



Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York NY 10003-0987

June 29, 2009

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

Re: Case 09-M-0114, Revenue Adjustment Mechanism to Recover Steam Rates

Dear Secretary Brillling:

Enclosed for filing with the Public Service Commission (the "Commission") is a revised schedule leaf issued by Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") that makes a change to its Schedule for Steam Service, P.S.C. No. 4 – Steam, applicable to its customers in the Borough of Manhattan, New York City.

The Company's schedule leaves, identified below, have an effective date of July 1, 2009:

P.S.C. No. 4 - Steam

Leaf No. 2, Revision 1
Leaf No. 42, Revision 1
Leaf No. 68, Revision 1
Leaf No. 75, Revision 1
Leaf No. 85, Revision 1
Leaf No. 95, Revision 1
Leaf No. 101, Revision 1
Leaf No. 107, Revision 1

The Company is also filing a statement, Steam Rate Adjustment Clause, Steam-RAC Statement No. 1, apart from the rate schedule, which also has an effective date of July 1, 2009.

Reason for Filing

The Commission issued its Order Establishing Adjustment Clause Mechanisms to Recover Gas and Steam Rates (the "Order"), issued and effective June 25, 2009, in Case 09-M-0114, "Proceeding on Motion of the Commission to Examine the Prudence of Certain Capital Program and Operation and Maintenance Expenditures by Consolidated Edison Company of New York, Inc." As directed in that Order, \$6 million per year of the Company's steam revenue

requirement is to be recovered pursuant to a rate adjustment clause mechanism and may be subject to refund following the Commission's audit and review.

Tariff Changes

The portion of the rates and charges shown in each Service Classification that comprise this rate adjustment clause mechanism, commencing July 1, 2009, is described in new General Information Section 5 – Other Charges and Adjustments, and shown on the Statement of Steam Rate Adjustment Clause – Steam-RAC Statement No. 1 to P.S.C. No. 4 - Steam. The rates and charges contained on the statements were designed in a manner consistent with the design of current steam rates approved in Case 07-S-1315.¹

Service Classification ("SC") 1 and 5, and the Common Provisions section of SCs 2, 3, 4, and 6 were also modified to indicate the applicability of General Information Section 5. The Table of Contents has been modified accordingly.

Conclusion

As directed by Ordering Clause 2 of the Order, the Company has filed its tariff amendment and Steam-RAC Statement to become effective on July 1, 2009, on a temporary basis. As further directed by Ordering Clause 2, the Company is serving copies of this filing upon all parties to this proceeding. Copies will be served by first class mail.

Pursuant to Ordering Clause 3 of the Order, the Commission has waived the requirement for newspaper publication.

Respectfully submitted,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Christine Colletti
Director
Rate Engineering Department

¹ As provided in the Joint Proposal approved by the Order, the Company has designed the rate adjustment clause mechanism to recover, beginning July 1, 2009, \$6 million of steam revenues in the same manner as such revenues are currently being recovered in base rates. Such a design of the rate adjustment clause will avoid any bill impacts as a result of the change and is consistent with the design of the analogous rate adjustment mechanism used for making a portion of electric rates subject to refund. See, Case 07-E-0523, Con Edison Electric Rates, Order Establishing Rates for Electric Service, p. 107 ("The adjustment clause mechanism must be designed to provide for recovery in the same manner as the Company's delivery revenue requirement is recovered in base rates") and Ordering Clause No. 3. To the extent Footnote 3 of the Order requires a different rate adjustment mechanism design, the Company will implement such different design upon a clearer Commission directive.