

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

February 23, 2006

Honorable Jaclyn Brilling,
Secretary
New York State
Public Service Commission
Three Empire State Plaza
Albany, NY 12223

**Re: Special Services at Stipulated Rates –
Charge for Re-inspection**

Dear Secretary Brilling:

Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") is filing with the Public Service Commission (the "Commission") an amendment to the Company's Schedule for Gas Service, P.S.C. No. 9 - Gas ("the Schedule" or "the Gas Tariff"). The specific leaf being revised is identified below and bears an effective date of June 1, 2006:

P.S.C. No. 9 – Gas

Leaf No. 118.1, Revision 2
Superseding Revision 1

Background

In past years, Con Edison experienced a troubling increase in the number of gas re-inspections required because a customer's contractor submitted documentation to the Company that its work at the customer's premises was completed in accordance with Company specifications, and was ready for final inspection, when, in fact, the final inspection found the work to be either incomplete or incorrectly performed. Such re-inspections are costly, not only to the Company but, ultimately, to the general body of ratepayers.

In an effort to curb the number of re-inspections occurring, Con Edison began imposing on contractors a \$100 re-inspection fee for failed final gas inspections. This fee served its purpose. The number of gas re-inspections declined significantly.

Thereafter, the Company's electric department implemented a similar fee in order to curb similar contractor non-compliance relative to failed inspections for electric-related work. In this case, the Company elected to set forth this fee in its electric tariff. A tariff amendment reflecting this contractor charge was approved by the Commission in the Company's latest electric rate proceeding.¹

For purposes of consistency, the Company had planned to amend its Gas Tariff in a similar fashion in the next gas rate case filed. However, in light of an informal complaint the Company received questioning the imposition of the fee in regard to gas re-inspections, Con Edison is submitting this tariff amendment at the present time in order to dispel any confusion and/or inconsistency with electric operations.

As with the electric tariff, the Company will assess a \$109.00 charge for each gas re-inspection required after an initial failed final inspection. As noted above, the application of this re-inspection fee has benefited, and will continue to benefit both customers for whom work is performed by contractors and customers in general, by reducing the need for re-inspections and reducing the Company's costs of responding to failed inspections.

Con Edison wants to stress that this is not a charge imposed on customers, and therefore need not be included in the Company's tariff. This is a fee imposed on the customer's contractor for failing to comply with the Company's well-articulated specifications and procedures – many of which are safety-oriented in nature. Notwithstanding, the Company elected to include this fee in the electric tariff (and now in the gas tariff) to make customers aware of the importance of contractor responsibilities in this area.

Conclusion

For the reasons described herein, the Company respectfully requests that the Commission approve the proposed tariff modifications.

Notice

Enclosed is a form of Notice of Proposed Rule Making for publication in the State Register pursuant to the State Administrative Procedures Act.

Sincerely,

Christine Colletti
Director
Rate Engineering Department

¹ Case 04-E-0572, Order Adopting Three-Year Rate Plan, March 24, 2005.