



Consolidated Edison Company  
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June 26, 2014

Honorable Kathleen H. Burgess  
Secretary  
NYS Public Service Commission  
Empire State Plaza  
Agency Building 3  
Albany, New York 12223-1350

**Re: Case 09-M-0311, Temporary Annual Assessment to be Collected  
Under the Steam Tariff Pursuant to Public Service Law §18-a(6)**

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) herein submits for filing with the New York Public Service Commission (the “Commission”) a revision to the Company’s Schedule for Steam Service, P.S.C. No. 4 – Steam (“Steam Tariff”), applicable to its customers in the Borough of Manhattan, New York City:

The specific Steam Tariff leaf being revised is identified below and has an effective date of July 1, 2014:

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding No.</u>
42	7	6

The Company is also filing the following Statement, which has an effective date of July 1, 2014:

Statement of Temporary State Assessment Surcharge  
TSAS – Statement No. 6 to P.S.C. No. 4 – Steam

**Reason for Filing**

The Commission’s Order Implementing Revised Temporary State Assessment (the “2014 Order”), issued and effective June 18, 2014, in Case 09-M-0311, “Implementation of Chapter 59 of the Laws of 2009 Establishing a Temporary Annual Assessment Pursuant to Public Service Law §18-a(6),” implements the revised temporary state assessment. The 2014 Order authorizes the continuation of the temporary surcharge through December 31, 2017, for utilities whose estimated over-collection through June 30, 2014 (excluding the March 2014 assessment payment) is less than their expected

March 2015 total assessment payment. Any remaining balance at the end of 2017 shall remain on the books of the utility until it is disposed of through a future Commission action.

### **Tariff Change**

The Company has revised General Information Section 5.2 of the Steam Tariff to indicate that surcharges will be assessed pursuant to the Commission's Orders dated June 19, 2009 and June 18, 2014, in Case 09-M-0311.<sup>1</sup> In addition, text about how the Company may retain the prior year's surcharge to improve cash flow has been deleted, because the 2014 Order explicitly describes how prior under- and over-collections are to be included in the subsequent year's collections.

### **Statement**

Revised surcharges have been designed to collect Public Service Law ("PSL") §18-a amounts required to be collected above the amount in base rates for the State Fiscal Year 2014-2015 (April through March) inclusive of an adjustment for uncollectible expenses and working capital costs. The PSL §18-a amounts required to be collected for the 2014-2015 State Fiscal Year were allocated to each customer service class based on their contribution to the Company's total 2013 steam revenues inclusive of gross receipts taxes. These amounts will be recovered for the period July 2014 through June 2015 and reflect the reduction of assessments from 2.0 to 1.63 percent for Fiscal Year 2014-2015.<sup>2</sup>

The surcharges also reconcile the difference between past period PSL §18-a amounts required to be collected and actual amounts collected. The PSL §18-a surcharges that became effective for the 12 months commencing July 1, 2013, recognized over/under collections applicable to past periods, resulting in adjusted surcharges by service class.<sup>3</sup> In this filing, the Company is continuing to adjust the PSL §18a surcharges for past period over/under collections. Reconciliation amounts for past periods were determined by allocating the total of the actual PSL §18-a payments made by the Company for each State Fiscal Year, including working capital and uncollectible expense adjustments based on the actual payments derived from total steam revenues inclusive of gross receipts taxes for the previous calendar year. These amounts were compared with the actual class-specific amounts collected under the surcharges that were in effect under the Steam Tariff.<sup>4</sup> Any differences have been added to the 2014-2015

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<sup>1</sup> The current Steam Tariff specified the date of the 2009 Order.

<sup>2</sup> The assessments for Fiscal Years 2015-2016, 2016-2017, and 2017-2018 are 1 percent, 0.73 percent, and 0.365 percent, respectively.

<sup>3</sup> The Commission's Order issued May 16, 2013, in Case No. 09-M-0311, approved tariff changes to allow the Company to reduce collections in the subsequent year if warranted by lower prior period revenues or a large over-collected balance.

<sup>4</sup> June 2014 collections have been estimated and will be trued up in next year's Temporary Annual Assessment surcharge. This year's surcharge reflects the true-up of June 2013 collections which were estimated last year.

State Fiscal Year amounts to determine total amounts recoverable from each customer class over the July 1, 2014 through June 30, 2015 period.

The Statement filed herewith reflects the unit amounts to be collected over the 12 months commencing July 1, 2014. Surcharge amounts will be collected from SCs 1, 2, and 3 per Mlb; from SC 4 per Mlb/hour of Contract Demand; and from SC 5 per unit in effect under the customer's otherwise applicable SC.

### **Conclusion and Notice**

As directed by Ordering Clause 1 of the 2014 Order, the Steam Tariff amendment and Statement is being filed within ten days of the 2014 Order's issuance, to become effective on a temporary basis on July 1, 2014.<sup>5</sup>

Pursuant to Ordering Clause 4 of the 2014 Order, the Commission has waived the requirement for newspaper publication.

Sincerely,

/s/

William A. Atzl, Jr.

Director

Rate Engineering Department

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<sup>5</sup> No tariff changes were required to implement the requirement in Ordering Clause 1 of the 2014 Order that future statements will become effective on 15 days' notice, the requirement in Ordering Clause 2 that carrying charges are to be calculated at the Company's pre-tax rate of return, or the requirement in Ordering Clause 3 that any remaining balance after the last year the surcharge is in effect is to be deferred for future disposition by the Commission. Those provisions are already tariffed.