



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

February 26, 2014

Honorable Kathleen H. Burgess
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

**Re: Statements of Smart Grid Surcharge Issued Pursuant to
Case 13-E-0030, Stimulus Projects**

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) is filing herewith a revised Statement of Smart Grid Surcharge, applicable to its Schedule for PASNY Delivery Service - P.S.C. No. 12¹ (“PASNY Rate Schedule”).

The Statement has an effective date of March 1, 2014.

Background

As directed by the Commission in Case 09-E-0310 and specified in General Rule 26.1.4, Smart Grid Projects, of the Schedule for Electricity Service - P.S.C. No. 10 - Electricity (“Schedule for Electricity Service”), and the Additional Delivery Charges and Adjustments section of the PASNY Rate Schedule, the Company recovered through a surcharge mechanism its cost-share of Smart Grid Projects that receive federal funding from the U.S. Department of Energy (“DOE”) under the American Recovery and Reinvestment Act of 2009.³ Project cost amounts were recovered through the statement of Smart Grid Surcharge, applicable under the PASNY Rate Schedule, and as a component of the Statement of Monthly Adjustment Clause

¹ This is the Delivery Service Rate Schedule Implementing and Part of the Service Agreement Between the Power Authority of the State of New York (“PASNY”) and the Consolidated Edison Company of New York, Inc. (“the Company”) dated March 10, 1989.

³ DOE is providing funding for Smart Grid Projects under both the “Smart Grid Investment Grant” (“SGIG”) Project and the “Smart Grid Demonstration Grant” (“SGDG”) Project (also the “Demonstration Project”)

(“MAC”),⁴ applicable under the Schedule for Electricity Service. Except for the initial five-month collection period that commenced November 2010, project costs have been recovered over twelve-month periods commencing April. As directed by the Commission in Case 13-E-0030, Smart Grid project costs will be recovered through base delivery rates, which will reflect Smart Grid costs as of December 31, 2013.

Effective March 1, 2014, the MAC will refund the Smart Grid project costs that were included in base delivery rates that were not placed in service by December 31, 2013. The MAC will also refund the incremental revenues for Smart Grid costs collected through February 2014, and include a reconciliation of prior-period costs including interest.

Current Filing

The Company is filing herewith a Statement of Smart Grid Surcharge, SG PASNY – Statement No. 4 to the PASNY Rate Schedule. NYPA’s share of reconciled costs related to the Smart Grid program under the PASNY Rate Schedule will be recovered as a separate surcharge per monthly bill issued to NYPA.

As specified in its tariffs, the Company is filing this Statement on not less than three days’ advance notice. The Statement has an effective date of March 1, 2014.

Sincerely,

/s/

William A. Atzl, Jr.
Director
Rate Engineering

⁴ The Company is filing in a separate letter its revised Statement of Monthly Adjustment Clause (“MAC”) – MAC Statement No. 26 to P.S.C. No. 10 - Electricity, applicable to its full-service and retail access customers. The Statement has an effective date of March 1, 2014. The MAC amounts on the Statement also include the reconciliation of Smart Grid project costs.