

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

May 28, 2008

Jaclyn A Brilling, Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Statement of Revenue Decoupling Mechanism Adjustment No.1

Dear Secretary Brilling:

Consolidated Edison Company of New York, Inc. ("Con Edison" or "the Company") is filing today the Statement of Revenue Decoupling Mechanism Adjustment No.1, effective June 1, 2008.

Statement of Revenue Decoupling Mechanism Adjustment No.1
for Service Classification Nos. 2, 3 and 9
Effective June 1, 2008

Explanation of Filing

Pursuant to the Joint Proposal in Case 06-G-1332 ("Joint Proposal"), adopted by the Gas Rates Order,¹ the Company instituted a Revenue Decoupling Mechanism ("RDM") for the period October 1, 2007 through September 30, 2008 ("Rate Year 1"). The RDM is divided into four groupings, including customers being served under SC 2 Heating, SC 2 Non-Heating, SC 3 1-4 dwelling units and SC 3 – greater than 4 dwelling units, and customers being served under SC

¹ Case No. 06-G-1332, *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 in Part the Terms and Conditions of the Parties' Joint Proposal* (issued September 25, 2007) ("Gas Rates Order").

9 that would otherwise take service under one of the groupings. Under the terms and conditions of the RDM, at the end of Rate Year 1, the Company will reconcile actual pure base revenues with allowed pure base revenues for each grouping and either surcharge or refund the difference as applicable. The Joint Proposal also provides that if, during Rate Year 1, the Company projects that the combined annual reconciliation of the RDM for all groupings will equal or exceed \$10 million, the Company will implement interim surcharges or refunds by grouping, subject to further reconciliation at the end of the Rate Year.

Based on current projections, the Company estimates that the combined annual reconciliation will result in an overall surcharge at the end of Rate Year 1 of approximately \$22.4 million. This overall surcharge consists of projected pure base revenue shortfalls of \$4.3 million for the SC 2 Heating grouping, \$3.0 million for the SC 2 Non-Heating grouping, and \$16.7 million for the SC 3 1-4 dwelling units grouping, and excess pure base revenues of \$1.6 million for the SC 3 – greater than 4 dwelling units grouping. As a result, the Company, by this filing, is implementing, effective June 1, 2008, interim surcharges of 1.7675¢ per therm, 1.5429¢ per therm and 5.3515¢ per therm for the SC 2H, SC 2NH and SC 3 1-4 groupings, respectively, and an interim refund of 0.6065¢ per therm for the SC 3 > 4 grouping. These surcharges and refund are designed to be in effect from June 2008 through April 2009, except that as provided for in the Joint Proposal and as previously stated, the surcharges and refund will be subject to further reconciliation at the end of the Rate Year, when actual shortfalls and excesses are known.

Customers served under Riders G, H, I and J, low income customers, and customers receiving a firm by-pass rate are not subject to a Revenue Decoupling Mechanism Adjustment.

Respectfully submitted,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Christine Colletti
Director
Rate Engineering Department