



Consolidated Edison Company
of New York, Inc.
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February 28, 2014

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's Steam Rate Case

Dear Secretary Burgess:

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

The tariff leaves and statement filed herewith are identified in Appendix A. The Company's schedule leaves and statement have an effective date of March 1, 2014.

Reason for Filing

The Commission's Order Approving Electric, Gas and Steam Rate Plans in Accord With Joint Proposal, issued and effective February 21, 2014, in Cases 13-E-0030 et al. (the "Order") adopted the Joint Proposal ("JP") set forth in Appendix A of the Order with modifications.

The Order provides for a three-year rate plan in which Rate Years ("RY") 1, 2 and 3 are the twelve-month periods commencing January 1, 2014, January 1, 2015 and January 1, 2016, respectively. Under the rate plan, the steam delivery service revenue requirement is 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. The revenue requirements are levelized during the three years of the rate plan to remain equal to the current level of steam delivery service revenues.¹

¹ At the end of RY 3, the resultant level of steam delivery service revenue requirement is \$17.696 million higher than current rates provide. Therefore, \$17.696 million of the levelized change in RY 3 will be effectuated via class-specific temporary credits that will expire at the end of RY 3. As a result of the levelizing, an \$8.158 million customer credit will remain at the end of the three-year rate plan which will be applied to reduce customer bills in the year after RY 3 if rates are not otherwise reset by the Commission for that year.

Rate Changes

The only change being made to SC 1, 2, 3, 4 and 6 rates is a \$2.70 per Mlb reduction in the base cost of fuel, which was lowered from \$10.049 per Mlb to \$7.349 per Mlb. Also, rates for Rider G - Customer Sited Supply Pilot Program were set pursuant to the Commission's Order, issued December 16, 2011, in Cases 09-S-7094 and 09-S-0029 i.e., Rider G contract demand charges were set equal to SC 4 contract demand charges less generation capacity costs, and Rider G customer charges for customers who would otherwise be served under SC 2 or SC 3 were set equal to the respective SC 2 and SC 3 customer charges.

Other Tariff Changes

Tariff changes were made in accordance with the Order. Changes are detailed in Appendix B to this filing letter. Major changes are described below:

- New General Rule 3.4.14, Customer Policies Related to Steam Service Outages Due to a Storm Event, was added to specify collection-related policies and, when determined by a Commission Order, customer bill credits to be applied when customers are out of service for a continuous period exceeding five days due to a storm event.
- The steam system variance (General Rule 8.5.1) was modified to provide for the Company's recovery of 90 percent of variance-related fuel costs in excess of 4,000 Mlb and the Company's refund of 90 percent of variance-related fuel savings less than 3,600 Mlb, up to \$5 million in any annual period. The annual reconciliation will be determined for 12 month periods ending each December, starting with December 2014, and applied for the 12 months commencing February of the next year.
- General Rule 3.3.1 was modified to clearly delineate the boundaries of responsibility with respect to customer's piping and equipment to be consistent with Con Edison procedures and external regulations. The Company will be responsible for maintaining its mains, service lines and service equipment ("Company Facilities") in compliance with NYC Department of Environmental Protection and Department of Buildings codes and regulations ("NYC Codes and Regulations"). The customer will be responsible for documenting that its own piping and equipment are compliant with the NYC Codes and Regulations. Where telephone service is required for remote communications, the Customer shall furnish and install all necessary telephone cable, and the Company will furnish and maintain the communications service. All facilities installed by the Customer from the point of service termination up to and including the meter outlet stop valves will be subject to the Company's final approval.
- Applications for the steam air-conditioning incentive program, as described in Special Provisions D and E of SC 2 and SC 3, will be accepted through December 31, 2016.
- New General Rule 3.1.8 specifies that customers who use both steam service and electric generation will have their electric generation facilities up to 2 MW interconnected as described in the Company's Schedule for Electricity and the Standardized Interconnection

Requirements appended to that schedule. Installation and upgrades of electric generation facilities over 2 MW and up to 20 MW are addressed in the Company's Distributed Generation Guide on the Company's website.²

- Charges in General Rule 4.1.2 were updated for the temporary disconnection or reconnection of service, investigation at the customer's premises, and steam repairs and other services.

Statement

A Statement of Rate Adjustment Clause – RAC Statement No. 7 is enclosed with this filing.

Conclusion and Notice

As directed by Ordering Clause 3 and Ordering Clause 4 of the Order, the Company has filed its tariff amendments to take effect on a temporary basis, on one day's notice, effective March 1, 2014.

As directed by Ordering Clause 3, the Company is serving copies of this filing electronically upon all parties to this proceeding.

As directed by Ordering Clause 6, the Company will file proof of newspaper publication within six weeks of the effective date of the tariff amendments.

Sincerely,

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

² Steam service requirements remain unchanged. They are described in Specification S-11965-1, General Requirements for Steam Service, which is shown on the Company's Steam website.

Appendix A

PSC No. 4 – Steam: List of Tariff Changes

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding</u>	<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Rev.</u>
		<u>Rev. No.</u>			<u>No.</u>
3	2	0	91	8	7
17	1	0	92	8	7
20	2	0	93	8	7
24	2	0	94	8	7
24.1	1	-	95	3	1
32.1	0	-	98	2	0
35	2	0	102	8	7
39	4	2	103	8	7
40	2	0	104	8	7
41	2	0	105	8	7
43.1	1	-	107	3	1
49.12	2	1	110	2	0
51	4	2			
54	3	2			
55	2	0			
56	2	0			
68	9	8			
70	2	0			
71	8	7			
73	8	7			
74	8	7			
75	5	3			
78	5	4			
79	5	4			
80	2	0			
81	8	7			
83	8	7			
84	8	7			
85	5	3			
88	5	4			
89	5	4			
90	2	0			

Statement
Statement of Rate Adjustment Clause

Statement Type
RAC

Statement No.
7

Appendix B

P.S.C. No. 4 - Steam: Description of Tariff Changes

<u>Tariff leaves</u>	<u>Leaf #</u>	<u>Tariff changes</u>	<u>Joint Proposal</u>
Table of Contents	3	Indicate that Rider F is no longer available; add Rider G to the list of Riders.	p. 90, item 5
Customers using Electric Distributed Generation ("DG")	17	Add new Rule 3.1.8, applicable to customers who use both steam service and electric DG.	p. 77
Customer Property (Rule 3.3.1)	20	Clarify customer responsibility.	p. 90, item 3
Bill proration & billing of rate changes (Rule 3.4.5)	24, 24.1	Clarify rules. Note that Leaf 24.1 simply contains text overflow.	p. 90, item 5
Consumer Policies Related to Prolonged Outages	32.1	Describe enhanced customer protections following a storm event.	pp. 98-99
Termination of Service (Rule 3.7.a)	35	Correct a typographical error that omitted the word "of" in "end the term" in the last paragraph.	p. 90, item 5
Temporary Disconnection/Reconnection of Service	39	Update charges.	p. 90, item 2
Investigation at the premises and steam repairs and other services	40, 41	Update charges.	p. 90, item 2
Riders	43.1	Create a leaf summarizing the Riders applicable to each SC.	p. 90, item 5
Rider G	49.12	Rates, based on SC 4 contract demand less generation capacity & the SC 2/SC 3 customer charge	p. 90, item 5
Base Cost of Fuel	51	Reduce the base cost of fuel by \$2.70, to \$7.349.	p. 27 and p. 90, item 4
Annual Adjustment	54	Change the steam system variance to apply to variances in excess of 4000 Mlb or less than 3600 Mlb in an annual period; change the reconciliation period to the 12 months ending December.	pp. 26-27
Fuel Statement	55	Clarify that the adjustment is applied based on the adjustment in effect on the bill's "to" date.	p. 90, item 5
Increase in Rates and Charges	56	Clarify that the percentage increase is based on the percentage in effect on the bill's "to" date.	p. 90, item 5
SC 1	68	Rates (no change other than reduction in base cost of fuel)	p. 89
SC 1 Special Provisions	70	Delete the Special Provision about how rates and charges are billed: text was added to Rule 3.4.5. Modify the Special Provision about Riders: applicable Riders are summarized on new Leaf 43.1.	p. 90, item 5
SC 2	71, 73, 74	Rates (no change other than reduction in base cost of fuel)	p. 89
SC 2 Fuel Adjustment	75	Correct text, which indicates that this applies "when changes from the base cost of fuel occur."	p. 90, item 5
SC 2 Spec Prov D & E continuation	78, 79	Continue accepting applications for air conditioning discounts through 12/31/2016.	p. 90, item 1
SC 2 Special Provisions	80	See Leaf 70.	p. 90, item 5
SC 3	81, 83, 84	Rates (no change other than reduction in base cost of fuel)	p. 89
SC 3 Fuel Adjustment	85	See Leaf 75.	p. 90, item 5
SC 3 Spec Prov D & E continuation	88, 89	Continue accepting applications for air conditioning discounts through 12/31/2016.	p. 90, item 1
SC 3 Special Provisions	90	See Leaf 70.	p. 90, item 5
SC 4	91, 92, 93, 94	Rates (no change other than reduction in base cost of fuel)	p. 89
SC 4 Fuel Adjustment	95	See Leaf 75.	p. 90, item 5
SC 4 Special Provisions	98	See Leaf 70.	p. 90, item 5
SC 6	102, 103, 104, 105	Rates (no change other than reduction in base cost of fuel)	p. 89
SC 6 Fuel Adjustment	107	See Leaf 75.	p. 90, item 5
SC 6 Special Provisions	110	See Leaf 70.	p. 90, item 5

NOTE: Leaf No. 42, 42.1, 42.2, and 106 were issued in the rate case filing in January 2013 and are not being reissued in this filing.