

..DID: 14013

..TXT:

November 29, 2000

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**

**4 Irving Place  
New York, NY 10003**

Hon. Janet Deixler  
Secretary  
Public Service Commission  
State of New York  
Department of Public Service  
Three Empire State Plaza  
Albany, NY 12223

RE: Case 00-G-1456 - Response of Consolidated Edison Company of New York, Inc.  
to Gas Policy Statement

Dear Secretary Deixler:

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, P.S.C. No. 9 – Gas to implement the Interim Settlement Agreement ("Settlement Agreement") dated November 7, 2000 between Con Edison, the Staff of the Commission and other parties in Case 00-G-1456 (Response of Consolidated Edison Company of New York, Inc. to Gas Policy Statement).

The tariff leaves and applicable statements are issued as of November 29, 2000 to become effective on December 1, 2000 and bear a notation that the leaves are issued in compliance with the subject case number. The specific leaves and statement are identified on Appendix A.<sup>1</sup>

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<sup>1</sup>A revised Statement of Gas Adjustment applicable to Service Classification ("SC") Nos. 1, 2, 3 and 13 customers and Statement of Rate for SC No. 9 firm transportation customers is being filed under separate cover to also become effective December 1, 2000.

### Summary of Proposed Tariff Changes

The tariff changes are designed to reduce customers' gas bills during the upcoming winter season when gas bills are expected to be significantly higher than last year because of substantial increases in gas commodity prices. The changes also provide incentives for customers and energy marketers who participate in Con Edison's Gas Retail Choice Program.

Specifically, the tariffs have been revised to provide for up to \$42.6 million or up to 77 cents per dth of credits to be applied to the bills of all firm sales (Service Classification Nos. 1, 2, 3 and 13) and firm transportation (Service Classification No. 9 – Rate (A)) customers on gas they use during the period of December 1, 2000 through March 31, 2001. Assuming normal weather, this change would reduce the delivery portion of customers' bills between December 2000 and March 2001 by up to approximately 16% to 19% for average residential and commercial heating customers, respectively. As provided in the Settlement Agreement, if the actual increase in the Monthly Gas Adjustment applicable in New York City in any month during the period December 1, 2000 through March 31, 2001 is less than \$1.25 per dth over the comparable month in the prior year, the accelerated credit in that month will be zero. The credits will be reflected as a separate line item on the Statement of Monthly Gas Adjustment for firm sales customers and on the Statement of Rate for Service Classification No. 9 firm transportation customers. Pertinent sections of the Company's SC 9 and 12 tariffs have been revised to clarify that the winter bill credit shall be excluded in determining the maximum rate that can be billed to interruptible customers.

Further helping to reduce the bills of firm sales customers are changes to the annual surcharge or refund adjustment tariff provisions. These changes delay recovery of an estimated \$19 million of the under-recovery of gas costs resulting from the annual reconciliation of gas costs for the 12 months ended August 31, 2000 that would otherwise take effect on January 1, 2001. During the months of December 1, 2000 through March 31, 2001, the Company will continue to bill its firm sales customers 7.61 cents per therm representing the prior year's surcharge, net of a refund related to a prior line loss reconciliation. The balance of the under-recovery of gas costs for the 12 months ended August 31, 2000 will then be recovered by a surcharge over the 12-month period commencing April 1, 2001. Finally, the bills of the Company's firm transportation customers will be further reduced by eliminating an 8.0 cent per dth supply standby charge applicable to human needs customers, and by tariff changes that provide for a 24.0 cents per dth Competitive Retail Choice Credit ("CRCC") from December 1, 2000 through September 30, 2001 to be applied to the bills of firm customers participating in the Company's gas retail choice program.<sup>2</sup> The effect of both the CRCC and elimination of the standby charge is a rate reduction for the 10-month period ending September 30, 2001 to firm transportation customers' bills in the range of 5.5% to 7.2% assuming normal weather for several commercial and residential customers.

Other sections of the tariff have been amended to recognize recovery of 22.8 cents per dth of CRCC amounts credited to firm transportation customers by retaining revenue credits that would otherwise be returned to the Company's firm customers, such as interruptible sales credits, gas pipeline refunds and capacity release credits. Minor housekeeping changes have also been made to the tariffs to reflect the elimination of provisions that have expired, and to correct cross references between tariff

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<sup>2</sup>A revised Statement of Balancing Service Charges is being issued reflecting the elimination of the supply standby charge.

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provisions, including references between the tariff and the Company's Sales and Transportation Operating Procedure (for example, termination of parts replacement program and changing references for the start of a gas day from 8 a.m. to 10 a.m.).

**Newspaper Publication**

The Company respectfully requests that the Commission grant complete waiver of newspaper publication of the proposed changes since they are being adopted as an emergency measure to reduce winter bills.

Respectfully submitted,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

BY: \_\_\_\_\_  
Edwin W. Scott  
Vice President and  
Deputy General Counsel

Consolidated Edison Company of New York, Inc.  
PSC No. 9 - Gas

Second Revised Leaf No. 5  
Superseding Original Leaf No. 5

Sixth Revised Leaf No. 156  
Superseding Fifth Revised Leaf No. 156

Second Revised Leaf No. 161  
Superseding First Revised Leaf No. 161

Second Revised Leaf No. 164  
Superseding First Revised Leaf No. 164

First Revised Leaf No. 181  
Superseding Original Leaf No. 181

First Revised Leaf No. 183  
Superseding Original Leaf No. 183

Fifth Revised Leaf No. 183.1  
Superseding Fourth Revised Leaf No. 183.1

Second Revised Leaf No. 183.2  
Superseding First Revised Leaf No. 183.2

First Revised Leaf No. 199  
Superseding Original Leaf No. 199

First Revised Leaf No. 200  
Superseding Original Leaf No. 200

First Revised Leaf No. 201  
Superseding Original Leaf No. 201

First Revised Leaf No. 202  
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Appendix A  
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Third Revised Leaf No. 255  
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Third Revised Leaf No. 275  
Superseding Second Revised Leaf No. 275

First Revised Leaf No. 277.2  
Superseding Original Leaf No. 277.2

Second Revised Leaf No. 279  
Superseding First Revised Leaf No. 279

First Revised Leaf No. 280  
Superseding Original Leaf No. 280

First Revised Leaf No. 287  
Superseding Original Leaf No. 287

First Revised Leaf No. 288  
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Second Revised Leaf No. 300.3  
Superseding First Revised Leaf No. 300.3

First Revised Leaf No. 303  
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First Revised Leaf No. 324  
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Third Revised Leaf No. 332  
Superseding Second Revised Leaf No. 332

First Revised Leaf No. 365  
Superseding Original Leaf No. 365

First Revised Leaf No. 384

Superseding Original Leaf No. 384

Statement of Balancing Service Charges No. 3