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October 1, 1999

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

Ms. Debra Renner
Acting Secretary
Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: Case 97-G-1380 - In the Matter of Issues Associated with the
Future of the Natural Gas Industry and the Role of Local Gas
Distribution Companies

Dear Acting Secretary Renner:

In compliance with the Public Service Commission's August 19, 1999 order in the above captioned proceeding, attached for electronic filing with the Public Service Commission ("the Commission ") are revised schedule leaves issued by Consolidated Edison Company of New York, Inc. ("Con Edison" or "the Company") to reflect revisions to the Company's Schedule for Gas Service, P.S.C. No. 9 - Gas.

The tariff leaves are effective November 1, 1999 and bear a notation that the leaves are issued in compliance with the subject case number. The affected tariff leaves are enumerated on Appendix A.

Reasons for Proposed Changes

The Commission's August 19th order continued the requirement that marketers serving firm customers have firm, non-recallable, primary delivery point capacity for the 5 winter months (November - March). It also required gas utilities to provide an alternative for this winter season (November 1999-March 2000) under which a marketer could serve its firm customers with firm, non-recallable secondary delivery point capacity and pay the utility a standby charge(s). The attached tariff leaves establish the standby alternative for this winter season.

The rate for the standby alternative consists of a Standby Capacity Charge and Standby Citygate Charge payable by the marketer. The Standby Capacity Charge has been set at 47.0 cents per dth. It is

designed to recognize the difference between the expected value that the Company would achieve by releasing capacity on a non-recallable basis versus a recallable basis. The Standby Capacity Charge will apply to that portion of the maximum daily quantities ("MDQ") of a marketer's firm customers supported by non-recallable firm transportation contracts with secondary delivery point capacity. For a customer taking Load Following Service or Daily Delivery Service, the MDQ will be based on the customer's historical average daily usage quantity during the customer's winter peak month. For a customer taking Daily Cashout Service, the MDQ will be based on the customer's historical winter peak day usage quantity. The marketer will be liable for payment of the Standby Capacity Charges for its firm customers' requirements as of November 1, 1999 for the entire winter season irrespective of whether the marketer discontinues serving such customers at any time during the winter season. If the aggregated MDQs of a marketer's firm customers increases during the winter season, the Company will assume that such increase is being served under firm, non-recallable secondary delivery point capacity contracts unless the marketer provides prior written notification to the Company that such increase is provided under firm, non-recallable transportation contracts with primary delivery point capacity. The Standby Capacity Charge will be applied to the increased customers' requirements for the balance of the winter season.

The Standby Citygate Charge will apply to gas supplied by the Company on any day that a pipeline curtails a marketer's secondary delivery point capacity entitlements. The Standby Citygate Charge will be equal to a published citygate price reduced by the Standby Capacity Charge.

By letter dated September 15, 1999, marketers were offered an option to purchase released upstream capacity for a seven-month term. The letter also noted our intent to file with the Commission a standby alternative. Qualified marketers who did not opt for the seven month capacity release option will be required to submit an affidavit to the Company attesting that they have firm, non-recallable primary delivery point capacity to Con Edison's Citygate for this winter season or firm, non-recallable secondary delivery point capacity contracts that would trigger the marketer's obligation for the standby charges. Marketers must submit the required affidavit by October 15, 1999. The form of affidavit will be incorporated in the Company's Sales and Transportation Operating Procedures. Provisions have also been added to the tariff to provide for possible termination of a Seller and associated penalties for misrepresentation by Seller of the required firm transportation quantities for which Seller submitted an affidavit.

Other Tariff Changes

As provided in the order, the revenue derived from the application of the standby charges will be treated in the same manner as if the revenues were derived from secondary market transactions. The affected tariff leaves have been amended consistent with this

requirement.

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Notification

Pursuant to Ordering Clause 4 of the Commission's August 19, 1999 order, newspaper publication is waived.

Respectfully submitted,
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

By: _____
Edwin W. Scott

Appendix A

Fourth Revised Leaf No. 156.0
Superseding Second Leaf No. 156.0

Third Revised Leaf No. 183.1
Superseding First Revised Leaf No. 183.0

First Revised Leaf No. 260.0
Superseding Original Leaf No. 260.0

Second Revised Leaf No. 264.0
Superseding First Leaf No. 264.0

Third Revised Leaf No. 265.0
Superseding Second Revised Leaf No. 265.0

First Revised Leaf No. 361.0
Superseding Original Leaf No. 361.0

First Revised Leaf No. 383.0
Superseding Original Leaf No. 383.0.

Original Leaf No. 383.1

First Revised Leaf No. 390.0
Superseding Original Leaf No. 390.0

Statement of Balancing Service Charges