Received: 08/29/2008

August 29, 2008

Hon. Jaclyn A. Brilling
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, N.Y. 12223-1350

RE: Case Number 06-G-1332

Dear Secretary Brilling:

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 ("the Schedule"), PSC No. 9 - Gas. The changes to the Schedule are set forth in the attached tariff leaves, which bear an effective date of October 1, 2008 and a notation that the leaves and Statements are issued in compliance with the Commission's Order dated September 25, 2007 ("September 2007 Order") in the subject case. [1] A list of the revised tariff leaves and Statements is set forth in Appendix A.

Reasons for the Proposed Changes

The Joint Proposal in the subject case provided for a three-year gas rate plan covering the period October 1, 2007 through September 30, 2010 ("Gas Rate Plan"). The Gas Rate Plan includes provision for increases to the Company's base delivery service rates in Rate Year 2 ("RY2"), which begins on October 1, 2008. The tariff amendments being filed herewith include the rates and other tariff revisions for the second year of the Gas Rate Plan and are in compliance with the Commission's September 2007 Order.

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[1] Case 06-G-1332, *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Gas Service*, Order Adopting In Part the Terms of a Joint Proposal, issued and effective September 25, 2007.

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Summary of Proposed Changes

The Rates have been designed to produce an increase in revenues of approximately $67.5 million in RY2, commencing October 1, 2008, based on the estimated level of firm delivery volumes for the twelve months ended September 30, 2009. The $67.5 million increase includes an increase in non-competitive delivery rates as well as an increase in revenue collected through the fixed component of the Merchant Function Charge ("MFC") and the Billing and Payment Processing Charge ("BPP"). The last increase in gas delivery rates was in October 2007.

Appendix B shows, by service classification, the annualized revenues for the twelve months ended September 30, 2009 at current October 1, 2007 rates, the corresponding annualized revenues at the October 1, 2008 rates, the total increase in annualized revenues and the associated number of customers' bills.

The attached tariff leaves reflect the following:

Rate Design

1. Allocation of Increased Non-Competitive Delivery Revenue Requirement

In accordance with the September 2007 Order, the RY2 non-competitive delivery revenue increase, excluding gross receipts taxes, was allocated to the Company's firm sales and firm transportation Customers in Service Classification Nos. ("SC") 1, 2, 3, 9 and 13 in the following manner:

- The RY2 revenue increase was determined by subtracting RY2 forecasted sales priced at RY1 delivery rates from the RY2 delivery revenue requirement;
- The RY2 revenue increase was then divided by the RY2 forecasted revenue priced at RY1 delivery rates to determine the overall average percentage increase;
- The overall average percentage rate increase was applied to the RY2 revenue at current rate levels for each rate class to determine class revenue responsibility.

2. Non-Competitive Delivery Rate Design within the Firm Classes

The gas non-competitive delivery rates were designed for each firm service class to collect its respective assigned increase as follows:

- The minimum charges (the charge for the first 3 therms or less) for SCs 1, 2, and 3 and for the corresponding SC9 rates for RY2 were increased to better reflect the Company's cost to provide service. The SC 13 minimum charge and the corresponding SC 9 minimum charge, which collect minimum charges over seven months as opposed to twelve months, were increased accordingly.
- The remaining SC 1 rate block (for usage over 3 therms per month) was designed to collect the balance of the revenue increase assigned to SC 1 after accounting for the increased revenues to be collected through the proposed minimum charge.

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- The remaining rate blocks within SC 3 were increased by the same cents per therm in order to collect the remaining SC3 class revenue increase after deducting the increase in annual revenues resulting from the changes to the minimum charge and the air-conditioning rates (as explained below).
- The 4-90 therm blocks for SC2 Heating and SC2 Non Heating were assigned the average ¢/therm increase for each class after deducting the increase in annual revenues resulting from the change to the applicable minimum charge. The remaining rate blocks within SC2 Heating and SC2 Non Heating were set to collect the remainder of each class's revenue increase after deducting the increase in annual revenues resulting from the change to the applicable minimum charge and the changes to the 4-90 therm blocks, based on an equal percentage increase.
- All of the increased revenue to be collected from SC 13 for RY2 was set to be collected through the SC 13 Minimum Charge. The block rates for SC 13 remained unchanged. The SC 2 and 3 air-conditioning rates were set equal to the block rates in SC 13.
- For low income customers, the RY2 minimum charge for eligible SC 1 customers was set at the minimum charge applicable to SC1 customers not eligible for the low income rate. The RY2 minimum charge applicable to SC3 low income customers was set at the minimum charge for SC1 customers. The low income delivery block rate reduction for monthly usage in excess of 3 therms for an eligible SC1 customer and for monthly usage between 4 – 90 therms for an eligible SC3 customer will continue to be $0.2029 for RY2.
- Riders G and I incentive rates, for usage up to 250 therms per month, were set equal to the proposed SC 2 rates. The delivery rates for usage in excess of 3,000 therms per month ("terminal rate") were set at 50% of the corresponding SC 2 delivery rates. To maintain the existing rate differential between the SC 2 penultimate and terminal rates, the Riders G and I delivery rates for usage between 250-3,000 therms ("penultimate rate") were set at the increased terminal rates plus the difference between the proposed SC 2 penultimate rate and the proposed SC 2 terminal rate.
- The Rider H and J Distributed Generation rates were increased by the average rate increase for RY2.
- No increases were allocated to SC 14 or to bypass Customers taking firm service under contract rates.

Competitive Charges

For RY 2, the Supply-Related component of the MFC and the Credit and Collections/Theft ("C&C") components of the MFC will be updated to reflect increases in the revenue levels as shown on Table 2 of Appendix D of the Joint Proposal. These updated components will be taken into account in the POR discount rate.

Unbundling Updates

1. Gas in Storage Working Capital

For RY2, Gas in Storage Working Capital will be allocated between firm full service customers (through the MFC) and all firm customers (through the MRA) such that the volumetric rate for full service customers will be 1½ times the rate applicable to all customers.

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2. Transition Adjustment for Competitive Services

The reconciliation rates for RY1 will be determined at the end of the Rate Year and will be assessed to all firm sales and transportation customers during RY2 at the same rate for all customers.

3. Merchant Function Charge

In accordance with the Joint Proposal, the Supply Related and C&C components of the MFC will be reconciled to the Rate Year design targets for RY1 prior to the commencement of RY2. The Gas in Storage Working Capital component of the MFC (and the Gas in Storage Working Capital included in the Monthly Rate Adjustment) will be reconciled, prior to the commencement of RY2, to the actual costs incurred for RY1. Variations in any of these components will be included in the determination of the applicable MFC components for RY2 (and in the case of Gas in Storage Working Capital, the MRA component), which will be included in the Statement of Merchant Function Charge and the Statement of Monthly Rate Adjustment, effective October 1, 2008, to be filed with the Commission under separate cover, not less than 2 business days prior to October 1.

Housekeeping Changes

The Company is filing minor housekeeping changes to the following tariff leaves to address such issues as removal of tariff provisions and language no longer applicable (i.e., obsolete provisions such as those related to the Competitive Retail Choice Credit, or to certain capacity release provisions no longer applicable under mandatory capacity assignment), moving and renumbering tariff provisions resulting primarily from the tariff provisions removed, minor clarification of certain tariff language, and other minor changes: Leaves 74, 83, 113, 154.5, 154.23, 155, 166.2, 180-183, 254, 255, 264-266, 275, 280, 303.2, 305, 332, and 396.

Conclusion

The Company has filed the tariff changes to become effective October 1, 2008 on not less than 30 days notice. Pursuant to Ordering Clause No. 6 of the September 2007 Order, publication of notice of these changes will be completed after October 1, 2008.

The Company is serving copies of this filing upon all parties to this proceeding.

Respectfully submitted,
Consolidated Edison Company of New York, Inc.

By: ____________________________

Christine Colletti
Director
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Appendix A
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Leaf 74 – Revision 1
Superseding Revision 0

Leaf 83 – Revision 2
Superseding Revision 1

Leaf 113 – Revision 1
Superseding Revision 0

Leaf 152 – Revision 9
Superseding Revision 8

Leaf 154.5 – Revision 2
Superseding Revision 1

Leaf 154.6 – Revision 4
Superseding Revision 3

Leaf 154.8 – Revision 4
Superseding Revision 3

Leaf 154.9 – Revision 5
Superseding Revision 3

Leaf 154.18 – Revision 5
Superseding Revision 3

Leaf 154.23 – Revision 3
Superseding Revision 2

Leaf 154.24 – Revision 5
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Leaf 166.2 – Revision 6
Superseding Revision 5

Leaf 180 – Revision 7
Superseding Revision 6

Leaf 181 – Revision 8
Superseding Revision 7

Leaf 182 – Revision 6
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Leaf 228 – Revision 11
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Leaf 280 – Revision 3
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Leaf 303.2 – Revision 7
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Leaf 305 – Revision 3
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Leaf 396 – Revision 2
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Appendix B

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Estimated Effect on Gas Customers' Bills and Company Revenues Resulting from the Change in Gas Delivery Rates Effective October 1, 2008
Based on Sales for the Twelve Months Ended September 30, 2009 for Service Classification Nos. 1, 2, 3, 13 and 14
and the Corresponding SC 9 Firm Transportation Sub-classes

Firm Service Classification (Sales and Transportation)	Forecasted Annual Therms (c)	Annual Revenues at 10/01/07 Rates	Annual Revenues at 10/01/08 Rates (b) (d)	Estimated Annual Revenue Increase	Percent Change	Number of Customers' Bills: Increased	Unchanged	Decreased
1 - Residential & Religious	47,589,229	$ 189,642,660	$ 203,996,970	$ 14,354,310	7.57%	7,862,287	-	-
2 - General - Rate I - Non-Heating (a)	202,098,421	$ 319,928,798	$ 327,517,894	$ 7,589,096	2.37%	685,830	314	-
2 - General - Rate II - Heating (a)	301,864,776	$ 518,714,139	$ 531,503,751	$ 12,789,612	2.47%	679,345	37	-
2 - Total	503,963,197	$ 838,642,937	$ 859,021,645	$ 20,378,708	2.43%	9,227,462	351	-
3 - Residential & Religious - Heating (a)	612,138,128	$ 1,148,911,411	$ 1,182,617,867	$ 33,706,456	2.93%	3,024,300	321	-
13 - Seasonal Off Peak Firm Service	790,000	$ 1,224,783	$ 1,256,508	$ 31,725	2.59%	4,782	-	-
14 - Natural Gas Vehicles	120,000	$ 223,892	$ 223,892	$ -	0.00%	-	480	-
Total Firm Sales & Firm Transportation	1,164,600,554	$ 2,178,645,683	$ 2,247,116,882	$ 68,471,199	3.14%	12,256,544	1,152	-

(a) Gas air-conditioning is included in SC 2 and SC 3.
(b) Annual Revenues reflect the projected gas cost factor and monthly rate adjustments and projected gross receipt taxes.
(c) Based on projected firm sales and transportation volumes for the Rate Year Ended September 30, 2009 from the Gas Rate Plan in Case 06-G-1332.
(d) Annual Revenues include gas supply costs for transportation customers equivalent to what these customers would have paid to an ESCO.