



Consolidated Edison Company
of New York, Inc.
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October 6, 2016

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
3 Empire State Plaza, 19th Floor
Albany, New York 12223

**RE: Case 15-S-0523 and Case 16-S-0134,
Service Classification No. 4 – Back-up/Supplementary Service**

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) is filing with the Public Service Commission (the “Commission”) amendments to its Schedule for Steam Service, P.S.C. No. 4 – Steam (the “Tariff”), applicable to its steam customers in the Borough of Manhattan, New York City.

The Tariff leaves, which are identified below, make changes to Service Classification No. 4 – Back-up/Supplementary Service (“SC 4”) effective November 1, 2016:

| <u>Leaf No.</u> | <u>Revision No.</u> | <u>Superseding No.</u> |
|-----------------|---------------------|------------------------|
| 62 | 1 | 0 |
| 62.1 | 0 | |
| 96 | 3 | 2 |
| 98 | 5 | 4 |
| 98.1 | 0 | |

Reason for Filing

The Commission’s Order Approving in Part, Modifying in Part and Denying in Part the Declaratory Ruling Requests and Tariff Amendments (the “Order”), issued and effective September 21, 2016, in Case 15-S-0523¹ and Case 16-S-0134,² approved, with modifications, tariff proposals filed by the Company on March 4, 2016, in Case 16-S-0134. The Order adopted the following Company’s proposals: (1) set the contract

¹ *Petition of the City of New York and the Real Estate Board of New York for a Declaratory Ruling Regarding Service Classification No. 4 of Consolidated Edison Company of New York, Inc.’s Schedule for Steam Service*

² *Tariff filing by Consolidated Edison Company of New York, Inc. to modify provisions related to contract demand in Service Classification No. 4 - Back-Up/Supplementary Service, P.S.C. No. 4 - Steam*

demand based on the maximum potential demand at any time within the months of December through March, instead of the current November through April; (2) allow customers to request a prospective reduction in their contract demand based on a demonstration that steam-consuming equipment is removed or abandoned in place or permanent load-reduction measures are installed; (3) increase the contract demand and assess a contract demand surcharge³ if the monthly maximum demand exceeds the currently effective contract demand by more than two percent within the months of December to March; and (4) exempt geothermal and solar thermal technologies from steam SC 4 rates.

The Order modified the Company's proposal to establish a contract demand surcharge multiplier of no less than 6 nor more than 24 and instead directed that the surcharge be equal to the number of months the plant has been in operation,⁴ but no more than 12. The Order also exempts customers who self-supply⁵ 15 percent or less of their contract demand, consistent with the electric standby exemption, and grants an exemption from steam SC 4 rates to distributed energy resource installations that are exempt from electric standby rates for the same duration as the electric exemption. The Order further directed that the changes filed on March 4, 2016, as modified by the Order, become effective on November 1, 2016.⁶

Tariff Changes

Tariff changes are being filed to SC 4 to reflect the change to the calculation of the contract demand surcharge multiplier and to provide the exemptions directed by the Order. Tariff changes are also being filed to the Application for Steam Service to reflect the categories of SC 4 exemptions.

Exemptions from billing under SC 4, commencing November 1, 2016, will be available prospectively to the following types of Customers:

- a Customer who notifies the Company in writing that the total nameplate rating of its other energy source(s) used for the same purpose as Con Edison's steam equals no more than 15 percent of the Customer's maximum potential demand for steam served from all sources during the months of December through March; or

³ The Company will continue to waive the surcharge for the first exceedance on an account. Reference Leaf 96.

⁴ The Order, p. 16, refers to the number of months that a plant has been in operation. Because SC 4, Leaf 98, indicates that that SC is applicable if the other energy source has the ability to provide energy either contemporaneously with or in place of the steam service, whether or not the other energy source is in use, the Company interprets this statement as intended to refer to the SC 4 service commencement date.

⁵ The Order, p. 17, refers to "self-supply." However, a customer's alternate energy source might be a gas boiler as opposed to combined heat and power. The Company has assumed that the Order is intended to apply to both.

⁶ Leaf 96.1, filed on March 4, 2016, addresses customer-requested revisions of the contract demand. Based on the Order, the text on that Leaf does not require any change.

- a Customer who notifies the Company in writing that its only other energy source used for the same purpose as Con Edison's steam is a geothermal or solar thermal technology; or
- a Customer who notifies the Company in writing that its only other energy source used for the same purpose as Con Edison's steam is one of the Designated Technologies specified in General Rule 20.3.2 of the Company's Schedule for Electricity Service, P.S.C. No. 10 – Electricity ("Schedule for Electricity Service"). Such customers will be exempt through the end of the electric Designated Technologies exemption period, unless their only other energy source is a geothermal or solar thermal technology.

Customers seeking one of the above exemptions must provide as part of their written notification: (1) the total nameplate rating of the Customer's other energy source(s) in Mlb/hour; and (2) the total maximum potential demand for steam,⁷ in Mlb/hour, as documented in a Load Letter from a professional engineer.

Customers permitted an SC 4 exemption due to a geothermal or solar thermal technology or other Designated Technologies may make a one-time election in writing to be billed prospectively under SC 4, instead of the otherwise applicable Service Classification.

Conclusion and Notice

Pursuant to Ordering Clause 2 of the Order, these changes are being filed on not less than fifteen days' notice to become effective on November 1, 2016. Pursuant to Ordering Clause 3, the requirement for newspaper publication has been waived. The Company plans to notify all SC 4 customers of these changes prior to the effective date of the tariff amendments.

Sincerely,

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

⁷ Electric standby customers are required to provide this type of information as part of their application for electric standby service (Application Form G of the Company's Schedule for Electricity Service, P.S.C. No. 10 – Electricity) even if they are exempt from billing under standby rates. The Company will request comparable information from SC 4-exempt customers.