

..DID: 16316
..TXT:

July 31, 2001

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

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

Re: **Case No. 97-G-1380**
Revisions to Company's Winter Capacity Proposal

Dear Secretary Deixler:

Consolidated Edison Company of New York, Inc. ("Con Edison" or "the Company") hereby files changes to its Schedule for Gas Service, P.S.C. No. 9 - Gas, in compliance with the Commission's Order issued July 27, 2001, in the above captioned proceeding (the "July 27th Order"). The following attached tariff leaves are issued July 31, 2001 to become effective August 1, 2001:

Third Revised Leaf No. 303
Superseding Second Revised Leaf No. 303

Fourth Revised Leaf No. 307
Superseding Second Revised Leaf No. 307

Second Revised Leaf No. 308
Superseding First Revised Leaf No. 308

Fourth Revised Leaf No. 383
Superseding Third Revised Leaf No. 383

Corresponding revisions to the Company's Sales and Transportation Operating Procedures Manual will also be submitted under separate cover.

Reasons for the Proposed Changes

On May 21, 2001, Con Edison filed revisions to its Gas Schedule that offered a

new one to three year Capacity Release Service to Sellers serving the Company's firm customers, commencing November 1, 2001. In compliance with the July 27th Order, the Company is filing the following changes to its May 2001 filing:

- E The weighted average cost of gas capacity ("WACOC") used in pricing released

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capacity will be adjusted to reduce TransCanada demand charges to the extent necessary to result in comparability between Canadian and domestic commodity costs.

- E Capacity Release Service will be made available to an existing firm transportation customer who switches Sellers even if the Customer's prior Seller had not taken Capacity Release Service, provided that the Company is able to obtain the required capacity to serve that Customer.
- E The Company will permit a Seller to market released capacity subject to recall during the winter months above a prescribed temperature established by the Company.
- E The WACOC will be compared to the pipeline's maximum underlying reservation rate to clarify that there are no adjustments for differences in variable costs.

The Company will provide all Marketers and active parties in the above captioned docket with notice of the proposed changes.

Very truly yours,

Joel H. Charkow
Director
Rate Engineering Department

c.c. All Active Parties (regular mail)
and all Marketers via E-Mail