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November 27, 2002

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

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

Re: Case 00-M-1556 - In the Matter of the Proposed Accounting
and Ratemaking for the Tax Law Changes Included in the 2000
- 2001 New York State Budget

Dear Secretary Deixler:

Consolidated Edison Company of New York, Inc. ("Con Edison" or "the Company") hereby files changes to its Schedule for Gas Service, P.S.C. No. 9 - Gas, in compliance with the Public Service Commission's "Order Implementing Tax Law Changes On A Permanent Basis" (the "Order") issued June 28, 2001 in the above-referenced proceeding.

The changes to the Company's Schedule for Gas Service are set forth in the following revised tariff leaves and statement issued November 27, 2002, to become effective January 1, 2003:

Leaf 167 - Revision 3
Superseding Revision 2

Leaf 167.1 - Revision 0

Leaf 169 - Revision 3
Superseding Revision 2

Leaf 332 - Revision 6

Superseding Revision 5

GRT No. 16 - Statement of Increase in Rates and Charges

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Summary of Tariff Changes

On December 21, 2000, the Commission issued a one Commissioner Order authorizing gas corporations and other utilities to file tariff amendments and statements implementing tax law changes included in the New York State Budget for 2000-2001, which imposed on utilities different gross receipts tax ("GRT") rates for their commodity and delivery revenues. On June 28, 2001, in the above-referenced proceeding, the Commission provided relief to the utilities, who otherwise would have incurred significant programming implementation costs if they had to reprogram their billing systems to accommodate the tax law changes. It directed such utilities to propose alternative options which would assure the reasonable imposition of a tax expense on customer bills.

Since Con Edison expected to incur significant costs and time in implementing these changes, the Company, in compliance with the Order, sent a letter to the Commission, dated July 27, 2001, proposing, among other things, to impose blended GRT rates on its residential and non-residential customers' bills to reflect the new separate GRT tax rates on its commodity and delivery revenues commencing on January 1, 2002. On December 19, 2001, the Company filed changes to its Schedule for Gas Service, effective January 1, 2002, which implemented such blended rates.

Effective May 1, 2002, the Company, in compliance with the April 22, 2002 order in Con Edison's Three Year Rate and Restructuring Plan¹, removed gas supply costs from its bundled firm sales rates. As a result, the Company has been able to more easily adapt its billing system to reflect the tax law changes discussed above. Therefore, in compliance with the June 28, 2001 Order, the Company has made the following changes to General Information Section VIII "Increase in Rates Applicable in Municipality Where Service Is Supplied" of its Gas Tariff:

- E Blended GRT rates applicable to the rates and charges of residential and non-residential sales and transportation customers are eliminated.

- E Separate GRT rates applicable to the commodity and delivery rates and charges of residential and non-residential sales and transportation customers are introduced and defined. In addition, the accompanying

¹ Cases 00-G-1456 and 97-G-1380, Order Concerning Gas Rates, Restructuring, Competition, and Other Issues, issued April 22, 2002.

Statement reflects the reduced statutory tax rates effective January 1, 2003.

- E GRT rates applicable to delivery rates and charges also provide for recovery of the Company's estimated state income tax.

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Additional changes have been made to the rate provisions in SC 12 to recognize that SC 12, Rate 1 rates and charges include separate components for delivery and commodity for which appropriate separate GRT rates will be applied.

Notices

The Company will file proof of newspaper publication pursuant to 16 NYCRR § 720-8.1(a) as soon as such publication is completed. Copies of this filing are being sent to gas marketers serving transportation customers in the Company's service area.

Sincerely,

Joel H. Charkow
Director
Rate Engineering Department