

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

August 24, 2005

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

RE: Case Number 03-G-1671

Dear Secretary Brillling:

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, PSC No. 9 – Gas ("Gas Tariff"), as it relates to service under Service Classification ("SC") Nos. 9 and 20 in compliance with the Commission's Order dated September 27, 2004 ("September 2004 Order") in the subject case.¹ The specific leaves being revised, which bear an effective date of October 1, 2005, are identified in Appendix A. Related revisions to the Company's Sales and Transportation Operating Procedures Manual ("Operating Procedures") will be filed with the Commission (with copies sent to Staff and other interested persons).

Reasons for the Proposed Changes

The tariff changes proposed herein (i) modify the Company's Price Index Multiplier ("PIM") mechanism for gas imbalances for marketers serving daily-metered interruptible Customers and (ii) provide for recovery of actual incremental costs associated with implementation of such mechanism through retention of firm Customers' share of Non-Firm Revenues (and to defer such costs for future recovery in the event the customers' share of Non-firm Revenues is not adequate for such recovery) in compliance with Appendix J "ESCO/Marketer Issues" of the Commission's September 2004 Order.

¹ Case 03-G-1671, *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 the Terms of a Joint Proposal, issued and effective September 27, 2004.

Summary of Proposed Changes

The tariff has been amended to incorporate changes to the current three-tier PIM mechanism applied to the Net Surplus and Deficiency Imbalances of marketers serving daily-metered Interruptible Customers. Such changes will be implemented effective October 1, 2005. Corresponding changes will be made to the Company's Gas Sales and Transportation Operating Procedures to recognize the new PIM mechanism.

The proposed tariff changes incorporate the following four-tiered structure:

- For Surplus Imbalances: 0-10% @ 100% of Price Index
 >10-15% @ 90% of Price Index
 >15-20% @ 85% of Price Index
 above 20% (Summer) @ 70% of Price Index
 above 20% (Winter) @ 60% of Price Index
- For Deficit Imbalances: 0-10% @ 100% of Price Index
 >10-15% @ 110% of Price Index
 >15-20% @ 115% of Price Index
 above 20% (Summer) @ 130% of Price Index
 above 20% (Winter) @ 140% of Price Index

In addition, the tariff has been amended to allow for a reduction to firm Customers' allocated share of Non-Firm Revenues to provide for recovery of the actual incremental costs associated with implementation of the above-stated four-tiered PIM mechanism through modifications to the Company's Transportation Customer Information System (and to defer such costs for future recovery in the event the customers' share of Non-firm Revenues is not adequate for such recovery).

Notices

The Company respectfully requests that the Commission waive the requirement of newspaper publication of the changes proposed herein since this filing is in compliance with the September 2004 Order, and a copy of this filing will be sent via electronic mail to all parties in Case No. 03-G-1671, including gas marketers.

Sincerely,

Christine Colletti
Director
Rate Engineering Department

Enclosures

PSC NO. 9 – GAS

Leaf 166 - Revision 6
Superseding Revision 5

Leaf 294 - Revision 2
Superseding Revision 1

Leaf 295 - Revision 2
Superseding Revision 1

Leaf 298 - Revision 3
Superseding Revision 2

Leaf 299 - Revision 2
Superseding Revision 1

Leaf 377 - Revision 3
Superseding Revision 2