



Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York NY 10003
www.conEd.com

November 30, 2017

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
3 Empire State Plaza, 19th Floor
Albany, New York 12223

RE: Case 13-S-0032, Con Edison Steam Rate Case – Rate Year 5

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) is filing with the Public Service Commission (the “Commission”) amendments to its Schedule for Steam Service, P.S.C. No. 4 – Steam (the “Tariff”), applicable to its steam customers in the Borough of Manhattan, New York City.

The Tariff leaves and Statement filed herewith, which are identified in Appendix A, have an effective date of January 1, 2018.

Background

The Commission’s Order Approving Electric, Gas and Steam Rate Plans in Accord with Joint Proposal, issued and effective February 21, 2014, in Case 13-S-0032 (the “Order”) adopted the Joint Proposal set forth in an Appendix to the Order. The Order approved a three-year steam rate plan for Rate Years (“RY”s) 1, 2 and 3, (i.e., the twelve-month periods commencing January 1, 2014, January 1, 2015 and January 1, 2016, respectively). Under the rate plan, steam revenue requirements were decreased by \$22.358 million in RY 1 and increased by \$19.784 million and \$20.270 million in RY 2 and RY 3, respectively.¹ The steam revenue requirements for RY 1, RY 2, and RY 3 were levelized during the three-year rate plan to remain equal to the steam revenue level at the end of the rate plan approved in Case 09-S-0794.

On December 2, 2015, the Company filed changes to rates intended to remain in effect after the end of RY 3 absent a new rate plan. Because the annual levelized rate

¹ The revenue amounts noted in this letter include gross receipts tax. However, rates are designed excluding gross receipts tax, because the tax is collected on customers’ bills as a percentage increase to the rates and charges.

changes were designed to produce revenues that were \$17.696 million lower at the end of the three-year term than they would otherwise have been under a non-levelized approach, RY 3 rates were set to reflect revenues that were \$17.696 million greater than the RY 3 revenue level, and the \$17.696 million was offset in RY 3 by class-specific temporary credits as described in General Information Section 5.3 - Temporary Rate Adjustment (Leaf 42.1) of the Tariff. Class-specific credits for RY 3 were shown on STRA Statement No. 1.²

On December 1, 2016, the Company filed an updated STRA Statement, STRA Statement No. 2 to reflect a deferred credit to be applied in RY 4.³ Absent new rates to take effect on January 1, 2017, the \$17.696 million annual increase after RY 3, due to the expiration of the temporary credits, was partially offset in RY 4 (*i.e.*, the twelve-month period commencing January 1, 2017) by an \$8.121 million deferred credit.⁴

Tariff Changes and Temporary Credit

Pursuant to the Order, the \$8.121 million deferred credit will expire on December 31, 2017. The Company is filing changes to eliminate references to the temporary rate adjustment in the Tariff and an updated STRA Statement, STRA Statement No. 3 to cancel the statement.

The effect of the \$8.121 million change commencing RY 5 (*i.e.*, the twelve-months commencing January 1, 2018) is an increase of approximately 1.2% on a total bill basis or an increase of 1.8% to pure base revenues.⁵ Appendix B shows the estimated effect of the increase on customers' bills and Company revenues for RY 5 based on sales and revenues for the historical period, *i.e.*, the twelve months ended December 31, 2011.

Conclusion and Notice

Consistent with Ordering Clause 5 of the Order, this filing is being made on not less than 30 days' notice to go into effect on a temporary basis on January 1, 2018.

² These changes were approved by the Commission on a permanent basis by its Order Approving Tariff Amendments on a Permanent Basis, issued March 21, 2016, in Case 13-S-0032.

³ These changes were approved by the Commission on a permanent basis by its Order Approving Tariff Amendments on a Permanent Basis, issued February 17, 2017, in Case 13-S-0032.

⁴ This deferred credit is equal to \$7.236 million (based on credits of \$22.358 million for each RY, a RY 2 debit of \$19.784 million for 2 years, and a RY 3 debit of \$20.270 million) plus interest calculated at the 2014 other customer capital rate of 3.0 percent, updated for the 2015 rate of 2.9 percent, and the 2016 rate of 2.6 percent.

⁵ "Pure base revenue" means base revenues less both the base cost of fuel and the component of the Customer Charge relating to fuel costs (as described in General Information Section 8.2 of the Tariff).

The Company will publish notice of the proposed tariff change on December 8, 15, 22, and 29, 2017. Copies of this filing are being sent electronically to the active party list in Case 13-S-0032.

Sincerely,

/s/ William A. Atzl, Jr.
Director
Rate Engineering Department

Appendix A

PSC No. 4 – Steam: List of Revised Tariff Leaves and Statement Filed

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
42.1	2	1
49.12	4	3
68	11	10
71	10	9
72	5	4
81	10	9
82	5	4
91	10	9
92	10	9
93	10	9
94	10	9
102	10	9
103	10	9
104	10	9
105	10	9

Statement
Statement of Temporary Rate Adjustment

Statement Type
STRA

Statement No.
3

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

STEAM - Estimated Effect on Customers' Bills and Company Revenues Resulting from
Expiration of a Temporary Credit of \$8.121 million (including GRT) Effective January 1, 2018
- Based on Billing Determinants for the Twelve Months Ended December 31, 2011

SERVICE CLASSIFICATION	ESTIMATED NUMBER OF CUSTOMERS' BILLS						
	TOTAL REVENUES AT PRESENT RATES ⁽¹⁾	TOTAL REVENUE AT PROPOSED RATES ⁽²⁾	CHANGE FROM PRESENT RATES	% CHANGE FROM PRESENT RATES	INCREASE	DECREASE	UNCHANGE
	(1)	(2)	(3)=(2)-(1)	(3A)=(3)/(1)	(4)	(5)	(6)
1 - GENERAL SERVICE	\$28,245,311	\$28,641,882	\$396,571	1.4%	5,815	0	0
2 - ANNUAL POWER SERVICE - RATE I - NON DEMAND	\$94,658,449	\$95,961,340	\$1,302,891	1.4%	4,254	0	0
2 - ANNUAL POWER SERVICE - RATE II - DEMAND	\$348,170,531	\$352,347,705	\$4,177,174	1.2%	3,516	0	0
3 - APARTMENT HOUSE SERVICE - RATE I - NON DEMAND	\$85,636,311	\$86,705,915	\$1,069,604	1.2%	5,407	0	0
3 - APARTMENT HOUSE SERVICE - RATE II - DEMAND	\$99,916,689	\$101,082,553	\$1,165,864	1.2%	1,668	0	0
4 - <u>BACKUP/SUPPLEMENTARY SERVICE</u>	<u>\$16,062,244</u>	<u>\$16,266,470</u>	<u>\$204,226</u>	<u>1.3%</u>	<u>180</u>	<u>0</u>	<u>0</u>
TOTAL	\$672,689,535	\$681,005,865	\$8,316,330	1.2%	20,840	0	0

Notes:

(1) Reflects historical sales at rates effective 1-1-17 including a Temporary Credit of \$8.121 million (Including GRT).

(2) Historical sales at tariff rates effective 1-1-18 reflecting expiration of the Temporary Credit of \$8.121 million (Including GRT).