

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

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

February 25, 2005

Hon. Jaclyn A. Brillling  
Secretary  
State of New York  
Public Service Commission  
Three Empire State Plaza  
Albany, N.Y. 12223-1350

RE: Case Number 03-G-1671

Dear Secretary Brillling:

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, PSC No. 9 – Gas ("Gas Tariff"), as it relates to service to Marketers taking service under Service Classification ("SC") No. 20 in compliance with the Commission's Order dated September 27, 2004 ("September 2004 Order") in the subject case.<sup>1</sup>

The Gas Tariff leaves being revised are identified below:

Third Revised Leaf No. 371  
Superseding Second Revised Leaf No. 371

Third Revised Leaf No. 375  
Superseding Second Revised Leaf No. 375

The leaves bear an effective date of April 1, 2005. Related revisions to the Company's Sales and Transportation Operating Procedures Manual ("Operating Procedures") will be filed with the Commission (with copies sent to Staff and other interested persons).

---

<sup>1</sup> Case 03-G-1671, *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 the Terms of a Joint Proposal, issued and effective September 27, 2004.

### **Reasons for the Proposed Changes**

On December 16, 2004 ("December 2004 filing"), the Company filed with the Commission proposed changes to its Gas Tariff that included, among other changes, modifications to the Company's cash-out mechanism for gas imbalances for Marketers serving monthly-metered firm Customers. Such changes were filed in compliance with Appendix J "ESCO/Marketer Issues" of the Commission's September 2004 Order.

Based on discussions with Commission Staff, the Company proposes in today's filing to make further clarifying changes to the Gas Tariff language reflected in the December 2004 filing.

### **Summary of Proposed Changes**

The tariff has been amended to clarify the tiered cash-out rate mechanism for imbalances including the associated gas price indices. The revised language intends to remove any confusion regarding the tiered cash-out rate structure by clarifying that the applicable first-tier cashout rate applies to the first 2% of any imbalance even in instances where the net end of the month imbalance is greater than 2%. Any remaining imbalance greater than the first 2% is then cashed-out at the second tier rate. The following changes were made to the description of the gas price indices used for purposes of calculating the cashout rates: (1) For imbalances less than or equal to the first 2%, the reference to the price index has been changed from the "midpoint price" to the "index price" for the first of the month Transco Zone 6 prices, reflective of the designation used in current published indices; and (2) For imbalances greater than the first 2%, the price index has been changed from the "index price" to "midpoint price" because the prices published on a daily basis are designated "midpoint, high and low" and no "index price" is currently published. Corresponding changes will be made to the Company's Operating Procedures to recognize the revised gas price indices.

### **Notices**

The Company respectfully requests that the Commission waive the requirement of newspaper publication of the changes proposed herein since this filing is in compliance with the September 2004 Order, and a copy of this filing will be sent via electronic mail to all parties in Case No. 03-G-1671, including gas marketers.

Sincerely,

Joel H. Charkow  
Director  
Rate Engineering Department