

CODE OF CONDUCT FOR ELECTRIC AND GAS TRADING ACTIVITIES

Con Edison Energy is committed to employing lawful and ethical trading practices in connection with the Company's electric and gas sales and purchase activities and operations. Consistent with this commitment, Con Edison Energy's employees and representatives shall comply with the following Code of Conduct with respect to buying and selling gas and power; reporting data from such transactions to index developers; and establishing compliance procedures with respect to its trading and reporting activities.

A. TRADING ACTIVITIES:

Con Edison Energy employees engaged in the sale and purchase of gas and power shall conduct their gas and electric trading and business operations in the following manner.

- Con Edison Energy employees shall conduct business in accordance with all applicable laws, regulations, tariffs and rules and with a commitment to honest dealing.
- Con Edison Energy employees shall engage only in transactions with legitimate business purposes and shall not engage in actions or transactions that are intended to or foreseeably could manipulate market prices, market conditions or market rules.
- Con Edison Energy employees shall not engage in pre-arranged offsetting trades of the same product among the same parties, which involve no economic risk and no net change in beneficial ownership, such as wash trades.
- Con Edison Energy employees shall not engage in collusion with another party for the purpose of manipulating market prices, market conditions, or market rules for natural gas.
- Con Edison Energy employees shall not engage in transactions predicated on submitting false information to transmission providers or other entities responsible for operation of the transmission grid (such as inaccurate load or generation data; or scheduling non-firm service or products sold as firm).
- Con Edison Energy employees shall not engage in transactions in which any party creates artificial congestion and then purports to relieve such artificial congestion.

- Con Edison Energy employees shall not violate or collude with another party in actions that violate the Company's market-based rate code of conduct or Order No. 889 standards of conduct, as they may be revised from time to time.
- Con Edison Energy employees shall operate and schedule generating facilities, undertake maintenance, declare outages, and commit or otherwise bid supply in a manner that complies with the Commission-approved rules and regulations of the applicable power market.

B. DATA REPORTING ACTIVITIES:

Con Edison Energy employees shall report data related to power and gas sales and purchases consistent with the following:

- Con Edison Energy employees shall provide accurate and factual information and not submit false or misleading information, or omit material information in any communication with the Commission, Commission-approved market monitors, Commission-approved regional transmission organizations, Commission-approved independent system operators or jurisdictional transmission providers.
- To the extent Con Edison Energy engages in reporting of transactions to publishers of electricity and/or natural gas indices:
 - i. such reporting will be done by a department of the Company that is independent from and not responsible for trading;
 - ii. its employees shall provide accurate and factual information, and not knowingly submit false or misleading information or omit material information to any such publisher;
 - iii. its reports will include: (a) price; (b) volume; (c) buy/sell indicator; (d) delivery/receipt location; (e) transaction date; and (f) term;
 - iv. any errors identified in Con Edison Energy's reports to publishers of electricity and/or natural gas indices shall be corrected as soon as practicable and Con Edison Energy's employees in a department independent from and not responsible for trading shall cooperate with the error resolution process adopted by the index publisher.
- Con Edison Energy shall maintain and adhere to internal procedures designed to ensure that all rates are properly documented in a timely fashion and that no trades are concealed or misrepresented.

- Con Edison Energy shall retain, for a period of three years, all data and information upon which it billed the prices it charged for natural gas sold pursuant to its market based sales certificate and for electric energy or electric energy products sold pursuant to its market-based rate tariff or the natural gas and/or electric prices it reported for use in price indices of index publishers.

C. COMPLIANCE STANDARDS:

In order to assure compliance with this Code of Conduct, Con Edison Energy shall:

- Have an external or internal independent auditor review the implementation of and adherence to the data gathering and submission process adopted by the Company at least once annually and make the results of such audit available to any index developer to which Con Edison Energy submits its price data.
- Provide training to appropriate personnel on the provisions of this Code of Conduct.
- Maintain internal standards, policies, procedures and/or controls to promote compliance with this Code of Conduct.
- Provide an environment that encourages employees within Con Edison Energy's organization to disclose to senior management any trading or price reporting practices that might violate this Code of Conduct.