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October 9, 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 (the "Schedule"). Appendix A identifies the specific leaves that are being revised. The tariff leaves and statements are issued as of October 9, 2002, to become effective on November 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 implemented a three-year rate and restructuring plan for the period ending

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September 30, 2004 and represented a comprehensive resolution of issues raised in the Commission's November 3, 1998 Gas Policy Statement in Cases 97-G-1380 and 93-G-0932¹. In compliance with the Order, the Company filed changes to its gas tariff on April 29, 2002 that, among other things, provided for a \$25.0 million rate reduction on an annual basis commencing May 1, 2002. The tariff amendments being filed herewith implement rate design provisions of the Joint Proposal that provide for an increase to the minimum charge applicable to firm service rates for Rate Year 2003 (i.e., the 12 months ending September 30, 2003), matched by reductions to other rates in each firm service class. While the effect of this rate design change is revenue neutral overall on Company gas revenues, annual Rate Year 2003 revenues from Service Classification (SC) 1 Customers are estimated to increase by 0.69% while revenues from Customers in SC 2 and 3 are estimated to decrease by about 0.12% and 0.25%, respectively. The rates have been designed such that the revenues to be collected from each service class over the 11 months ending September 30, 2003 will closely approximate the annual service class revenues for Rate Year 2003.

Summary of Proposed Changes

Pursuant to the Joint Proposal, the minimum charges for the SC 1, 2 and 3 firm sales rates and the corresponding SC 9 firm transportation rates were increased \$0.11 from \$10.89 to \$11.00 per month². The SC 13 minimum charge and the corresponding SC 9 rate, which collects minimum charges over seven months as opposed to 12 months, has been increased from \$18.67 to \$18.86 per month. To offset the increase in the Company's annual revenues resulting from the higher minimum charges, the rate block for usage over 3 therms in SC 1 and the 4 to 90 therm rate blocks in SC 2 and 3 were correspondingly reduced on an equal per therm basis by \$0.0054 per therm. No reduction was made to the SC 2 or SC 3 air-conditioning rate blocks or to the SC 13 rate blocks, which correspond to the SC 2 and 3 air-conditioning rates. Appendix B shows the percentage increases and/or decreases, by service classification, for the historical rate year, i.e., the 12 months ended December 31, 2000, for which detailed billing data are available. As shown on this Appendix B, overall Company revenues remain relatively unchanged with some Customers

¹Cases 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.

²The new minimum charge is \$11.00, instead of \$10.99 per month, to recognize its implementation over an 11-month period.

receiving bill increases while other Customers are receiving bill decreases.

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Other Housekeeping Tariff Changes: A correction was made to a cross-reference between General Rule VII and the Weather Normalization Clause contained in General Rule IX.1 of the gas tariff Schedule.

Notices

In accordance with Chapter VII, Subpart 720-8.1 (a) (3) of the Commission's regulations, the Company requests that newspaper publication be waived in its entirety, since these rate design changes are de minimus and overall gas revenues will be unchanged.

Respectfully submitted,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

BY: _____
Joel H. Charkow

Enclosures

Appendix A

P.S.C NO. 9 - GAS

Leaf 132
Revision 3
Superseding Revision 2

Leaf 146
Revision 3
Superseding Revision 2

Leaf 152
Revision 3
Superseding Revision 2

Leaf 166.2
Revision 1
Superseding Revision 0

Leaf No. 228
Revision 3
Superseding Revision 2

Leaf 230
Revision 4
Superseding Revision 3

Leaf 231
Revision 3
Superseding Revision 2

Leaf 240
Revision 3
Superseding Revision 2

Leaf 269
Revision 4
Superseding Revision 3

Leaf 270
Revision 3
Superseding Revision 2

Leaf 271
Revision 3
Superseding Revision 2

Leaf 349
Revision 3
Superseding Revision 2

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

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

<u>Service Classification</u>	(1) <u>Annual Revenues at 5/1/02 Rates (b)</u>	(2) <u>Estimated Annual Revenue Increase/(Decrease) (c)</u>	(3) <u>Percent Change (d)</u>	(4)	(5)	(6)
				<u>Number of Customers' Bills</u> <u>Increased</u>	<u>Decreased</u>	<u>Unchanged</u>
1 - Residential & Religious	\$ 143,697,995	\$ 801,939	0.56 %	7,919,629	346,110	742,388
2 - General - Rate I - Non - Heating (a)	\$ 113,833,848	(\$ 74,294)	(0.07)%	251,078	307,297	59,765
2 - General - Rate II - Heating	<u>\$ 173,611,202</u>	<u>(\$ 113,510)</u>	<u>(0.07)%</u>	<u>132,556</u>	<u>376,127</u>	<u>52,840</u>
2 - Total 683,424 112,605		\$ 287,445,050	(\$ 187,804)		(0.07)%	383,634
3 - Residential & Religious - Heating (a)	\$ 428,290,825	(\$ 604,176)	(0.14)%	311,092	1,958,697	271,935
13 - Seasonal Off Peak Service	<u>\$ 389,507</u>	<u>\$ 322</u>	<u>0.08%</u>	<u>1,658</u>	<u>-</u>	<u>120</u>
Total Firm Sales & Firm Transportation	\$ 859,823,377	\$ 10,281	0.00%	8,616,013	2,988,231	1,127,048

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

(b) For firm sales customers, annual revenues reflect 5/1/02 delivery rates and gas cost factor and monthly rate adjustment effective August 1, 2002. Revenues also reflect corresponding SC 9 firm transportation revenues priced-out at 5/1/02 delivery rates and monthly rate adjustment effective August 1, 2002.

(c) Based on projected firm sales and transportation volumes for the rate year ended September 30, 2003, the estimated annual rate change is (\$22,000).

(d) Based on projected firm sales and transportation volumes for the rate year ended September 30, 2003, the estimated percent changes are: 0.69% for SC 1; and (0.12)% and (0.25)% for SC 2 and 3, respectively.