

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

July 20, 2006

Honorable Jaclyn A. Brilling  
Secretary  
State of New York  
Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223

Re: Amendments to Company's Capacity Release Service

Dear Secretary Brilling:

Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") is filing today with the Public Service Commission ("the Commission") amendments to the Company's Schedule for Gas Service, P.S.C. No. 9 – Gas (the "Gas Tariff").

The tariff leaves filed electronically today are proposed to become effective on August 25, 2006. Attachment A to this letter sets forth the tariff leaves that are being amended in this filing.

Purpose of Proposed Tariff Modifications

The Company's Capacity Release Service Program enables gas marketers serving firm customers who are participating in the Company's gas retail choice program to obtain upstream pipeline capacity from the Company in order to satisfy the Commission's firm primary delivery point requirement.

The purpose of this filing is to amend a number of tariff leaves to correctly reflect the terms and conditions of the Company's Capacity Release Service Program, as approved by the Commission by its order issued and effective October 27, 2005, in Case 05-G-0918 (the "Order").

Background

In July, 2005, the Company made a proposal to eliminate the existing surcharge/credit mechanism associated with Capacity Release Service and an alternative proposal if the Commission rejected the elimination of the surcharge/credit mechanism. The Order adopted the Company's alternative proposal, which the Commission described, as follows:

Under this alternative, capacity would be released to marketers, and the adjustment between the maximum rate and the WACOC would be surcharged or credited directly to transportation customers through the Monthly Gas Adjustment (for O&R) and the Monthly Rate Adjustment (for Con Edison),\* regardless of a marketer's election to take CRS. Furthermore, the companies would reconcile the forecast WACOC adjustments with actual released capacity and actual firm transportation terms for the 12-month period, and any difference would be included in the monthly adjustments. (\*Order at 4, footnote omitted.)

On October 31, 2005, the Company made a compliance filing to implement the necessary modifications to the Company's tariff.<sup>1</sup>

In preparing a new tariff filing to continue its Capacity Release Service on and after October 31, 2006, the Company realized that a number of the tariff leaves submitted as part of the October 31, 2005 compliance filing included erroneous references to conditions eliminated or changed by the Order, although the Company did properly implement the Capacity Release Service Adjustment in accordance with the Commission's adoption of the Company's alternate proposal.

This filing corrects those erroneous references. Corresponding changes to the Company's Gas Transportation and Operating Procedures Manual are being filed with the Commission under separate cover.

#### Notices

The Company respectfully requests that the Commission waive the requirement of newspaper publication of the changes proposed herein since this filing is being made in compliance with the October 27, 2005 Order.

Very truly yours,

Christine Colletti  
Director  
Rate Engineering Department

Enclosures

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<sup>1</sup> By order issued on February 9, 2006, the Commission approved the Company's compliance filing.

P.S.C NO. 9 – GAS

Leaf 303  
Revision 8  
Superseding Revision 7

Leaf 307  
Revision 6  
Superseding Revision 5

Leaf 307.1  
Revision 3  
Superseding Revision 2

Leaf 309  
Revision 8  
Superseding Revision 7

Leaf 310  
Revision 8  
Superseding Revision 7

Leaf 311  
Revision 4  
Superseding Revision 3

Leaf 312  
Revision 4  
Superseding Revision 3