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April 29, 2002

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
4 Irving Place
New York, NY 10003

Hon. Janet Deixler
Secretary
Public Service Commission
State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223

Re: **Cases 00-G-1456 and 97-G-1380**

Dear Secretary Deixler:

Consolidated Edison Company of New York, Inc. ("Con Edison" or "the Company") is filing today with the Public Service Commission ("the Commission") amendments to its Schedule for Gas Service, P.S.C. No. 9 – Gas. Appendix A identifies the specific leaves and statements being revised. The tariff leaves and statements are issued as of April 29, 2002 to become effective on May 1, 2002 and bear a notation that the leaves and statements are issued in compliance with the Commission's Order dated April 22, 2002 in the subject case numbers.

Reasons for the Proposed Tariff Changes

The Commission's Order Concerning Gas Rates, Restructuring, Competition, and Other Issues in Cases 00-G-1456 and 97-G-1380 ("the Order"), issued and effective April 22, 2002, adopted the terms and conditions of the Joint Proposal, dated February 15, 2002, between Con Edison, the Staff of the Commission and other parties to the subject proceedings. The Order implements a three year rate and restructuring plan for the period ending September 30, 2004 and represents a comprehensive resolution of issues raised

Received: 4/30/2002

in the Commission's November 3, 1998 Gas Policy Statement in Cases 97-G-1380 and 93-G-0932[1]. The tariff amendments being filed herewith are in compliance with the Commission's April 22nd Order and also include certain housekeeping changes as noted below.

Summary of Proposed Changes

The attached tariff leaves reflect the following amendments:

Rate Design: In accordance with the Order, the rates have been designed to provide for an overall rate reduction of $25.0 million on an annual basis commencing May 1, 2002. As further elaborated in the next section, gas supply costs were removed from the Company's bundled firm sales rates which results in Service Classification ("SC") 1, 2, 3 and 13 delivery rates becoming equal to the corresponding firm transportation rates. After removal of gas supply costs, the rate blocks in SC 1, 2 and 3 for usage over 3 therms per month and the rate blocks in the corresponding SC 9 transportation rates were decreased to recognize the $25 million reduction in annual delivery revenues. The minimum charge for firm sales customers after removal of gas costs is the same as the current minimum charge for firm transportation customers of $10.89.[2] Appendix B shows the percentage decreases, by service classifications, for the historical rate year, i.e., the 12 months ended December 31, 2000, for which detailed billing data are available.

Gas Cost Factor and Monthly Rate Adjustment: Gas supply costs were removed from the Company's bundled firm sales rates for SCs 1, 2, 3 and 13 and will be recovered through a separate monthly rate component referred to as the "Gas Cost Factor". The Gas Cost Factor will replace the current mechanism of recovering the cost of gas and gas-supply related costs through a combination of the base cost of gas included in base tariff rates and the monthly gas adjustment. The Gas Cost Factor will be set equal to the average cost of gas adjusted for: the annual reconciliation of gas costs, gas supplier take-or pay charges, gas pipeline transition costs and any other gas supply-related costs or credits (e.g., the Cost of

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[1]Cases 93-G-0932 and 97-G-1380, Policy Statement Concerning the Future of the Natural Gas Industry in New York State and Order Terminating Capacity Assignment, issued and effective November 3, 1998.

[2]Commencing October 1, 2002, the SC 1, 2 and 3 minimum charge for firm sales customers, and the corresponding minimum charge for SC 9 firm transportation customers, will be increased to $10.99 and on October 1, 2003 it will be increased to $11.08, with correspoinding reductions made in each instance to the remaining rate blocks in each of these service classes. SC 13 and the corresponding SC 9 rate, which collects minimum charges over 7 months as opposed to 12 months, will correspondingly be adjusted.

Received: 4/30/2002

Compensation Adjustment related to the recovery of fuel costs associated with gas diverted from non-firm customers to serve firm sales customers).[3] Initially, upstream capacity costs recovered through the average cost of gas will be allocated to (1) SC 1, (2) SC 2 (heating) and SC 3, and (3) SC 2 (non-heating), SC 2 and 3 (gas air-conditioning use) and SC 13, based on fixed percentages of 6%, 80%, and 14%, respectively. This will result in different Gas Cost Factors for the service classes that are reflective of the load factor characteristics of each respective class. The Company will review the allocation percentages for upstream capacity costs at least annually and revise the percentages whenever such percentages change by plus or minus one percent. In addition to the Gas Cost Factor, a single Monthly Rate Adjustment will be implemented to surcharge or credit non-gas supply related items to the bills of SCs 1, 2, 3 and 13 customers. Such non-gas supply related items were formerly reflected in the monthly gas adjustment and include the Non-Firm Revenue Credit, Transition Surcharge for Capacity Costs, Research and Development Surcharge, and Gas Facility Costs Credit. Firm Transportation Customers will receive the same non-gas supply related surcharges and credits that Firm Sales Customers receive plus a 24.0 cents per dekatherm Competitive Retail Choice Credit as explained below.

The Gas Cost Factor and Monthly Rate Adjustment, effective May 1, 2002, are set forth on the (i) Statement of Gas Cost Factor applicable to SCs 1, 2, 3 and 13, (ii) Statement of Monthly Rate Adjustment applicable to SCs 1, 2, 3 and 13, and (iii) Statement of Rate applicable to SC 9 Firm Transportation Customers, all of which are being filed today.

Line Loss Factor and Incentive: The monthly Gas Cost Factor will reflect a 2.3% allowance for line losses or a factor of adjustment ratio of 1.0235. Tariff provisions have also been added to the annual reconciliation of the Gas Cost Factor to reflect a new line loss incentive mechanism that provides a penalty or incentive to the Company for variations from the target with the maximum penalty and incentive limited to one percent of gas costs. For example, if actual line losses are greater than 2.3%, the Company will bear the cost of the difference between 2.3% and actual line losses at or below 3.3%, and customers will bear the difference between 3.3% and any higher actual line losses.

Disposition of Non-Firm Revenues: Provisions have been added to the tariff to explain the disposition of Non-Firm Revenues in accordance with the Order. Specifically, for each rate year

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[3]Existing tariff provisions providing for recovery of gas supplier take-or-pay charges and pipeline transition costs are being maintained. The Company last incurred such costs in December 1997 and September 1999, respectively.

Received: 4/30/2002

commencing October 1, Non-Firm Revenues will be allocated for the benefit of firm customers as follows: 100% of the first $35 million of Non-Firm Revenues, 80% of Non-Firm Revenues between $35 million and $70 million, and 90% of all Non-Firm Revenues over $70 million. The firm customers' share of Non-Firm Revenues will be reduced to provide for recovery of different costs associated with furthering competition; for example, 22.8 cents per dekatherm of the 24.0 cents per dekatherm Competitive Retail Choice Credit (see below) provided to Firm Transportation Customers taking service under the Company's Power Your Way Program; $1.26 million of costs related to customer outreach and education efforts; up to $1.0 million per year for retail choice promotional programs developed in consultation with Commission Staff and gas marketers; and up to $300,000 of costs incurred in implementing a new Daily Imbalance Trading Service for gas marketers serving transportation customers.

Firm customers will be credited for their share of Non-Firm Revenues through a combination of the average cost of gas applicable to the Gas Cost Factor for Firm Sales Customers and a new "Non-Firm Revenue Credit" applicable to the Monthly Rate Adjustment for Firm Sales and Firm Transportation Customers.[4] The firm customers' share of certain gas balancing revenues and net revenues from the use of interstate pipeline capacity for capacity releases, bundled sales and other off-system transactions will be credited to them through a reduction to the average cost of gas. And, the firm customers' remaining share of Non-Firm Revenues derived from: (a) interruptible customers served under SC 12 Rate 1 and SC 9 Rates (B) and (D), (b) power generation customers, (c) the New York Power Authority (in excess of $3.1 million per Rate Year), and (d) fixed pipeline demand charges collected from non-firm customers served under SC 12 – Rate 2 (Off-Peak Firm), SC 19 (Unbundled Sales Service) and SC 9 Rate D (1) (Negotiated Bypass), will be reflected in the computation of the new Non-Firm Revenue Credit applicable to both Firm Sales and Firm Transportation Customers.

The first Non-Firm Revenue Credit will become effective May 1, 2002 and be computed by adding to the remaining balance in the Company's Interruptible Sales Credit ("ISC") account as of February 28, 2002: (a) the firm customers' share of Non-Firm Revenues collected during March 2002 and (b) $1.04 million of deferred net revenues from power generation customers collected from October 1,

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[4]Provisions describing the computation of the annual reconciliation of the Gas Cost Factor have also been included to reflect appropriate reductions for the firm customers' allocated share of Non-Firm Revenues.

Received: 4/30/2002

2001 through February 28, 2002.[5] A deduction will be made to the ISC balance for interruptible credits provided to firm customers during March 2002 to derive the closing ISC balance as of March 31, 2002. Such balance, hereafter referred to as the "Non-Firm Revenue Account", will then be divided by total firm sales and firm transportation volumes for the 12 months ended March 31, 2002 to derive the Non-Firm Revenue Credit effective May 1, 2002. Each subsequent month's Non-Firm Revenue Credit, beginning with June 2002, will be computed by dividing the balance in the Non-Firm Revenue Account determined at each 12 month period ending two months prior to the effective date of the credit by the corresponding 12 months' firm sales and transportation volumes.

Under the Company's existing methodology for disposition of Non-Firm Revenues, the Company has already retained approximately $1.8 million of Non-Firm Revenues for the period October 1, 2001 through February 28, 2002. Therefore, for the first rate year ending September 30, 2002, the Company will make an appropriate adjustment to the Non-Firm Revenue Account balance at the end of the second quarter (June 2002) to reconcile actual amounts retained under the existing methodology with the revised revenue retention amounts under the Order's new sharing methodology.

Competitive Retail Choice Credit: The tariff continues a 24.0 cents per dekatherm Competitive Retail Choice Credit ("CRCC") applicable to the bills of the Company's Firm Transportation Customers that was provided to those customers during the Rate Year that ended September 2001. This credit will remain in effect through the earlier of September 30, 2004 or the implementation of unbundled rates as a result of Case 00-M-0504. During the period May 1, 2002 through April 30, 2003, Firm Transportation Customers will receive an additional credit of 11.432 cents per dekatherm to provide them with an amount approximately equal to the CRCCs they would have received had the new rates and charges become effective

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[5]For the first rate year commencing October 1, 2001, the ISC account balance as of February 28, 2002 already includes the firm customers' appropriate share of net revenues derived from interruptible sales and transportation customers and fixed pipeline charges collected from non-firm customers for the period from October 1, 2001 through February 28, 2002. Except for the $1.04 million, the firm customers' share of Non-Firm Revenues derived from power generation customers for that same period was credited to Firm Sales and Transportation Customers through separate credits applicable to the Monthly Rate Adjustments for Firm Sales and Firm Transportation Customers, effective December 1, 2001 through April 30, 2002. The $1.04 million represents gas transportation revenues derived from the Company's divested and Company-owned power generation plants for the period from October 1, 2001 through February 28, 2002 that have not yet been refunded to customers.

Received: 4/30/2002

October 1, 2001. The additional credit will be adjusted in June 2002 to reflect actual April 2002 transportation volumes. The tariff amendments also provide for the Company's recovery of 22.8 cents per dekatherm of CRCC amounts credited to Firm Transportation Customers by retaining certain deferred credits or revenues, (e.g., gas pipeline refunds, unauthorized use charges collected from interruptible and off-peak firm customers, and firm customers' share of Non-Firm Revenues).

New Service Fees: The tariff amendments reflect three new service fees to recover the cost of (1) processing a dishonored check, (ii) providing meter or auxiliary equipment not normally furnished by the Company, and (iii) investigating tampered Company gas apparatus where actual tampering is found.

Other Tariff Changes: Provisions providing for monthly Imbalance Trading Service have been extended through September 30, 2004. Capacity Balancing Service tariff provisions have been eliminated. Minor housekeeping changes have also been made to the tariff, for example, to reflect the elimination of provisions that have expired or were no longer applicable, and to correct cross-references between tariff provisions.

Respectfully submitted,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

BY:___________________________
Joel H. Charkow

Enclosures

Received: 4/30/2002

P.S.C NO. 9 - GAS

Third Revised Leaf No. 5
Superseding Second Revised Leaf No. 5

First Revised Leaf No. 62
Superseding Original Leaf No. 62

First Revised Leaf No. 76
Superseding Original Leaf No. 76

First Revised Leaf No. 90
Superseding Original Leaf No. 90

Second Revised Leaf No. 117
Superseding First Revised Leaf No. 117

Second Revised Leaf No. 132
Superseding First Revised Leaf No. 132

Second Revised Leaf No. 146
Superseding First Revised Leaf No. 146

Second Revised Leaf No. 152
Superseding First Revised Leaf No. 152

Third Revised Leaf No. 155
Superseding Second Revised Leaf No. 155

Ninth Revised Leaf No. 156
Superseding Eighth Revised Leaf No. 156

Third Revised Leaf No. 157
Superseding Second Revised Leaf No. 157

Second Revised Leaf No. 158
Superseding First Revised Leaf No. 158

Fifth Revised Leaf No. 159
Superseding Fourth Revised Leaf No. 159

Second Revised Leaf No. 160
Superseding First Revised Leaf No. 160

Received: 4/30/2002

Received: 4/30/2002

Third Revised Leaf No. 161
Superseding Second Revised Leaf No. 161

Second Revised Leaf No. 162
Superseding First Revised Leaf No. 162

Second Revised Leaf No. 163
Superseding First Revised Leaf No. 163

Third Revised Leaf No. 164
Superseding Second Revised Leaf No. 164

Fifth Revised Leaf No. 165
Superseding Fourth Revised Leaf No. 165

Second Revised Leaf No. 166
Superseding First Revised Leaf No. 166

Original Leaf No. 166.1

Original Leaf No. 166.2

Original Leaf No. 166.3

First Revised Leaf No. 173
Superseding Original Leaf No. 173

Second Revised Leaf No. 175
Superseding Original Leaf No. 175

Second Revised Leaf No. 176
Superseding Original Leaf No. 176

Second Revised Leaf No. 177
Superseding Original Leaf No. 177

Second Revised Leaf No. 178
Superseding Original Leaf No. 178

Second Revised Leaf No. 179
Superseding Original Leaf No. 179

Second Revised Leaf No. 180
Superseding Original Leaf No. 180

Received: 4/30/2002

Received: 4/30/2002

Fourth Revised Leaf No. 181
Superseding Third Revised Leaf No. 181

First Revised Leaf No. 182
Superseding Original Leaf No. 182

Second Revised Leaf No. 183
Superseding First Revised Leaf No. 183

Seventh Revised Leaf No. 183.1
Superseding Sixth Revised Leaf No. 183.1

Third Revised Leaf No. 183.2
Superseding Second Revised Leaf No. 183.2

Second Revised Leaf No. 228
Superseding First Revised Leaf No. 228

Third Revised Leaf No. 230
Superseding Second Revised Leaf No. 230

Second Revised Leaf No. 231
Superseding First Revised Leaf No. 231

Second Revised Leaf No. 234
Superseding First Revised Leaf No. 234

First Revised Leaf No. 235
Superseding Original Leaf No. 235

Second Revised Leaf No. 237
Superseding First Revised Leaf No. 237

Second Revised Leaf No. 240
Superseding First Revised Leaf No. 240

Second Revised Leaf No. 243
Superseding First Revised Leaf No. 243

Fifth Revised Leaf No. 255
Superseding Fourth Revised Leaf No. 255

Fourth Revised Leaf No. 260
Superseding Third Revised Leaf No. 260

Received: 4/30/2002

Third Revised Leaf No. 262
Superseding Second Revised Leaf No. 262

Third Revised Leaf No. 269
Superseding Second Revised Leaf No. 269

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Third Revised Leaf No. 273
Superseding Second Revised Leaf No. 273

Fourth Revised Leaf No. 274
Superseding Third Revised Leaf No. 274

Third Revised Leaf No. 279
Superseding Second Revised Leaf No. 279

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Superseding Original Leaf No. 281

Third Revised Leaf No. 282
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Superseding Original Leaf No. 285

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Second Revised Leaf No. 287
Superseding First Revised Leaf No. 287

Received: 4/30/2002

First Revised Leaf No. 289
Superseding Original Leaf No. 289

First Revised Leaf No. 298
Superseding Original Leaf No. 298

Third Revised Leaf No. 300.3
Superseding Second Revised Leaf No. 300.3

Fourth Revised Leaf No. 303
Superseding Third Revised Leaf No. 303

Original Leaf No. 303.1

Original Leaf No. 303.2

First Revised Leaf No. 318
Superseding Original Leaf No. 318

First Revised Leaf No. 331
Superseding Original Leaf No. 331

Second Revised Leaf No. 349
Superseding First Revised Leaf No. 349

Second Revised Leaf No. 362
Superseding First Revised Leaf No. 362

Third Revised Leaf No. 365
Superseding Second Revised Leaf No. 365

Second Revised Leaf No. 367
Superseding First Revised Leaf No. 367

First Revised Leaf No. 367.1
Superseding Original Leaf No. 367.1

First Revised Leaf No. 367.2
Superseding Original Leaf No. 367.2

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Received: 4/30/2002

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Received: 4/30/2002

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First Revised Leaf No. 382
Superseding Original Leaf No. 382

Second Revised Leaf No. 384
Superseding First Revised Leaf No. 384

First Revised Leaf No. 386
Superseding Original Leaf No. 386

Third Revised Leaf No. 387
Superseding Second Revised Leaf No. 387

First Revised Leaf No. 388
Superseding Original Leaf No. 388

First Revised Leaf No. 389.4
Superseding Original Leaf No. 389.4

Second Revised Leaf No. 397
Superseding First Revised Leaf No. 397

Third Revised Leaf No. 397.1
Superseding Second Revised Leaf No. 397.1

Received: 4/30/2002

Second Revised Leaf No. 397.2
Superseding First Revised Leaf No. 397.2

Statement (No. 2) of Area Development Sales Phase-out Rates
Applicable to Customers taking Service Under Rider E

Received: 4/30/2002

Appendix B

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Estimated Effect on Gas Customers' Bills and Company Revenues Resulting from the Proposed Gas Rates Effective May 1, 2002 - Based on Sales and Revenues for the Twelve Months Ended December 31, 2000, for Service Classification Nos. 1, 2, 3 and 13

	(1)	(2)	(3)	(4)	(5)	(6)
				Number of Customers' Bills		
Service Classification	**Revenue for the Twelve Months Ended December 31, 2000 at 8/1/99 Rates (b)**	**Estimated Annual Decrease**	**Percent Change**	**Increased**	**Decreased**	**Unchanged**
1 - Residential & Religious	$143,939,999	($4,181,047)	-2.90%	-	9,001,896	6,216
2 - General - Rate I - Non - Heating (a)	$107,420,103	($5,899,188)	-5.49%	-	616,740	696
2 - General - Rate II - Heating	$169,257,513	($5,070,774)	-3.00%	204	560,952	780
2 - Total	$276,677,616	($10,969,962)	-3.96%	204	1,177,692	1,476
3 - Residential & Religious - Heating (a)	$417,679,576	($11,710,744)	-2.80%	900	2,539,764	1,344
13 - Seasonal Off Peak Service	$ 349,096	($7,138)	-2.04%	-	1,740	36
Total Firm Sales & Firm Transportation	$838,646,287	($26,868,891)	-3.20%	1,104	12,721,092	9,072

(a) Gas air conditioning is included in SC2 and SC 3.

(b) For firm sales customers, revenues for the 12 months ended 12/31/00 reflect 8/1/99 bundled rates and gas adjustment effective February 1, 2002, excluding the annual surcharge related to the reconciliation of gas costs for the 12 months ended 8/31/00 that expired March 31st.
Revenues also reflect corresponding SC 9 firm transportation revenues priced-out at 8/1/99 delivery rates and base rate adjustment effective February 1, 2002, including a competitive retail choice credit of 2.4 cents per therm.

(c) The estimated annual decrease assumes gas supply costs are removed from base rates and recovered through the proposed gas cost factor and monthly rate adjustment.

Received: 4/30/2002

The monthly rate adjustment includes non-gas supply related items currently reflected in the February 2002 gas adjustment except for the proposed disposition of non-firm revenues.