

..DID: 11616
..TXT:

March 31, 2000

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

Ms. Debra Renner
Acting Secretary
Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: Case 99-G-1369 - Petition of New York Gas Group for Permission to Establish a Voluntary State Funding Mechanism to Support Medium to Long Term Gas Research and Development (R&D) Programs.

Dear Acting Secretary Renner:

In accordance with the Public Service Commission ("the Commission") order issued and effective February 14, 2000, Consolidated Edison Company of New York, Inc. ("Con Edison" or "the Company") is filing changes to its tariff leaves to include an R&D surcharge that would offset decrements in the FERC Gas Research Institute ("GRI") surcharge. These changes are outlined in the leaves listed below:

P.S.C. No. 9 - Gas

Third Revised Leaf No. 165
Superseding Second Revised Leaf No. 165

First Revised Leaf No. 183.2
Superseding Original Leaf No. 183.2

First Revised Leaf No. 300.3
Superseding Original Leaf No. 300.3

The tariff leaves are issued March 31, 2000 to become effective May 1, 2000 and bear a notation that the leaves are issued in compliance with

the subject case number. Con Edison is filing today electronically the changes to its gas tariff.

BACKGROUND

Since 1978, gas R&D performed by GRI was funded by gas consumers through a FERC approved surcharge on interstate pipeline deliveries. In 1998, FERC approved an agreement to gradually reduce and eliminate the surcharge by 2004. After 2004, GRI's funding will be entirely voluntary. On October 4, 1999, the New York Gas Group ("NYGG") filed a petition on behalf of its members to establish a voluntary state funding mechanism to replace the FERC GRI funding mechanism that is being phased out. The PSC approved the NYGG petition by its Order dated February 14, 2000.

SUMMARY OF TARIFF CHANGE

In accordance with the Commission's February 14, 2000 Order, the Company will implement a surcharge on its firm sales and firm transportation customers that will not exceed the decrement in the FERC surcharge through the year 2004. The surcharge will be included as a separate line item in the Company's Gas Adjustment Clause and as a separate line item in its Monthly Rate Adjustment to its firm transportation customers.

NOTIFICATION

Since this is a compliance filing, the Company respectfully requests that the requirements for newspaper publication be waived.

Respectfully submitted,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

By: _____
Edwin W. Scott