

Luthin Associates, Inc.
ENERGY MANAGEMENT CONSULTING
15 Walling Place
Avon-by-the-Sea. NJ 07717

June 19, 2006

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

RECEIVED
PUBLIC SERVICE
COMMISSION
OSFC-FILES-ALBANY
2006 JUN 20 PM 2:20

RE: Case 05-S-1376- Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of Consolidated Edison Company
of New York, Inc for Steam Service.

Dear Secretary Brilling:

Statement In Support of the Joint Proposal

On June 2, 2006, Consumer Power Advocates (CPA) along with Consolidated Edison (Company) and other interested parties filed an agreement to establish rates and other terms of service for steam service ("Joint Proposal") covering the period extending to September 30, 2008. This Proposal is an excellent result of a long process of negotiation, marked by compromise by the Company and other Parties, and patient cooperation among Staff and the other Parties.

CPA believes the Joint Proposal addresses the concerns of both the Company and its customers, as expressed at the extensive series of negotiating sessions. In particular, we note that the Proposal provides for a two year base rate freeze, achieved in part through the deferral of a base rate decrease negotiated for the first year of the term of the Proposal, in lieu of the \$102 million increase originally requested. It is our expectation that a litigated result would likely have resulted in a worse resolution of first year revenue requirement issues, exposed customers to an immediate filing for further rate relief for the following year, all without benefits accruing from the resolution of other important issues. Of particular importance to our members is implementation of demand charges by the Winter of 2007-2008, and the Company's commitments to consider enhancements to its tariff provisions related to fuel cost hedging, and to simplification of the documentation requirements for S.C.No. 5 Negotiated Rate Service.

CPA Does Not Endorse the Use of the Steam Production Study

Our single reservation to the Joint Proposal concerns the reference to the Steam Production Study in Paragraph I.1.a. This provision limits which new steam sources will be considered for future requirements. CPA was not a core member in the process that developed that Study, nor are we privy to its assumptions methodology, data or analyses. Therefore, we cannot endorse the use of its conclusions in this Joint Proposal.

Conclusion

Accordingly, with the exception noted above, CPA urges the Commission to approve the Joint Proposal.

Respectfully submitted,



Catherine M. Luthin
Executive Director
Consumer Power Advocates