- e) By October 1 of each year, Customer must submit an Affidavit (the form of which is contained in Appendix C) to the Company signed by its officer, principal, or partner, attesting to the Customer’s commitment to shut-down its business operations during periods of called interruptions.

If a Customer selecting the Shut-Down option fails to interrupt its use of gas and shut down its business operations during a period of interruption, the Company may, at its

sole discretion, physically shut down the Customer's gas service. In addition to any other applicable charges, penalties and other consequences as set forth in either SC 9 or SC 12 associated with such failure to interrupt and shut-down its operations, the Customer must reimburse the Company for any costs incurred to perform the physical shut down.

**5. Charges for Failure to Conform to Reserve Requirements**

A Customer (who does not elect the Shut-Down Option) that fails to conform to the above stated reserve requirements or that fails to keep its dual-fuel facilities operational will be subject to the following penalties in addition to the Unauthorized Use Charge described in Section F.3:

- (a) An Interruptible or Off-Peak Firm Customer with inadequate alternate fuel or energy reserves as of November 1 of each year and an Interruptible or Off-Peak Firm Customer, including Contract Interruptible or Off-Peak Firm Industrial Customers, with inadequate alternate fuel or energy reserves who fail to interrupt gas service at any time during either the first five (5), seven (7) or ten (10) days of interruption (depending on their respective classification) will be billed as follows:

Either: (a) 130% of the applicable interruptible or off-peak firm sales customer rate for Interruptible Sales Customers; or (b) 130% of the applicable interruptible or off-peak firm transportation rate for Interruptible Transportation Customers.

The charge shall be applied to all gas consumed during the billing period in which there is non-compliance with the interruption and for any subsequent billing periods during which the non-compliance continues.

- (b) Power Generation Customers with inadequate alternate fuel or energy reserves who fail to interrupt gas service at any time during the first five (5) days of interruption in any winter season, will be billed for the difference between (i) 130% of the higher of a published distillate fuel index price or the Power Generation Gas Price and (ii) the Power Generation Gas Price. The Power Generation price is defined as the sum of the Power Generation Rate, excluding the Value-Added Charge ("VAC") and the cost of gas used in generating electricity as recognized in determining the VAC. The charge shall be applied to all gas consumed during the billing period in which there is non-compliance with the interruption and for any subsequent billing periods during which the noncompliance continues. Any Power Generation Customer with inadequate alternate fuel or energy reserves as of November 1 of each year will similarly be subject to the above-described charge.

***The published distillate fuel index price shall be based on the average New York Harbor "Spot Product Prices" for the applicable fuel oil, as published in The Journal of Commerce on each day of the month commencing November 1 and continuing until such time that the Customer is in compliance.***

- (c) Customers with inoperable dual-fuel facilities, including associated Customer-installed phone lines, will be entitled to a forty-eight (48) hour grace period to correct the condition, after which time they will be billed either (a) 130% of the

applicable interruptible or off-peak firm sales customer rate for Interruptible Sales Customers; or (b) 130% of the applicable interruptible or off-peak firm transportation rate for Interruptible Transportation Customers. The charge will be applied to all gas consumed during the billing period in which there is non-compliance with the interruption and for any subsequent billing periods during which the condition is not corrected. In addition, if the Customer is unable to operate its dual-fuel equipment during periods of interruption, it would also be subject to an Unauthorized Use Charge equal to the lower of (i) Two times the sum of the “market gas price” plus the applicable Interruptible or Off-Peak Firm transportation rate; or (ii) Nine times the applicable Interruptible or Off-Peak Firm sales rate; (For a definition of “market gas price” see Section IV.F.3 – Unauthorized Use of Gas). This exemption does not apply to Customers who elect the Shut-Down Option.

**F. Interruption of Firm, Off-Peak Firm, Power Generation and Interruptible Sales and Transportation Services**

All Off-Peak Firm Customers and Interruptible Sales and Transportation Customers must use notification as their method of interruption.

1. Contact Information

- (a) An Off-Peak Firm or Interruptible Customer must provide the Company with telephone numbers, emails or text message numbers which the Company will use to notify the Customer of any gas interruption. All Customer-supplied contact information should be for a 24-hour, 7 days a week (even holidays) period. The telephone number must not require an extension.
- (c) Should any of Customer’s contact information change, the Off-Peak Firm or Interruptible Customer must promptly notify the Company of the new contact information, as applicable, by email at [EM-InterruptibleContacts@coned.com](mailto:EM-InterruptibleContacts@coned.com) . Any change in telephone, and email and/or text message information will not relieve the Customer of its obligation to interrupt its gas usage during a Company-called interruption.

1. **Notification of Service Interruptions**

- (a) The Company will communicate via email with Interruptible and Off-Peak Firm Sales and Transportation Customers when the weather forecasts project outside temperatures to be an average of 20 degrees or below for the upcoming three (3) consecutive days or during times when three (3) consecutive days of interruption occur.
- (b) The Company will communicate with Interruptible and Off-Peak Firm Sales and Transportation Customers via email during an interruption and at the end of every interruption to remind Customers to replenish alternate fuel inventories as needed to maintain minimum levels.
- (c) The Company will send an annual notification prior to the heating season via email to all Heating Oil providers using the contact information provided in the affidavits submitted by Customers.

- (d) The Company will provide eight (8) hours advance notice of a service interruption to Interruptible and Off-Peak Firm Sales and Transportation Customers, including Customers electing the Shut-Down Option utilizing the following forms/modes of notification as supplied by the Customer to the Company.

1. **Mass Notification by Telephone**

The Company will provide telephone notification of a service interruption to the Customer to be sent to up to three different telephone numbers to be provided by Customer to the Company

2. **Email**

An email notice containing interruption information will be sent to each Customer selecting this notification mode. The Company will accept three (3) individual email addresses per notice. If a Customer wants email notices to be sent to more than three (3) addresses, the Customer should provide a single "point of contact", which may be in the form of an internal distribution list for your business entity (for example, [yourcompanyname@yourcompanyemail.com](mailto:yourcompanyname@yourcompanyemail.com)) that the Customer can use to update its employees' names.

3. **Text Message**

A text message containing interruption information will be sent to each Customer selecting this mode using up to three text message numbers.

- (b) When an interruption is concluded, the Company will use the same contact methods (described above) to notify Customers that they may resume using natural gas as were used to notify the Customer that the interruption was going to occur.
- (c) During the Winter Period, the Company will maintain a telephone hotline (Gas Interruption Hotline) where a Customer can obtain information or leave a message regarding a pending or existing interruption. This recorded message can be accessed by calling **(212) 460-3459**.
- (d) The Company will also provide notice of all service interruptions to the Director of the Office of Gas and Water at the New York State Department of Public Service, third party natural gas suppliers, NYSERDA, and the New York Oil Associations. This notification will be done via e-mail to these entities.
- (e) In addition, the Company will communicate via email when the weather forecasts project outside temperature to be an average of 20 degrees or below for the upcoming three (3) consecutive days or during times when three (3) consecutive days of interruption occur.

2. **Two Violation Rule**

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The following is applicable to Interruptible or Off-Peak Firm Customers that use the notification as their method of interruption and Shut-Down Option Customers.

If an Interruptible or Off-Peak Firm Customer fails to fully interrupt its use of gas (except for any permitted use of gas for ignition purposes) or if an Interruptible or Off-Peak firm Customer who chooses the Shut-Down Option fails to shut down its business operations the customer will incur a strike.

If a second failure to interrupt occurs within 48 hours of the initial violation the second failure will not be considered a second violation.

If a customer's failure to interrupt is due to failure of Company-Owned equipment that is not attributable to the customer's failure to interrupt it will not be considered a violation.

A customer switching from firm service to interruptible service must complete and submit "Customer Application for SC 9 and SC 12 Interruptible or Off-Peak Firm Transportation and Sales Service" contained in Appendix C of this procedure to the Company not less than 90 days prior to the proposed commencement date, except that the Customer may not request a commencement date that falls within the period from November 1 through March 31.

For each Winter Period, if an Interruptible or Off-Peak Firm Customer fails to fully interrupt its use of gas (except for any permitted use of gas for ignition purposes), or if an Interruptible or Off-Peak Firm Customer who chooses the Shut-Down Option fails to shut down its business operations for two (2) interruption periods (including any planned interruption) ("two-violation rule"), the following rules will apply:

- A customer who incurs two strikes in a winter period will be notified that it must apply for firm service through the Company's website at [www.coned.com](http://www.coned.com). Applications will be reviewed in the same manner as all other similar applications for firm service.
- While the application remains pending a customer will be permitted to remain on interruptible service, provided they comply with the following:
  - Customer must submit a Remediation Plan to address and remedy any and all conditions that caused the customer to incur two violations. The Company will review and approve the plan within 30 days of submittal. Customer must continue to pay non-compliance charges until remediation is complete or the end of the current winter period.
  - A Customer must provide proof that it has had an efficiency audit conducted. An Interruptible Customer that demonstrates compliance with the efficiency audit requirement of Local Law 87 will be deemed to have met the efficiency audit requirement.
  - Customer, at its own expense, will be required to install a tank monitoring device that alerts the customer's fuel oil supplier of tank levels or install an automatic shut-off valve.
  - Customer must agree to be subject to unannounced, on-site inspections of customer's alternate fuel facilities to verify their ability to interrupt when required.
- If a customer does not follow these requirements and firm service is unavailable, the customer will be terminated.
- A customer will be charged an unauthorized use charge for any gas consumed during an interruption period.

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- A Customer will be charged a non-compliance charge after unauthorized use charge until customer is in compliance, gets accepted as a firm service customer, or until the end of the winter period.
- A customer will not be charged an Unauthorized Use Charge and a Non-Compliance charge at the same time. Should a customer be paying the Non-Compliance Charge and an interruption is called, then for the duration of the interruption, the customer would pay the Unauthorized Use Charge, assuming it does continue to use gas. Once the interruption ceases, the customer would again pay the Non-Compliance Charge.
- The Company can continue to charge the non-compliance charge beginning November 1 of the next winter period until all conditions are met or until the end of the following winter.

### **Critical Care Customers**

Critical Care customers who incur two violations in one winter will be subject to the same requirements listed above, except that they will not be required to apply for firm service. A critical care customer is any Interruptible or Off-Peak Firm customer premise that provides life-saving or life-sustaining service, including the delivery of newborns (i.e., hospital providing critical care, nursing homes, assisted living facilities, rehabilitation centers, correctional facilities, homeless shelters, public schools providing emergency shelter or refuge during a declared emergency, or other designated areas of refuge identified on an annual basis by local or state governmental agency), where public safety could be affected by a need to relocate the occupants. All other customers are considered non-critical care customers.

If a critical care customer incurs two violations within two consecutive winter periods customer will be required to submit a Remediation Plan and will be subject to on-site inspection in order to remain on interruptible service.

A Customer's failure to interrupt its use of gas due to inoperable dual-fuel facilities counts as a violation towards the two-violation rule with one exception (described below) for each Winter Period.

### **Criteria for One Equipment Failure Exception to Rule (Does Not Apply to Shutdown Option)**

On one occasion during each Winter Period a Customer's failure to interrupt the use of gas due to documented inoperable dual-fuel facilities will not be counted as a violation provided that the Customer:

- (a) notifies the Company (leave message on Gas Interruption Hotline at 212460-3459) within one (1) hour of the failure of its equipment;
- (b) repairs and makes operable its dual-fuel equipment within forty-eight (48) hours of the equipment's failure; and
- (c) provides the Company with an affidavit or other sufficient documentation (e.g., repair bill from plumber service company) that it has repaired and made operable its dual-fuel equipment and immediately complies with the earlier of the ongoing interruption or a separate planned interruption.

All three conditions listed above must be satisfied by Customer for this exception to the two-violation rule to apply.

The Company will extend the one-time 48-hour repair deadline for a period not to exceed seven (7) days provided the Customer demonstrates to the Company's satisfaction that such extension was necessary due to the unavailability of a part and its installation during such 48-hour repair period.

During the 48-hour repair period or if applicable, the extended 7-day repair period, the Customer will be subject to other applicable unauthorized use charges, an alternate fuel or energy non-compliance charge, minimum charges and imbalance charges as set forth in this Gas Sales and Transportation Operating Procedures or Service Classification No. 09 of the Gas Tariff (excluding the non-compliance charge set forth above for inoperable dual-fuel facilities provided the Customer makes operable its dual fuel facilities within the applicable repair period).

**3. Unauthorized Use of Gas**

- (a) Except as noted below, an Interruptible or Off-Peak Firm Sales or Transportation Customer subject to notification who fails to switch to its alternate energy supply/alternate energy source during a period of interruption, or an Interruptible or Off-Peak Firm Sales or Transportation Customer who chooses the Shut-Down Option and fails to completely shut down its business operations, will be subject to an Unauthorized Use Charge of equal to the lower of (i) Two times the sum of the "market gas price" plus the applicable Interruptible or Off-Peak Firm transportation rate; or (ii) Nine times the applicable Interruptible or Off-Peak Firm sales rate.

The "market gas price" shall be equal to the product of the percentage weightings (see page 56) and the daily midpoint price of Transco Zone 6 (NY City gate), Texas Eastern Transmission (Tetco M3), and Iroquois Gas Transmission System (Z2) as set forth in the publication entitled Platt's "Gas Daily" on the day of interruption. If the interruption is longer than 24 hours the average of the daily midpoint prices on the days of interruption will be utilized.

For Interruptible or Off-Peak Firm Customers (applies to both Sales and Transportation Customers) or a Customer electing the Shut-Down Option the Unauthorized Use Charge shall apply to all gas consumed in excess of 2 therms per hour during the hours of a service interruption.

- (b) A Power Generation Customer, who fails to switch to its alternate energy supply during a period of interruption, shall be subject to Unauthorized Use Charge equal to the higher of (i) 120% of the applicable wholesale electric market price; (ii) \$5.00 per therm; or (iii) \$2.50 per therm plus a market gas price.

The market gas price shall be equal to the product of the percentage weightings (see page 56) and the absolute high price of Transco Zone 6 (NY), Texas Eastern Transmission (Tetco M3), and Iroquois Gas Transmission System (Z2) gas as set forth in the publication entitled "Gas Daily" on the day of interruption.

The wholesale electric market price shall be the Real Time Locational Based Marginal Price ("LBMP") at the Customers' generator bus.

For a Power Generation Customer, the Unauthorized Use Charge shall apply to all gas consumed during a period when transportation is interrupted and any gas consumed in excess of the Customer's Daily Transportation Quantity, exclusive of the allowance for losses, on a day when the Company declares an OFO.

- (c) A Contract Interruptible or Off-Peak Firm Industrial Customer, who fails to switch to its alternate energy supply during a period of interruption, shall be subject to an Unauthorized Use Charge equal to two times the Unauthorized Use Charge applicable to Interruptible or Off-Peak Firm Customers set for in (a) above.
- (d) Charges for Unauthorized Use shall be increased by the applicable percentage Increase in Rates and Charges, in accordance with General Information Section VIII of the Gas Tariff.

4. **Gas Curtailment**

A curtailment is the reduction of gas deliveries caused by a shortage of supply or pipeline capacity. A curtailment situation is a more significant event than a System Alert ("SA") or an Operational Flow Order ("OFO"). In a curtailment situation, the Company physically curtails gas flow to similar types of end use customers. A curtailment may be required to protect the needs of firm customers and/or to protect the operational reliability of the gas system.

**Curtailment Guidelines**

The following guidelines will inform the Company in its application of the curtailment requirements:

- The Company shall implement a curtailment only as a last resort. Mutual aid, contractual and other non-curtailment supply management tools, Operational Flow Orders, interruption of contractually interruptible load, and supply acquisition shall be utilized before a curtailment is declared.
- Curtailments shall be limited in scope and duration as necessary to alleviate an emergency.
- Economic considerations shall not be the basis for a curtailment.
- When a curtailment is declared and when the situation returns to normal, the Company shall notify the Director of the Office of Electric, Gas and Water of the New York State Department of Public Service.
- The Company shall provide periodic updates to Marketers and curtailed customers so that they can plan accordingly.
- If, during a curtailment period, the Company is aware of Marketers or Direct Customers that are not responding to the required actions, it shall make all reasonable efforts to inform the non-responding Marketers and Direct Customers that required actions are not being taken. Lack of such notice shall not relieve any Marketer or Direct Customer of its obligations.



Priority of Service

1. Curtailments and notices of curtailment of sales and transportation services resulting from a gas supply deficiency will be made in the following order:
  - (a) Interruptible and off-peak firm service requirements under Service Classification Nos. 12 and 9.
  - (b) Firm requirements to customers whose facilities are capable of using an alternate fuel or energy source to supply the energy requirements of the premises otherwise supplied by gas (“dual fuel sales and transportation customers”).
  - (c) Industrial and commercial space heating boiler fuel requirements, air conditioning, electric generation, and other non-process purposes. Also included are the Company’s boiler ignition gas requirements.
  - (d) Industrial and commercial requirement for space heating (other than boiler fuel use.
  - (e) Process and feedstock requirements.
  - (f) Plant protection requirements for customers curtailed in Categories 1 through 5 above.
  - (g) Industrial and commercial sales and transportation service requirements in firm service classifications.
  - (h) Residential sales and transportation service requirements in firm service classifications, including human needs requirements.

Within all categories, curtailment of residential customers in each category would begin only after full curtailment of all commercial and industrial customers in that category. Except for category (a), curtailment of all other categories will be on a pro rata basis to the extent operationally feasible except for residential sales and transportation.

2. The following provisions shall govern curtailments and notices of curtailment of sales and transportation services resulting from a deficiency of capacity in gas transmission lines that are owned by the Company or that the Company has a contractual right to use (other than interstate pipeline transmission lines).

In the event of a transportation-capacity deficiency, curtailments and notices of Curtailments of service will normally be made according to the following priorities to the extent permitted by operating feasibility.

- (a) Interruptible Sales and Transportation services including: notification interruptible Customers; interruptible intra-Company transfers; non-tariff interruptible sales and transportation with plant protection requirements assigned the highest priority.
  - (b) All Firm Sales and Firm Transportation services to Customers with dual-fuel or alternate energy source facilities and Off-Peak Firm Sales and Transportation services including Temperature-Controlled Interruptible Customers above the specified temperature cut-offs, Firm and Off-Peak Firm intra-Company transfers; and non-tariff firm and off-peak firm sales and transportation services.
3. When necessary to meet high-priority customer demand, the Company may divert gas supply received for delivery to non-firm Customers to avoid such impairment of deliveries and/or sales to Firm Customers. Marketers/Direct Customers will be notified by email, fax or phone as timely as conditions allow that their gas deliveries shall be diverted by the Company for Firm Customers. Marketers/Direct Customers will be required to continue making nominations of gas through the curtailment period up to their maximum daily transportation quantity (“MDTQ”) as directed by the

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Company unless an upstream force majeure interruption or curtailment prevents it from securing and delivering its MDTQ to the Con Edison city gate.

4. A Marketer/Direct Customer will be compensated for the diverted gas at the current market price in effect at the time of the curtailment. If the Marketer/Direct Customer can demonstrate with adequate support that its contract calls for a higher price, the Company will reimburse the Marketer/Direct Customer at the contract price.
5. The market price of gas shall be:

***Equal to the product of the percentage weightings (see page 56) and the midpoint gas price for Transco Zone 6-NY, Texas Eastern Transmission (Tetco M3), and Iroquois Gas Transmission System (Z2) for the applicable diverted gas flow day as published by Platts in the Gas Daily Price Guide.***

### **G. Emergency Electric Generators**

For Customers with a maximum of four dwelling units located in an area subject to a moratorium and has gas service for an emergency electric generator for use only during an interruption of electricity service, the Company will use enhanced communication protocols, both during the initial application process and during subsequently called interruptions, to notify vulnerable customers (e.g., Elderly, Blind or Disabled customers and customer relying on life-sustaining equipment) when calling an interruption.

### **H. Summary of Applicable Fees, Charges and Penalties**

#### **1. Billing Questions and Disputes**

- (a) All Marketer questions concerning invoices should be directed to Retail Services **(212) 466-8242**. This department will direct the inquiry to the appropriate area of responsibility and procure the necessary answers and/or explanations.
- (b) Claims that invoices are not correct must be made in writing and postmarked no later than three months after the disputed invoice was mailed or provided electronically.
- (c) Responses to billing inquiries will be acknowledged in writing or by electronic transmission promptly, but no later than five working days from Con Edison's receipt of the inquiry. Con Edison will investigate and respond to the complaint, in writing, no later than 20 calendar days from the receipt of the inquiry.

#### **2. Invoices**

In accordance with Section 7 of the UBP, invoices will be issued to a Marketer for Marketer's monthly imbalance services, extraordinary Customer data provided on request (over and above the information provided without charge), meter-related charges, adjustments to prior invoices, CUBS billing service charges, and other services provided on request.

#### **3. Overpayments**

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- (a) Overpayments made by a Marketer as a result of an inaccurate invoice or as determined through the Dispute Resolution Process, shall be credited to the Marketer's account if a prior shortage exists or be refunded otherwise. Such credit or refund must occur within five calendar days of a determination that an overpayment occurred. Such overpayments shall earn interest at the rate of 1.5% per month from the date of the overpayment until the date of the credit or repayment, whichever applies. The refund shall be rendered to the Marketer by electronic funds transfers.
- (b) Overpayments made voluntarily by a Marketer/Direct Customer shall be credited to the Marketer's account and shall not earn interest unless the overpayment is applied to the security deposit account.

**4. Charges to Marketers from the Company**

Utilities may charge Marketers/Direct Customer for the following:

- (a) Gas imbalances based on the Company's Tariff and/or Operating Procedures.
- (b) Penalties on gas imbalances during an OFO.
- (c) Late payment charges, at a rate of 1.5% per month, applicable to all overdue billed amounts, including arrears and unpaid late payment charges and to underbilled amounts. Interest on the latter is only payable when associated with a finding of deficiency on the part of the party holding the funds determined to be due the other party.
- (d) Other rates and charges approved by the Public Service Commission and set for in the tariff, including, but not limited to, transportation or distribution rates, miscellaneous surcharges and taxes.

**Section V. COMMUNICATIONS PROTOCOLS**

**A. Objective**

The objective of this protocol is to enhance communications among LDCs, Pipelines, Marketers<sup>1</sup> and Direct Customers bringing gas to Con Edison's city gate. Underlying the protocol is the recognition that as increasing numbers of customers opt for transportation service, the traditional bilateral communication between LDCs and customers increasingly becomes a communication loop including LDCs, Pipelines, Marketers and Direct Customers.

The procedures and protocols described in this section are to be used by the Company, Marketers/Direct Customers and Pipelines as a vehicle for assuring ongoing communications between the parties in furtherance of the continuation of reliable gas service. Participation of all parties in an effective communication system will reduce errors and ensure that all parties understand and properly fulfill their responsibilities.

Communication among the Company, Marketers/Direct Customers will occur on a regular basis (daily, monthly, seasonally) and on an as-needed basis (clarifications, alerts, operational flow orders, etc.) through bi-annual "Reliability Forums", telephone, fax, email and face-to-face meetings depending upon the circumstances and subject matter. The method and number of communications utilized will be responsive to the evolving needs of all market participants as the industry changes.

**B. Con Edison Website**

Marketers and Direct Customers serving Con Edison transportation customers must have computer Internet access and must be EDI-certified by the Company by completing Phase III EDI testing. Detailed information on EDI standards and protocols can be viewed at [www.coned.com](http://www.coned.com) (scroll down to "Business Partners" –choose "Become an Energy Service Company Provider". Then choose "How to Become a Gas Supply Company for Con Edison" – choose number 3 for EDI testing and certification requirements. Internet e-mail and the Company's website (see below address) will be used for scheduling of monthly and daily gas deliveries, reconciliation of customer usage and deliveries and other communications between the Company and Marketers/Direct Customers.

Con Edison's Internet website for retail services is located at:

<https://www.coned.com/tcis>

Con Edison will post on its Internet (TCIS) site the name, address, telephone and fax number and e-mail address of the contact persons at the Company responsible for the following gas transportation functions:

- retail access sales and related regulatory activities
- marketer billing and credit
- media relations

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<sup>1</sup> As used throughout the communication protocol the term "marketer" can be a marketer, aggregator, or one operating as an agent for a marketer, aggregator or customer for the purpose of arranging the delivery of gas supplies to the LDC city gate. Marketers or customers that designate an agent to be their gas supplier shall communicate this to the LDC. The agent is then responsible for the flow of gas including proper responses to system alerts and operational flow orders.

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- ❑ gas supply and systems operations
- ❑ contacts for responding to System Alerts and OFOs.
- ❑ personnel contacts 24 hours a day, weekdays, weekends and holidays.

The website will list the same information for personnel representing Marketers/Direct Customers. It is the responsibility of the Marketers and Direct Customers to update this information as required. In addition, Con Edison gas tariffs, the Gas Sales and Transportation Operating Manual and information regarding the means of communicating customer enrollments, nomination procedures and scheduling of daily and monthly gas deliveries will be posted to our website at <http://www.coned.com>.

The Company shall conduct a test of the communication procedure to verify e-mail and telephone contact numbers at least twice a year.

### **C. Reliability Forums**

In order to facilitate an on-going communication with retail access participants, the Company will schedule a minimum of two (2) meetings with Marketers/Direct Customers and other interested parties each rate year (though Collaborative Members may collectively decide to hold additional meetings). The meetings will provide a forum for Con Edison and Marketers/Direct Customers to review issues arising during the prior season, program procedure clarifications and other operational issues of concern. Con Edison will circulate meeting notices and proposed agenda items via email to the email distribution list and make them available on the Company's ESCO website at least one week prior to scheduled meetings. The meeting notices and agenda will be posted to the following link: <https://www.coned.com/en/business-partners/become-a-supply-partner> (scroll down to the Meeting Notice box).

### **D. Conference Calls**

In addition to the reliability forums sponsored by the Company, telephone conference calls open to participation by Marketers/Direct Customers will be scheduled on a monthly basis by Con Edison. Additional conference calls may be requested by the Company or a Marketer/Direct Customer to discuss issues that require immediate attention. The cost of each conference call will be shared equally by the call participants.

### **E. Daily Gas Flow and Program Enrollment Communication**

Access to Con Edison's Internet Home Page is <http://www.coned.com>. All historical as well as current gas rates can be found in the Rates and Tariff Section (scroll down to bottom of home page and choose Rate and Tariffs). The Gas Sales and Transportation Operating Procedures ("GTOP") and Applications are also located at <http://www.coned.com> (scroll down to the bottom of page – Under Business Partners – choose "How to Become A Gas Supply Company for Con Edison"). The GTOP link is located at the bottom of the page.

Daily communication with Con Edison for daily gas delivery quantities' schedules and constraints, customer enrollment, gas nominations, customer usage information and profiles are done via TCIS on the Internet (<http://www.coned.com/tcis>). Access to TCIS on the Internet is password specific. If you are an approved marketer in Con Edison's service area and need access to TCIS please call **212-466-8242 or 212-466-8244**.

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You may also communicate with Retail Services at the following e-mail addresses:  
[tcis@coned.com](mailto:tcis@coned.com) or [gaschoice@coned.com](mailto:gaschoice@coned.com).

In compliance with FERC Order 720, the Company will post schedules for receipt and delivery point data on a daily basis. This information can be viewed at [www.coned.com/gcis](http://www.coned.com/gcis).

### **Section VI. OPERATIONAL FLOW ORDERS (OFOs)**

#### **A. Critical Periods**

A Critical Period is a period of disruption to the physical integrity of the system or a force majeure event. A Critical Day exists when the Company declares an OFO. To improve all parties' understanding of roles during Critical Periods and to test communication procedures, the Company will conduct an annual critical day simulation exercise. The Company will determine the timing of this exercise with input from market participants.

#### **B. Operational Flow Orders**

A Critical Day occurs when the Company issues an Operational Flow Orders ("OFOs"). An OFO is issued at the sole discretion of the Company. An OFO is an action taken by the Company to alleviate particular conditions that threaten the physical integrity of the Company's system, prevent a short-term interruption and to maintain operations required to provide efficient and reliable firm service. OFOs are instituted when other actions have not eliminated reliability concerns. Economic considerations shall not be a basis for declaring an OFO. Other channels of communication are available for mitigating economic disparities. In maintaining system integrity, the Company shall first try to correct any problem through other options available to it.

Except in circumstances where an immediate response is needed, there will be at least 24-hours' notice for an OFO. When an OFO is preceded by a SA, the 24-hour notice begins with the issuance of the SA; however, there should still be a minimum of 8 hours' notice when a SA is changed to an OFO.

The Company will issue separate OFOs for over-deliveries and under-deliveries.

It is impossible to detail all the conditions under which the Company may find it necessary to initiate an OFO. The following rules apply to OFOs and OFO notification:

1. The OFO notice shall meet minimum time requirements to designated Marketer or Direct Customer personnel and shall provide as much advance notice as possible. The date and time of issuance, date and time the OFO takes effect, and the estimated duration shall be included in the OFO notice.
2. The OFO notice shall state whether the condition is related to over-deliveries or under-deliveries and if there are any specific parameters included.
3. The OFO notice should communicate clearly, to designated Marketer or Direct Customer personnel, the actions required, as well as the reason for the required

actions, and provide periodic update to enable parties to continue their planning functions.

4. Actions required by the OFO should be limited both in duration and scope to meet the required objective.
  - (a) The required actions should be as localized as possible.
  - (b) The OFO should be applied on a nondiscriminatory basis to all similarly situated parties.
  - (c) The Company shall respond to reasonable requests for information by parties within a reasonable time after the OFO event.
  - (d) The OFO shall not be used to mitigate economic disparities.
  - (e) The Company shall notify the Director of the Office of Gas and Water of the Department of Public Service when an OFO is declared and when the situation returns to normal.

Failure of the Company to adhere to one or more of the above guidelines is not a basis for Marketers or Direct Customers not to comply with requirements of the OFO but may provide the basis for a complaint to the Commission regarding the Company's behavior.

### **C. System Alerts**

System Alerts ("SAs") are announcements of actual or pending events that, if unchecked, may result in an Operational Flow Order ("OFO") being issued. The SA advises Marketers/Direct Customers what actions are requested and what actions may be mandated if the voluntary response is not adequate. SA's may be directed to specific Marketers/Direct Customers, subject to the Company's obligation not to unduly discriminate, or to all Marketers/Direct Customers operating on the system. Marketers/Direct Customers are expected to respond to SAs as soon as practical, giving notice to the Company of their intended actions.

The Company is not obligated to issue a SA before an OFO but will endeavor to do so and will be required to document why it was not able to do so.

SAs will be issued via e-mail to all Marketers/Direct Customers and posted to the Internet (TCIS).

### **D. Responsibilities of Marketers/Customers and LDCs during an OFO or SA**

Some of the actions required by an OFO may include:

- Require Marketer to deliver gas to a specific point.
- Require Marketers to balance daily or to deliver a specified quantity of gas.
- Change daily nominations for customer groups being served with a flat monthly nomination.

Upon notice that an OFO will be issued, and for the duration of the OFO, the Company must make authorized personnel available on a 24-hours-a-day, 7-days-a-week basis to handle the submission and processing of evening cycle and intraday nominations to facilitate the Marketer's and Direct Customer's response to the OFO.

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If during an OFO period the Company is aware of Marketers or Direct Customers that are not responding to the required actions, it should make all reasonable efforts to inform the non-responding Marketers and Direct Customers that required actions are not being taken. Lack of such notice shall not relieve any Marketer or Direct Customer of its obligations.

The Marketer, if necessary, should communicate with its customers to secure compliance with the conditions of a Company directed OFO. If the Marketer is aware of noncompliance of one or more of its customers, it shall notify the Company - Retail Services of the name(s), address and account number(s) of the end user(s) by email at [tcis@coned.com](mailto:tcis@coned.com).

At the next meeting of the Company, Marketers, and Direct Customers, there should be a review of any OFOs that may have been declared by the Company. However, any party that has a grievance concerning the necessity for, or individual treatment during, an OFO, may address those concerns immediately with the LDC. If after such discussions the party still is dissatisfied, it may bring its concerns to the attention of the staff of the Department of Public Service and, if necessary, to the Commission.

The Company shall provide, via e-mail, telephone, and posting to the Internet (TCIS), notice to all OFO recipients of upcoming events such as anticipated weather patterns and operational problems, which may necessitate the issuance of an OFO. The Company shall also notify the Director of the Office of Gas and Water of the Department of Public Service when an OFO is declared and when the situation returns to normal.

If a Marketer/Direct Customer fails to comply with an OFO issued by the Company, a penalty equal to the higher of \$5.00 per therm or 120% of the cost of gas plus \$1.00 per therm shall be assessed.



**Section VII. Renewable Natural Gas Interconnection Procedures**

**A. RNG Eligibility**

Gas that is produced from the anaerobic decomposition of organic material may be delivered into the Transporter's gas distribution system under this procedure, provided that it is effectively processed and upgraded into safe and merchantable natural gas that meets the RNG Quality Specifications. Raw biogas is known to contain constituents such that it would not be considered merchantable and therefore the Transporter will not accept into Transporter's gas distribution system. Entities that wish to produce RNG for delivery into Transporter's gas distribution system are required to complete the application and study process delineated herein and to execute an RNG Interconnection Agreement as a condition of access; provided, however, that Transporter may opt to waive some or all portions of Sections B and C below with respect to RNG Plants developed under a competitive procurement conducted by Transporter. Pursuant to this procedure, RNG collected from the following sources may be accepted into Transporter's gas distribution system:

- Landfill;
- Wastewater Treatment Plant; and
- Organic waste (*e.g.*, sludge, and food, yard, and/or livestock waste)

Transporter will not accept or transport RNG collected from Hazardous Waste Landfills, including landfills permitted by the Department of Toxic Substances Control. Before Transporter will interconnect with an RNG Plant, the RNG Operator must demonstrate and certify to Transporter's satisfaction that the RNG was not collected from a Hazardous Waste Landfill.

**B. Application and Initial Feasibility Analysis**

Entities interested in interconnecting an RNG Plant to Transporter's gas distribution system must complete and submit an application in a form acceptable to Transporter. The application will provide, at a minimum:

- The applicant's identity and contact information;
- Description of production technologies and feedstock(s) to be employed;
- The address and/or coordinates of the RNG Plant site(s);
- Expected hourly and daily gas flows by month or season; and
- Information about quality of the gas (pre- and post-processing) to be provided and the processing/treatment to be employed.

Applicants must promptly respond to requests from Transporter to clarify or supplement information provided in the application.

Within approximately 30 calendar days of the receipt of a completed application, Transporter will provide the results of its Initial Feasibility Analysis to the applicant. The analysis will identify the location of the nearest high-pressure distribution main(s) suitable for interconnection, will indicate whether sufficient takeaway capacity is available to receive the expected quantities of RNG, and will provide the minimum, maximum and normal operating pressures of the main. If requested by applicant, Transporter will schedule a meeting or conference call to discuss its findings with the applicant.

Information about the location and capabilities of Transporter's gas distribution facilities will only be provided to applicants who, in Transporter's sole judgment, have demonstrated that they are willing and able to comply with the Transporter's non-disclosure requirements. Transporter, in its sole discretion, may provide abbreviated system maps to such applicants, subject to the execution of a non-disclosure agreement.

**C. Preliminary Engineering and Cost Evaluation**

Upon conclusion of the Initial Feasibility Analysis, applicants may request that Transporter also complete a Preliminary Engineering and Cost Evaluation Study for the interconnection of the RNG Plant to Transporter's gas distribution system.

Applicants requesting a Preliminary Engineering and Cost Evaluation Study will execute a Preliminary and Engineering Cost Evaluation Agreement in the form illustrated in Appendix C to this GTO. Study work will not commence until the agreement is executed and applicant provides the required financial security.

To support the evaluation performed by the Transporter, applicant will provide all information necessary to complete the evaluation, including the planned development and construction timeline, specific information about its planned equipment (including configurations and specifications), and evidence regarding the quality and composition of RNG to be provided.

Upon conclusion of the Preliminary Engineering and Cost Evaluation Study, Transporter will provide a report that may include some or all of the following, as agreed-upon by the Transporter and applicant:

- A review of the suitability of the Operator's facilities and equipment, including gas processing and analysis equipment;
- The preliminary configuration of Interconnection Facilities necessary to safely and reliably interconnect applicant's proposed project to Transporter's gas distribution system;
- A description of the major facilities and equipment to be provided by Transporter and applicant;
- Estimated schedule for completion of Transporter's facilities;
- A preliminary estimate of the cost of Transporter's facilities for which

applicant will be financially responsible; and

- If deemed necessary by Transporter, an evaluation of the potential for applicant's gas to be commingled with other natural gas supplies.

Applicant will bear Transporter's cost to perform the Preliminary Engineering and Cost Evaluation Study, including overheads and subcontractor costs. Applicant will provide security, as requested by Transporter, prior to initiation of the Preliminary Engineering and Cost Evaluation Study.

Transporter and applicant will mutually agree on a schedule for completion of the Preliminary Engineering and Cost Evaluation Study, based on the scope of the analysis to be completed and the complexity of the proposed project.

**D. RNG Interconnection Agreement**

Following completion of the Preliminary Engineering and Cost Evaluation Study, applicants will be eligible to enter into an RNG Interconnection Agreement with Transporter at terms comparable to those appearing in Appendix D, subject to the results of the Initial Feasibility Analysis and Preliminary Engineering and Cost Evaluation Study; provided, however, that Transporter may opt to waive an Initial Feasibility Analysis and/or the Preliminary Engineering and Cost Evaluation Study with respect to proposed projects to be developed as a result of a competitive procurement conducted by Transporter. Transporter shall have no obligation to interconnect the proposed project or construct interconnection facilities until applicant and Transporter have executed an RNG Interconnection Agreement and applicant has provided Transporter with the required financial security. Transporter will not accept deliveries of natural gas produced by RNG Operators, except as authorized under an RNG Interconnection Agreement.

**E. Gas Purchase Agreement**

Transporter or its agent and an RNG Operator may opt to enter into a natural gas purchase agreement at terms comparable to those appearing in Appendix E for some or all of the output produced by qualifying RNG facilities. Neither Transporter, nor an RNG Operator, shall be obligated to enter into such an agreement.

**F. Title to Gas**

Transporter may refuse to accept delivery of gas produced by an RNG Operator, unless RNG Operator is able to demonstrate that title to such gas will be transferred at the Delivery Point to a third-party with transportation rights, subject to a transportation rate specified in Transporter's Tariff.

**G. RNG Quality Specifications and Testing Requirements**

1. RNG Quality Specifications

All RNG delivered into Transporter's gas distribution system shall, in all respects and at

all times, consist solely of RNG which is merchantable and fit for use by retail customers, that is suitable for transportation in Transporter's gas distribution system, and that will not damage or jeopardize the safe operation of Transporter's gas distribution facilities.

At a minimum, all RNG must be:

- Entirely free of all hydrocarbon liquids and other material in liquid form, including, without limitation, water, glycol, brines, condensate and oil;
- Dehydrated by the RNG Operator for removal of water present therein in a vapor state to a level determined acceptable by Transporter, at its sole discretion, from time to time;
- Consistent with the pressure, temperature, and quality specifications delineated in the RNG Operator's RNG Interconnection Agreement;
- Free from bacteria, pathogens, and any other substances injurious to utility facilities or people, or other constituents that would cause the RNG to be unmarketable; and
- In compliance with all Applicable Laws, including New York State odorization requirements.

Transporter may opt, in its sole discretion, to modify, adjust or supplement the requirement outlined in this GTOP or in its pro forma RNG Interconnection Agreement with respect to new or existing RNG Plants interconnected to its gas distribution system in order to maintain safe and reliable conditions, to protect its facilities and equipment or its customers' facilities and equipment, or for other reasons.

## 2. Testing – General

Testing requirements will vary depending on the source of the RNG to be received by Transporter and may be required for both raw biogas produced by the RNG Plant and processed RNG, in Transporter's sole discretion. The specific parameters that must be monitored for each type of RNG are indicated in Table 1 below. RNG produced using multiple feedstocks may be subject to testing requirements applicable to each feedstock. Regardless of the source of RNG, Transporter may opt to modify or supplement the testing requirements specified in Table 1 below if Transporter determines, in its sole discretion, that such requirements are necessary to protect the safety and reliability of its gas distribution system and/or the safe and reliable operation of equipment operated by its retail natural gas customers.

Transporter will generally require testing to be conducted using the protocols outlined in Table 1 below. Transporter reserves the right, in its sole discretion, to modify or supplement the indicated protocol to improve the accuracy or convenience of testing.

**Table 1. RNG Quality Specifications and Testing Protocols**

Parameter	Testing Frequency	RNG Source				Testing Protocol
		Non-Hazardous Landfill	WWTP (Sludge)	Separated Organics (Food, Yard)	Livestock Waste	
Temperature	Continuous	Required	Required	Required	Required	NA
Pressure	Continuous	Required	Required	Required	Required	NA
Heating Content	Continuous	Required	Required	Required	Required	ASTM D1945, ASTM D3588 (on-line, or off-line canister collection)
Wobbe Number	Continuous	Required	Required	Required	Required	ASTM D1945, ASTM D3588 (on-line, or off-line canister collection)
Cricondentherm Hydrocarbon Dew Point	Continuous	Required	Required	Required	Required	NA
Total Inerts	Continuous	Required	Required	Required	Required	ASTM D1945, D1946 (on-line, or off-line canister collection)
Water Content	Continuous	Required	Required	Required	Required	ASTM D5454 (on-line only)
Sulfur <sup>3</sup>	Continuous	Required	Required	Required	Required	ASTM D6228, D5504 (off-line canister collection); ASTM D4084 (H2S on-line) and D4468 (total S on-line); -ASTM D7493 (on-line sulfur speciation)
Hydrogen	Continuous	Required	Required	Required	Required	ASTM D1945, D1946 (usually only off-line gas chromatographs can measure hydrogen, canister collection)
Carbon Dioxide	Continuous	Required	Required	Required	Required	ASTM D1945, D1946 (on-line, or off-line canister collection)
Nitrogen	Continuous	Required	Required	Required	Required	ASTM D1945, D1946 (on-line, or off-line canister collection)
Oxygen	Continuous	Required	Required	Required	Required	ASTM D1945, D1946 (on-line, or off-line canister collection)
Biologicals <sup>1</sup>	Periodic	Required	Required	Required	Required	TM0106-2006, TM0212-2012
Mercury <sup>1</sup>	Periodic	Required	Required	Transporter's Discretion	Transporter's Discretion	ASTM D5954, D6350 (gold sorbent, on-line and off-line)
Siloxanes	Periodic	Required	Required	Required	Transporter's Discretion	ASTM D8230, gas chromatography (off-line canister collection) with atomic emission detection (GC-AED) or mass spectral detection (GC-MS)
Semi-volatile and volatile Compounds <sup>1</sup>	Periodic	Required	Required	Transporter's Discretion	Transporter's Discretion	EPA TO-14, TO-15 (off-line) Canister collection (volatiles); XAD sorbent media (semi-volatiles)
Halocarbons <sup>1,2</sup>	Periodic	Required	Required	Transporter's Discretion	Transporter's Discretion	EPA TO-14, TO-15 (off-line canister collection)

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Parameter	Testing Frequency	RNG Source				Testing Protocol
		Non-Hazardous Landfill	WWTP (Sludge)	Separated Organics (Food, Yard)	Livestock Waste	
Aldehydes and Ketones <sup>1</sup>	Periodic	Required	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	EPA TO-11 (off-line DNPH sorbent)
PCBs/Pesticides <sup>1</sup>	Periodic	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	PUF/XAD sorbent tube sampling followed by EPA Method 8082 or EPA TO-10A
Arsenic	Periodic	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	EPA Method 29 (AAS and/or ICP), EPA 200.8
p-Dichlorobenzene	Periodic	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	TO-15 (GC/MS), TO-11A for Methacrolein (Determination of Formaldehyde Adsorbent Cartridge (HPLC))
Ethylbenzene	Periodic	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	TO-15 (GC/MS), TO-11A for Methacrolein (Determination of Formaldehyde Adsorbent Cartridge (HPLC))
n-Nitroso-di-n-propylamine	Periodic	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	EPA Method 8270 (GC/MS)
Vinyl Chloride	Periodic	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	TO-15 (GC/MS), TO-11A for Methacrolein (Determination of Formaldehyde Adsorbent Cartridge (HPLC))
Antimony	Periodic	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	EPA Method 29 (AAS and/or ICP), EPA 200.8
Copper	Periodic	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	EPA Method 29 (AAS and/or ICP), EPA 200.8
Lead	Periodic	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	EPA Method 29 (AAS and/or ICP), EPA 200.8
Mercaptans (Alkyl Thiols)	Continuous	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	ASTM D7165, D7493 (online monitoring), ASTM D5504, D6228
Methacrolein	Periodic	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	TO-15 (GC/MS), TO-11A for Methacrolein (Determination of Formaldehyde Adsorbent Cartridge (HPLC))
Toluene	Periodic	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	Transporter's Discretion	TO-15 (GC/MS), TO-11A for Methacrolein (Determination of Formaldehyde Adsorbent Cartridge (HPLC))

**Table 1 - Notes**

1. If reasonably expected
2. Examples are freons, chloroethane and vinyl chloride
3. Includes hydrogen sulfide, ethyl & methyl mercaptan, dimethylsulfide

3. Testing - Continuous Monitoring

For quality parameters that will be monitored on a continuous basis, the RNG Operator will install, operate and maintain gas analysis equipment, at its own expense, as specified in its RNG Interconnection Agreement. The readings from the RNG Operator's gas quality analysis equipment must be communicated to Transporter in real-time, in a manner and format specified by the Transporter. Transporter may, at RNG Operator's expense, from time to time collect field samples or require the RNG Operator to collect such samples to confirm independently the readings of the RNG Operator's gas quality analysis equipment. Transporter shall be permitted to inspect such equipment on reasonable notice to RNG Operator. Transporter shall be advised of and permitted to be present for calibration of the RNG Operator's gas quality analysis equipment.

4. Testing - Periodic Monitoring

For quality parameters that will be monitored by periodic testing, Transporter will generally require the RNG Operator to undertake testing on a quarterly basis or following a significant change in feedstock or operations. Transporter shall be permitted to require more frequent testing or to require continuous monitoring of some parameters if such testing or monitoring is necessary, in Transporter's sole discretion, to protect the safety and reliability of its gas distribution system or the safe and reliable operation of its retail customers' equipment. If the RNG Operator's RNG meets the quality requirements specified herein and in the RNG Operator's RNG Interconnection Agreement, Transporter may opt to cease requiring periodic testing for one or more parameters or it may reduce the frequency of required periodic tests. Re-sampling or re-testing shall be allowed to verify and validate the results. The cost of retesting shall be borne by the entity requesting the retest.

The RNG Operator shall perform the periodic testing of gas quality parameters using an independent certified third-party laboratory(ies) qualified to perform testing in accordance with the indicated testing protocols and acceptable to Transporter, at the RNG Operator's sole expense. Transporter shall be afforded a reasonable opportunity to observe the collection of RNG samples to be tested by the RNG Operator. RNG Operator shall share test results with Transporter within five calendar days of receipt of the test results. Upon reasonable notice, RNG Operator shall allow Transporter to obtain samples at Operator's premises and undertake its own testing.

Transporter may, in its sole discretion, undertake or require RNG Operator to undertake periodic testing at alternative locations on Transporter's gas distribution system to provide baseline data regarding gas quality parameters. RNG Operator shall be financially responsible for any such testing.

**H. Start-up and Restart Testing Procedure**

In addition to the requirements specified in Section G above, the following additional requirements shall apply prior to RNG Operator's initial delivery of RNG to Transporter, prior to

reconnection of an RNG Plant following being shut off pursuant to Section H below, and/or following a significant interruption in RNG deliveries:

- RNG Operator shall conduct a minimum of three tests over a two- to four-week period for each of the RNG Quality Specifications for which Transporter requires testing, at intervals approved by Transporter.
- Tests will be performed for both raw, unprocessed biogas produced by the RNG Plant and processed RNG at flows comparable to the maximum flows contemplated under RNG Operator's Interconnection Agreement.
- If such tests indicate that RNG delivered to Transporter will meet the RNG Quality Specifications, then the Transporter may authorize RNG operator to commence deliveries into its distribution system.
- If such tests indicate that one or more of the RNG Quality Specifications will not be met and/or the quality of the RNG provided, in Transporter's sole discretion, has the potential to affect the safety or reliability of Transporter's gas distribution system or the safe and reliable operation of its retail customers' equipment, Transporter shall not be obligated to accept deliveries of RNG. Operator shall make all necessary modifications to facilities or operations to meet the RNG Quality Specifications.
- Following any test demonstrating that the RNG will not meet the RNG Quality Specifications, Operator shall restart the testing procedure specified in this section.

Prior to the commencement or recommencement of RNG deliveries to Transporter's system, RNG Operator will provide an operating procedure acceptable to Transporter identifying the following: (1) delivery thresholds at which the RNG Plant's processing and treatment systems may no longer be functioning properly, and (2) the parameters for which an excursion may indicate that processing and treatment facilities are not functioning properly and may not be sufficiently removing trace constituents that are not monitored continuously.

In addition, RNG Operator shall assist Transporter, as needed, with any necessary outreach to consumers that may be affected by changes in gas quality resulting from the introduction or reintroduction of RNG to Transporter's distribution system.

#### **I. Shut-Off Procedures**

Transporter may opt to cease receiving RNG from an Operator if one or more of the following occur:

- Testing performed by the RNG Operator or Transporter indicates that the RNG delivered into Transporter's gas distribution system has violated or will violate the RNG Quality Specifications;
- The Transporter, in its sole discretion, determines that a change in the RNG feedstock or a change in the RNG Operator's processing or treatment equipment could cause the RNG to violate the RNG Quality Specifications; and/or
- The quality of the RNG provided, in Transporter's sole discretion, has the potential to affect the safety or reliability of Transporter's gas distribution system or the safe



and reliable operation of equipment operated by Transporter's retail customers.

If the RNG interconnection has been shut off, deliveries of RNG may be recommenced and continued only after completing the "Pre-Interconnection and Restart Testing Procedure" above. Following shut-off of an RNG interconnection, Transporter may increase the frequency of periodic testing and/or require continuous testing of additional gas quality parameters.

**J. Measurement**

All RNG deliveries shall be measured by a displacement type meter or any other approved measuring device of equal accuracy, acceptable to Transporter and compliant with all Applicable Laws. Measurement of gas shall be calculated following the recommendations of: the A.G.A. Manual for Determination of Supercompressibility Factors of Natural Gas or the A.G.A. Transmission Measurement Committee Report No. 8 "Compressibility and Supercompressibility for Natural Gas and Other Hydrocarbon Gases", ANSI B109.3 "Standard for Rotary Meters" and "Measurement by Turbine Meters – Volumetric Flow Measurement" (A.G.A. Report No. 7), as appropriate to the type of meter or measuring device installed at the Delivery Point, including any revisions applying thereto.

If the Delivery Point gas flow characteristics are such that calculations cannot be performed consistent with the above-mentioned recommendations (*e.g.*, due to a decline in production or other operational matters), the RNG Operator shall install, at its own expense, a replacement meter or measuring device acceptable to Transporter and meeting the requirements delineated above. If requested by Transporter, RNG Operator shall also replace the Transporter's meter or measuring device with another meter acceptable to Transporter. RNG Operator shall bear the costs of installing the Transporter's replacement meter, other than the cost of the metering equipment.

For displacement meters, the RNG Operator must read meters on the first working day of each month and shall communicate in a manner and format designated by Transporter, daily or more granular volume and BTU content information to Transporter on or before the fifth working day of each month.

Each party shall have constant access to the meters and access, upon reasonable notice and during normal business hours, to all meter maintenance, testing, calibration and similar records.

**K. RNG Scheduling and Imbalance Charges**

1. Applicability

The procedure outlined in this Section applies to RNG Operators that enter into a natural gas purchase agreement with Transporter for the output of an RNG Plant. Unless otherwise agreed by Transporter and an RNG Operator as part of an Interconnection Agreement, supplies sold by RNG Operators to an ESCO or Marketer will be governed by the scheduling and balancing procedures generally applicable to all supplies provided by ESCOs and Marketers.

2. Scheduling of RNG Deliveries

Each RNG Operator will advise Transporter of the amount of natural gas that it will deliver to its Delivery Point on each Gas Day (*i.e.*, the scheduled amount), as specified in the RNG Operator's RNG Interconnection Agreement, Transporter's Tariff, and Transporter's GTOP. Transporter reserves the right to decline to accept quantities delivered to the Delivery Point that exceed the scheduled quantity by 5% or more.

3. Imbalance Charges and Credits

RNG Operator shall be responsible for paying the imbalance charges and shall receive the imbalance credits set forth in its natural gas purchase agreement, to the extent that its actual deliveries of RNG to the Delivery Point exceed or fall below the scheduled amount on any Gas Day. RNG Operator shall be responsible for imbalance charges with respect to quantities that are refused by Transporter because Transporter reasonably believes that (i) the RNG does not or will not meet the RNG Quality Standards and/or (ii) a safety or reliability concern exists at the RNG Operator's facilities that would be aggravated by Transporter's receipt of RNG. Transporter will not require payment of imbalance charges in connection with quantities that Transporter declines to receive as a result of conditions on Transporter's gas distribution system.

Transporter reserves the right to impose additional charges for deliveries in excess of the scheduled quantity during periods when an Operational Flow Order intended to address an excess of supplies on Transporter's gas system is in effect.

For purposes of this section, the "Monthly Cost of Gas" shall be a weighted average price equal to the product of the percentage weightings and the higher of (i) the monthly average daily Transco Z6 NY, Tetco M3 or Iroquois Z2 prices, or (ii) the Transco Z6 NY, Tetco M3 and Iroquois Z2 First of the Month High Range Price as published in Platt's Gas Daily. For purposes of this section, the "Daily Cost of Gas" shall be a weighted average price equal to the product of the percentage weightings and the Transco Z6 NY, Tetco M3 and Iroquois Z2 midpoint price as published in Platt's Gas Daily on the day in which the imbalance occurs. The weighting percentages for the volumes associated with each of the pipeline indices will be based on the previous year's historic weighted average of the total volumes delivered to the Company on each pipeline. These fixed percentages will be recalculated on an annual basis.

Transporter will invoice each RNG Operator on a monthly basis for any net imbalance charges due, and each RNG Operator shall pay such charges within 30 days. Net imbalance credits, if any, will be carried forwarded to offset future imbalance charges.

**APPENDIX A - GLOSSARY OF TERMS**

**For the purpose of this Operating Manual, the following terms have the meanings state below:**

**Annual Period** is the 12 months beginning with the month in which the customer first receives service under the applicable Service Classification and each succeeding 12-month period.

**Annual Transportation Quantity** means the annual quantity of gas, including an amount to be retained as an allowance for losses, for which transportation service is requested in the customer's service application.

**Aggregation Group** means a group of customers who have contracted with a specific Marketer who combines the customers' load for purposes of nominations, scheduling, reconciliation of monthly imbalances and supplemental supply billing. (Equivalent to a Marketer Pool)

**Applicable Laws** shall mean any and all applicable acts, laws, statutes, ordinances, orders, rules, permits, regulations, rulings, licenses, decrees, directives, judgments or policies (to the extent mandatory) or any similar form of decision, determination or any interpretation, construction or administration of any of the foregoing, having the effect of law and/or official governmental actions, whether of a federal, state, local or tribal nature, promulgated by a Governmental Authority having jurisdiction.

**Applicants** shall mean parties that have submitted an application seeking to interconnect an RNG Plant to Transporter's gas distribution system.

**Billing Agency, if extent the Company permits Billing Agency on or after June 1, 1999**, means a legal arrangement between a customer and a Marketer ("Billing Agency Agreement") in which a customer authorizes a marketer to act as "Billing Agent" to receive the customer's bills from the Company; consolidate those bills with the Marketer's charges; re-bill the entire amount to the customer; receive payments from the customer; and remit payments to Con Edison for its services. Marketers offering Billing Agency services may perform those services considered to be the customer's Billing Agent.

**Capacity Release Seller** means a Seller that receives Capacity Release Service as agent for a Firm Customer that enters into an SC9 Agency Agreement ("Agency Agreement") with Seller.

**Capacity Release Service** means the release of a Company entitlement to interstate pipeline transportation capacity to a Capacity Release Seller.

**Citygate** means a point of interconnection between the facilities of an interstate pipeline and the local facilities through which the Company receives deliveries from that pipeline.

**Contract Interruptible or Off-Peak Firm Industrial Customer** means an Interruptible or Off-Peak Firm Customer taking service under a negotiated contract who's actual or estimated annual gas

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usage exceeds 3,000,000 million therms and who demonstrates that 75% or more of the account's annual gas usage is used directly for manufacturing; Manufacturing for purposes of this Service Classification is a Customer whose facilities are classified by the Standard Industrial Manual (1987 ed. Or supplement thereto) as Manufacturing (Division D). Gas usage in manufacturing-related space includes usage in areas used for manufacturing, product design space, raw material storage, finished product storage, product packaging and shipping, mechanical equipment rooms, back-up machine and equipment storage. Gas usage in all other areas, including cafeteria, sales and accounting offices, common halls and lavatories does not qualify as manufacturing-related usage.

**Converting Customer** means a Service Classification ("SC") 1, SC2 Rate I, non-heating, SC2 Rate II heating, or SC3 customer electing Firm Transportation Service after taking service for a minimum of one year under SC1, 2, or 3. A customer who commences service under SC1, 2 or 3 may convert to Firm Transportation Service within 60 days of commencement of service.

**Cramming** means the addition of unauthorized charges to a customer's bill by a marketer or billing agent to a customer.

**Critical Care Customer** means any Interruptible or Off-Peak Firm customer premise that provides life-saving or life-sustaining service, including the delivery of newborns (i.e., hospitals providing critical care, nursing homes, assisted living facilities, rehabilitation centers, correctional facilities, homeless shelters, , public schools providing emergency shelter or refuge during a declared emergency, or other designated areas of refuge, identified on an annual basis by local or state governmental agency), where public safety could be affected by a need to relocate the occupants. All other customers are considered non-critical care customers.

**Critical Day** means a day when the LDC declares an OFO

**Critical Period** means a period of operational stress or impending potential stress that may impact the integrity of the LDC's gas distribution system or a force majeure event.

**Customer** means a single account that may also be a member of a Small Customer Aggregation Group.

**Daily Delivery Quantity** means the quantity delivered by the Company to the Customer's meter and consumed by the Customer on any day.

**Daily Delivery Service Quantity (applicable to Daily Delivery Service)** means the quantity of gas that the Seller is required to deliver to the Company's Citygate Receipt Point based upon the temperature- dependent equation for the account(s) of its Firm Transportation Customer(s).

**Delivery Point** shall mean the point of interconnection between the RNG Plant and Transporter's gas distribution system, as identified in the RNG Interconnection Agreement.

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**Environmental Laws** shall mean all applicable current and future federal, state, local and foreign laws (including any common law), treaties, rules, regulations, requirements, ordinances, codes, decrees, judgments, directives, orders (including consent orders), permits, and guidance documents issued, published or amended by Governmental Authorities, in each case, pertaining to pollution, the protection of the environment, human health and safety, or natural resources, the presence, Release of, threatened Release of, or exposure to Environmentally Deleterious Substances, or to the generation, manufacture, processing, distribution, use, treatment, storage, transport, remediation, disposal, recycling or handling of, or arrangement for such activities with respect to, Environmentally Deleterious Substances.

**Adjusted Daily Delivery Service Quantity** means the Daily Delivery Service Quantity adjusted for actual weather pursuant to the Intraday Balancing rules set forth in this Gas Sales and Transportation Operating Procedure (“GTOP”).

**Daily Transportation Quantity** means the confirmed scheduled quantity of gas delivered to the Receipt Point for the Customer’s account on any day, including that purchased from the Company by an SC No. 20 Marketer under (i) the Company’s Winter Bundled Sales Service and, commencing November 1, 2016, and (ii) the Daily Delivery Service in accordance with the provisions set forth under SC No. 20. Any adjustments to storage deliveries to account for actual weather pursuant to the Intraday Balancing rules set forth in this GTOP will not be reflected in the Daily Transportation Quantity. The Daily Transportation Quantity shall be increased by an amount to be retained as an allowance for losses. For an aggregated group of two or more customers, the Seller is required to submit to the Company one scheduled quantity of gas representing deliveries to all Customers in the group. The line loss adjustment factor is set forth on the monthly Statement of Rates for Service Classification No. 9.

**Deficiency Imbalance** means: (i) For Daily Balancing Service, the amount by which the Daily Transportation Quantity, exclusive of the allowance for losses, is less than the Customer’s Daily Delivery Quantity, (ii) For Daily Delivery Service, the amount by which the Customer’s Daily Transportation Quantity, exclusive of the allowance for losses, is less than the Customer’s Daily Delivery Service Quantity.

For a small Customer Aggregation Group or a group aggregating imbalances, on deficiency Imbalance shall be determined for the entire group.

**Direct Customer** means a transportation customer with annual requirements in excess of 35,000 Therms, who acts on its own behalf to purchase and arrange to bring natural gas to the Company’s city gate for its own consumption and not for resale. A Direct Customer is not subject to Commission oversight with respect to eligibility but must subscribe to SC20 Transportation Receipt Service and comply with the provisions of the Uniform Business Practices and the operating requirements that are contained in this Operating Manual. A Direct Customer does not have to file an application with the Department of Public Service to become eligible as a Marketer but must comply with the operating requirements that are contained in this

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Operating Manual. A Direct Customer may aggregate and schedule load for itself and other Direct Customers, but each Direct Customer continues to be responsible individually for meeting balancing and other requirements placed on Direct Customers. A Direct Customer's rights and obligations are the same as a Marketer's or Seller's except as the context indicates otherwise. Customers served under the Company's tariff where redistribution is permitted are not precluded from being served as a Direct Customer.

**Energy Service Company ("ESCO")** means any non-utility entity that performs energy and customer service functions in a competitive environment, including the provision of energy and assistance in the efficiency of its use. An ESCO is an entity that is deemed eligible by the Department of Public Service to provide electricity and associated customer service functions to end use customers in New York State. Also, as it relates to this Operating Procedure can mean Marketer.

**Federal Energy Regulatory Commission ("FERC") (Successor to the Federal Power Commission)** is an independent federal agency created in 1977 which regulates, among other things, interstate wholesale sales and transportation of natural gas at "just and reasonable" rates.

**Gas Day** means the twenty-four (24) hour period beginning at 10:00 AM during each calendar day.

**Gas Transportation Operating Procedures Manual** or "GTOP" means the document describing Transporter's operating procedures, protocols and business practices for transportation service, as amended from time to time. The GTOP applicable to Operator's RNG is filed with the NYSPSC and is posted on Transporter's web site.

**Group** means a Small Customer Aggregation Group or an Imbalance Aggregation Group.

**Hazardous Waste Landfills** shall mean all contiguous land and structures, and other appurtenances and improvements, on land used for the treatment, transfer, storage, resource recovery, disposal, or recycling of any substance, waste or material that has been defined or regulated by any Environmental Law as a "hazardous substance", "hazardous waste", "hazardous material", or "toxic substance" or words of similar import, under any Environmental Law. The facility may consist of one or more treatment, transfer, storage, resource recovery, disposal, or recycling management units, or combinations of these units, including without limitation the facilities so defined by the United States Environmental Protection Agency – 40 CFR 260.10 or the New York State Department of Environmental Conservation – 6 NYCRR Part 370.2.

**High-Pressure Distribution Facilities** shall mean Transporter's distribution facilities operating at a pressure of no less than 15 psig and no more than the maximum allowable operating pressure of 89 psig."

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**Human Needs Customer** means one who receives service under a firm service classification: (i) for the customer's own or another's residential uses and purposes whether involving temporary or permanent occupancy, which includes residential hotels, single room occupancies, prisons and living facilities of clergy, or (ii) in buildings having no alternate energy facilities that are acute care or nursing home providers housing patients or residents on an overnight basis including, nursing homes, hospitals, community residences, and shelters; as the same may be known to Con Edison as of May 1, 1997 of the Company's Tariff or as the applicant may state on the application for service thereafter.

**Imbalance Aggregation Group** means two or more Customers for whom a Seller is aggregating deliveries and consumption for purposes of calculating its responsibility for imbalance charges and cashout charges and credits.

**Interconnection Facilities** shall mean Operator's Facilities and Transporter's Facilities, collectively.

**Involuntary Switch** means a process or situation where a Customer's gas supply provider, (i.e., a Marketer or the Company) changed without the Customer's authorization. This would include situations where a Customer returns to service under the Full Service Schedule as a result of a suppliers' failure to deliver.

**Local Distribution Company ("LDC")** is the company whose primary function is to distribute gas supply procured by it or by Marketers or Direct Customers, to retail gas users. LDCs also provide transportation service to retail end users as well as other services.

**Lockbox** means a collection mechanism agreed upon by the Company and a Marketer/Direct Customer which employs a third party to receive and disburse customer payments.

**Market Participants** means LDCs, Marketers or their agents, Direct Customers and Pipelines involved in bringing gas to an LDC's city gate.

**Marketer** means a Seller as defined under the definition "Seller" and is used interchangeable elsewhere in the Company's tariff and Operating Manual. A Direct Customer's rights and obligations are the same as a Marketer's or Seller's except as the context indicates otherwise. A Marketer may also be an ESCO participating in Con Edison's electric retail access program.

**Maximum Daily Transportation Quantity** means the highest Daily Transportation Quantity that the Company is obligated to accept at the Receipt Point(s) on any day.

**North American Energy Standards Board ("NAESB")** is a nonprofit North American industry association whose mission is "to develop and promote standards to simplify and expand electronic communications, and to simplify and streamline business practices that will lead to a seamless marketplace for natural gas."

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**On Site Meter Reading** means a service provided to obtain an actual reading at an SC9 Customer's premises on the regularly scheduled meter reading date in the event that the Customer's phone line used for remote communications is not operational.

**Operational Flow Order ("OFO")** means a directive by the Company to a Direct Customer(s) and/or Marketer(s) serving customers in an aggregation group to adjust Citygate deliveries of gas to alleviate conditions that threaten the integrity of the system.

**Operator's Facilities** shall mean any piping, equipment or infrastructure owned, operated or maintained by Operator that is necessary to connect the RNG Plant to the Delivery Point, including, but not limited to, the facilities identified as Operator's Facilities in an RNG Interconnection Agreement.

**Process Load Customer** means a Customer that elects to comply with Company-initiated interruptions of service by shutting down its operations in lieu of maintaining an alternate fuel supply/energy source and meeting the alternate fuel reserve requirement ("Shut-Down Option"). For purposes of this provision, Process Load Customers are Customers that: a) use gas predominantly for manufacturing or other industrial purposes; b) can withstand a suspension of such manufacturing or industrial operations for the duration of an interruption; and c) can shut down such operations in the time frame required under Service Classifications 9 and 12 upon notice by the Company of a period of interruption, Customers ineligible for the Shut-Down Option include, but are not limited to: Human Needs Customers, schools, non-residential Customers using gas primarily for space heating purposes, and electric generators. A Customer electing this option must submit to the Company, by October 15 of each year, a signed affidavit form which may be found on the Company's website.

**Receipt Point** means the Citygate point(s) set forth in the Customer's service agreement.

**Renewable Natural Gas** or "RNG" means the gas produced by an RNG Operator at an RNG Plant within Transporter's service territory which meets the RNG Quality Standards.

**RNG Operator** or "Operator" shall mean a party operating an RNG Plant directly connected to Transporter's gas distribution system and authorized to deliver RNG into Transporter's gas distribution system.

**RNG Interconnection Agreement** shall mean an agreement, pursuant to Section D above, between Transporter and RNG Operator for the interconnection of Operator's Facilities and Transporter's Facilities.

**RNG Plant** or **Plant** means an anaerobic digester and related upgrading and processing facilities used to produce biomethane, which shall be limited to non-Hazardous Waste Landfills, wastewater treatment plants and facilities processing organic waste acceptable to Transporter (e.g., sludge and food, yard and livestock waste).



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**RNG Quality Standards** shall mean the standards and specifications, including testing protocols, set forth in each RNG Operator's Interconnection Agreement, Transporter's Tariff and the GTO. For the avoidance of doubt, in the event of a discrepancy or conflict between the RNG Quality Standards specified in an RNG Interconnection Agreement (including, but not limited to, Exhibit E of such Agreement) and the gas quality standards specified in the GTO and/or Transporter's Tariff, the most restrictive gas quality standards specified in the RNG Interconnection Agreement, the GTO and/or Transporter's Tariff shall prevail.

**Seller** means a non-utility entity that subscribes to SC20 service and is determined eligible by the Department of Public Service to provide or arrange to provide natural gas supply and other services to a Customer or Group. The term "Seller" means a "Marketer" and is used interchangeably elsewhere in the Company's tariff and Operating Manual.

**Seller's Base Component** is the non-temperature-sensitive volumes in dekatherms per day of the Seller's Group of aggregated firm transportation customers served under SC 9.

**Seller's Slope Component** is the temperature-sensitive volumes in dekatherms per day of the Seller's Group of aggregated firm transportation customers served under SC 9.

**Slamming** means where a retail customer is switched from one provider to another without the customer's authorization.

**Small Customer Aggregation Group ("Group")** means two or more customers whose aggregate annual requirements are at least 50,000 therms, who purchase gas from the same supplier(s) and who are generally treated as a single customer for purposes of the Operational Matters section of Service Classification No. 9 of the Company's tariff.

**Source of Gas Supply** means gas delivered into an interstate pipeline system at: (i) a production area wellhead receipt point; (ii) a production area pooling point; or (iii) the following market area liquid trading point(s): Niagara, N.Y.

**Special Meter Reading** means a service provided to obtain an actual meter reading at the customer's premises on a date that is different than the customer's regularly scheduled meter reading date.

**Special Needs Customer** means a customer, as defined by the Home Energy Fair Practices Act ("HEFPA"), who requires electrically operated life-sustaining equipment, has a medical emergency, or is elderly, blind or disabled.

**Summer Period** means the period commencing at 10:00 AM on April 1 and ending at 10:00 AM on the following November 1.

**Surplus Imbalance** means (i) For Daily Balancing Service, , and Monthly Balancing Service, the amount by which a Customer's Daily Transportation Quantity, exclusive of the allowance for

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losses, exceeds the Customer's Daily Delivery Quantity, (ii) for Daily Delivery Service, the amount by which the Customer's Daily Transportation Quantity, exclusive of the allowance for losses, exceeds the Customer's Daily Delivery Service Quantity. For a Small Customer Aggregation Group or a group aggregating imbalances, one Surplus Imbalance shall be determined for the entire group.

**System Alert** means an announcement of actual or pending events that if unchecked may result in an OFO.

**Temperature Threshold** means when the temperature is forecast to be at or below a level at which the Company expects to experience peak conditions on its gas distribution system.

**Transportation Customer Information System (TCIS)** means an electronic database system used by Con Edison to provide customer, enrollment and usage information for Marketers/Direct Customers participating in the Retail Choice Program.

**Transporter** shall mean CECONY.

**Transporter's Facilities** means any piping, equipment or infrastructure owned, operated or maintained by Transporter that is necessary to connect the Delivery Point to Transporter's High-Pressure Distribution Facilities, including, but not limited to, the facilities identified in an RNG Interconnection Agreement.

**Transporter's Tariff** or "Tariff" means Transporter's Schedule For Gas Service Applicable In The Entire Territory (PSC No. 9 – GAS), as amended from time to time, or any superseding tariff), for gas delivered by Operator in the State of New York

**Voluntary Switch** means a process or situation where a customer's gas supply provider is changed with the customer's direct authorization.

**Winter Months** shall mean the five consecutive calendar months from November 1 through March 31.

**Winter Period or Heating Season** means the period commencing at 10:00 AM on November 1 and ending at 10:00 AM on the following April 1.

## APPENDIX B - FORMS

ALL FORMS MAY BE DOWNLOADED FROM THE CON EDISON WEB SITE AT  
<https://www.coned.com/en/business-partners/how-to-become-a-gas-supply-partner>

**APPENDIX C – RNG PRELIMINARY ENGINEERING  
AND COST EVALUATION STUDY AGREEMENT**

**RNG PRELIMINARY ENGINEERING  
AND COST EVALUATION STUDY AGREEMENT**

**THIS RNG PRELIMINARY ENGINEERING AND COST EVALUATION STUDY AGREEMENT** (“*Agreement*”), effective as of this [ ] day of [ ] (“*Effective Date*”), is by and between [ ] (“*Customer*”), a [ ] organized and existing under the laws of [ ] with its principal place of business at [ ], and [ ] (“*Company*”), a corporation organized and existing under the laws of the State of New York with its principal place of business at [ ].

**WHEREAS**, Customer is proposing to build a Renewable Natural Gas production facility (as defined in Company’s Gas Transportation Operating Procedures Manual (“*GTOP*”)) located at \_\_\_\_\_ that will recover methane gas from \_\_\_\_\_ to be treated to meet pipeline gas specifications and injected into Company’s natural gas distribution system (the “*Project*”); and

**WHEREAS**, Customer desires to have Company perform certain interconnection study services (as specified below) in connection with the Project, and Company has agreed to perform such services upon the terms and conditions set forth below.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties entering into this Agreement (each a “*Party*”, and collectively, the “*Parties*”), with the intent to be bound, agree as follows:

**ARTICLE I - SERVICES**

**1.1 Scope of Services.** Company will perform those services specified in Exhibit A attached hereto and hereby incorporated herein (“*Services*”). No goods, equipment, or materials will be provided under this Agreement. This Agreement does not provide for gas interconnection service, procurement of equipment, installation or construction, gas purchase or sale, or gas transportation service.

**1.2 Customer’s Responsibilities.**

1.2.1 Customer shall provide and/or perform:

- a) Complete and accurate information necessary for performance of the Services, including, without limitation, site location, constraints, space requirements and relationships, special equipment, systems, site requirements, underground or hidden facilities and structures, all applicable drawings and specifications, information related to environmental conditions at the site (including a Phase I Environmental Site Assessment prepared in accordance with the latest version of ASTM E1527 and all other available test results, reports and analyses), and relevant hazard assessment and site studies;

- b) If and to the extent applicable, Company access to the Project site for which Services will be performed;
- c) A project manager who will be given the authority to coordinate all aspects of the Services between Customer and Company; and
- d) Other responsibilities and access deemed necessary by, and in the sole discretion of, Company to facilitate performance of the Services.

1.2.2 Customer shall reasonably cooperate with Company as required to facilitate performance of the Services. Other express Customer responsibilities may be specified in Exhibit A attached hereto.

1.2.3 Anything in this Agreement to the contrary notwithstanding, Company shall have no responsibility or liability under this Agreement for any defective performance or nonperformance to the extent such defective performance or nonperformance is caused by the inability or failure of (i) Customer to cooperate or to perform any of the tasks or responsibilities contemplated to be performed or undertaken by Customer in Exhibit A or elsewhere in this Agreement, or (ii) Customer and Company to reach agreement on any matter requiring their mutual agreement as contemplated in Exhibit A or elsewhere in this Agreement.

**1.3 Unknown Conditions.** Customer represents, warrants and covenants that all information provided by Customer is accurate and complete and acknowledges and agrees that Company may and will rely on this representation, warranty and covenant in performing under this Agreement. If, due to additional, different or previously unknown information discovered by Customer with respect to its obligations under this Agreement (which shall be promptly reported to the Company as soon as practicable), any changes in Services are required that will result in an increase or decrease in the cost or time of performance under the Agreement, the Price (as defined in Article 2.1 below), schedule, or other affected provisions of this Agreement shall be amended by the Parties in writing to memorialize such modifications.

**1.4 Changes and Extras.** Customer may request changes in Services in writing. If any such changes will result in an increase or decrease in the cost or time of performance under this Agreement, the Price, schedule or any other affected provisions of the Agreement, the Parties shall amend this Agreement in writing to memorialize such changes. Company may make changes in Services with the prior written approval of Customer (which approval shall not be unreasonably withheld, conditioned or delayed).

**1.5 Governmental Requirements.** Changes in Services may be necessary in order to meet the requirements of governmental authorities, laws, regulations, ordinances, Good Utility Practice (as defined in Article 5.2 below) and/or codes. After Customer's prior written approval (which shall not be unreasonably withheld, conditioned or delayed), Company will make changes in Services as it deems necessary, in its sole discretion, to conform to such requirements. If any such changes will result in an increase or decrease in the cost or time of performance under this Agreement, the Price, schedule and other affected provisions of this Agreement shall be amended by the Parties in writing to memorialize such changes. If Customer withholds its approval, and in Company's sole and exclusive judgment the withholding of approval by Customer is not

reasonable, then, at Company's election, Company may terminate this Agreement immediately upon written notice to Customer.

## **ARTICLE II - PRICE, TAXES, AND PAYMENT**

**2.1 Price.** The price for the Services to be paid by Customer shall be the actual costs and expenses incurred by Company and its affiliates in connection with performance of the Services or otherwise incurred by Company in connection with this Agreement, and shall include, without limitation, any such costs that may have been incurred by Company prior to the Effective Date (the "Price").

2.1.1 The Price shall include, without limitation, the actual costs and expenses for the following to the extent incurred in connection with performance of the Services: labor (including, without limitation, internal labor); materials; subcontracts; equipment; travel, lodging, and per diem paid in accordance with Company policy; copying and reproduction of materials, overnight delivery charges, certified mailing charges, first class mailing charges and similar types of incidental charges; transportation; carrying charges and surcharges; all applicable overheads including an Administrative and General ("A&G") expense charge at Company's current rate at the time of invoicing; all federal, state and local taxes incurred; all costs and fees of outside experts, consultants, counsel and contractors; all other third-party fees and costs; and all costs of obtaining any required consents, releases, approvals or authorizations. All invoiced sums will include applicable expenses, surcharges and federal, state and local taxes.

2.1.2 Exhibit B attached hereto sets forth illustrative examples of hourly internal labor rates for certain engineer and project manager titles. Actual hourly rates may vary from these examples, based upon the salaries and titles of specific employees providing Services. For the avoidance of doubt, Customer shall be responsible for the actual costs and expenses incurred by the Company and its affiliates in connection with performance of the Services.

2.1.3 If Customer claims exemption from sales tax, Customer agrees to provide Company with an appropriate, current and valid tax exemption certificate, in form and substance satisfactory to Company, relieving Company from any obligation to collect sales taxes from Customer ("Sales Tax Exemption Certificate"). During the term of this Agreement, Customer shall promptly provide Company with any modifications, revisions or updates to the Sales Tax Exemption Certificate or to Customer's exemption status. If Customer fails to provide an acceptable Sales Tax Exemption Certificate for a particular transaction, Company shall add the sales tax to the applicable invoice to be paid by Customer.

**2.2 Payment.** Customer shall provide Company with an initial prepayment in the amount of \_\_\_\_\_ U.S. dollars (\$ \_\_\_\_\_) ("Initial Prepayment"). Company shall not be obligated to commence performance of Services until it has received the Initial Prepayment. If, during the performance of the Services, Company determines that one or more additional prepayments are required before completing the Services, Company may, but is not required to, request additional prepayment from Customer; any such requests will be in writing. If an additional prepayment is requested and is not received from Customer on or before the date specified in each such request, or if no date is specified, within thirty (30) days of receipt of the written request, Company may cease work upon the depletion of the Initial Prepayment and any other prepayments

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made by Customer to date, as applicable. Upon Company's receipt of the additional requested prepayment from Customer (such prepayment to be additional to the Initial Prepayment and any other prepayments made by Customer to date), Company will continue to perform the Services. The Initial Prepayment and the additional prepayments (if any) represent estimates only.

2.2.1 Company is not required to request additional prepayments from Customer and may elect, in its sole discretion, to continue performing Services hereunder after the depletion of the Initial Prepayment, or any other prepayments made by Customer to date, as applicable, without additional prepayments and invoice Customer for such Services at a later date. Customer shall be responsible to pay Company the total Price for completing the Services actually performed by Company whether or not any additional prepayments were made at Company's request. Any election by Company to seek or defer additional prepayments in one instance shall not obligate the Company to seek or defer additional prepayments in any other instance.

2.2.2 Company will invoice Customer for all sums owed under this Agreement. With the exception of additional prepayments required under Article 2.2, in which case the due date provided in such paragraph shall apply, payment shall be due in full within thirty (30) days of Company's submittal of an invoice, without regard to claims or off-sets. Payment shall be made in immediately available funds transmitted by the method specified in the invoice. A continuing late payment charge of 1.5% per month will be applied on any late payments.

2.2.3 If Company's Price for completing the Services is less than the Initial Prepayment plus any such additional prepayments paid by Customer under this Article ("Total Prepayment"), Company will refund the remaining unused portion of the Total Prepayment to Customer.

### **ARTICLE III - SCHEDULE, DELAYS, AND FORCE MAJEURE**

3.1 Company will use reasonable efforts to commence the Services promptly following its receipt of all of the following: a fully executed Agreement, the Initial Prepayment, insurance certificate required under Appendix C, and all information required by this Agreement to be supplied by Customer prior to commencement of the Services.

3.2 If Company's performance of any obligation under this Agreement is delayed by any action of Customer or its affiliates or third-party agents, Customer shall be responsible for any additional costs or delay in Company's performance caused by such delay.

3.3 Any delays in, or failure of, performance by Customer or Company, other than payment of monies, shall not constitute default and shall be excused hereunder, if and to the extent such delays or failures of performance are caused by occurrences beyond the reasonable control of Customer or Company, as applicable ("Force Majeure Event"), including, but not limited to, acts of God, Federal and/or state law or regulation, sabotage, explosions, acts of terrorism, unavailability of personnel, equipment, supplies, or other resources for utility-related duties, delays by governmental authorities in granting licenses, permits or other approvals necessary in connection with Services, compliance with any order or request of any governmental or judicial authority, compliance with Company's public service obligations, storms, fires, inclement or adverse weather, floods, riots or strikes or other concerted acts of workers and accidents. The Party



claiming such inability to perform shall give prompt notice and reasonably full particulars of such Force Majeure Event relied upon; and provided further that the Party claiming such inability shall promptly and diligently take such action as may be necessary and reasonably practicable to correct, or cause to be corrected, such inability.

#### **ARTICLE IV - INTELLECTUAL PROPERTY**

4.1 Any drawings, specifications or other documents (i) prepared or used by Company, or (ii) prepared by Customer for Company in connection with this Agreement, shall be the proprietary, confidential information and sole property of Company at no cost to Company (collectively “*Materials*”).

4.2 Excluding third-party owned documents and software, Company grants Customer an irrevocable, non-transferable, and non-assignable license to use such Materials solely in connection with the Project. Company does not authorize any commercialization of such Materials by Customer. Customer shall not disclose any of the Materials to any third party, in whole or in part, without the prior written consent of Company.

4.3 The obligations imposed by this Article IV shall survive the completion, expiration, or termination of this Agreement.

#### **ARTICLE V - PERFORMANCE**

5.1 Company shall perform the Services in a manner consistent with Good Utility Practice (as defined in Article 5.2 below); provided, however, that Company shall have no responsibility or liability in connection with (i) any items or services provided by Customer or its third-party contractors or representatives whether or not such items or services are incorporated in the Services, (ii) any items or services provided, manufactured or licensed by third parties whether or not such items or services are incorporated in the Services or (iii) any defects in Services that result from the acts or omissions of persons other than Company or accidents not caused by Company.

5.2 “*Good Utility Practice*” means the practices, methods and acts engaged in or approved by a significant portion of the natural gas utility industry during the relevant time period, or any practices, methods and acts which, in the exercise of good judgment in light of the facts known at the time the decision was made, would have been reasonably expected to accomplish the desired result consistent with good business practices, safety, and law. Good Utility Practice is not intended to require or contemplate the optimum practice, method or act, to the exclusion of all others, but rather to be reasonably acceptable practices, methods, or acts generally accepted in the region in which the Services are to be performed.

#### **ARTICLE VI - INSURANCE**

6.1 Customer shall comply with the insurance requirements set forth in Exhibit C of this Agreement.

## **ARTICLE VII - INDEMNIFICATION AND LIMITATION OF LIABILITY**

7.1 To the extent allowed by law, each Party agrees to defend, indemnify and hold the other Party and its affiliates and their respective trustees, directors, officers, employees, agents, representatives, successors and assigns, free and harmless from, for and against claims, suits, costs, damages, losses, penalties, debts, liens, expenses and liabilities of any kind, including but not limited to attorneys' and expert witnesses' fees and related costs and disbursements, arising out of, in connection with, or incident to this Agreement, whether or not such liabilities are attributable to bodily injury, sickness, disease, death or injury to or destruction of tangible property, except if caused by the negligence, breach of contract or willful misconduct of either Party or those persons or entities for whom each Party is liable or under such Party's direction or control.

7.2 EXCEPT FOR LIABILITY (I) PURSUANT TO THE PROVISIONS OF ARTICLE 7.1, (II) ARISING FROM A BREACH OF ARTICLE 4 OR ARTICLE 6, OR (III) ARISING FROM GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR ANY FRAUDULENT ACT OR OMISSION OF A PARTY (INCLUDING THOSE PERSONS OR ENTITIES FOR WHOM A PARTY IS LIABLE OR UNDER SUCH PARTY'S DIRECTION OR CONTROL), NEITHER PARTY SHALL BE LIABLE TO THE OTHER IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER ARISING FROM THE SERVICES PERFORMED HEREUNDER, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, LOSS OF USE OF EQUIPMENT OR COMPANY'S GAS DISTRIBUTION SYSTEM, COST OF CAPITAL, COST OF PURCHASED OR REPLACEMENT GAS OR TEMPORARY EQUIPMENT.

7.3 All provisions of this Article VII shall survive the completion, expiration or termination of this Agreement.

## **ARTICLE VIII - TERM AND TERMINATION**

8.1 The term of this Agreement shall expire eighteen (18) months from the Effective Date. As of the expiration of this Agreement or, if earlier, its termination, the Parties shall no longer be bound by the terms and provisions hereof, except (a) to the extent necessary to enforce the rights and obligations of the Parties arising under this Agreement before such expiration or termination (including, without limitation, with respect to payment of all amounts due and payable hereunder), and (b) such terms and provisions that expressly or by their operation survive the termination or expiration of this Agreement.

8.2 Either Party may terminate this Agreement for convenience by delivery of written notice to the other Party, such termination to be effective on the tenth (10th) day following delivery of such written notice, or upon payment in full of all amounts due and payable hereunder, whichever is later. On or before the effective termination date of this Agreement, Customer shall pay Company all amounts due and payable as the Price for that portion of the Services performed up to the effective date of termination ("Amount Outstanding"), including, without limitation, all costs and expenses incurred, less the Total Prepayment. In the event that the Total Prepayment exceeds the Amount Outstanding, Company shall remit the balance to Customer.

**ARTICLE IX - MISCELLANEOUS PROVISIONS**

**9.1 Assignment and Subcontracting.** Customer agrees that Company has the right, but not the obligation, to (i) use the services of its affiliated companies in connection with the performance of Services, and (ii) issue contracts to third parties for, or in connection with, the performance of Services, without the prior consent of Customer, and that the costs and expenses of such affiliated companies or third parties charged or chargeable to Company shall be paid by Customer as part of the Price.

**9.2 No Third-Party Beneficiary.** Except as specifically provided herein (including, without limitation, indemnification provisions hereof), nothing in this Agreement is intended to confer on any person, other than the Parties, any rights or remedies under or by reason of this Agreement.

**9.3 Amendment; Adjustments.** This Agreement shall not be amended, superseded or modified, except in a writing signed by both Parties. In any circumstance in which this Agreement contemplates an adjustment to Price, schedule or any other term of this Agreement, Company shall have no obligation to continue performance hereunder until and unless such adjustment has been mutually agreed to by both Parties in writing.

**9.4 Confidentiality.** Prior to the commencement of Services, the Parties agree to enter into a separate non-disclosure agreement (“NDA”) to govern the communication and protection of confidential information, particularly critical energy infrastructure information. In the event of a conflict or discrepancy between the NDA and this Agreement, the terms and conditions of the NDA shall govern and prevail.

**ARTICLE X - NOTICES.**

Any notice given under this Agreement shall be in writing and shall be hand delivered, sent by registered or certified mail, delivered by a reputable overnight courier, or sent by facsimile with electronic confirmation of receipt, to the Party’s representatives as follows:

Customer:

[ \_\_\_\_\_ ]  
Attn: [ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]  
Phone [ \_\_\_\_\_ ]  
Facsimile: [ \_\_\_\_\_ ]

Company:

[ \_\_\_\_\_ ]  
Attn: [ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]  
Phone [ \_\_\_\_\_ ]

Facsimile: [ \_\_\_\_\_ ]

With a copy to:

[ \_\_\_\_\_ ]

Attn: [ \_\_\_\_\_ ]

[ \_\_\_\_\_ ]

[ \_\_\_\_\_ ]

Phone [ \_\_\_\_\_ ]

Facsimile: [ \_\_\_\_\_ ]

**10.1 Waiver.** No term of this Agreement may be waived except in a writing signed by an authorized representative of the Party against whom the amendment, modification, or waiver is sought to be enforced. Waiver of any provision herein shall not be deemed a waiver of any other provision herein, nor shall waiver of any breach of this Agreement be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement.

**10.2 Approvals.** It is understood that Company may be required to obtain regulatory, and other third-party approvals and releases in connection with the provision of the Services. If so, this Agreement shall be effective subject to the receipt of any such approvals and releases, in form and substance satisfactory to Company in its sole discretion, and to the terms thereof.

**10.3 Governing Laws; Venue; Submission to Jurisdiction.** This Agreement shall be interpreted and enforced according to the laws of the State of New York and not those laws determined by application of the State of New York's conflicts of law principles. Each Party agrees that service of process on such Party in relation to such jurisdiction may be made, at the option of the other Party, either by registered or certified mail addressed to such Party at the address shown in Article 10.1 or at the address of any office actually maintained by such Party, or by actual personal delivery to such Party. Such service shall be deemed to be sufficient when jurisdiction would not lie because of the lack of a basis to serve process in the manner otherwise provided by law. In any case, however, process may be served as stated above whether or not it may be properly served in a different manner. Each Party consents to the selection of the state and the federal courts situated in the City of New York as the exclusive forums for any legal proceeding arising out of or relating to this Agreement. Each Party also agrees that all discovery in any proceeding will take place in the City of New York.

**10.4 Severability.** To the extent that any provision of this Agreement shall be held to be invalid, illegal or unenforceable, it shall be modified so as to give as much effect to the original intent of such provision as is consistent with applicable law and without affecting the validity, legality or enforceability of the remaining provisions of the Agreement.

**10.5 Integration and Merger; Entire Agreement.** Customer and Company each agree that there are no understandings, agreements or representations, expressed or implied, with respect to the subject matter hereof other than those expressed herein. This Agreement supersedes and merges all prior discussions and understandings with respect to the subject matter hereof, and constitutes the entire agreement between the Parties with respect to such subject matter.

**10.6 Authority.** Each Party represents to the other Party that the signatory identified beneath its name below has full authority to execute this Agreement on its behalf.

**10.7 Information and Coordination Contact.** The individuals identified in Article 10.1, or such other representative as Company may designate, will be the point of contact for Customer to submit the information required for Company to perform the Services stated in this Agreement. [ ] or such other representative as Customer may designate, will be the point of contact for Company to request additional information from Customer, if required.

**10.8 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be considered an original, and all of which together shall constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile or other electronic transmission (including, without limitation, by e-mailed PDF) shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or other electronic means (including, without limitation, by e-mailed PDF) shall be deemed to be their original signatures for all purposes.

**10.9 Gift Policy and Unlawful Conduct.** Customer is advised that it is a strict Company policy that neither employees of Company nor their family members, agents or designees, shall accept gifts, whether in the form of a payment, gratuity, service, loan, thing, promise or any other form (collectively, a “Gift”), from contractors, sellers or others transacting or seeking to transact any business with Company. Accordingly, Customer, its employees, agents and subcontractors are strictly prohibited from offering or giving any Gift to any employee of Company or any employee’s family member, agent or designee, whether or not made with intent to obtain special consideration or treatment and whether or not the employee is involved in the Services to be performed under the Agreement. Furthermore, Customer is prohibited from engaging in fraudulent or unlawful conduct in the negotiation, procurement, or performance of any contract between Company and the Customer or any Services performed for or on behalf of Company, or in any other dealings relating to Company. Customer’s breach of any obligation of this paragraph shall be a material breach of contract entitling Company to, in its sole discretion, cancel all contracts between Company and Customer, remove Customer from its list of qualified bidders, and invoke and enforce all other rights or remedies that Company may have under contract or applicable law. For the purposes of this Article, the term “Company” shall include all of Company’s affiliates. Customer shall promptly report any alleged violation of this policy to the Vice President of Purchasing or to the Ethics Helpline at 1-855-FOR-ETHX (1-855-367-3849).

In accordance with Section 15 of the New York State Public Service Law, Company employees (and contractors working for Company) are prohibited from offering any present, gift or gratuity (including, but not limited to, meals, refreshments and transportation), of any kind or any monetary amount, to any commissioner of the New York State Public Service Commission or to any employee of the New York State Department of Public Service.

Many other federal, state and local government agencies have restrictions on the value of gifts, meals and refreshments that their employees may accept. There is no uniform policy or rule applicable to employees of all government agencies. Giving or offering to give presents, gifts or gratuities in violation of applicable rules or laws could create the false impression that an entity or

**Consolidated Edison Company of New York, Inc.**

its employees or contractors are trying to improperly influence a government employee. It could also lead to civil or criminal penalties. Therefore, contractors and their employees, agents and subcontractors working on Company projects shall not offer any presents, gift or gratuities to government employees in the course of their work for Company.

The provisions set forth in this Article 109 are in addition to, and not in lieu of, any other provisions governing the contractual relationship between Company and Customer (including any other provisions pertaining to similar subjects) and are intended to be applied together with such other provisions.

**Consolidated Edison Company of New York, Inc.**

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

[COMPANY]

By: \_\_\_\_\_  
Name:  
Title:

[CUSTOMER]

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT A**

**SCOPE OF SERVICES**

**Scope of Services**

Company's scope of Services shall be:

1. Assign a Project Engineer and Project Manager to provide technical support for the Services;
2. Arrange and schedule periodic status meetings regarding the Services;
3. Provide standards for Customer to follow in order to design interconnection facilities and equipment in accordance with Company specifications;
4. Provide the specifications for the meters to be installed and determine the size and quantity of meters required;
5. Provide technical assistance as needed by Customer in reviewing the design and layout for analytical equipment to be installed by Customer in accordance with manufacturer's recommendations;
6. Provide technical assistance as needed by Customer in reviewing the design and layout for odorant equipment to be installed by Customer in accordance with applicable health and safety codes for the storage of odorant;
7. Review drawings and specifications created by Customer for the facilities and equipment set forth below to be provided by Customer. Company reserves the right to make changes to the design in order to meet Company standards;
8. Provide technical assistance as needed to ensure design is in compliance with Company's safety standards including performance of required safety and hazard assessments, if applicable;
10. Discuss ownership, operations and maintenance of the equipment and facilities set forth below in order to prepare a list of equipment ownership and identify the point of ownership transfer of the outlet piping and inlet piping on engineering drawings and piping and instrumentation drawings;
11. Provide preliminary drawings, specifications for interconnection equipment to be designed, construction, owned and/or operated and maintained by Company;
12. Estimated cost and schedule for the construction of interconnection facilities and equipment to be provided by the Company and paid for by Customer;
13. If warranted, in Company's sole discretion, conduct flow analyses and/or other analyses to evaluate potential for gas delivered to the Company's gas system from the Project to commingle with other gas supplies; and
14. Such other matters as the parties mutually agree to include within the scope of services.



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Major equipment and facilities required for Project (to be provided by Customer) includes, but is not limited to, the following:

1. Gas service and associated metering equipment for back up supply from Company, if needed;
2. Gas outlet system tie-in and associated metering equipment for gas produced on site;
3. Remote Terminal Unit (“RTU”) to transmit gas quality and flow data to Company’s Gas Control Room;
4. Gas Chromatograph (10 component) to measure BTU, inerts (CO<sub>2</sub>, N<sub>2</sub>), Oxygen of digester gas including sampling probe and equipment;
5. Odorant Chromatograph to measure mercaptans, total sulfur, and H<sub>2</sub>S in the digester gas, including sampling probe and equipment;
6. Moisture Meter to measure amount of H<sub>2</sub>O in the RNG;
7. Remote control valve to enable remote shut-in of Customer’s outlet in cases where gas from the plant is out of specification and ensure safe and reliable operation of the interconnection, unless provided by the Company;
8. Temperature and pressure measurement devices;
9. Odorant injection system with sight glass diffusion probe, storage tank(s) with dike etc.;
10. Gas filters with differential gages on plant outlet line, associated piping valves assemblies for sampling probes, access points and corrosion coupon insertion point;
11. Analyzer Building – prefab concrete building to house RTU and all analytical equipment with electric service and Power Conditioning, and Battery Back Up system, gas detector(s); and
12. Odorant Building (if required) – negative pressure concreted building to house odorant equipment with electric service and gas detector(s), charcoal filter, blower, fire suppression and monitoring equipment and appropriately designed spill containment (as required by \_\_\_\_\_ Fire Marshall);
13. Dehydration, processing, and treatment facilities necessary to consistently meet Company’s gas quality requirements;
14. Compressors, regulators, and heaters necessary to meet pressure and temperature requirements;
15. Over-pressure protection devices appropriate for the Project and acceptable to the Company; and
16. Additional and ancillary facilities and equipment necessary to ensure the safe and reliable interconnection of the Project to the Company’s gas distribution system, such as primary and back-up telecommunications services, AC power service(s), UPS and back-up power sources sufficient for Company’s and Customer’s interconnection facilities.

*Assumptions and Conditions:*

Any dates, schedules or cost estimates resulting from the Services are preliminary projections/estimates only and shall not become or give rise to any binding commitment.

The Services contemplated by this Exhibit and this Agreement do not include any construction, relocations, alterations, modifications or upgrades with respect to any facilities (“Construction”), nor does Company make any commitment to undertake such Construction. If the Parties elect, in their respective sole discretion, to proceed with any Construction: (i) such Construction would be performed pursuant to a separate, detailed, written and mutually acceptable agreement to be entered into by the Parties prior to the commencement of any such Construction, and (ii) payment of all actual costs incurred by Company or its affiliates in connection with or related to such Construction shall be the responsibility of Customer as specified in such agreement and Customer shall reimburse Company for all such costs.

For the avoidance of doubt, this Agreement does not provide for natural gas or electric service, generation interconnection service or procurement of equipment, installation or construction. The Company shall not have any responsibility for seeking or acquiring any real property rights in connection with the Services or the Project including, without limitation, licenses, permits, consents, permissions, certificates, approvals, or authorizations or fee, easement or right of way interests. Neither this Agreement nor the Services include securing or arranging for Customer or any third party to have access rights in, through, over or under any real property owned or controlled by the Company.

**EXHIBIT B**

**COMPANY'S APPLICABLE HOURLY RATES AND ANCILLARY COSTS**

[TO BE INSERTED]

**EXHIBIT C**

**INSURANCE REQUIREMENTS**

1. The Customer shall, and shall cause its subcontractors to, at its (their) own expense, procure and maintain in force throughout the term of this Agreement, including any warranty period, if applicable, or as otherwise required, the following minimum insurance coverages, with insurance companies licensed to write insurance or approved eligible insurance carriers with a minimum A.M. Best financial strength rating of A - or better and financial size category of VIII or better.

**1.1 Employment related insurance**

- i) Workers' Compensation Insurance as required by law.
- ii) Employers' Liability Insurance  
Bodily Injury by accident: \$1,000,000.00 each accident  
Bodily Injury by disease: \$1,000,000.00 policy limit  
Bodily Injury by disease: \$1,000,000.00 each employee
- iii) Where applicable, insurance required by the United States Longshoremen's and Harbor Workers' Act, the Federal Employers, Liability Act, and the Jones Act.

The Workers' Compensation Insurance policy shall contain a waiver of subrogation in favor of Consolidated Edison Inc., Consolidated Edison Company of New York, Inc. and Orange & Rockland Utilities, Inc.

1.2. **Commercial General Liability Insurance**, including Contractual Liability, with annual limits of not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate for bodily injury, including death, and property damage and, for at least six (6) years after completion of performance hereunder, Products/Completed Operations Liability Insurance with similar but separate and independent limits. Defense will be outside of the limit. The insurance policy shall be in policy forms which contain an "occurrence" and not a "claims made" determinant of coverage. There shall be no policy deductibles greater than [ ] without the Company's prior written approval. The insurance policy shall contain no exclusions for explosion, collapse of a building or structure, or underground hazards, cranes, or independent contractors. Policy will include coverage for sudden and accidental pollution. The insurance policy or policies shall name Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc. and Consolidated Edison, Inc. as additional insureds with respect to the work and completed operations. If applicable, the Commercial General Liability Insurance policy shall include coverage for work on or within 50 feet of a railroad. The policy(ies) shall be primary and non-contributory and contain a waiver of subrogation. Limits of insurance will be on a per project basis.

1.3. **Comprehensive Automobile Liability Insurance**, covering all owned, non-owned and hired automobiles used by the Customer or any subcontractors, with a combined single limit of not less than One Million Dollars (\$1,000,000.00) per accident for bodily injury, including death, and property damage. The insurance policy shall be primary and non-contributory, contain a waiver of subrogation and will name Consolidated Edison, Inc., Consolidated Edison Company of New York, Inc. and Orange & Rockland Utilities, Inc. as additional insureds.

1.4. **Umbrella/Excess Liability Insurance** over and above the Employers' Liability, Commercial General Liability and Comprehensive Automobile Liability Insurance coverages, with a combined single limit no less than 6 Million Five Hundred Thousand Dollars (\$6,500,000.00) per occurrence and 6 Million Five Hundred Thousand Dollars (\$6,500,000.00) in the aggregate. The policy(ies) will be written on a

## **Consolidated Edison Company of New York, Inc.**

drop-down and follow form basis. The Excess Liability Insurance policy(ies) shall be as broad as the underlying policies and contain the same requirements (i.e., additional insured, waiver of subrogation and primary and non-contributory) under the primary underlying policies. Limits of insurance will be on a per project basis and will renew annually.

1.5. **Professional Liability Insurance** in the amount not less than Five Million Dollars (\$5,000,000.00) per claim and in the aggregate for the duration of the work and for at least three (3) years following final completion and acceptance of the work.

## **2. General Insurance Requirements**

2.1. The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributory and include a waiver of subrogation. Consolidated Edison, Inc., Consolidated Edison Company of New York, Inc. and Orange & Rockland Utilities, Inc. are to be additional insured. A waiver of subrogation is required for all Workers Compensation policies.

2.2. The requirements contained herein as to the types and limits of all insurance to be maintained by the Customer are not intended to and shall not in any manner limit or qualify the Customer's liabilities and obligations assumed under this Agreement.

2.3 Any deductibles or self-insured retentions exceeding [\_\_\_\_\_] shall be approved in advance and in writing by the Company. The Customer shall pay all costs and expenses within any deductibles or self-insured retentions, regardless of the number of losses.

2.4. If the aggregate limits on any Customer's insurance policy are eroded or unavailable, the Customer must notify the Company immediately.

2.5. Subcontractors of the Customer must maintain the same insurance requirements stated above (unless otherwise stated) and comply with the additional insured requirements set forth herein. In addition, their policies must state that they are primary and non-contributory and contain a waiver of subrogation. The Customer shall flow down (via written agreement) all required insurance including the requirements for additional insured, and Waiver of subrogation.

2.6. The Customer's policies will be endorsed to provide the Company with written notice at least thirty (30) days prior to the effective date of cancellation of the insurance or any changes in policy limits or material scope of coverage.

2.7. The Company shall have the right, upon request, to require the Customer to furnish the Company with a copy of the insurance policy or policies (and/or binders) required herein. At least fifteen (15) days prior to commencing work hereunder, the Customer shall furnish the Company with certificates of insurance(s) evidencing that all required insurance policies have been obtained, showing their expiration dates and stating that the Company is an additional insured where being requested. The Customer shall also submit copies of all key coverage endorsements including additional insured, primary and non-contributory and waiver of subrogation. The Customer shall collect and submit certificates of insurance from all subcontractors evidencing the required coverages and extensions. At least two (2) weeks prior to any insurance policy expiration, the Customer will provide evidence of renewal. All insurance policy limits must be renewed annually.

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Certificates of insurance identifying the Agreement shall be sent to:

[ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]  
Attention: [ \_\_\_\_\_ ]

2.8. The Company reserves the right to revise the insurance requirements as necessary.

2.9. To the fullest extent allowed by law, the Customer agrees that this is an insured contract and that the insurance required herein is intended to cover each of Consolidated Edison, Inc., Consolidated Edison Company of New York, Inc. and Orange & Rockland Utilities, Inc. for its own liability for negligence or any other cause of action in any claim or lawsuit for bodily injury or property damage arising out of the work or this Agreement.

2.10. In the event of any claim/allegation, bodily injury, death, property damage, or other accident or harm arising out of, relating to, or in any way connected with the work or this Agreement, the Customer, in accordance with the provisions of the insurance policies shall inform promptly and in writing the insurers that notice is being provided on behalf of the Customer, Consolidated Edison Company of New York, Inc., Orange & Rockland Utilities, Inc. and Consolidated Edison, Inc. and that it intends to invoke the coverage of the policies to protect the interests and preserve the rights of the Customer, Consolidated Edison Company of New York, Inc., Orange & Rockland Utilities, Inc. and Consolidated Edison, Inc. Simultaneously with providing the written notice required by this paragraph to the applicable insurers, the Customer shall provide a copy of such written notice, including a copy of any incident report or accident report, by sending to: Consolidated Edison Company of New York, Inc., Law Department, 4 Irving Place, New York, N.Y., 10003, Attention: General Litigation – 18<sup>th</sup> Floor.

APPENDIX D – RNG INTERCONNECTION  
AGREEMENT

**RENEWABLE NATURAL GAS INTERCONNECTION AGREEMENT**

THIS RENEWABLE NATURAL GAS INTERCONNECTION AGREEMENT (the “Agreement”) is made and entered into as of [ ] (the “Effective Date”), by and between [ ], a [organization description] with its principal place of business located at [ ], (“Operator”), and [ ], a corporation organized and existing under the laws of the State of New York with its principal place of business located at [ ] (“Transporter”). Operator and Transporter are each at times referred to individually as a “Party” and collectively as the “Parties.”

WITNESSETH

WHEREAS, Transporter is a public utility authorized and obligated to receive and transport natural gas and to provide retail natural gas service subject to the jurisdiction of the New York State Public Service Commission; and

WHEREAS, by means of facilities operated by it, Operator proposes to deliver Renewable Natural Gas into facilities owned and operated by Transporter.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby covenant, promise and agree as follows:

**ARTICLE 1. DEFINITIONS**

Any capitalized or abbreviated term not elsewhere defined in this Agreement shall have the definition set forth in this Article 1.

1.1 “Affiliate” means, with respect to a Party, any entity that, directly or indirectly, through one or more intermediaries, Controls, or is Controlled by, or is under common Control with such Party.

1.2 “Applicable Law” means any and all applicable acts, laws, statutes, ordinances, orders, rules, permits, regulations, rulings, licenses, decrees, directives, judgments or policies (to the extent mandatory) or any similar form of decision, determination or any interpretation, construction or administration of any of the foregoing, having the effect of law and/or official governmental actions, whether of a federal, state, local or tribal nature, promulgated by a Governmental Authority having jurisdiction, which shall include without limitation any applicable Environmental Laws.

1.3 “Bankrupt” means with respect to any entity, such entity (a) files a petition or otherwise commences, authorizes, or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law or has any such petition filed or commenced against it, (b) makes an assignment or any general arrangement for the benefit of creditors, (c) otherwise becomes bankrupt or insolvent (however evidenced), (d) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (e) is generally unable to pay its debts as they fall due.

1.4 “Btu” or “British Thermal Unit” means, generally, the amount of heat required to raise the temperature of one (1) pound of liquid water by one degree Fahrenheit (1° F) at a constant pressure of one atmosphere and is a measure of heat value (energy content). Btu is calculated in conformance with applicable American National Standards Institute/American Petroleum Institute and American Gas Association (“AGA”) recommendations.



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1.5 “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. Eastern Standard Time.

1.6 “Confidential Information” means any and all documents, materials, plans, proposals, data and other information (whether oral, written, electronic or otherwise) furnished or made available by a Party or its Representatives to the other Party or its Representatives in connection with this Agreement, together with any and all analyses, compilations, studies, documents or other material prepared by the receiving Party or its Representatives to the extent containing or based upon such documents, materials, plans, proposals, data and other information; but does not include (except with respect to CEII, as defined in Article 1.8) documents, materials, plans, proposals, data and other information that (a) are when furnished or thereafter become available to the public other than as a result of a disclosure by the receiving Party or its Representatives in violation of this Agreement, (b) the receiving Party can demonstrate by written evidence are already in the possession of or become available to the receiving Party or its Representatives on a non-confidential basis from a source other than the disclosing Party or its Representatives; provided, that, to the best knowledge of the receiving Party or its Representatives, as the case may be, such source is not and was not bound by an obligation of confidentiality to the disclosing Party or its Representatives, or (c) the receiving Party or its Representatives can demonstrate by written evidence has been independently developed without a violation of this Agreement. Without limiting the foregoing, Confidential Information of Transporter shall include all information related to any of its networks or systems, energy consumption data, customer identification information, customer account and billing information, customer interval data and internal cost information, including CEII.

1.7 “Control” means with respect to any person, (a) the ownership of fifty percent (50%) or more of the outstanding equity ownership interest of such person or (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management or the policies of such person, whether through ownership interest, by contract or otherwise.

1.8 “Critical Energy Infrastructure Information” (or “CEII”) means information about proposed or existing Critical Infrastructure that relates to the production, generation, storage, transportation, transmission or distribution of natural gas and could be useful to a person in planning an attack on Critical Infrastructure. CEII includes but is not limited to engineering, design, vulnerability, physical or cyber security, location, drawings, maps and pictorial information about proposed or existing Critical Infrastructure.

1.9 “Critical Infrastructure” means existing and proposed energy systems and assets, whether physical, cyber or virtual, the disruption, incapacity or destruction of which would negatively affect national, state, or local physical security, economic security, public health or safety, or any combination thereof or Transporter’s ability to produce, store, transport, transmit or distribute natural gas within Transporter’s service area.

1.10 “Cubic Foot” means the volume of RNG contained in one (1) cubic foot of space at a standard pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a standard temperature of sixty degrees Fahrenheit (60° F), under standard gravitational force.

1.11 “Dekatherm” or “Dt” means a quantity of RNG containing one (1) million Btu of energy.

1.12 “Delivery Point” means the point of interconnection between Operator’s Facilities and Transporter’s Facilities, at the outlet of the Metering Building (as defined in Exhibit D), as identified in Exhibit F.

1.13 “Effective Date” means the date first above written.

1.14 “Emergency Services” means actions taken by Transporter, in its reasonable discretion, to maintain the safe and reliable operation of its gas system, render the Transporter’s Facilities safe, and/or protect the public including, but not limited to, shutting off gas supply or deliveries to the Transporter’s Facilities. In

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performance of Emergency Services, Transporter shall incur any and all expenses as required, in its sole discretion.

1.15 “Environmental Costs” means costs, expenses, and liabilities incurred in connection with compliance with all applicable Environmental Laws due to the existence of an Operator Environmental Condition(s), including without limitation, in each case (i) costs associated with the characterization, storage, generation, use, handling, manufacture, processing, transportation, treatment, disposal, investigation, remediation, removal, and clean up of Environmentally Deleterious Substances, if any; and (ii) costs associated with the characterization, storage, generation, handling, processing, transportation, treatment, disposal, investigation, remediation, removal, and clean up of all materials encountered, excavated, or disturbed, whether or not such are considered Environmentally Deleterious Substances.

1.16 “Environmental Laws” means all applicable current and future federal, state, local and foreign laws (including any common law), treaties, rules, regulations, requirements, ordinances, codes, decrees, judgments, directives, orders (including consent orders), permits, and guidance documents issued, published or amended by Governmental Authorities, in each case, pertaining to pollution, the protection of the environment, human health and safety, or natural resources, the presence, Release of, threatened Release of, or exposure to Environmentally Deleterious Substances, or to the generation, manufacture, processing, distribution, use, treatment, storage, transport, remediation, disposal, recycling or handling of, or arrangement for such activities with respect to, Environmentally Deleterious Substances.

1.17 “Environmentally Deleterious Substance” means, individually or collectively, (i) any substance, waste or material regulated under, or for which liability may arise under, any applicable Environmental Law, including, without limitation, any substance, waste or material that has been defined or regulated by any Environmental Law as a “hazardous substance”, “hazardous waste”, “hazardous material”, or “toxic substance” or words of similar import, under any Environmental Law, including without limitation substances that are radioactive, toxic, ignitable, corrosive, reactive, explosive, hazardous, deleterious, chemicals or otherwise a pollutant, contaminant or waste, or any substance waste or material having any constituent elements displaying any of the foregoing characteristics, or (ii) petroleum or petroleum products, “asbestos-containing material” (as that term is defined in 40 CFR Part 61 Subpart M and other Environmental Laws), polychlorinated biphenyls (“PCBs”), or “solid waste” as that term is defined in the federal Resource Conservation and Recovery Act (“RCRA”) or other Environmental Laws.

1.18 “FERC” means the Federal Energy Regulatory Commission.

1.19 “Gas Day” means the twenty-four (24) hour period commencing at an hour specified in the Tariff of an interstate pipeline delivering RNG to Transporter at a city gate station, or as otherwise specified in the GTOP.

1.20 “Gas Scheduling” means the administrative function(s) of arranging for Operator’s RNG to be delivered for the account of Transporter.

1.21 “Gas Transportation Operating Procedures Manual” or “GTOP” means the document describing Transporter’s operating procedures, protocols and business practices for transportation service, as amended from time to time. The GTOP applicable to Operator’s RNG is filed with the NYSPSC and is posted on Transporter’s web site.

1.22 “Governmental Authority” means any national, regional, state, local or municipal government or any political subdivision, agency, commission or authority thereof (including maritime authorities, port authority or any quasi-governmental agency) acting within its legal authority and having jurisdiction over either Party or any of the activities contemplated by this Agreement.

1.23 “Hazardous Waste Landfill” shall mean all contiguous land and structures, and other appurtenances and improvements, on land used for the treatment, transfer, storage, resource recovery, disposal, or

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recycling of any substance, waste or material that has been defined or regulated by any Environmental Law as a “hazardous substance”, “hazardous waste”, “hazardous material”, or “toxic substance” or words of similar import, under any Environmental Law. The facility may consist of one or more treatment, transfer, storage, resource recovery, disposal, or recycling management units, or combinations of these units, including without limitation the facilities so defined by the United States Environmental Protection Agency – 40 CFR 260.10 or the New York State Department of Environmental Conservation – 6 NYCRR Part 370.2.

1.24 “High-Pressure Distribution Facilities” means Transporter’s distribution facilities operating at a pressure of no less than 15 psig and no more than the maximum allowable operating pressure of \_\_\_\_ psig [not more than 89 psig].

1.25 “Higher Heating Value” means the amount of heat released by a specified quantity (initially at 25°C) once it is combusted and the products have returned to a temperature of 25°C, which takes into account the latent heat of vaporization of water in the combustion products.

1.26 “Interconnection Facilities” means Operator’s Facilities and Transporter’s Facilities, collectively.

1.27 “LDC System” means any piping, equipment or infrastructure within Transporter’s local distribution system, including High-Pressure Distribution Facilities.

1.28 “Maximum Daily Quantity” or “MDQ” means the maximum amount of RNG that Transporter is obligated to receive at the Delivery Point on any Gas Day, as specified in Article 2.3 of this Agreement.

1.29 “Maximum Hourly Quantity” or “MHQ” means the maximum amount of RNG that Transporter is obligated to receive at the Delivery Point in any hour on any Gas Day, as specified in Article 2.3 of this Agreement.

1.30 “Month” means the period commencing on the first day of a calendar month and ending immediately prior to the commencement of the first day of the next calendar month.

1.31 “NYSPSC” means the New York State Public Service Commission, including the New York State Department of Public Service and its staff.

1.32 “Operator Contacts Addendum” means the document which is attached hereto as Exhibit B, providing Operator contact information pertinent to this Agreement.

1.33 “Operator’s Facilities” means any piping, equipment or infrastructure owned, operated or maintained by Operator that is necessary to connect the RNG Plant to the Delivery Point, including, but not limited to, the facilities identified as Operator’s Facilities in Exhibits C and D.

1.34 “Operator’s RNG” means the RNG delivered into Transporter’s Facilities at any given time at the Delivery Point.

1.35 “Planned Outage” means a future time period during which Operator has notified Transporter that it will not deliver RNG to the Delivery Point.

1.36 “Purchase Agreement” means that Agreement for Sale of Natural Gas with RNG Option, dated [\_\_\_\_\_] by and between Operator and Transporter, if any.

1.37 “Release” means any actual or threatened release, spill, emission, emptying, escape, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment or within any building, structure, facility or fixture.

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1.38 “Renewable Natural Gas” or “RNG” means the gas produced by Operator at its RNG Plant within Transporter’s service territory which meets the RNG Quality Standards.

1.39 “Representatives” means the officers, directors, members, employees, legal counsel, accountants, lenders, advisors or ratings agencies and other agents or representatives of a Party or of its Affiliates.

1.40 “RNG Operator Contacts Addendum” means the document which is attached hereto as Exhibit B, providing Operator contact information pertinent to this Agreement.

1.41 “RNG Plant” means Operator’s anaerobic digester and related upgrading and processing facilities located at the Site and used to produce biomethane, which shall be limited to non-Hazardous Waste Landfills, wastewater treatment plants and facilities processing organic waste acceptable to Transporter (e.g., sludge and food, yard and livestock waste).

1.42 “RNG Quality Standards” shall mean the standards and specifications, including testing protocols, set forth in this Agreement (including, but not limited to, Exhibit E and Article 5 hereof), Transporter’s Tariff and the GTO. For the avoidance of doubt, in the event of a discrepancy or conflict between the RNG Quality Standards specified in this Agreement (including, but not limited to, Exhibit E) and the gas quality standards specified in the GTO and/or Transporter’s Tariff, the most restrictive gas quality standards specified in the Agreement, the GTO and/or Transporter’s Tariff shall prevail.

1.43 “Security Incident” means a situation where the Party receiving Confidential Information reasonably believes that there has been unauthorized access, acquisition, use, modification, disclosure, transfer of, destruction of or damage to Confidential Information, or any other breach of Applicable Law or this Agreement in relation to the maintenance, hosting, storage, accessing or processing of Confidential Information by the Party receiving Confidential Information or any of its current or former Representatives.

1.44 “Security Requirement Amount” means the dollar amount of security Transporter deems appropriate, as determined in its sole discretion and in accordance with Exhibit H, based upon circumstances attributable to the Operator, the RNG Plant and the Interconnection Facilities.

1.45 “Site” means the location(s) of the RNG Plant and the Interconnection Facilities contemplated under this Agreement (excluding those facilities to be located within public rights-of-way), as referenced in Exhibit F.

1.46 “Transporter Contacts Addendum” means the document so entitled which is attached hereto as Exhibit A, providing Transporter contact information pertinent to this Agreement.

1.47 “Transporter’s Facilities” means any piping, equipment or infrastructure owned, operated or maintained by Transporter that is necessary to connect the Delivery Point to the High-Pressure Distribution Facilities, including, but not limited to, the facilities identified as Transporter’s Facilities in Exhibits C and D.

1.48 “Transporter’s Tariff” or “Tariff” means Transporter’s Schedule For Gas Service Applicable In The Entire Territory (PSC No. 9 – GAS), as amended from time to time, or any superseding tariff, for gas delivered by Operator in the State of New York.

## **ARTICLE 2. DELIVERY OF RNG TO THE DELIVERY POINT**

2.1 Operator covenants, warrants and represents as follows:

2.1.1 All of Operator’s RNG delivered into Transporter’s Facilities at the Delivery Point shall be RNG produced exclusively from the RNG Plant configured to deliver to such Delivery Point.

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2.1.2 Operator's RNG is not, has not been, and shall not be collected from a Hazardous Waste Landfill or any other facility or source that handles any substance, waste or material that has been defined or regulated by any Environmental Law as a "hazardous substance", "hazardous waste", "hazardous material", or "toxic substance" or words of similar import, under any Environmental Law.

2.2 Upon request, Operator shall provide evidence acceptable to Transporter demonstrating the accuracy of its representations and fulfillment of its obligations under Article 2.1 of this Agreement during the most recent twelve (12) Month period for which data is available. Such evidence shall be provided within thirty (30) days after Transporter's request and may include documentation in connection with the transfer or sale of RNG renewable attributes under a program administered by a Governmental Authority.

2.3 Subject to the terms and conditions of this Agreement, Transporter agrees to receive up to [ ] Dt of RNG in any hour on any Gas Day, which shall be the MHQ, and up to [\_\_\_\_] Dt of RNG on any Gas Day, which shall be the MDQ. Transporter shall not be obligated to accept any quantities of RNG at the Delivery Point which, in Transporter's sole discretion, could affect the safe or reliable operation of its natural gas system or impair its ability to provide service to its customers and/or which are not in compliance with the RNG Quality Standards.

2.4 Operator agrees to nominate or schedule RNG deliveries to the Delivery Point according to the following procedure:

2.4.1 At least two (2) Business Days prior to the beginning of each Month, Operator agrees to nominate or schedule RNG, not exceeding the MDQ or the MHQ, to be delivered at the Delivery Point during each Gas Day of such Month, including any Planned Outages.

2.4.2 Transporter shall acknowledge and accept all nominations and schedules provided by Operator in accordance with this Article 2.4, except as otherwise permitted under this Agreement, Transporter's Tariff and/or the GTOP.

2.5 The Parties agree that Transporter may adopt alternative nomination or scheduling procedures for delivery of Operator's RNG to the Delivery Point as part of its Tariff or the GTOP and that any such alternative procedures (including such alternative procedures that may require any third-party purchaser of Operator's RNG to assume responsibility for scheduling or nominating deliveries to the Delivery Point) shall supersede those procedures referenced in Article 2.4.

2.6 The Parties intend that RNG will be delivered to the Delivery Point on a substantially uniform hourly basis each Gas Day, unless otherwise agreed. For purposes of this Agreement, a "substantially uniform hourly basis" shall mean that each hour's deliveries during a Gas Day should approximately equal 1/24th (+/- \_\_\_\_%) of the total daily scheduled quantities for that Gas Day. If Operator fails to comply with the requirements of this Article 2.6 or delivers quantities of RNG to the Delivery Point in excess of the MHQ, Transporter may (a) suspend service until such time appropriate actions have been taken to comply with this provision and/or (b) install or require Operator to install upstream of the Delivery Point an automated flow control device at Operator's sole cost and expense.

2.7 Operator shall deliver RNG to the Delivery Point at a temperature within the range specified in Exhibit E. In the event that Operator tenders RNG at the Delivery Point at a temperature colder or warmer than the range specified in Exhibit E and Transporter's equipment, including metering, is damaged as a result, then in addition to and without limitation of any other remedy, Transporter shall be entitled to receive from Operator an amount equal to Transporter's cost to repair or replace such equipment.

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2.8 Operator shall deliver RNG at the Delivery Point at a pressure sufficient to enter Transporter's Facilities against the pressure prevailing therein, *provided, however*, that Operator shall not deliver RNG at the Delivery Point at a pressure in excess of the pressure designated by Transporter; *provided* further that sufficient delivery pressure does not guarantee access to Transporter's Facilities. Nearby distribution system market demand and system operations needs shall also be determinative for the purpose of access to Transporter's Facilities.

2.9 Operator agrees to comply with any applicable rules set forth in the nomination, balancing and other operating procedures specified in Transporter's Tariff, the GTO and this Agreement, as modified from time to time; *provided* that, in the event that Operator is not in compliance with such rules, Operator shall be subject to applicable imbalance charges or penalties as specified in Transporter's Tariff and/or the GTO.

### **ARTICLE 3. INTERCONNECTION FACILITIES INSTALLATION, OPERATIONS AND MAINTENANCE**

3.1 Operator shall, at all times, and at its own cost and expense, operate and maintain all of its facilities and equipment in a manner that in Transporter's reasonable judgment shall provide for the safe and reliable operation of Transporter's LDC System and fulfill the terms of this Agreement. Operator shall furnish an operations and maintenance plan acceptable to Transporter for the Interconnection Facilities under its operational and/or maintenance control. Operator shall adhere to such plan, unless such plan is altered by the mutual consent of the Parties or to prevent an unsafe condition.

3.2 Operator shall not install or operate (or permit any other entity to install or operate) compression facilities in order to deliver Operator's RNG into any of Transporter's Facilities ("Transporter-Related Compression Operations") without the express prior written consent of Transporter, which consent shall not be unreasonably withheld.

3.3 Operator warrants that all Transporter-Related Compression Operations shall be conducted in a manner (i) so as to prevent the pulsations therefrom from interfering with measurement at the Delivery Point, and (ii) so that compressed RNG will be delivered to Transporter at a temperature within the range specified in Exhibit E. Operator shall implement all necessary safeguards to prevent compressing air (*e.g.*, low pressure shut off or oxygen shut off) from entering into the LDC System.

3.4 Operator shall give Transporter written notice at least fourteen (14) days prior to the commencement of (and any material change in) authorized Transporter-Related Compression Operations.

3.5 Operator shall give Transporter written notice at least twenty-four (24) hours prior to any material change in the maintenance routine applicable to any compressor used in Transporter-Related Compression Operations. For purposes of this Article 3.5, "material" shall mean any change that could, in Transporter's sole judgment, have a significant adverse effect on RNG volumes or pressure.

3.6 In the event that the installation, operation and/or maintenance of Operator's compressor(s) used to deliver Operator's RNG to the Delivery Point requires (in Transporter's reasonable judgment) modification(s) to any of Transporter's Facilities, the entire cost of such modification(s) shall be borne solely by Operator. Operator shall cooperate in good faith with Transporter in order to assist Transporter in ascertaining the extent of any such modification, and in Transporter's sole discretion, Transporter shall provide Operator with reasonable notice of its determination prior to the date scheduled by Operator for such installation, operation and/or maintenance.

3.7 Operator shall, at its own cost and expense, (i) obtain, provide Transporter with, and maintain any perpetual and exclusive easement(s) which, in Transporter's judgment as to type and extent ("Perpetual Easement Grant") that are acceptable to Transporter in the sole discretion of Transporter (including, without

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limitation, the environmental condition and condition of title of such land) for the accessing, installation, construction, operation, repair, maintenance, inspection, alteration, restoration, upgrade and replacement of Transporter's Facilities, including those set forth in Exhibit D and all other related facilities, equipment and appurtenances thereto, with the perpetual right of ingress and egress in, upon, along, over, through and across Operator's property and any applicable third party's property for Transporter to have free and complete access to Transporter's Facilities and such other related facilities from a public road at all times; provided, however, any location of Transporter's Facilities within a designated area on Operator's property shall be subject to Transporter's approval of such location in the sole discretion of Transporter; and (ii) upon Transporter's request, provide Transporter with a copy of the recorded instruments evidencing such easements and Transporter's beneficial interest therein. Operator shall undertake and provide physical security measures acceptable to Transporter to protect the entirety of the Interconnection Facilities located on the Site. The Perpetual Easement Grant shall incorporate the conditions of Article 16.1.

3.8 The Interconnection Facilities shall be designed, installed, owned, operated and maintained by and at the expense of either Transporter or Operator as specified in Exhibits C and D, except that Operator shall be solely responsible for all Environmental Costs. The Interconnection Facilities shall include materials, facilities and equipment, which, in Transporter's reasonable judgment, may be necessary to accommodate the deliveries of Operator's RNG received and projected to be received by Transporter at the Delivery Point. Prior to commencing RNG deliveries under this Agreement, Operator shall transfer to Transporter those facilities specified in Exhibits C and D as being Operator's responsibility to construct or install but which will be owned and operated by Transporter. The transfer shall be subject to Transporter's prior acceptance in writing of such facilities upon Transporter's verification that such facilities meet the specifications set forth in Exhibits C and D and are consistent with the final engineering, design, drawings and specifications agreed upon by the Parties, that the facilities are free and clear of encumbrances, and that all the easements required under Article 3.7 have been obtained. The normal operation, calibration, maintenance, adjustment and repair of the measurement equipment shall be performed by the Party indicated in Exhibit D. Modifications to the Interconnection Facilities necessitated by changes in Operator's operations shall be subject to Transporter's written approval and shall be performed at Operator's cost and expense. The Interconnection Facilities shall in any event be operated in a manner acceptable to Transporter.

3.9 Operator shall pay Transporter for the fully loaded costs incurred by Transporter for the operation and maintenance of Transporter's Facilities, including property taxes, and any Emergency Services provided by Transporter, except as provided herein. To the extent that property and similar taxes for Transporter's Facilities are aggregated with the taxes levied on the Operator's facilities, Operator shall pay such taxes directly to the applicable Governmental Authority and shall not be reimbursed by Transporter, except as provided herein.

3.10 Operator shall, at its own cost and expense, provide such regulators, relief valves, and other equipment ("Over-Pressure Protection") as may be necessary in Transporter's reasonable judgment to avoid excessive pressures (and the risk of such pressures) within Transporter's LDC System or facilities owned or operated by Transporter's customers, as identified in Exhibits C and D.

3.11 Operator acknowledges that:

3.11.1 Transporter must, at all times, be in a position to operate, maintain, enhance and/or replace any of the Transporter's Facilities in such a manner, at such times and under such circumstances as will enable it to furnish and provide facilities and service which are safe and adequate and in all respects just and reasonable;

3.11.2 The maximum and/or minimum delivery pressures or other parameters applicable to Operator's delivery of RNG at the Delivery Point are specified in Exhibit E; *provided, however*, that actual operating pressures may vary from time to time in order to enable Transporter to satisfy its retail market requirements, including but not limited to its firm service obligations, transportation obligations, and to maintain safe and reliable operating conditions throughout its LDC System;

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3.11.3 Operator acknowledges Transporter's right (a) to restrict and/or completely stop Operator's deliveries at the Delivery Point insofar as necessary in Transporter's reasonable judgment to accommodate the requirements in this Article 3.11, and/or (b) to designate and re-designate, from time to time, the maximum pressure or other delivery parameter(s) temporarily applicable to deliveries of RNG by Operator at the Delivery Point; and

3.11.4 Operator shall provide and install, at no cost to Transporter, all compression required to deliver Operator's RNG to the Delivery Point.

3.11.5 The Parties shall cooperate in good faith to develop and negotiate a separate engineering, procurement and construction agreement, if necessary.

### **ARTICLE 4. METERING, TESTING AND MEASUREMENT**

4.1 The quantity of RNG delivered at the Delivery Point pursuant to this Agreement shall be measured according to Boyle's and Charles' Laws for the measurement of gas under varying temperatures and pressures and shall be determined as follows:

4.1.1 The unit of the RNG delivered shall be one (1) Dt of RNG measured as Higher Heating Value on a real, dry, basis at standard temperature and pressure;

4.1.2 The unit of weight for the purpose of measurement shall be one (1) pound mass of RNG;

4.1.3 The average absolute atmospheric pressure shall be assumed to be 14.73 pounds per square inch;

4.1.4 The temperature of RNG passing through the meter shall be determined by the continuous use of a temperature measuring device; and

4.1.5 The arithmetic average of the temperature recorded each Gas Day shall be used in computing RNG volumes or continuous instantaneous temperature measurements may be applied to metering instruments to provide the volume computation.

4.2 Measurement of Operator's RNG shall be in accordance with the Tariff and/or GTOP requirements applicable to RNG delivered into Transporter's LDC System.

4.3 The total heating value of Operator's RNG shall be determined by chromatographic analysis. The unit of measurement of heating value shall be Btu per SCF.

4.4 Each meter associated with the Delivery Point shall be a model acceptable to Transporter and shall be configured to communicate to Transporter's Gas Control Center, electronically and in real-time, information regarding the quantities of RNG provided at the Delivery Point; *provided* that, in the event of a metering or communication failure, Operator or its Representatives shall promptly provide written notice to Transporter of such metering and/or communication failure and shall provide manual readings or estimated readings to Transporter at intervals and in a format acceptable to Transporter.

4.5 The custody transfer metering equipment shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested or adjusted by Operator, and Representatives of Transporter shall be afforded at least twenty-four (24) hours' notice and reasonable opportunity to be present upon such occasions. Operator shall use reasonable efforts to provide Transporter with more than twenty-four (24) hours' notice of such inspections, tests or adjustments.



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4.6 Upon request by Transporter, Operator, at its sole expense, shall conduct periodic tests of custody transfer metering equipment. Notwithstanding the immediately preceding sentence, Transporter may, in its sole discretion, conduct testing of the custody transfer metering equipment and notify Operator of the results of such testing, the costs of which, subject to the following sentence, shall be borne solely by Transporter. If, following the performance of any periodic test by Operator or an additional test requested or conducted by Transporter, the custody transfer metering equipment is found to be defective or inaccurate, such equipment shall be restored to a condition of accuracy or replaced at Operator's sole expense and any testing expenses incurred by Transporter pursuant to this Article 4.6 shall be reimbursed in full by Operator.

4.7 All meters shall be adjusted as close as practical to one hundred percent (100%) accuracy at time of installation and testing. If any of the metering equipment tests provided for herein disclose that the error for such equipment exceeds two percent (2%) plus or minus of one hundred percent (100%) accuracy, and the period of inaccuracy cannot be reasonably ascertained, then the period of inaccuracy will be assumed to have begun at the midpoint in time between the discovery of the inaccuracy and the previous meter test.

### **ARTICLE 5. GAS QUALITY**

5.1 Operator shall, at its own expense, monitor, test, or otherwise inspect its RNG prior to the delivery thereof into Transporter's Facilities and communicate the results of such monitoring, testing or inspection to Transporter, in accordance with the Tariff and GTOP. Operator acknowledges that, irrespective of the contractual disposition of Operator's RNG, all such RNG may be commingled with, and become an inseparable part of, the gas supply used by Transporter to satisfy its obligations to its retail and transportation customers. Accordingly, Operator expressly warrants and represents that Operator's RNG shall, in all respects and at all times, (i) consist solely of RNG which is merchantable and fit for use by retail customers, (ii) be suitable for transportation in Transporter's LDC System and will not damage or jeopardize the safe operation of such facilities and (iii) without limitation of the generality of the foregoing, Operator's RNG shall at all times, and in all respects, conform to the GTOP requirements applicable to gas delivered into Transporter's Facilities for transportation service, and shall also meet at least the following minimum quality specifications:

5.1.1 Operator's RNG shall be entirely free of all hydrocarbon liquids and other material in liquid form, including, without limitation, water, glycol, brines, condensate and oil;

5.1.2 All of Operator's RNG delivered at the Delivery Point shall be dehydrated by Operator for removal of water present therein in a vapor state to a level determined acceptable by Transporter, at its sole discretion, from time to time; *provided, however*, that in no event shall the acceptable level, as determined by Transporter, be required to be less than the maximum level specified in the RNG Quality Standards;

5.1.3 Operator's RNG must comply with all RNG Quality Standards;

5.1.4 Operator's RNG shall be free from bacteria, pathogens and any other substances injurious to utility facilities or people, or other constituents that would cause the RNG to be unmarketable, including without limitation any Environmentally Deleterious Substances inconsistent with the RNG Quality Standards; and

5.1.5 All components of Operator's RNG must comply with Applicable Law.

5.2 To the extent accepting Operator's RNG that does not conform to the requirements of Article 5.1.1 through 5.1.5 is deemed acceptable by Transporter, Transporter shall have the option (but never the obligation), to modify its RNG Quality Standards, from time to time, by describing permissible variations in the Tariff or GTOP.

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5.3 Except as identified in Exhibit D, Operator shall furnish, install, operate and maintain in efficient and safe operating condition, at Operator's sole cost and expense, such drips, separators, dehydrators, alcohol bottles, gas cleaners, processing and treatment facilities, equipment to provide real-time gas quality analysis, automated shut-off valves and any other devices or equipment as may be or become reasonably necessary to effect compliance with the quality specifications set forth in this Article 5. In addition, Operator shall perform such gas quality monitoring, testing and inspections as prescribed in the Tariff or GTOP.

5.4 Operator shall notify Transporter no later than sixty (60) days prior to (i) the use of any feedstock for the production of RNG that is materially different from feedstock then being used by Operator or that Operator knows could have an adverse impact on Operator's RNG achieving the RNG Quality Standards, or (ii) a material change in the gas processing and conditioning system at the RNG Plant or any other change that could have an adverse impact on Operator's ability to provide RNG at the Delivery Point that conforms with the RNG Quality Standards. Upon Transporter's request, Operator shall promptly provide information on current feedstock and processing equipment in use at the RNG Plant and any planned changes for purposes of confirming compliance with this Agreement.

5.5 In addition to any other remedy which may be available to Transporter hereunder, or under any provision of law, in respect of Operator's undertakings expressed in this Article 5, Transporter shall have and be entitled to exercise any one or more of the following rights, options and remedies, on a non-exclusive basis, in the event of any breach by Operator of any of its obligations pursuant to this Article 5:

5.5.1 Continue to receive Operator's RNG, with or without treatment or processing thereof;

5.5.2 Discontinue receiving Operator's RNG at the Delivery Point until Operator has, in Transporter's reasonable judgment, cured such breach;

5.5.3 Terminate this Agreement with respect to the delivery of Operator's RNG into Transporter's Facilities at the Delivery Point; provided, however, that prior to termination, Operator will be afforded at least one hundred and eighty (180) days to cure noncomplying RNG deliveries from the date of occurrence of such noncompliance, so long as it engages in continued and documented diligent efforts to remedy its non-compliance during that period as contemplated by Article 7.2.2(b);

5.5.4 Require Operator to cease receiving into Operator's Facilities RNG feedstock attributable to the source which occasioned Transporter's exercise of a remedy; and

5.5.5 Clean up and/or repair, at Operator's sole cost and expense, all facilities, equipment and apparatus affected by Transporter's exercise of a remedy. Transporter shall endeavor to notify the Operator prior to taking such remedial action.

5.6 Transporter shall not be obligated to accept Operator's RNG delivered at the Delivery Point if Operator fails to monitor, test and inspect Operator's RNG, or fails to promptly communicate the results of such monitoring, testing and inspections to Transporter in a form acceptable to Transporter in accordance with the GTOP and Tariff. The results of any readings and tests regarding RNG quality conducted by Transporter regarding compliance with this Agreement shall be determinative with respect to such quality.

## **ARTICLE 6. TERM**

6.1 This Agreement shall have no force or effect unless and until it shall have been executed by each of the Parties.

6.2 This Agreement shall be effective on the Effective Date and shall continue until [\_\_\_\_\_] ("Initial Term"), and, except if otherwise terminated as provided hereunder, this Agreement shall continue to be in full force and effect following the expiration of the Initial Term for

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successive twelve (12) Month periods (each, a “Renewal Term”), unless terminated by either Party upon no less than nine (9) Months’ prior written notice to the other Party.

6.3 Upon written notice to Operator, Transporter may immediately terminate this Agreement without further obligation to Operator if Operator fails to commence substantial construction of the RNG Plant and the Interconnection Facilities for which it is responsible within [\_\_\_\_ (\_\_\_)] years of the Effective Date.

### **ARTICLE 7. EVENTS OF DEFAULT AND TERMINATION**

7.1 Events of Default. The occurrence of any one or more of the following shall constitute an “Event of Default” with respect to either Party under this Agreement:

7.1.1 Failure by a Party to pay/reimburse any amount when due and payable that is required to be paid by the terms of this Agreement;

7.1.2 Failure by a Party to comply with the provisions set forth in Article 15 or Article 16;

7.1.3 A Party is found to be in material breach of any representation, warranty, covenant or agreement contained in this Agreement and such breach has not been cured during a period of thirty (30) days after written notice from the non-defaulting Party;

7.1.4 A Party becomes Bankrupt;

7.1.5 A Party assigns this Agreement or any of its rights hereunder other than in accordance with Article 16.8 of this Agreement; or

7.1.6 Operator, in Transporter’s sole discretion, has failed to accurately forecast or notify Transporter of its expected deliveries at the Delivery Point.

7.2 Remedies.

7.2.1 If any Event of Default specified in Article 7.1 has occurred and is continuing, the non-defaulting Party shall have the right, upon written notice to the defaulting Party, to terminate this Agreement without further obligation to the defaulting Party upon twenty (20) days’ prior written notice to the defaulting Party.

7.2.2 Notwithstanding any other provision of this Agreement, and in addition to any other right or remedy available to Transporter hereunder or pursuant to Applicable Law, Transporter may, in its sole discretion terminate this Agreement as follows:

- a) Upon thirty (30) days’ prior written notice to Operator, in the event that (i) Operator should for any reason experience a loss or cancellation of the performance assurance to be provided by Operator pursuant to Article 11 of this Agreement or (ii) Operator is or has become insolvent or fails within a reasonable period, upon Transporter’s request, to demonstrate creditworthiness, or in the event that Operator incurs a poor credit history as established by a reliable rating agency acceptable to Transporter, in its sole discretion; and;
- b) Upon thirty (30) days’ prior written notice to Operator, in the event that Operator violates, in Transporter’s sole opinion, the RNG Quality Standards and has not cured such violation to Transporter’s satisfaction within the time period set forth in Article 5.5.3; provided that, in addition to or in lieu of termination, Transporter shall also have the right to immediately suspend or cease receiving Operator’s RNG at the Delivery

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Point; and

- c) Upon thirty (30) days' prior written notice to Operator, in the event that Operator fails to provide Transporter, upon request, evidence reasonably satisfactory to Transporter of (i) the purchase of Operator's RNG at the Delivery Point and/or (ii) Operator's ability to deliver Operator's RNG (in the form meeting the RNG Quality Standards) into Transporter's Facilities throughout the Initial Term and any Renewal Term (as defined in Article 6.2) thereafter.

7.3 Effect of Termination. In the event of a termination of this Agreement for any reason:

7.3.1 The defaulting Party shall pay all costs incurred and owing by the other Party in connection with this Agreement as of the date of the other Party's receipt of a notice of termination (including, without limitation, the other Party's cancellation costs for orders of materials, facilities and equipment and deposits or prepayments for construction costs);

7.3.2 If this Agreement is terminated by Transporter due to Operator's default, Operator shall also pay all of Transporter's unrecovered capital, decommissioning and removal costs for Transporter's Facilities;

7.3.3 The terminating Party shall retain ownership of any materials, facilities and equipment purchased on its behalf, *provided* it promptly accepts delivery of such materials, facilities and/or equipment;

7.3.4 Both Parties shall use commercially reasonable efforts to mitigate the costs, damages and charges arising as a consequence of termination; and

7.3.5 The Parties shall cooperate with each other to disconnect Operator's Facilities and the Transporter's Facilities from the RNG Plant, with the costs of such disconnection to be borne by Operator and Transporter, respectively, except that Operator shall be responsible for all Environmental Costs.

7.4 For the avoidance of doubt, termination of this Agreement for any reason specified herein shall result in concurrent termination of the Purchase Agreement, if applicable, subject to the survival of any obligations specified in the Agreement or the Purchase Agreement.

## **ARTICLE 8. GOVERNMENTAL REGULATION**

**THIS AGREEMENT AND THE RESPECTIVE OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE SUBJECT TO APPLICABLE LAW, WHETHER IN EFFECT ON THE EFFECTIVE DATE, OR BECOMING EFFECTIVE THEREAFTER. THE PARTIES SHALL BE ENTITLED TO REGARD ALL APPLICABLE LAW AS VALID AND MAY ACT IN ACCORDANCE THEREWITH UNTIL SUCH TIME ANY SUCH APPLICABLE LAW SHALL HAVE BEEN INVALIDATED BY FINAL JUDGMENT (NO LONGER SUBJECT TO JUDICIAL REVIEW) OF A COURT OF COMPETENT JURISDICTION. NEITHER PARTY SHALL BE HELD IN DEFAULT FOR FAILURE TO PERFORM HEREUNDER IF SUCH FAILURE IS DUE TO COMPLIANCE WITH LAWS, ORDERS, RULES OR REGULATIONS OF ANY GOVERNMENTAL AUTHORITY. NOTHING CONTAINED HEREIN, HOWEVER, SHALL BE CONSTRUED AS AFFECTING ANY PARTY'S RIGHT(S) TO CONTEST THE VALIDITY OR APPLICABILITY OF ANY SUCH LAW, ORDER, RULE OR REGULATION.**

## **ARTICLE 9. FORCE MAJEURE**

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9.1 In the event either Party is rendered unable, in whole or in part, by Force Majeure (as defined in Article 9.3) first occurring after the date hereof to carry out their respective obligations under this Agreement, other than to make payments due hereunder or to comply with the quality and conditioning specifications specified in Articles 4 and 5, it is agreed that the obligations of the Party claiming such inability to perform, so far as they are affected by such Force Majeure, shall be suspended from the inception of and during the continuance of such inability so caused but for no longer period; *provided*, that the Party claiming such inability gives notice and reasonably full particulars of such Force Majeure event relied upon; and *provided* further, that the Party claiming such inability shall promptly and diligently take such action as may be necessary and reasonably practicable to correct, or cause to be corrected, such inability.

9.2 Upon thirty (30) days' prior written notice, either Party may terminate this Agreement without liability or obligation of either Party to the other (except for such obligations that arose prior to the effective date of such termination and except for the requirements of Article 7.3 hereof) if a single Force Majeure event declared by either Party during the Initial Term or Renewal Term prevents the delivery of Operator's RNG to the Delivery Point as specified herein for a period of more than one hundred and eighty (180) consecutive days. Notwithstanding the preceding sentence, if either Party is diligently making efforts to overcome such Force Majeure event and reasonably believes that such Force Majeure event will be overcome, the affected Party shall notify the other Party and the Agreement shall remain in effect for an additional one hundred and eighty (180) consecutive days, upon which date, if the Force Majeure event is still not overcome, the Agreement shall terminate without liability or obligation of either Party to the other (except for such obligations that arose prior to the effective date of such termination and except for the requirements of Article 7.3 hereof).

9.3 "Force Majeure" means, without limitation, acts of God, governmental action or regulation, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, storm warnings, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, pandemics and any other causes, whether of the kind herein enumerated or otherwise, not under or within the control of the Party claiming inability to perform and which, by the exercise of reasonable diligence, such Party is unable to prevent or overcome.

9.4 For the avoidance of doubt, Force Majeure shall not include events or circumstances to the extent a Party's performance is affected by any or all of the following circumstances:

9.4.1 Failure of the claiming Party to use reasonable efforts to overcome the condition or to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch.

9.4.2 Economic hardship, to include, without limitation (i) Operator's ability to sell Operator's RNG at a higher or more advantageous price than the price agreed upon by the Parties, whether pursuant to the Purchase Agreement or otherwise; (ii) Transporter's ability to purchase RNG at a lower or more advantageous price than the price agreed upon by the Parties, whether pursuant to the Purchase Agreement or otherwise, (iii) the loss of Transporter's market(s) or Transporter's inability to use or resell Operator's RNG provided hereunder, except to the extent that such loss or inability is itself caused by an event of Force Majeure; and (iv) the loss or failure of Operator's RNG supply or depletion of reserves, except to the extent that such loss or failure is itself caused by an event of Force Majeure.

9.4.3 The unavailability of sufficient, qualified labor to perform any obligation contemplated by the Agreement unless the unavailability is caused by a strike, lockout or other industrial disturbance (collectively, a "Strike") which is not the result of an unfair labor practice or other unlawful activity by the Party experiencing the Strike. Notwithstanding anything to the contrary herein, the settlement of Strikes shall be entirely within the discretion of the Party experiencing the Strike, and the above requirement that any Force Majeure event shall be remedied promptly and diligently shall not require the settlement of Strikes by acceding to the demands of any opposing party when such course is inadvisable in the discretion of the Party experiencing the Strike.

## **Consolidated Edison Company of New York, Inc.**

9.5 The Party claiming inability to perform as a result of a Force Majeure event shall give written notice and full particulars of the cause of any delay within twenty-four (24) hours of its occurrence and the anticipated period of delay and thereafter shall update the non-claiming Party on a daily basis regarding the status of the Force Majeure event; provided that the claiming Party shall also provide notice to the non-claiming Party within twenty-four (24) hours of the conclusion of such event. Subject to the provisions set forth in Article 9.2, each Party suffering a Force Majeure event shall take, or cause to be taken, all reasonable efforts as may be necessary to overcome or otherwise to mitigate, in all material respects, the effects of any Force Majeure event suffered by such Party and to provide written notice to the other Party of such efforts, and to resume performance hereunder as soon as practicable under the circumstances.

### **ARTICLE 10. NOTICES**

10.1 Each notice, request, statement, bill or invoice provided for in this Agreement shall be in writing, unless otherwise provided herein, and shall be sent via e-mail, prepaid mail or by overnight delivery, addressed to the Party to whom given, at such Party's address stated below, or at such other address as such Party may in and by such notice direct hereafter.

10.1.1 Notice to Transporter shall be sent to the address provided for Notices in the Transporter Contacts Addendum.

10.1.2 Notice to Operator shall be sent to the address provided for Notices in the Operator Contacts Addendum.

10.2 Operator shall provide Transporter with a current telephone number and e-mail address at which Operator or Operator's Representatives may be contacted at all hours using the Operator Contacts Addendum or other mutually agreeable form that minimally provides the same information contained therein.

10.3 For themselves and their Representatives, Transporter and Operator agree to the recording of all telephone conversations during which Transporter notifies Operator to suspend or cease deliveries into any facility owned or operated by Transporter.

### **ARTICLE 11. OPERATOR'S CREDITWORTHINESS**

11.1 As a demonstration of Operator's creditworthiness and as security in respect of any remedy afforded to Transporter under this Agreement or Applicable Law, Operator agrees to deliver to Transporter performance assurance in the form and amounts specified in Exhibit H; *provided, however*, that acceptable forms of performance assurance shall include:

11.1.1 A cash deposit equal to the Security Requirement Amount, which shall not earn interest for the benefit of Operator and shall not be segregated from any other funds held by Transporter;

11.1.2 An irrevocable, transferable, standby letter of credit in a form acceptable to Transporter with a term of at least one (1) year issued by a United States ("U.S.") commercial bank or a foreign commercial bank with U.S. branches that are subject to the jurisdiction of New York federal or state courts with such bank having an issuer credit rating of at least "A" from Standard & Poor's ("S&P") and "A2" from Moody's Investors Service ("Moody's") (or where the third party is rated by only one of the two rating agencies, only the minimum credit rating (specified above) for that agency must be satisfied), such letter of credit to be renewed by Operator no later than sixty (60) days prior to its stated expiration; or

## **Consolidated Edison Company of New York, Inc.**

11.1.3 Performance assurance, in a form acceptable to Transporter, provided on behalf of Operator by a creditworthy third party, including but not limited to a marketer, individual or other entity, including but not limited to a guaranty from a third party, in a form acceptable to Transporter, that is a U.S. corporation or a foreign corporation with U.S. branches that are subject to the jurisdiction of New York federal or state courts, having a minimum credit rating on its senior unsecured long-term debt (not supported by third-party enhancement) of at least "BBB" from S&P and "Baa2" from Moody's (or where the third party is rated by only one of the two rating agencies, only the minimum credit rating (specified above) for that agency must be satisfied).

11.2 In the event that Transporter makes a draw upon any form of performance assurance provided in accordance with this Article 11 or Exhibit H, and Operator does not replenish such performance assurance in the amount of such draw within ten (10) days after such draw, Transporter shall have the right to terminate the Agreement upon written notice to Operator.

11.3 Transporter reserves the right to require Operator to establish or demonstrate its creditworthiness, from time to time, during the term of this Agreement.

## **ARTICLE 12. INVOICES AND PAYMENT**

12.1 Transporter shall submit periodic invoices to the Operator for the cost of Emergency Services and operations and maintenance of Transporter's Facilities for which Operator is financially responsible (as provided in Exhibit D), as applicable. Each invoice shall state the Month(s) to which the invoice applies and fully describe the costs incurred by Transporter and the services and/or equipment provided.

12.2 Except as otherwise provided, the Parties may discharge mutual debts and payment obligations due and owing to each other pursuant to this Agreement, the Purchase Agreement or any other agreement between the Parties through netting, in which case all amounts one Party owes to the other Party under this Agreement, including interest payments or credits, shall be netted so that only the net amount remaining due and owing shall be paid by the owing Party.

12.3 Within six (6) Months after completion of construction of the Interconnection Facilities, Transporter shall provide an invoice of the final cost of the Interconnection Facilities it constructed for which Operator is financially responsible, if any. Such invoice shall set forth such costs in sufficient detail to enable Operator to compare the actual costs with the estimates and to ascertain any deviations.

12.4 Upon termination of this Agreement for any reason, any monies due and owed to Transporter shall be paid pursuant to the terms hereof, and any corrections or adjustments to payments previously made shall be determined and made at the earliest possible time. The provisions of this Article 12 shall remain in effect until the obligations under this paragraph have been fulfilled.

12.5 Operator shall pay all invoices within thirty (30) days of receipt.

12.6 Operator may, in good faith, dispute the correctness of any invoice, or any adjustment to an invoice rendered under this Agreement or otherwise adjust any invoice for any arithmetic or computational error. In the event that an invoice is disputed, payment of the undisputed portion of the invoice shall be required to be made when due but in no way waives Operator's right to dispute such amount. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment no later than ten (10) Business Days following receipt of the invoice. Payment of the disputed amount shall not be required until the dispute is resolved and the Parties shall work expeditiously in attempting to resolve any such dispute. Upon resolution of the dispute, any required payment shall be made within thirty (30) days of such resolution.

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### **ARTICLE 13. INDEMNIFICATION AND LIMITATION OF LIABILITY**

13.1 To the extent allowed by law, each Party agrees to defend, indemnify and hold the other Party, its Affiliates and their respective trustees, directors, officers, employees, Representatives, successors and assigns, free and harmless from, for and against claims, suits, costs, damages, losses, penalties, debts, liens, expenses, and liabilities of any kind, including but not limited to attorneys' and expert witnesses' fees and related costs and disbursements, arising out of, in connection with, or incident to this Agreement, whether or not such liabilities are attributable to bodily injury, sickness, disease, death, or injury to or destruction of tangible property, except if caused by the negligence, breach of contract, or willful misconduct of the other Party or those persons or entities for whom the other Party is responsible or under such Party's direction or control.

13.2 Limitation of Liability. EXCEPT FOR LIABILITY (I) PURSUANT TO THE PROVISIONS OF ARTICLE 13.1, (II) ARISING FROM A BREACH OF ARTICLE 14, ARTICLE 15 OR ARTICLE 16.1, OR (III) ARISING FROM ANY FRAUDULENT ACT OR OMISSION, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF A PARTY (INCLUDING THAT OF EITHER PARTY'S REPRESENTATIVES), NEITHER PARTY SHALL BE LIABLE TO THE OTHER IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER ARISING FROM THE ACTIVITIES PERFORMED HEREUNDER, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, LOSS OF USE OF EQUIPMENT OR THE LDC SYSTEM, COST OF CAPITAL, COST OF PURCHASED OR REPLACEMENT RNG OR TEMPORARY EQUIPMENT.

### **ARTICLE 14. INSURANCE**

14.1 Operator shall comply with the insurance requirements set forth in Exhibit G of this Agreement.

### **ARTICLE 15. CONFIDENTIALITY AND REGULATORY DISCLOSURE**

15.1 General. Neither Party shall disclose any Confidential Information of the other Party or any terms or conditions of this Agreement or any transaction hereunder to any third party, other than (a) the Party's Affiliates and its and their officers, directors, employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential, (b) in order to comply with any Applicable Law, or order issued by a court or entity with competent jurisdiction over the disclosing Party ("Disclosing Party"),, other than to those entities set forth in clause (c), or (c) in order to comply with any applicable regulation, rule, order or information requested by the NYSPSC or FERC. In connection with requests made pursuant to clause (b) of this Article 15.1 ("Disclosure Order") each Party shall, to the extent practicable, use reasonable efforts to prevent or limit such disclosure, including requesting that the entity to which the Confidential Information is being submitted grant confidential protection to the submitted Confidential Information to the extent permitted under Applicable Law. After using such reasonable efforts, the Disclosing Party shall not be (i) prohibited from complying with a Disclosure Order or (ii) liable to the other Party for monetary or other damages incurred in connection with the disclosure of the Confidential Information pursuant thereto. Except as provided in the preceding sentence, the Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation. To the extent inconsistent with the provisions of any previously executed confidentiality agreement between the Parties, the confidentiality provisions of this Agreement shall prevail.

15.1.1 Neither Operator nor its Representatives shall be relieved of their obligations hereunder with respect to CEII disclosed by Transporter by reason of its availability to the public by publication or



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otherwise at any time and regardless of whether it was available to the public before or after it was disclosed pursuant to this Agreement.

15.1.2 The receiving Party is responsible for any and all Security Incidents involving Confidential Information that is handled by, or on behalf of, the receiving Party. The receiving Party shall notify the Disclosing Party in writing immediately (and in any event within twenty-four (24) hours in the case of CEII disclosed by Transporter) whenever the receiving Party reasonably believes that there has been a Security Incident. After providing such notice, the receiving Party will investigate the Security Incident, take all necessary steps to eliminate or contain any exposure of Confidential Information, and keep the Disclosing Party advised of the status of such Security Incident and all matters related thereto. In the case of CEII disclosed by Transporter, Operator further agrees to provide, at Operator's sole cost, reasonable assistance and cooperation requested by Transporter and/or Transporter's Representatives, in the furtherance of any correction, remediation, or investigation of any such Security Incident and/or the mitigation of any damage, including any notification required by law or that Transporter may determine appropriate to send to individuals impacted or potentially impacted by the Security Incident, and/or the provision of any credit reporting service required by law or that Transporter deems appropriate to provide to such individuals. Unless required by law, the receiving Party shall not notify any individual or any third party other than law enforcement of any potential Security Incident involving the Disclosing Party's Confidential Information without first consulting with, and obtaining the permission of, the Disclosing Party. In addition, within thirty (30) days of identifying or being informed of a Security Incident involving CEII disclosed by Transporter, Operator shall develop and execute a plan, subject to Transporter's approval, that reduces the likelihood of a recurrence of such Security Incident. Transporter shall, in its sole discretion, require Operator or its Representatives to execute a separate non-disclosure agreement as soon as reasonably practicable in the event that Transporter reasonably believes CEII may be disclosed by Operator or its Representatives; provided however if there is any inconsistency between this Agreement and any such separate non-disclosure agreement, either as presently in effect or as amended, the provisions of this Agreement shall prevail.

15.2 NYSPSC Disclosure. Without limiting the generality of Article 15.1, each of the Parties acknowledges and agrees that Transporter may be required or requested to file or submit a copy of this Agreement, and certain other documentation and information relating to the RNG Plant or the Interconnection Facilities to the NYSPSC. In connection with any such NYSPSC required or requested filings or submissions, Transporter shall use commercially reasonable efforts to exclude or redact Confidential Information of Operator from the NYSPSC required or requested filing or submission, and if the foregoing is not permitted by the NYSPSC, Transporter (a) shall, upon advice of its counsel, submit only that portion of Operator's Confidential Information that has been required or requested by the NYSPSC, (b) to the extent applicable, shall request the NYSPSC to grant confidential treatment to Operator's Confidential Information so filed or submitted and (c) shall notify Operator promptly if the NYSPSC notifies Transporter that Operator's Confidential Information is the subject of a Freedom of Information Law request so that Operator may seek an appropriate protective order or other reliable assurance that its Confidential Information shall not be disclosed. The same procedures shall apply if Operator is required or requested by the NYSPSC to submit Confidential Information of Transporter to the NYSPSC. Notwithstanding anything to the contrary set forth in this Agreement, a Party who follows the procedures described immediately above shall not be liable to the other Party if the NYSPSC causes or permits the applicable Confidential Information of the Disclosing Party to be disclosed or otherwise made available to the public.

15.3 Publicity. Except as otherwise agreed to in this Article 15, no announcement, publicity, advertising, press release, promotional or marketing materials regarding the arrangement contemplated under this Agreement, including the existence hereof, nor the use of Transporter's name or the identification of Transporter in connection with this Agreement, or for any other purpose, shall be made by Operator without the prior written consent of Transporter, which shall not be unreasonably withheld or delayed.

**ARTICLE 16. MISCELLANEOUS**

16.1 Operator covenants and represents that (i) no Environmentally Deleterious Substance will be, with respect to the RNG constituents, conveyed through the Delivery Point except in accordance with the RNG Quality Standards, (ii) no Environmentally Deleterious Substance is currently at the Site, and (iii) Operator will not Release any Environmentally Deleterious Substances on, at, adjacent to or through Transporter's property or the area subject to the Perpetual Easement Grant ("Easement Area"). If any Environmentally Deleterious Substance is Released or discovered by Operator (x) with respect to the RNG constituents, in such a manner that has been or will be conveyed through the Delivery Point, or (y) in a location on, at, adjacent to or through Transporter's property or the Easement Area, Operator shall immediately notify Transporter of the discovery and existence of said Environmentally Deleterious Substance. The full responsibility for the handling, investigation, remediation, transportation, treatment, storage or disposal of any such Environmentally Deleterious Substance, including without limitation the management and handling of such materials in compliance with all Environmental Laws, shall remain with Operator. Transporter's obligations under this Agreement, and the Perpetual Easement Grant, do not include any matter pertaining to, and Transporter shall have no obligation, liability or responsibility hereunder or thereunder with regard to: (i) the presence, discovery or Release of any Environmentally Deleterious Substances or any other environmental condition or contamination, whether currently known or unknown, that was, is, or comes to be present and/or located on, at, in, above, under or emanating from the Easement Area or the Site, including without limitation any off-Site areas, ("Operator Environmental Conditions"), except to the extent resulting from a Release by Transporter from Transporter's Facilities after the date of execution and delivery of the Perpetual Easement Grant ("Easement Effective Date"); or (ii) the exacerbation or disturbance of any Operator Environmental Condition(s), including, without limitation, by Transporter in connection with activities under the Perpetual Easement Grant. To the fullest extent permitted by law, Operator shall indemnify and defend Transporter, its Affiliates and their respective trustees, directors, officers, employees, Representatives, successors and assigns, from and against any and all causes of action, damages, claims, suits, demands, judgments, liens, litigation, liability of any kind, debts, liens, obligations, penalties, fines, orders, loss, cost or expense (including attorneys' and experts' fees) which, in whole or in part, arise from, relate to, or are connected with any Operator Environmental Condition(s), except to the extent resulting from a Release by Transporter from Transporter's Facilities after the Easement Effective Date. This Article 16.1 shall survive the expiration and termination of this Agreement.

16.2 Without limiting any of the provisions of Article 16.1, Operator shall, promptly no later than thirty (30) days prior to the Effective Date and concurrently on an ongoing basis as they are prepared, provide Transporter with copies of all environmental reports, supporting testing data and other data pertaining to the Easement Area, including without limitation, with respect to the presence, suspected presence, Release, or threatened Release of Environmentally Deleterious Substances, or relating to environmental conditions found or suspected on or about the Easement Area. Providing such information as required under this Article 16.2 shall be for informational purposes only and shall not be construed as shifting any costs or liability for such Environmentally Deleterious Substances or environmental conditions, including without limitation any Environmental Costs, to the Transporter.

16.3 The Parties do not intend for the activities, transactions, and/or payments contemplated under this Agreement to be contributions in aid of construction or other taxable events. Operator agrees to protect, indemnify and hold harmless Transporter from the cost consequences of any tax liability imposed against Transporter for any payments or property transfers made by the Operator to Transporter.

16.4 All rights, obligations and liabilities described in Articles 7, 13, 14, 15, and this Article 16, together with applicable provisions of this Agreement to the extent that they relate to any of the foregoing (including to the discharge and enforcement thereof, including final invoices made in accordance with Article 12) and any other rights, obligations, and liabilities that by their terms are intended to survive termination or expiration of this Agreement, shall survive termination or expiration of this Agreement.

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16.5 No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the Parties, and no course of dealing between the Parties shall be construed to alter the terms hereof, except as expressly stated herein.

16.6 No waiver by any Party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

16.7 Not less than five (5) Business Days prior to the first day of each Month during the term of this Agreement, Operator shall provide Transporter with update(s), if any, to the identity of the entity and person who shall conduct Gas Scheduling for Operator's RNG at the Delivery Point. In the absence of Operator's timely notification to this effect, Transporter may (but shall not be obligated to) deem the authority of the entity and person identified in Operator's last previous timely notification to continue until its receipt of Operator's next timely notification under this paragraph.

16.8 Any entity which shall succeed by purchase, merger or consolidation of all or part of the RNG Plant and/or the Interconnection Facilities, substantially as an entirety, of Transporter or of Operator, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement; *provided* that Operator shall not assign this Agreement nor any of its rights hereunder without the prior written consent of Transporter (which shall not be unreasonably withheld). In the event of an assignment by either Party, the assigning Party shall not be relieved of its obligations pursuant to the Agreement and shall be jointly and severally liable with the assignee for all of the assigning Party's obligations pursuant to this Agreement.

16.9 The headings contained in this Agreement are intended solely for convenience and do not constitute any part of the agreement between the Parties and shall not be used in any manner in construing this Agreement. References to "unreasonable", "reasonable", "unreasonably", and "reasonably" shall be deemed respectively to mean "commercially unreasonable", "commercially reasonable" and "commercially unreasonably" and "commercially reasonably". Any reference to "person" shall refer to natural and artificial persons (i.e., individuals, corporations, limited liability companies, partnerships, etc.). The singular includes the plural and vice versa. The words "this Agreement" "herein," "hereto" "hereof" and "hereunder" refer to this Agreement as a whole, including all Exhibits, and not to any particular section or subsection of this Agreement.

16.10 This Agreement shall be governed, construed, enforced and interpreted in accordance with the laws of the State of New York, excluding, however, any such law which would direct the application of the law of another jurisdiction. The Parties submit to the jurisdiction of the state and federal courts situated in the City of New York with regard to any controversy arising out of or relating to the Agreement. Operator consents to the selection of the state and federal courts situated in the City of New York as the exclusive forums for any legal proceeding arising out of or relating to the Agreement and agrees that all discovery in any proceeding with take place in the City of New York.

16.11 So that there will be certainty as to the actual agreement between the Parties, it is mutually understood and agreed that this Agreement, including the Exhibits attached hereto, as the same may be impacted by any applicable provision of Transporter's Tariff and the GTOP, are intended to constitute the final expression, as well as the complete, exclusive and integrated statement, of the terms of the Parties' agreement relative to the interconnection and other transactions described therein. If there is any conflict between this Agreement and the Tariff or GTOP, either as presently in effect or as amended, then the provisions of the Tariff or GTOP, as applicable, shall apply. If there is any inconsistency between this Agreement and the Purchase Agreement (if applicable), either as presently in effect or as amended, the provisions of this Agreement shall prevail.

16.12 No presumption shall operate in favor of or against either Party hereto as a result of any responsibility either Party may have had for drafting this Agreement.

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16.13 Operator hereby agrees to cooperate fully with any investigation, audit or inquiry conducted by Transporter (or its Representative) or any Governmental Authority relating to any aspect of the Agreement or the performance of the Agreement, and Operator shall make all of its books, records and accounts available for inspection and audit in connection therewith. Moreover, in the event the Agreement now provides or in the future is revised to provide for performance, or any part thereof, on a cost-reimbursable basis (whether or not a fee has, in addition, been fixed by the Parties), time-and-materials basis or similar basis, Operator shall maintain detailed books, records and accounts covering costs incurred or, as applicable, time and materials used in connection therewith, and shall make said books, records and accounts available for inspection and audit by Transporter, the investigating Governmental Authority or their Representatives during the Initial Term and any Renewal Term of the Agreement and for a period of six (6) years after final payment under the Agreement. If an investigation, audit or inquiry discloses that Transporter has paid Operator for any costs which were not in fact incurred or for any time spent or materials used which were not in used or for any costs that were improperly charged, Operator shall refund to Transporter an amount equal to such payment.

16.14 The Parties agree that during the term of this Agreement, each Party shall provide reasonable access to the other Party's Interconnection Facilities as may be required by each Party's Representatives, as applicable, for the performance of each Party's rights and obligations as specified in this Agreement, including, but not limited to, Emergency Services, operation, maintenance, repairs and inspections, and, in the case of Transporter, access to Operator's Interconnection Facilities in order to confirm Operator's compliance with the requirements of this Agreement.

16.15 This Agreement is not intended to and does not create rights, remedies or benefits of any character whatsoever in favor of any persons, corporations, associations or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest, and permitted assigns. Except as specifically provided herein (including, without limitation, in the indemnification provisions hereof), nothing contained in this Agreement is intended for the benefit of any third parties or their representatives.

16.16 Except as otherwise stated herein, the obligations of Operator and Transporter are several, and are neither joint nor joint and several.

16.17 Throughout the term of this Agreement, Operator shall comply with all applicable requirements of Applicable Law, the NYSPSC or as otherwise provided herein with respect to performance of its obligations pursuant to this Agreement.

16.18 This Agreement shall not be interpreted or construed to establish an association, joint venture, agency relationship or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be a Representative of, or to otherwise bind, any other Party.

16.19 This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

**Consolidated Edison Company of New York, Inc.**

16.21 Nothing in this Agreement shall prevent a Party from employing the services of any contractor or subcontractor as it deems appropriate to perform its obligations under this Agreement; *provided, however*, that each Party shall require its contractors and subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, including, but not limited to, insurance and warranty requirements. Each Party shall remain primarily responsible for the fulfillment of its obligations under this Agreement and shall be liable to the other Party for the performance of any of its contractors or subcontractor(s), including any acts or omissions by the contractors or subcontractor(s). For the avoidance of doubt, Operator may employ or engage a contractor or subcontractor to perform any service under this Agreement only with the prior written consent of Transporter (which shall not be unreasonably withheld, delayed or conditioned).

16.22 To the extent applicable, Operator shall not be permitted to commence its obligations under this Agreement until it has submitted to and received approval from Transporter of a health, safety, and environmental plan generally applicable to the RNG Plant and all of Operator's Facilities, which shall address all hazards that may be encountered and shall conform to any and all requirements stated in this Agreement. Operator shall be responsible for compliance by any subcontractors and Representatives of Operator with the approved environmental, health, and safety plan. Operator shall report to Transporter any observed breach of fundamental environmental, health, and safety practices or procedures by Operator or any Representative of Operator.

16.23 This Agreement governs the construction, operation, and maintenance of Interconnection Facilities necessary to permit the receipt of Operator's RNG produced by the RNG Plant at the Delivery Point, and does not constitute an agreement or commitment by Transporter to transport, redeliver, purchase or sell RNG or natural gas. Such agreements or commitments, if offered by Transporter, shall be governed by other contractual instruments, Transporter's Tariff and/or the GTOP, as applicable.

[Signature Page Follows]

**Consolidated Edison Company of New York, Inc.**

**IN WITNESS WHEREOF**, the Parties have executed this Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties as of the date first written above.

(OPERATOR)

(TRANSPORTER)

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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**EXHIBIT A**

**TRANSPORTER CONTACTS ADDENDUM**

TRANSPORTER CONTACT INFORMATION:

24-HOUR TELEPHONE:

EMERGENCIES ONLY:

<u>Legal/Contract Notices/Contracting</u>	<b><u>Legal Department</u></b> [STREET ADDRESS] [CITY, STATE, ZIP CODE] Phone <u>E-mail:</u>
<u>Gas Measurement/Gas Testing</u>	<b><u>Gas Measurement Department</u></b> [STREET ADDRESS] [CITY, STATE, ZIP CODE] Phone <u>E-mail:</u>
<u>Field Operations/Meter Sets</u>	<b><u>Gas Measurement Department</u></b> [STREET ADDRESS] [CITY, STATE, ZIP CODE] Phone <u>E-mail:</u>
<u>Gas Scheduling and Control</u>	<b><u>Gas Control Center</u></b> [STREET ADDRESS] [CITY, STATE, ZIP CODE] Phone <u>E-mail:</u>
<u>Credit, Insurance &amp; Invoices</u>	<b><u>Credit &amp; Receivables Management</u></b> [STREET ADDRESS] [CITY, STATE, ZIP CODE] Phone <u>E-mail:</u>

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**EXHIBIT B**

**OPERATOR CONTACTS ADDENDUM**

CONTACT INFORMATION:

Operator:

Legal/Contract Notices	<u>Name:</u> <u>Address:</u> <u>Title:</u> <u>City/State/Zip:</u> <u>Phone(1):</u> <u>Phone(2):</u> <u>E-mail:</u>
Emergency (24-Hour)	<u>Name:</u> <u>Address:</u> <u>Title:</u> <u>City/State/Zip:</u> <u>Phone(1):</u> <u>Phone(2):</u> <u>E-mail:</u>
Field/Gas Testing/Operations	<u>Name:</u> <u>Address:</u> <u>Title:</u> <u>City/State/Zip:</u> <u>Phone(1):</u> <u>Phone(2):</u> <u>E-mail:</u>
Accounting/Invoices	<u>Name:</u> <u>Address:</u> <u>Title:</u> <u>City/State/Zip:</u> <u>Phone(1):</u> <u>Phone(2):</u> <u>E-mail:</u>
Other:	<u>Name:</u> <u>Address:</u> <u>Title:</u> <u>City/State/Zip:</u> <u>Phone(1):</u> <u>Phone(2):</u> <u>E-mail:</u>



**Consolidated Edison Company of New York, Inc.**

**EXHIBIT C**

**Detailed Interconnection Scope of Work**

[To be inserted]





**Consolidated Edison Company of New York, Inc.**

EXHIBIT D NOTES

1. To be located on property provided by Operator. Operator shall be responsible for decommissioning and removal upon expiration or termination of the Agreement.
2. Equipment located within Metering Building.
3. Gas analysis equipment shall include all devices deemed necessary by Transporter, in its sole discretion, including, at a minimum: 10-constituent chromatograph; odorant, sulfur and hydrogen sulfide monitoring; moisture monitoring; temperature monitoring; and pressure monitoring. Transporter may opt not to install some or all independent gas analysis equipment initially, other than an independent odorant checker; in such circumstances, Operator shall design the Interconnection Facilities to allow for installation of such additional analysis equipment at a later time.
4. Transporter, at its sole discretion, may opt to construct, own, operate, maintain and/or pay for the highlighted facilities on a non-discriminatory basis.
5. Transporter shall only be responsible for the payment of property taxes and similar taxes for Interconnection Facilities to the extent separately invoiced to Transporter by Governmental Authorities.
6. Transporter may opt to procure and/or construct some or all of the highlighted facilities and equipment.
7. Transporter will provide an RTU, which shall be installed by Operator.
8. Facilities and equipment collectively constitute the "Meter Pad/Skid".

**EXHIBIT E**

**KEY RNG QUALITY SPECIFICATIONS**

<b>Parameter</b>	<b>Limit**</b>
Pressure	[Location and Condition-Specific]
Temperature	50-85° F (steady-state min. temp. of 40° F)
Odorant	NYS Standards
Wobbe Number	1296-1400 (Res/Comm)*
Cricodentherm Hydrocarbon Dew Point	≤ 15° F
Total Inerts	≤ 4 vol. %
Carbon Dioxide	≤ 2 vol. %
Oxygen	≤ 0.2 vol. %
Water	≤ 4 lb/MMscf
Hydrogen Sulfide	≤ 0.25 grains/ccf
Mercaptan Sulfur	≤ 0.3 grains/ccf
Total Sulfur	≤ 0.5 grains/ccf
Siloxanes	≤ 0.1 mg Si/m <sup>3</sup>
Halides	≤ 1 mg/m <sup>3</sup> (as Cl)
Hydrogen	≤ 0.1 vol. %
Ammonia	≤ 10 ppmv
Aldehydes, Ketones	≤ 0.1 ppmv
Mercury	< 0.06 µg/m <sup>3</sup>
Biologicals	40,000 per scf, free of bacteria < 0.2µ
Other Volatile Metals	≤ 213 µg/m <sup>3</sup>
Non-Halogenated Semi-Volatile and Volatile Compounds	≤ 500 ppmv
PCB/Pesticides	< 0.1 ppmv
Arsenic****	0.06 ppmv
p-Dicholorobenzene****	9.5 ppmv
Ethylbenzene****	60.0 ppmv
n-Nitroso-di-n-propylamine****	0.06 ppmv
Vinyl Chloride****	3.3 ppmv
Antimony	1.2 ppmv
Copper	0.23 ppmv
Lead	0.09 ppmv
Mercaptans (Alkyl Thiols)	120 ppmv
Methacrolein	3.7 ppmv
Toluene	2400 ppmv
Liquids	No Liquids at Delivery Point
Merchantability	***

**Consolidated Edison Company of New York, Inc.**

**Exhibit E - Notes**

\* Additional restrictions may apply if gas turbines, CNG vehicle fueling or other specialized equipment affected.

\*\* Limits may be loosened or waived, depending on flow conditions at injection point. Additional testing required at start-up, upon restart, or change in feedstock: a minimum of three samples. Additional details provided in the Transporter's GTOP.

\*\*\* The RNG shall not contain objectionable odors, solid matter, dust, gums and gum-forming constituents, biologicals, heavy metals, or any other substance which might interfere with the marketability of the RNG, or cause injury to or interference with proper operation of the lines, meters, regulators, or other appliances through which it flows.

\*\*\*\* Transporter may impose more restrictive if levels of the indicated compounds, in the aggregate, may increase the risk of cancer by more than ten in one million.

**Consolidated Edison Company of New York, Inc.**

**EXHIBIT F**

**INTERCONNECTION LAYOUT  
(Including location of the Delivery Point)**

**[To Be Inserted]**

**EXHIBIT G**

**INSURANCE REQUIREMENTS**

1. The Operator shall, and shall cause its subcontractors to, at its (their) own expense, procure and maintain in force throughout the term of this Agreement, including any warranty period, if applicable, or as otherwise required, the following minimum insurance coverages, with insurance companies licensed to write insurance or approved eligible insurance carriers with a minimum A.M. Best financial strength rating of A - or better and financial size category of VIII or better.

**1.1 Employment Related Insurance**

- i) Workers' Compensation Insurance as required by law.
- ii) Employers' Liability Insurance
  - Bodily Injury by accident: \$1,000,000.00 each accident
  - Bodily Injury by disease: \$1,000,000.00 policy limit
  - Bodily Injury by disease: \$1,000,000.00 each employee
- iii) Where applicable, insurance required by the United States Longshoremen's and Harbor Workers' Act, the Federal Employers Liability Act, and the Jones Act.

The Workers' Compensation Insurance policy shall contain a waiver of subrogation in favor of Transporter and Consolidated Edison Inc.

1.2. **Commercial General Liability Insurance**, including Contractual Liability, with annual limits of not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate for bodily injury, including death, and property damage and, for at least six (6) years after completion of performance hereunder, Products/Completed Operations Liability Insurance with similar but separate and independent limits. Defense will be outside of the limit. The insurance policy shall be in policy forms which contain an "occurrence" and not a "claims made" determinant of coverage. There shall be no policy deductibles greater than Twenty Five Thousand Dollars (\$25,000) without Transporter's prior written approval. The insurance policy shall contain no exclusions for explosion, collapse of a building or structure, or underground hazards, cranes, or independent contractors. Policy will include coverage for sudden and accidental pollution. The insurance policy or policies shall name Transporter and Consolidated Edison, Inc. as additional insureds with respect to the work and completed operations. If applicable, the Commercial General Liability Insurance policy shall include coverage for work on or within 50 feet of a railroad. The policy(ies) shall be primary and non-contributory and contain a waiver of subrogation. Limits of insurance will be on a per project basis.

1.3. **Comprehensive Automobile Liability Insurance**, covering all owned, non-owned and hired automobiles used by the Operator or any subcontractors, with a combined single limit of not less than One Million Dollars (\$1,000,000.00) per accident for bodily injury, including death, and property damage. The insurance policy shall be primary and non-contributory, contain a waiver of subrogation and will name Transporter and Consolidated Edison, Inc. as additional insureds.

1.4. **Umbrella/Excess Liability Insurance** over and above the Employers' Liability, Commercial General Liability and Comprehensive Automobile Liability Insurance coverages, with a combined single limit no less than Six Million Five Hundred Thousand Dollars (\$6,500,000.00) per occurrence and Six Million Five Hundred Thousand Dollars (\$6,500,000.00) in the aggregate. The policy(ies) will be written on a drop-down and follow form basis. The Excess Liability Insurance policy(ies) shall be as broad as the underlying policies and contain the same requirements (i.e., additional insured, waiver of subrogation and primary and non-contributory) under the primary underlying policies. Limits of insurance will be on a per project basis and will renew annually.



## **Consolidated Edison Company of New York, Inc.**

1.5. **Professional Liability Insurance** in the amount not less than Five Million Dollars (\$5,000,000.00) per claim and in the aggregate for the duration of the work and for at least three (3) years following final completion and acceptance of the work.

1.6. **Pollution Liability Insurance** in an amount not less than Seven Million Five Hundred Thousand Dollars (\$7,500,000) at all times. Such coverage amounts shall be per claim and in the aggregate. The policy will provide coverage for claims resulting from pollution or other environmental impairment arising out of or in connection with work performed on or about the Site, including without limitation the Easement Area, by Operator, its contractors and/or subcontractors. Such insurance is to include coverage for, but not be limited to, cleanup, third party bodily injury and property damage and remediation and will be written on an occurrence basis; or, if on a claims-made basis, the coverage must respond to all claims reported within three (3) years following the period for which coverage is required and which would have been covered had the coverage been on an occurrence basis. The policy shall name Transporter and Consolidated Edison, Inc. as additional insureds, be primary and non-contributory and contain a waiver of subrogation.

1.7. **All Risk Property Insurance** in an amount not less than full replacement value covering the loss, damage or destruction of real and personal property owned by Operator or hereafter, acquired and/or for which Operator has or may acquire an interest and/or is in any way responsible, including but not limited to property in the course of construction or installation, or assembly and/or property of others for which Operator may have assumed liability and/or property in Operator's care, custody and control. The policy will include a waiver of subrogation in favor of Transporter and Consolidated Edison, Inc.

### **General Insurance Requirements**

1.8. The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, Excess Liability Insurance and Pollution Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributory and include a waiver of subrogation. Consolidated Edison, Inc. and Transporter are to be additional insured on such policies. A waiver of subrogation is required for all Workers Compensation policies.

1.9. The requirements contained herein as to the types and limits of all insurance to be maintained by the Operator are not intended to and shall not in any manner limit or qualify the Operator's liabilities and obligations assumed under this Agreement.

1.10 Any deductibles or self-insured retentions exceeding Twenty Five Thousand Dollars (\$25,000) shall be approved in advance and in writing by the Transporter. The Operator shall pay all costs and expenses within any deductibles or self-insured retentions, regardless of the number of losses.

1.11. If the aggregate limits on any of Operator's insurance policy(ies) are eroded or unavailable, the Operator must notify the Transporter immediately.

1.12. Subcontractors of the Operator must maintain the same insurance requirements stated above (unless otherwise stated) and comply with the additional insured requirements set forth herein. In addition, their policies must state that they are primary and non-contributory and contain a waiver of subrogation. The Operator shall flow down (via written agreement) all required insurance including the requirements for additional insured, and Waiver of subrogation.

1.13. The Operator's policies will be endorsed to provide the Transporter with written notice at least thirty (30) days prior to the effective date of cancellation of the insurance or any changes in policy limits or material scope of coverage.

1.14. The Transporter shall have the right, upon request, to require the Operator to furnish the Transporter with a copy of the insurance policy or policies (and/or binders) required herein. At least fifteen (15) Business Days prior to commencing work hereunder, the Operator shall furnish the Transporter with certificates of insurance(s) evidencing that all required insurance policies have been obtained (and copies of policies, if requested by Transporter), showing their expiration dates and stating that the Transporter and

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Consolidated Edison, Inc. is an additional insured where being requested. The Operator shall also submit copies of all key coverage endorsements including additional insured, primary and non-contributory and waiver of subrogation. The Operator shall collect and submit certificates (and copies of policies, if requested by Transporter) of insurance from all subcontractors evidencing the required coverages and extensions. At least two (2) weeks prior to any insurance policy expiration, the Operator shall provide evidence of renewal. All insurance policy limits must be renewed annually.

Certificates of insurance identifying the Agreement shall be sent to:

Consolidated Edison Co. of New York, Inc.  
4 Irving Place  
New York, NY 10003  
Email: dlcontractadministration@coned.com  
Attention: Director, Gas Supply

1.15. The Transporter reserves the right to revise the insurance requirements as necessary.

1.16. To the fullest extent allowed by law, the Operator agrees that this is an insured contract and that the insurance required herein is intended to cover each of Consolidated Edison, Inc. and Transporter for its own liability for negligence or any other cause of action in any claim or lawsuit for bodily injury or property damage arising out of the work or this Agreement.

1.17. In the event of any claim/allegation, bodily injury, death, property damage, or other accident or harm arising out of, relating to, or in any way connected with the work or this Agreement, the Operator, in accordance with the provisions of the insurance policies shall inform promptly and in writing the insurers that notice is being provided on behalf of the Operator, Transporter and Consolidated Edison, Inc. and that it intends to invoke the coverage of the policies to protect the interests and preserve the rights of the Operator, Transporter and Consolidated Edison, Inc. Simultaneously with providing the written notice required by this paragraph to the applicable insurers, the Operator shall provide a copy of such written notice, including a copy of any incident report or accident report, by sending to: Consolidated Edison Company of New York, Inc., Law Department, 4 Irving Place, New York, NY 10003, Attention: General Litigation – 18<sup>th</sup> Floor.

EXHIBIT H

**PERFORMANCE ASSURANCE TERMS**

[To Be Inserted]

APPENDIX E – GAS PURCHASE AGREEMENT

**AGREEMENT FOR SALE OF  
NATURAL GAS WITH RNG OPTION**

This Contract for the sale of natural gas is entered into on [●], 20\_\_\_\_ (“**Effective Date**”) between [company name] (“**Buyer**”) and [selling entity] (“**Seller**”), and sets forth certain understandings with respect to the transaction(s) described herein. Each of Seller and Buyer may be referred to as “**party**” or “**Party**” or, together, “**parties**” or “**Parties**”.

**1. COMMERCIAL TERMS**

The commercial terms set forth in this Article 1 are subject to in all respects to the terms and conditions set forth in Article 3 of this Contract.

**Buyer:** [company name]

**Seller:** [selling entity]

**Product:** Gas

Excludes Green Attributes, unless the option provided in Section 2.B. is exercised by Buyer.

**Price:** The “Benchmark Price” is \_\_\_\_\_

If Buyer exercises the option to purchase Green Attributes as described in Article 2, then the Price shall be adjusted to reflect the component of Price attributable to the Green Attributes in an amount equal to a price negotiated by the Parties.

**Delivery Period:** Applicable to Gas:

Begins: \_\_\_\_\_

Ends: \_\_\_\_\_

Applicable to Green Attributes:

Begins: \_\_\_\_\_

Ends: \_\_\_\_\_

**Contract Quantity:** \_\_\_\_\_ MMBtu / Day

**Consolidated Edison Company of New York, Inc.**

**Plant:** [name and address of facility]

**Delivery Point:** Interconnection of the Plant and Transporter's natural gas distribution system, as defined in the RNG Interconnection Agreement.

**Quality:** The most restrictive of each of the pressure, temperature, quality and heat content requirements set forth in the RNG Interconnection Agreement applicable to the Plant, Transporter's Tariff, and/or Transporter's GTOP.

**Additional Event of Default:**

Transactional Cross Default:	Yes
<i>Specified Excluded Transactions:</i>	None
Indebtedness Cross Default Amount:	[\$ ]

**2. GREEN ATTRIBUTES OPTION**

- A. Except as provided in this Article 2 the parties acknowledge that this Contract is solely for the purchase and sale of Gas that is Non-Renewable Gas.
- B. Provided that Seller is not contractually committed to sell Green Attributes to a third party at such time that Buyer exercises its option, Buyer has the option at any time during the Delivery Period to cause Seller to sell to Buyer the Green Attributes associated with the Contract Quantity of Gas sold under this Contract.
- C. If Buyer and Seller have agreed to the purchase and sale of Green Attributes, the Price set forth in Article 1 shall be increased to reflect the negotiated purchase price, in \$ per MMBtu, for Green Attributes. Further, any determination of a Replacement Price pursuant to Section 3.B.4 shall include Green Attributes, calculated by Buyer in a commercially reasonable manner.
- D. Seller agrees in connection with the sale of the Renewable Biogas hereunder to (1) assign to Buyer or, at Buyer's direction, to Vehicle Fuel Distributor(s) or other entities designated by Buyer, the Green Attributes associated with such Renewable Biogas, and (2) provide an attestation, certification or other reasonably required document to the EPA or other governmental authority having jurisdiction over Buyer or Vehicle Fuel Distributor(s) to demonstrate that such Green Attributes were assigned to Buyer or Vehicle Fuel Distributor(s) or other entities designated by Buyer, as applicable, for the sole benefit of Buyer or Vehicle Fuel Distributor(s) or other entities designated by Buyer. In connection with this Contract, Seller shall provide the attestations typically used for transactions involving Green Attributes.
- E. In addition to any representations and warranties made by Seller in Article 3, Seller

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further makes the following representations as it concerns the transfer of Green Attributes to Buyer, if any, contemplated under this Contract:

1. all Gas delivered to Buyer meets the definition of Biogas;
2. Seller has not encumbered or otherwise agreed with any other party to prevent the future creation or purchase of the Green Attributes to be sold to Buyer; and
3. Seller has not sold or agreed to sell the Green Attributes associated with the Renewable Biogas to any party other than Buyer.

Seller agrees to indemnify Buyer for all Claims (as defined in Section 3.G) arising out of Seller's breach of the representations and warranties set forth in this paragraph, including (a) any Claims asserted against Buyer as a result of such breach, and (b) Buyer's reasonable attorney's fees and expenses, and Seller and Buyer acknowledge and agree that such Claims shall be deemed to be Buyer's direct damages for the purposes of Section 3.L.

**3. GENERAL TERMS AND CONDITIONS**

**A. Definitions**

The terms set forth in Annex A - Definitions shall have the meaning ascribed to them in that annex. Other terms may also be defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

**B. Performance Obligation.**

1. These terms and conditions are for the purchase and sale of Gas on a Firm basis. "Buyer" refers to the party purchasing and receiving Gas and, if applicable, Green Attributes, which party is identified in Article 1, and "Seller" refers to the party selling and delivering Gas and, if applicable, Green Attributes, which party is identified in Article 1. The entire agreement between the parties shall be the Contract.

2. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity in accordance with the terms of the Contract. Sales and purchases will be on a Firm basis.

3. The Contract Price at which Buyer shall purchase Gas delivered by Seller and accepted by Buyer is the Benchmark Price; provided that Buyer shall pay a reduced rate on a non-Peak Day for each MMBtu delivered that is more than 110.0% of the daily Contract Quantity, as follows:

- (a) for each MMBtu delivered that is more than 110.0% of the daily Contract Quantity but is equal to or less than 120.0% of the daily Contract Quantity, 75.0% of the Benchmark Price; and

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(b) for each MMBtu delivered that is more than 120.0% of the daily Contract Quantity, 50.0% of the Benchmark Price.

For example, if the Contract Quantity is 1,000 MMBtu per Day and Seller delivers 1,250 MMBtu on a given non-Peak Day, then Buyer would purchase the delivered quantity, as follows:

- (1) the first 1,100 MMBtu (or 110.0% of the Contract Quantity) would be purchased at the Benchmark Price,
- (2) the next 100 MMBtu (or up to 120.0% of the Contract Quantity) would be purchased at 75.0% of the Benchmark Price, and
- (3) the final 50 MMBtu would be purchased at 50.0% of the Benchmark Price.

4. The sole and exclusive remedy of Buyer in the event that Seller fails to provide the full amount of the Contract Quantity on any Peak Day shall be recovery of the following: payment by Seller to Buyer in an amount, not less than zero, equal to the product of (a) the positive difference, if any, between the purchase price paid by Buyer utilizing the Replacement Price and the Contract Price, multiplied by (b) the Contract Quantity, minus the quantity of Gas actually delivered by Seller for such Day(s), and minus the quantity of Gas for which Seller is responsible for paying Imbalance Charges pursuant to this Contract for such Day(s).

### **C. Transportation, Nominations, and Imbalances**

1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

2. The parties shall coordinate their scheduling and nomination activities, giving sufficient time to meet the scheduling and nomination deadlines of the Transporter. Each party shall give the other party timely prior Notice, sufficient to meet the requirements of the Transporter, of the quantities of Gas to be delivered each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are or will be greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

3. The parties shall use commercially reasonable efforts to avoid imposition of Imbalance Charges. If Seller schedules or nominates Gas deliveries directly with Transporter, it shall be responsible for all Imbalance Charges in connection with such Scheduled Gas, as specified in Annex D. If Buyer is responsible for scheduling or nominating Gas deliveries by Seller with Transporter, Seller shall be responsible for all Imbalance Charges arising from its deviation from the schedule of deliveries provided to Buyer for the Day or from its failure to provide a schedule of expected deliveries to Buyer in a timely manner, and Buyer shall be responsible for all Imbalance Charges arising from other causes.



**D. Quality and Measurement**

All Gas delivered by Seller shall meet the pressure, temperature, quality and heat content requirements as designated in Article 1. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Transporter.

**E. Taxes**

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority (“Taxes”) on or with respect to the Gas at or prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point and any applicable sales/use taxes or excise tax imposed on non-exempt resales.

**F. Billing, Payment, and Audit**

1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month’s billing or as soon thereafter as actual delivery information is available.

2. Buyer shall remit the amount due under Section 3.F.1 by wire transfer, in immediately available funds, on or before the later of the 25<sup>th</sup> Day of Month following Month of delivery or 30 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 3.F.2.

3. In the event payments become due pursuant to Section 3.B.4, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five (5) Business Days after receipt of invoice.

4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under “Money Rates” by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

6. Buyer shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of Seller, only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to the transaction(s) contemplated under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 3.F shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7. The parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 3.F; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 3.B.4 shall be subject to netting under this Section.

**G. Title, Warranty, and Indemnity**

1. Unless otherwise specifically agreed, title to the Gas and Green Attributes, if applicable, shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas and Green Attributes prior to delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas and Green Attributes after its delivery to Buyer at the Delivery Point(s).

2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas and Green Attributes, if applicable, sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. In addition, Seller warrants that (a) the Gas sold to Buyer meets the quality specifications set forth in Article 1 and (b) if Buyer and Seller arrange for the purchase and sale of Green Attributes, Seller is authorized to issue an attestation in support of the sale of Green Attributes to Buyer and representations made as to the Green Attributes are true and correct in all material respects.

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3. To the extent allowed by law, each Party agrees to defend, indemnify and hold the other Party and its Affiliates and their respective trustees, directors, officers, employees, agents, representatives, successors and assigns, free and harmless from, for and against claims, suits, costs, damages, losses, penalties, debts, liens, expenses, and liabilities of any kind, including but not limited to attorneys' and expert witnesses' fees and related costs and disbursements (collectively, "Claims"), arising out of, in connection with, or incident to this Contract, whether or not such liabilities are attributable to bodily injury, sickness, disease, death, or injury to or destruction of tangible property, except if caused by the negligence, breach of contract, or willful misconduct of either Party or those persons or entities for whom each Party is responsible or under such Party's direction or control.

4. Notwithstanding the other provisions of this Section 3.G, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section D.

### **H Notices**

1. All invoices, payment instructions, and other communications made pursuant to the Contract ("Notices") shall be made to the addresses specified in Annex B, or as revised in writing by the respective parties from time to time.

2. All Notices required hereunder shall be in writing and may be sent by mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until thirty Days after receipt of such Notice.

### **I. Financial Responsibility; Events of Default**

1. Each party must either (i) have a minimum credit rating on its senior unsecured long-term debt (not supported by third-party enhancement) of at least "BBB" from Standard & Poor's ("S&P") and "Baa2" from Moody's Investors Service ("Moody's") (the "Minimum Rating") or (ii) provide the other party, when requested, with Performance Assurance as described below. In instances where a party is rated by only one of the two rating agencies, only the minimum credit rating

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specified above for that agency must be satisfied.

“Performance Assurance” means collateral security for the obligations of the party in the form of (i) cash, (ii) an irrevocable, transferable, standby letter of credit issued by a United States (“U.S.”) commercial bank or a foreign commercial bank with U.S. branches that are subject to the jurisdiction of New York federal or state courts with such bank having an issuer credit rating of at least “A” from S&P and “A2” from Moody’s (or where the third party is rated by only one of the two rating agencies, only the minimum credit rating (specified above) for that agency must be satisfied), or (iii) a guaranty from a third party that is a U.S. corporation or a foreign corporation with U.S. branches that are subject to the jurisdiction of New York federal or state courts, having a Minimum Rating (or where the third party is rated by only one of the two rating agencies, only the minimum credit rating (specified above) for that agency must be satisfied). The Performance Assurance provided in each case above shall be in the form and amounts specified in Annex C.

If a party is unrated or cannot satisfy the Minimum Rating described above, then the party must provide the other party with Performance Assurance within ten (10) days of receiving the other party’s written (via electronic mail, or another form of communication that is mutually acceptable) request for same or the other party shall have the right to immediately terminate this Contract in accordance with Sections 3.I.2 and 3.I.3 below. In addition, if a party (or its guarantor) that initially satisfied the Minimum Rating is subsequently downgraded below the Minimum Rating or when reasonable grounds for insecurity regarding the party’s performance or making of required payments arise, that party must provide Performance Assurance to the other party within ten (10) days of receiving the other party’s written (via electronic mail, or another form of delivery that is mutually acceptable) request for same or the other party shall have the right to immediately terminate this Contract in accordance with Sections 3.I.2 and 3.I.3 below. In each case, if the ten (10) day period ends on a day that is not a Business Day, the Performance Assurance must be provided on the next Business Day following such ten (10) day period. Any failure by either party to exercise its rights (as set forth above) at the first available opportunity shall not be construed as a waiver of such rights (unless expressly done so in writing) and shall not preclude either party from exercising them at a later time.

2. In the event (each an “Event of Default”) either party or, if applicable, its Guarantor, (the “Defaulting Party”) shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support

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Obligations relating to the Contract; (vii) fail to give Performance Assurance under Section 3.I.1 within ten (10) days of a written (via electronic mail, or another form of communication that is mutually acceptable) request by the other party (allowing for deliver on the next Business Day if the end of the period ends on a day that is not a Business Day); (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; (ix) be the affected party with respect to any Additional Event of Default; or (x) in the case of Seller, fail to provide substantially all of the Contract Quantity for three (3) consecutive Peak Days or any five (5) Peak Days during a Winter Season; then the other party (the “Non-Defaulting Party”) shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the Contract, in the manner provided in Section 3.I.3, in addition to any and all other remedies available hereunder. Notwithstanding anything to the contrary herein, if an Event of Default has occurred with respect to a party, then the other party may suspend its payment and delivery obligations but only for a maximum of twenty (20) Business Days without an Early Termination Date being designated. If the other party has not designated an Early Termination Date within such twenty (20) Business Days, then it shall resume performance of its payment and delivery obligations and shall not suspend its obligations again with respect to the same Event of Default.

3. If an Event of Default has occurred and, except as applicable to (x) above, is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than twenty (20) Days after such Notice is given, as an early termination date (the “Early Termination Date”) for termination of the Contract, other than as required under applicable law.

4. The parties agree that the transaction hereunder constitutes a “forward contract” within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each “forward contract merchants” within the meaning of the United States Bankruptcy Code.

5. The Non-Defaulting Party’s remedies under this Section 3.I are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

6. With respect to this Section 3.I, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

**J. FORCE MAJEURE**

1. Except with regard to a party’s obligation to make payment(s) due under

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Section 3.F and Section 3.I.4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term “Force Majeure” as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 3.J.2.

2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, floods, washouts, explosions; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe, or storms or storm warnings, such as hurricanes, which result in evacuation of an entire geographic region; (iii) a determination by Transporter that because of system conditions on Transporter’s facilities or equipment, other than a condition resulting from Seller’s failure to meet the quality requirements delineated in Article 1, Seller’s deliveries of Gas to the Delivery Point must be interrupted or curtailed; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure event and to resolve the impact of the event once it has occurred in order to resume performance.

3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the party claiming excuse failed to use reasonable efforts to overcome the condition or failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; (ii) economic hardship, to include, without limitation, Seller’s ability to sell Gas at a higher or more advantageous price than the Contract Price, or Buyer’s ability to purchase Gas at a lower or more advantageous price than the Contract Price; (iii) the loss of Buyer’s market(s) or Buyer’s inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 3.J.2; or (iv) the loss or failure of Seller’s gas supply or depletion of reserves, except, in either case, as provided in Section 3.J.2.

4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible, but in no event later than two (2) Days after the occurrence of the Force Majeure event. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from

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the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

6. In the event a declared Force Majeure continues, or is anticipated to occur, for a period greater than ninety (90) Days, Buyer is permitted to terminate this Contract in accordance with Section 3.I with provision of prior written notice at least twenty (20) Days before the effective termination date.

**K. TERM**

This Contract shall become effective as of the Effective Date and shall continue through the end of the Delivery Period, unless terminated earlier per the terms of the Contract. Except as may be provided or limited by this Contract, the obligations which by their nature are intended to survive expiration or termination of this Contract, including representations, warranties, covenants and rights and obligations with respect to audits, indemnification, payment and settlement and confidentiality, shall so survive.

**L. LIMITATIONS**

1. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED.

2. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, A PARTY'S LIABILITY TO THE OTHER PARTY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. UNLESS AS OTHERWISE PROVIDED IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT.

3. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE; PROVIDED, HOWEVER, THE PARTIES AGREE THAT THE LIMITATIONS SET FORTH IN THIS SECTION L WILL NOT IN ANY WAY LIMIT A PARTY'S LIABILITY OR A MEASURE OF DAMAGES ARISING

OUT OF, OR RELATED TO, OR CONNECTED WITH (A) A PARTY'S GROSS NEGLIGENCE OR FRAUDULENT ACT OR OMISSION, OR (B) ANY THIRD-PARTY CLAIMS, INCLUDING INDEMNIFIABLE CLAIMS MADE BY A PARTY HEREUNDER.

4. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

**M. MARKET DISRUPTION**

1. In the event that the Benchmark Price and/or Spot Price cannot be determined for an applicable Day, because of the unavailability of a published price index used in determining the Benchmark Price and/or Spot Price, including the midpoint and either high or low price or both for such index, then the parties shall negotiate in good faith to agree on a replacement for the Benchmark Price and/or Spot Price. If the parties have not agreed on a replacement price for the Benchmark Price and/or Spot Price within two (2) Business Days, the replacement price shall be calculated using the nearest geographic location for which an index price is published and if there should be no published index for such Day for such geographic location, then the Benchmark Price and/or Spot Price shall be determined based on the next available Day that the index used in determining the Benchmark Price and/or Spot Price is published.

2. In the event that the Benchmark Price and/or Spot Price cannot be determined for an applicable Day of delivery of Gas, because a price index publisher did not publish a midpoint price for one or more locations, but there is a published high and low price for such location(s), then the Benchmark Price and/or Spot Price shall be determined as the average of such high and low prices.

**N. MISCELLANEOUS**

1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party as long as such entity has provided Performance Assurance consistent with Section 3.I.1. of its



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ability to perform as the non-assigning party may require. Upon any such assignment, transfer and assumption, the transferor shall be relieved of and discharged from any obligations hereunder except those that were previously incurred and not expressly assumed by the assignee.

2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction of the State of New York, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or any provisions thereof.

7. Except as specifically provided herein (including, without limitation, in the indemnification provisions hereof), nothing contained in this Contract is intended for the benefit of any third parties.

8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

10. Neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of this Contract to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep

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such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement the Contract, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of this Contract (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 3.L, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of this Contract shall be kept confidential by the parties hereto for one year from the expiration of the Contract.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

Notwithstanding anything to the contrary, each party to this Contract (and each employee, representative, or other agent of such party for so long as they remain an employee, representative or agent) may disclose to any and all persons, without limitation of any kind: (i) the tax treatment and tax structure of the transaction(s) contemplated by this Contract; and (ii) all materials of any kind (including opinions or other analyses) that are provided to such party relating to such tax treatment or tax structure. Each party to this Contract may also disclose to any Federal, state or local taxing authority the identity of the parties to the Contract. Nothing in this Contract, or any other agreement between the parties hereto, express or implied, shall be construed as limiting in any way the ability of either party to consult with any tax adviser (including a tax adviser independent from all other entities involved) regarding the tax treatment or tax structure of the transactions contemplated under this Contract.

11. Any original executed Contract or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein

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shall be construed as a waiver of any other objection to the admissibility of such evidence.

12. If the Public Service Commission of the State of New York disallows the recovery of costs incurred by Buyer under this Contract, Buyer shall promptly notify Seller in writing and offer to Seller an amendment(s) reflecting a pricing formula designed to produce prices equal to that portion of Seller's charges recoverable by Buyer. If within ten (10) Business Days of its receipt of Buyer's Notice, Seller has not accepted the proposed amendment(s), Buyer may terminate the Contract on no less than thirty (30) Days' written Notice to Seller, to be effective on the last Day of the following month, provided however, that if Buyer gives Notice to Seller during a Winter Season, the termination will occur no earlier than the end of that Winter Season. No retroactive adjustment will be made for costs incurred by Buyer prior to the effective date of the termination.

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IN WITNESS WHEREOF, this Contract is executed as of the date first set forth above.

[*Buyer name*]

By: _____	_____	_____
Signature	Printed Name	Date

[*Selling entity*]

By: _____	_____	_____
Signature	Printed Name	Date

ANNEX A  
DEFINITIONS

- (1) “Additional Event of Default” shall mean a Transactional Cross Default or an Indebtedness Cross Default, each as may be identified in Article 1.
- (2) “Affiliate” shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.
- (3) “Biogas” or “Renewable Biogas” shall mean processed biogas measured in MMBtu that (i) meets the applicable quality specifications set forth in Article 1, (ii) is Biogas Compliant; and (iii) includes the equivalent quantity of Green Attributes by virtue of (a) being associated with the biogas produced from the Plant or (b) with respect to biogas for use in the Vehicle Fuel market, having first been severed or disconnected from the biogas produced from the Plant, and subsequently reconnected and included in a sale with what would otherwise be Non-Renewable Gas but for such inclusion.
- (4) “Biogas Compliance” or “Biogas Compliant” shall mean biogas that is capable of generating (a) RINs as certified by the EPA in 40 C.F.R. § 80.1426 of D Code 5 or D Code 3, as applicable, and/or (b) any state program(s) administered by Buyer or another state or locality, including New York State.
- (5) “British thermal unit” or “Btu” shall mean the International BTU, which is also called the Btu (IT).
- (6) “Business Day(s)” shall mean any day other than a Saturday, Sunday or any other day on which U.S. banks located in New York are authorized or required by law or executive order to remain closed.
- (7) “Contract” shall mean the legally-binding relationship established by this executed document, including each of the transactions that the parties have entered into, all of which shall form a single integrated agreement between the parties.
- (8) “Contract Price” shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in the Contract.
- (9) “Contract Quantity” shall mean the quantity of Gas to be delivered and taken as agreed to by the parties under this Contract.
- (10) “Credit Support Obligation(s)” shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.
- (11) “Day” shall mean a period of 24 consecutive hours, coextensive with a “day” as defined

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- by the Transporter for scheduling of Gas deliveries.
- (12) “Delivery Period” shall be the periods during which deliveries of Gas and Green Attributes, if applicable are to be made as agreed to by the parties.
- (13) “Delivery Point(s)” shall mean such point(s) as agreed to by the parties at which Gas will be delivered by Seller and received by Buyer.
- (14) “EPA RFS” shall mean the renewable energy program and policies established by the Environmental Protection Agency and published on March 26, 2010 (at 75 Fed. Reg. 14670) that became effective on July 1, 2010, as amended from time to time.
- (15) “Firm” shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure.
- (16) “Gas” shall mean Non-Renewable Gas.
- (17) “Gas Transportation Operating Procedures Manual” or “GTOP” means the document describing Transporter’s operating procedures, protocols and business practices for transportation service, as amended from time to time.
- (18) “Green Attributes” shall mean any and all environmental attributes generated from the production, sale, or consumption of Renewable Biogas, including (a) Lifecycle Greenhouse Gas Emissions, which are (i) associated with the use of Renewable Biogas as a Vehicle Fuel and (ii) required to generate a RIN and/or state program credit when the associated Renewable Biogas is used as a Vehicle Fuel, (b) RINs generated under the EPA RFS, (c) credits or allowances generated under renewable natural gas programs administered by Buyer or by other states or localities, including New York State or New York City, and/or (d) renewable energy certificates or emissions credits associated with use of Renewable Biogas for electric generation; in each case, relating to the Contract Quantity of Renewable Biogas delivered hereunder.
- (19) “Guarantor” shall mean any entity that has provided a guaranty of the obligations of a party hereunder.
- (20) “Hazardous Waste Landfill” means the facilities as defined by the United States Environmental Protection Agency – 40 CFR § 260.10 or the New York State Department of Environmental Conservation – 6 NYCRR Part 370.2.
- (21) “Imbalance Charges” shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter’s balancing and/or nomination requirements.
- (22) “Indebtedness Cross Default” shall mean for a party, or its Guarantor, if any, a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate

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amount greater than the threshold specified in Article 1 with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

- (23) “Lifecycle Greenhouse Gas Emissions” shall mean the aggregate quantity of greenhouse gas emissions (including direct emissions and significant indirect emissions from land use changes), as determined by the EPA pursuant to the EPA RFS or by state or local administrative agency pursuant to a state or local government renewable natural gas credit program, as applicable, related to the full fuel lifecycle, including all stages of fuel and feedstock production and distribution, from feedstock generation or extraction through the distribution and delivery and use of the finished fuel to the ultimate consumer, where the mass values for all greenhouse gases are adjusted to account for their relative global warming potential.
- (24) “MMBtu” shall mean one million British thermal units, which is equivalent to one dekatherm.
- (25) “Month” shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- (26) “Non-Renewable Gas” shall mean Renewable Biogas excluding Green Attributes
- (27) “Peak Day” shall mean any Day with an average hourly temperature for the Day of 25 degrees Fahrenheit or less, based on measurements taken by the National Weather Service for Central Park, New York City, New York.
- (28) “Payment Date” shall mean a date, as indicated in Section 3.F.2, on or before which payment is due Seller for Gas received by Buyer.
- (29) “Plant” or “RNG Plant” shall mean the anaerobic digester and related upgrading and processing facilities used to produce biomethane, which shall be limited to non-Hazardous Waste Landfills, wastewater treatment plants and facilities processing organic waste acceptable to Transporter (including sludge and food, yard and livestock waste), which plant is identified in Article 1.
- (30) “Renewable Identification Number” or “RIN” shall mean a number generated pursuant to the RFS Program to represent a volume of renewable fuel as set forth in Regulation of Fuels and Fuel Additives: Changes to Renewable Fuel Standard Program, 75 Fed. Reg. 16484 (March 26, 2010) (codified at 40 C.F.R. § 80.1425 (2011); 40 C.F.R. § 80.1426 (2012)).
- (31) “Replacement Price” shall mean that if there is an unexcused failure by Seller to deliver a quantity of Gas and, if applicable, Green Attributes, pursuant to this Contract, then the price incurred by Buyer to procure, transport and/or receive Gas and, if applicable, Green Attributes to replace such undelivered supplies; provided that Buyer shall use commercially reasonable efforts to obtain such replacement Gas and, if applicable, Green Attributes, at a price reasonable for the delivery or production area. To the extent that Buyer cannot obtain replacement Gas and/or interrupts customer deliveries or withdraws

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from on-system storage in lieu of procuring, transporting and/or receiving replacement Gas, the Replacement Price shall be assumed to equal the Spot Price.

- (32) “RFS Program” shall mean Renewable Fuel Standard Program as used under the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007 and implementing regulations, including without limitation, 40 C.F.R. Part 80, Subpart M.
- (33) “RNG Interconnection Agreement” shall mean the agreement between Transporter and RNG Operator for the interconnection of Operator’s Plant to Transporter’s gas distribution system.
- (34) “Scheduled Gas” shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- (35) “Specified Excluded Transaction(s)” shall mean any other transaction or agreement identified as a Specified Excluded Transaction in Article 1.
- (36) “Spot Price” shall mean the highest of the following daily midpoint prices set forth for the relevant Gas Day in the publication “Gas Daily”: (a) Transco Zone 6-NY, (b) Texas Eastern Transmission (Tetco M3) and (c) Iroquois Gas Transmission System (Z2) Citygate; provided, if there is no midpoint price published for one or more of the listed locations for such Day, the applicable daily price for such location will be determined as indicated in Section 3.M.
- (37) “Tariff” shall mean Transporter’s tariff applicable to its natural gas distribution system, as amended, which tariffs as of the Effective Date are “Schedule for Gas Service, P.S.C. NO. 9 – GAS” for Consolidated Edison Company of New York, Inc.
- (38) “Transactional Cross Default” shall mean the occurrence of a default under any agreement between the Parties, other than this Contract or a Specified Excluded Transaction.
- (39) “Transporter(s)” shall mean Consolidated Edison Company of New York, Inc., in its role as operator of a natural gas distribution system.
- (40) “Vehicle Fuel” shall mean natural gas derived from Biogas or Gas that is used in transportation vehicles or other modes of transportation that qualify for receipt of RINs under the EPA RFS or for receipt of credits certified by any state or locality program.
- (41) “Vehicle Fuel Distributor(s)” shall mean the owner or operator of a natural gas fueling station or other qualified facility for dispensing Vehicle Fuel into trucks, buses or other vehicles or modes of transportation.
- (42) “Winter Season” shall mean five consecutive calendar months from November 1 through March 31.



ANNEX B  
NOTICE INFORMATION

Buyer [Buyer Name]	<i>PARTY NAME</i>	Seller [Seller Name]
	<i>ADDRESS</i>	
	<i>BUSINESS WEBSITE</i>	
	<i>CONTRACT NUMBER</i>	
	<i>D-U-N-S® NUMBER</i>	
	<i>FEDERAL TAX ID #</i>	
	<i>JURISDICTION OF ORGANIZATION</i>	
<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____	<i>COMPANY TYPE</i>	<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____
	<i>GUARANTOR (IF APPLICABLE)</i>	
<b>CONTACT INFORMATION</b>		
<b>ATTN:</b> _____ <b>TEL#:</b> _____ <b>EMAIL:</b> _____	<i>COMMERCIAL</i>	<b>ATTN:</b> _____ <b>TEL#:</b> _____ <b>EMAIL:</b> _____
<b>ATTN:</b> _____ <b>TEL#:</b> _____ <b>EMAIL:</b> _____	<i>SCHEDULING</i>	<b>ATTN:</b> _____ <b>TEL#:</b> _____ <b>EMAIL:</b> _____
<b>ATTN:</b> _____ <b>TEL#:</b> _____ <b>EMAIL:</b> _____	<i>CONTRACT AND LEGAL NOTICES</i>	<b>ATTN:</b> _____ <b>TEL#:</b> _____ <b>EMAIL:</b> _____

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<b>ATTN:</b> _____ <b>TEL#:</b> _____ <b>EMAIL:</b> _____	<b>CREDIT AND COLLECTIONS</b>	<b>ATTN:</b> _____ <b>TEL#:</b> _____ <b>EMAIL:</b> _____
<b>ACCOUNTING INFORMATION</b>		
<b>ATTN:</b> _____ <b>TEL#:</b> _____ <b>EMAIL:</b> _____	<b>INVOICES PAYMENTS SETTLEMENTS</b>	<b>ATTN:</b> _____ <b>TEL#:</b> _____ <b>EMAIL:</b> _____
<b>BANK:</b> <b>ABA:</b> <b>ACCT:</b> <b>OTHER DETAILS:</b>	<b>WIRE TRANSFER NUMBERS (IF APPLICABLE)</b>	<b>BANK:</b> <b>ABA:</b> <b>ACCT:</b> <b>OTHER DETAILS:</b>
<b>BANK:</b> <b>ABA:</b> <b>ACCT:</b> <b>OTHER DETAILS:</b>	<b>ACH NUMBERS (IF APPLICABLE)</b>	<b>BANK:</b> <b>ABA:</b> <b>ACCT:</b> <b>OTHER DETAILS:</b>

ANNEX C  
PERFORMANCE ASSURANCE

**[To Be Inserted]**

ANNEX D  
SELLER'S IMBALANCE CHARGES

To the extent that Seller's actual deliveries to the Delivery Point fall below the quantities scheduled or nominated by Seller, the following imbalance charges shall apply, based on the ratio of the shortfall to the scheduled or nominated delivery quantity:

Shortfall %	Charge per Dekatherm
>0% and ≤5%	100% of Monthly Cost of Gas
>5% and ≤10%	105% of Daily Cost of Gas*
>10% and ≤15%	110% of Daily Cost of Gas*
>15% and ≤20%	120% of Daily Cost of Gas*
>20%	150% of Daily Cost of Gas*

\* If an Operational Flow Order is in effect reflecting a shortage of supply, the charge will be the higher of the amount shown and \$50/Dt.

If Seller's actual deliveries to the Delivery Point exceed the quantities scheduled or nominated, the excess, up to 5% of the quantity that was scheduled or nominated, will be deducted from the Seller's cumulative monthly imbalance. No credit will be provided for any deliveries in excess of 105% of the scheduled amount.

The "Monthly Cost of Gas" and the "Daily Cost of Gas" shall be determined as specified in the GTO.