



Consolidated Edison Company
of New York, Inc.
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August 22, 2013

Kathleen H. Burgess
Secretary
New York State Department
of Public Service
Three Empire State Plaza, 19th Floor
Albany, New York 12223

Re: Case 09-S-0794, Steam Rate Plan - Rate Year 4

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 schedule leaves filed herewith are identified in Appendix A. The leaves have an effective date of October 1, 2013.

Reason for Filing

The Commission's Order Establishing Three-Year Steam and Gas Rate Plans and Determining East River Repowering Project Cost Allocation Methodology (the "Order"), issued and effective September 22, 2010, in Case 09-S-0794, *et al.*, adopted a three-year steam rate plan, whose terms and conditions are contained in Attachment 1 to the Order (hereinafter referred to as "the Rate Plan") as modified by Ordering Clause 1.

The Order provided for levelized base rate increases of \$49.5 million, including gross receipts taxes, in each of three Rate Years commencing October 2010. As specified in the Rate Plan, \$31.7 million of the \$49.5 million increase in Rate Year 3 (i.e., the Rate Year ending

September 30, 2013) was to be collected on a temporary basis.¹ The Company currently collects the temporary amounts within base rates through class-specific temporary surcharges shown on the Statement of Temporary Surcharges, TEMP Statement 1, which became effective on October 1, 2012.

Tariff Changes

The Company is filing Service Classification No. 1, 2, 3, 4, and 6 rates for Rate Year 4, *i.e.*, the Rate Year that commences October 1, 2013, to reflect the elimination of the portion of the Company's rates that comprises the temporary surcharges. Rate Year 4 rates were developed by reducing Rate Year 3 rates by the embedded temporary surcharge amounts as set forth on the Statement of Temporary Surcharges, TEMP Statement 1. Appendix B shows the estimated effect of the decrease on customers' bills and Company revenues for Rate Year 4, based on sales and revenues for the historical period, *i.e.*, the twelve months ended June 30, 2009.²

The Company is also filing tariff changes to Leaf 42 to delete General Rule 5.1.b, which provided for the temporary surcharges for Rate Year 3. In addition, because Attachment 1 (p. 44) of the Order provides that all provisions adopted by the Order continue after Rate Year 3, "unless otherwise expressly provided," the Special Provisions sections of SC 2 and SC 3 have been amended to allow the Company to continue accepting applications for the air-conditioning incentive program³ until one day before commencement of the rate plan adopted in Case 13-S-0032.

Statements

Pursuant to Section V.G (p. 32) of the Rate Plan, the Company is filing a revised RAC Statement, RAC Statement No. 6, to reflect the change in base rates. It is also filing a TEMP Statement, TEMP Statement No. 2, to cancel TEMP Statement No. 1.

Conclusion and Notice

Consistent with Ordering Clause 4 of the Order, the Company has filed its tariff amendments on no less than thirty days' notice, to take effect on a temporary basis, on October 1, 2013. It has also filed its revised Statements to take effect on October 1, 2013.

Publication of notice of these revisions is scheduled for August 30, and September 6, 13, and 20, 2013. Consistent with Ordering Clause 5 of the Order, the Company is serving copies of

¹ See Rate Plan, Attachment 1, Section II.A (pp. 6-7) and Appendix A, p. 6. The implementation of levelized rate increases resulted in delivery rates being \$31.7 million higher at the end of the rate plan than they would otherwise have been under a non-levelized approach.

² The rate decrease of \$31.7 million represents approximately a 6.4 percent decrease to pure base revenues or a 3.7 percent decrease on total bills.

³ The air-conditioning incentive program provides eligible customers with a \$2.00 per Mlb reduction in base rates during the months May through October for two years for steam usage in excess of 250 Mlb under SC 2 and in excess of 50 Mlb under SC 3.

this filing electronically upon all parties to Case 09-S-0794 or, where a party cannot accept electronic service, by first class mail.

Sincerely,

William A. Atzl, Jr.
Director
Rate Engineering Department

Appendix A

PSC No. 4 – Steam: List of Tariff Changes

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Rev. No.</u>
42	6	5
68	8*	6
71	7*	5
73	7*	5
74	7*	5
78	4*	2
79	4*	2
81	7*	5
83	7*	5
84	7*	5
88	4*	2
89	4*	2
91	7*	5
92	7*	5
93	7*	5
94	7*	5
102	7*	5
103	7*	5
104	7*	5
105	7*	5

* The prior version of these leaves is pending in Case 13-S-0032

<u>Statement</u>	<u>Statement Type</u>	<u>Statement No.</u>
Statement of Rate Adjustment Clause	RAC	6
Statement of Temporary Surcharges	TEMP	2

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Appendix B

STEAM - Estimated Effect on Customers' Bills and Company Revenues Resulting from
New Steam Rates Effective October 1, 2013 - Based on Sales and Revenues for the Twelve Months Ended June 30, 2009

SERVICE CLASSIFICATION	TOTAL REVENUE AT CURRENT RATES EFFECTIVE 10/1/2012	TOTAL REVENUE AT PROPOSED RATES EXCLUDING TEMPORARY SURCHARGE TO BE EFFECTIVE 10/1/2013	CHANGE *	% CHANGE *	ESTIMATED NUMBER OF CUSTOMERS' BILLS		
					INCREASED	DECREASED	UNCHANGED
1 - GENERAL SERVICE	\$35,737,900	\$34,127,109	(\$1,610,791)	-4.5%	0	6,108	0
2 - ANNUAL POWER SERVICE - RATE I - NON DEMAND	\$112,560,851	\$107,742,471	(\$4,818,380)	-4.3%	0	4,176	0
2 - ANNUAL POWER SERVICE - RATE II - DEMAND	\$505,601,108	\$487,758,406	(\$17,842,702)	-3.5%	0	3,647	0
3 - APARTMENT HOUSE SERVICE - RATE I - NON DEMAND	\$108,978,148	\$104,881,260	(\$4,096,888)	-3.8%	0	5,508	0
3 - APARTMENT HOUSE SERVICE - RATE II - DEMAND	\$135,026,608	\$130,456,866	(\$4,569,742)	-3.4%	0	1,608	0
4 - BACKUP/SUPPLEMENTARY SERVICE	\$18,649,920	\$17,957,396	(\$692,524)	-3.7%	0	156	0
TOTAL	\$916,554,535	\$882,923,508	(\$33,631,027)	-3.7%	0	21,203	0

Notes:

*Reflects the decrease in Con Edison Steam revenues due to the elimination of the temporary surcharge of \$31.7 million .