



Consolidated Edison Company
of New York, Inc.
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New York NY 10003
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March 27, 2014

Kathleen H. Burgess, Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Statement of Revenue Decoupling Mechanism Adjustment No. 16

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. ("Con Edison" or "the Company") is filing today with the New York State Public Service Commission (the "Commission") Statement of Revenue Decoupling Mechanism Adjustment No. 16, ("Statement RDM-16") effective April 1, 2014.

Statement of Revenue Decoupling Mechanism Adjustment No. 16
for Service Classification Nos. 2, 3 and 9
Effective April 1, 2014

Explanation of Filing

This filing establishes the Revenue Decoupling Mechanism ("RDM") adjustments, by group, resulting from the variation between Actual and Allowed Delivery Revenues for the period October 2013 – February 2014, including reconciliation amounts and prior period deferrals associated with Case 09-G-0795 and the make whole provision adopted by the Commission in Case 13-G-0031, as discussed more fully below.

October – December 2013 Reconciliation in Case 09-G-0795

Pursuant to the Joint Proposal adopted by the Commission in Case 09-G-0795¹ (Joint Proposal, p. 49) all provisions of the Joint Proposal continue after September 30, 2013, "unless otherwise expressly provided". Appendix I to the Joint Proposal provides an RDM implementation procedure to be used if the Company did not file for new base delivery rates to take effect within fifteen days after the expiration of Rate Year 3. Therefore, in accordance with Appendix I to the Joint Proposal, the monthly Revenue Per Customer ("RPC") factors embedded in the Rate Year 3 annual RPC factors in Case 09-G-0795 were used in determining the Allowed Delivery Revenues to compare to Actual Delivery Revenues to determine the RDM adjustment for the months of October through December 2013, the final months of the Gas Rate Plan in Case 09-G-0795. The RDM groups exclude customers being served under Riders H, I and J and firm by-pass rates. In addition, customers converting to firm service under a change in the law, rule or regulation, who were burning No. 4 or No. 6 oil, are also excluded from these groups as per the 2010 Gas Rate Order.

¹ Case 09-G-0795, et al., *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 Establishing Three-Year Steam and Gas Rate Plans and Determining East River Repowering Project Cost Allocation Methodology*, issued September 22, 2010 ("2010 Gas Rate Order")

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Make Whole in Case 13-G-0031

Pursuant to the "make whole" provision of the Joint Proposal adopted by the Commission in Case 13-G-0031², the Company will recover or refund any revenue under- or over-collections that result from the extension of the suspension period in that case. The resulting rate per therm associated with the make whole, as shown on the Statement of Delivery Revenue Surcharge (SDR 1), will be included in the total RDM Adjustment for classes subject to the RDM. The Delivery Revenue Surcharges are separately identified on the enclosed Statement of Revenue Decoupling Mechanism Adjustment.

Pursuant to the Joint Proposal in Case 13-G-0031, commencing with the effective date of the Gas Rate Plan in that case, the RDM includes customers converting from oil-to-gas that were previously excluded from the RDM pursuant to the gas rate plan established in Case 09-G-0795. As such, the make whole calculation includes, and the Delivery Revenue Surcharge applies to, these customers.

Interim RDM Adjustment for January – February 2014

Pursuant to the Company's gas tariff, the Company may implement an interim RDM Adjustment for a period other than a Rate Year if the Company projects a large over- or under-collection for the Rate Year. The RDM Adjustments shown on Statement RDM-16 also include Interim Adjustments for the months of January and February 2014. The Interim Adjustments are determined by comparing Actual Delivery Revenues to Allowed Delivery Revenues based on the Rate Year 3 monthly RPC factors in Case 09-G-0795. These Interim Adjustments represent an over-collection of \$11,314,536.68 which substantially offsets the under-collection associated with the Case 13-G-0031 make whole provision.

Summary

The RDM Adjustments effective April 1, 2014 represent a net over-collection of \$32,915,370.08, consisting of \$21,600,833.40 applicable to the months of October through December 2013, including prior period deferrals under Case 09-G-0795, and \$11,314,536.68 applicable to January and February 2014. Also included in the total RDM Adjustments on this statement is a \$15,857,463.43 under collection applicable to the make whole in Case 13-G-0031. The RDM Adjustments are designed to be in effect from April 1, 2014 through December 31, 2014.

Respectfully submitted,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

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

² Case 13-G-0031, et al., *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 Approving Electric, Gas and Steam Rate Plans in Accord With Joint Proposal*, (Issued and Effective February 21, 2014)