

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

June 14, 2006

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

Re: Case 98-G-0122 – Value Added Charge

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 tariff leaves being revised are identified below and are being filed on not less than one day's notices to become effective June 15, 2006, on a temporary basis.

Leaf No. 277, Revision 3 Superseding Revision 2
Leaf No. 277.1, Revision 2 Superseding Revision 1
Leaf No. 277.2, Revision 5 Superseding Revision 4
Leaf No. 316.2, Revision 4 Superseding Revision 3

Reasons for the Proposed Tariff Changes

On March 14, 2006, in compliance with the Commissions "Order Approving Staff Proposal," issued November 23, 2005 in the subject proceeding, Con Edison filed tariff changes establishing a Value Added Charge applicable to Power Generation Transportation Customers. Subsequent to that filing, the Company and the Commission Staff had discussions concerning certain aspects of the filing, and, as a result, the Company has agreed to make changes to the Gas Tariff Leaves that went into effect on March 15, 2006.

Summary of Tariff Changes

The Tariff Leaves that went into effect on March 15, 2006 have been changed as follows:

1. The definition of the Market Electric Price has been revised to include the use of real time pricing rather than day ahead pricing.
2. The definition of Customer Heat Rate has been revised by changing Heat Tier Level to Heat Rate Tier Level.
3. The definition of Daily Market Gas Cost has been revised to include a published midpoint price rather than a calculated one and to allow the Company to use the cost of gas at a different delivery point other than the Transco Pipeline Zone 6 if gas were delivered to the Company's system at that different point.
4. The 1.0 cent variable transportation rate has been eliminated from the definition of Daily Market Gas Cost.
5. Tariff Leaf 316.2 has been revised to substitute the Value Added Charge for the Real Time Value Component under Miscellaneous Provisions (D)(2).

If you have any questions regarding the attached, please contact Alan Schain at (212) 460-6826.

Very truly yours,

Christine Colletti
Director
Rate Engineering Department