



Consolidated Edison Company  
of New York, Inc.  
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July 27, 2023

Honorable Michelle L. Phillips  
Secretary to the Commission  
New York State Public Service Commission  
Empire State Plaza  
Agency Building 3  
Albany, New York 12223 - 1350

**RE: Case 22-G-0065, Con Edison's Gas Rate Plan**

Dear Secretary Phillips:

Consolidated Edison Company of New York, Inc. ("Con Edison") is filing with the Public Service Commission (the "Commission") amendments to its Schedule for Gas Service, P.S.C. No. 9 - Gas (the "Gas Tariff"), applicable to its customers in the City of New York and the County of Westchester.

The tariff amendments are issued with an effective date of August 1, 2023. The specific Gas Tariff leaves being revised are identified in Appendix A.

**Reason for Filing**

The Commission's *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements*, issued and effective July 20, 2023, in Cases 22-E-0064, and 22-G-0065 (the "Order"), adopted the Joint Proposal ("JP") set forth in Attachment 1 to the Order.

The Order provides for a three-year gas rate plan ("Gas Rate Plan") in which Rate Years ("RY") 1, 2 and 3 are the twelve-month periods commencing January 1, 2023, January 1, 2024, and January 1, 2025, respectively. Under the Gas Rate Plan, the annual gas delivery service revenue requirement is increased by \$187.2 million (which includes gross receipts tax) in each of RYs 1, 2 and 3. The revenue requirements are levelized during the three years to provide rate stability over the term of the Gas Rate Plan.<sup>1</sup>

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<sup>1</sup> The annual levelized rate changes would result in higher base rates at the end of the three-year term of the Gas Rate Plan than they would otherwise be under a non-levelized approach. Therefore, if the Company does not file for

## **Revenue Allocation and Rate Design**

### **Revenue Allocation**

The revenue allocation for firm customers is described in Appendix 17 of the JP. Table 1 of Appendix 17 summarizes the changes in delivery revenues by Service Classification (“SC”), including the components of the revenue changes.

The percentage changes in revenues and bill changes for the firm service classes are shown in Appendix B.

### **Rate Design**

FIRM:

Appendix 17 of the JP describes the rate design process for firm customers, for which major items are summarized below:

The minimum monthly charges for the firm service classes were increased as follows:

<b>GAS SERVICE CLASSES</b>	<b>RY 1 (2023)</b>	<b>RY 2 (2024)</b>	<b>RY 3 (2025)</b>
SC 1	\$30.00	\$31.67	\$33.23
SC 2 Rate I	\$39.00	\$43.00	\$47.00
SC 2 Rate II	\$39.00	\$43.00	\$47.00
SC 3	\$26.00	\$29.00	\$32.00
SC 13	\$66.86	\$73.71	\$80.57

The Rider J minimum charges were increased by the same percentage increases as the SC 1 and SC 3 minimum charges as follows:

<b>Service Classes</b>	<b>RY 1 (2023)</b>	<b>RY 2 (2024)</b>	<b>RY 3 (2025)</b>
SC 1	\$30.30	\$32.00	\$33.60
SC 3	\$48.60	\$53.60	\$58.70

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new rates to be effective January 1, 2026, the Company will make a compliance filing by December 1, 2025 to set rates effective January 1, 2026 at a level designed to produce non-competitive delivery base rate revenues on an annual basis that are lower by \$49.09 million. The Revenue Decoupling Mechanism targets for the Rate Year commencing January 1, 2026 will also be reduced by \$49.09 million.

The Rider H minimum charges were increased by the same percentage increase as the SC 2 Rate I minimum charge and are set forth in the table below.

DG Capacity	RY 1 (2023)	RY 2 (2024)	RY 3 (2025)
<= 0.25 MW	\$203.15	\$218.98	\$234.57
>0.25 MW and <= 1 MW	\$277.59	\$299.21	\$320.51
> 1 MW and <= 3 MW	\$552.24	\$595.26	\$637.64
> 3 MW and < 5 MW	\$736.07	\$793.41	\$849.90
>= 5 MW and < 50 MW	\$111.45	\$120.13	\$128.68

#### NON-FIRM:

Non-firm rates have been modified as follows for Interruptible Service under SC 9 Rate B and SC 12 Rate 1:

- Volumetric block rates for non-residential customers are set at 70% of each of the SC 2 Rate 2 volumetric block rates.
- Volumetric block rates for residential customers are set at 70% of each of the SC 3 volumetric block rates.
- The monthly minimum charges will remain at \$100.

### **Tariff Changes**

Changes to the Gas Tariff were made in accordance with the Order as follows:

- Low Income Program under Rider E applicable to SC 1 and SC 3 customers: (a) The annual low income program funding was increased from \$24.6 million to \$35.8 million in General Information Section IX.10; (b) the low income reconnection fee waiver program will continue in each RY until the target funding of \$75,000 is reached in that RY in General Information Section III.8.(V); and (c) the difference between the low income program costs embedded in rates and low income discounts provided to customers will continue to be reconciled through the Monthly Rate Adjustment (“MRA”) in General Information Section IX.10.
- Rider D (Excelsior Jobs Program or “EJP”): The percentage discounts were updated for customers who commence service under Rider D on or after August 1, 2023, and are set at 53% for SC 2 Rate I and 40% for SC 2 Rate II.
- AMI Provisions:

- a. Due to AMI, a requirement on Leaf 154.10 for Rider H customers to have interval metering has been removed.
  - b. Due to AMI, requirements for phone lines have been removed throughout the Gas Tariff.
  - c. Added exemption language on Leaf 342 for interruptible customers with AMI because they will no longer be required to provide and maintain communication equipment.
- Updated the per therm supply-related and credit and collections-related components of the Merchant Function Charge (“MFC”) effective August 1, 2023, January 1, 2024, and January 1, 2025 in General Information Section IX.8. Targets amounts will be reconciled for a full 12-month period. Also removed obsolete language under this section.
- The Uncollectible Bill (“UB”) Factors associated with the Gas Cost Factor (“GCF”) and the MRA have been modified as follows:
  - a. The UB factors associated with the GCF and MRA are each reconciled to a system UB factor of 0.60 percent (\$0.60 per \$100) in General Information Sections IX.8 and IX.11, respectively.
  - b. The residential UB factor was set at 0.83 percent (\$0.83 per \$100 of commodity costs), and the non-residential UB factor was set at 0.36 percent (\$0.36 per \$100 of commodity costs) in General Information Section IX.8.
- In General Information Section IX.14, Revenue Decoupling Mechanism (“RDM”) allowed pure base revenues by SC are shown for the period August through December 2023 for RY1, and for RY2, and RY3 based on the Case 22-G-0065 revenue targets identified in Appendix 5 of the JP. Allowed revenues are also shown for January through July 2023 based on Case 19-G-0066 revenue targets. Any shortfall for January through July 2023 due to the extension of the Case 22-G-0065 suspension period will be recovered through the Delivery Revenue Surcharge. General Information Section IX.14 was also modified to indicate that interest will be included in the monthly accrual and deferral balances.
- Make Whole provisions were added to recover or refund revenue under- or over-collections resulting from the seven-month extension of the rate case suspension period: (a) revenue under- or over-collections associated with non-competitive delivery revenues will be recovered or refunded, with interest at the Company’s Pre-tax Weighted Average Cost of Capital, through class- or subclass-specific Delivery Revenue Surcharges, assessed on a per-therm and/or a fixed monthly basis, as described in General Information Section IX.20; (b) Uncollectible expense under- or over-collections associated with the MRA and MFC will be reconciled through each component, over a one-month and a two-month period respectively; and (c) revenue under- or over-collections associated with competitive revenues, with the exception of the billing and payment processing (“BPP”) charge, (including supply- and credit and collection related components of the MFC, and the credit and collection component reflected

in the discount rate under the Purchase of Receivables program) will be reconciled through each component's respective annual reconciliation.

- The Company will continue to recover/credit all supply and supply-related costs through the MFC, MRA, GCF, and Daily Delivery Service ("DDS") mechanisms:

Changes and additions to the MRA are as follows:

1. Modified the language in General Information Section IX.23 Safety and Reliability Surcharge Mechanism ("SRSM") to incorporate the leak prone pipe replacement cap.
  2. Added language for the COVID Late Payment Fee Reconciliation in General Information Section IX.6 to annually recover/refund the reconciliation of actual late payment fee revenues with Commission approved levels included in base rates, plus interest at the Other Customer Provided Capital Rate, and collect/pass back any variance over a subsequent twelve-month period through the MRA.
  3. Added language under General Information Section IX.31 for a new MRA component related to the Reconciliation of Property Taxes to charge or credit customers the amount by which actual annual property taxes differ from Commission approved levels in base rates, plus interest at the Other Customer Provided Capital Rate.
  4. Added language for the COVID Uncollectible Reconciliation Adjustment in General Information Section IX.4 to recover the difference, plus interest at the Other Customer Provided Capital Rate, between the actual annual uncollectible expense and Commission approved levels in rates and collect/pass back any variance.
  5. Modified the Non-Pipeline Alternatives ("NPA") language under General Information Section IX.29 Special Adjustments, which will include the approved NPA Project Amortization Period and the Shareholder Incentive Mechanism.
- The corporate overhead rates charged to customers for special services, such as engineering or construction management, have been updated in General Information Sections IV.2.(B) and (F).
  - Eliminated the "concurrent connections" language in General Information Section III.3.(B)(3)(b) that allowed multiple customers seeking to connect to the Company's gas distribution system to pool their installations and avoid connection costs.
  - Added language throughout tariff related to Local RNG Production and operational procedures required by the Company.

- Added customer protection language to General Information Section III.12(D) modifying the conditions for the termination of service by allowing HEAP payments to be utilized, and not terminating service to residential and elderly, blind and disabled customers during certain weather conditions.
- Updated the Inside Piping Survey/Inspection Fee under General Information Sections III.5.(C) 3 ii (a) & (b) for customers who opt out of outside meter installations.
- Modified language in General Information Section III.8.(C)(2) to indicate that no access fees are to be billed every billing period until access is gained and to recover any legal or law enforcement costs.
- Added a Damaged Meter Fee under General Information Section III.8.(X) to recover the cost of replacing a damaged Company-owned meter in the event the access controller did not exercise reasonable care or the meter was damaged due to tampering.
- Added additional pipelines to the weighted market price of gas calculation to conform with the Company's Gas Sales and Transportation Operating Procedures ("GTOP") under General Information Section III.(14)(E).
- Added the Weather Normalization Adjustment to list of charges applicable to various rates to clarify those provisions.
- Updated the Other Non-Recurring Adjustments under General Information Section IX.19 to remove the reference associated with the credit resulting from Case 10-G-0100.
- Removed the Pipeline Safety Acts Surcharge under General Information Section IX.28.
- Added language on Leaves 232 and 241, regarding the reconciliation of the minimum charge provisions for dual fuel customers to clarify that, in no event shall the customer be charged less than the amount based on their actual consumption during the 12-month period.
- Modified General Information Section III.8.(W)(3) of the AMI Opt-out tariff provision to clarify that opt-out customers are not subject to the meter reading fee for months where the Company does not attempt a manual meter reading.

- Housekeeping Changes:

Housekeeping changes were made as follows:

- a. Modified notification language regarding the reconnection charges under General Information Section III.8.(V) to continue the requirement for the Company to notify parties if the target cost will be reached in any rate year.
- b. Eliminated references to SC 12 Interruptible Temperature Control Option customers throughout the Tariff as approved in Case 19-G-0066.
- c. Removed Rider G and I and associated references throughout the Tariff because these Riders expired on December 31, 2020.
- d. Eliminated obsolete references to the Tax Sur-Credit under General Information Section IX.17 because it has expired.
- e. Clarified the eligibility of Rider J customers under Rider E on Leaves 130, 154.24, and 154.25.
- f. Added new components to the list of MRA items and eliminated obsolete components under General Information Sections VII.(B) and VII.(b)(2).
- g. Removed the obsolete Transition Surcharge for Capacity Costs language under General Information Section IX.4.
- h. Removed obsolete Load Following Charge language under General Information Section IX.6 and the associated references throughout the Gas Tariff.
- i. Removed obsolete Manhattan Transmission Project Surcharge language under General Information Section IX.31.
- j. For clarification, exemptions to the SC2 ratio calculation were added on Leaves 230, 235, and 235.1.
- k. Eliminated the references to the annual interruptible reconciliation of SC12, Interruptible Rate 1 on Leaves 274 and 332 since it is no longer required.
- l. Eliminated SC12 Rate 2 rates on Leaves 275, 333, 334 that are no longer being offered.
- m. Modified language on Leaves 332 and 333 to clarify the interruptible and the off-peak firm commodity rates.
- n. Added language on Leaf 349 to clarify the penalty rate for off season usage under SC-13.
- o. Clarified on Leaf 378 the exclusion days for cost of gas related to the cashout charge for interruptible daily balancing service to conform to language existing in the Company's Gas Sales and Transportation Operating Procedures ("GTOP").
- p. Removed obsolete language related to the Credit and Collections component of the POR Discount Percentage on Leaf 397.3.
- q. To be consistent with the Electric Tariff, the 20 MW upper limit for customers served under General Rules 20.4.5 and 20.4.6 of the Electric Tariff, was eliminated from

General Information Sections VI.(H)(4) on Leaf 154.11 and VI.(F)(4) on Leaf 154.26 and SC 9 Miscellaneous Provision (K) on Leaf 323.

- r. Removed the obsolete reference to Transition Adjustment for Competitive Services under General Information Section IX.7.
- s. Clarified the governmental programs needed for customer eligibility under Low Income Rider E on Leaf 130 Section (C).
- t. Updated the rate case reference for the Interconnection Plant Surcharge in General Information Section IX.27.

### **Statement Filings**

This filing includes the following statements:

- Statement of Delivery Revenue Surcharge – SDR Statement No. 18
- Statement of Low Income Customer Affordability Assistance Discount Program Discounts – LIC Statement No. 3
- Statement of Purchase of Receivables Discount Percentage - DISC Statement No. 7

### **Conclusion and Notice**

As directed by Ordering Clause 3 of the Order, the Company has filed its tariff amendments to take effect on a temporary basis, on five days' notice, to become effective August 1, 2023.

As directed by Ordering Clause 4, the Company is serving copies of this filing electronically upon all active 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



## Appendix A

Page 1 of 2

**PSC No. 9 - Gas: List of Revised Tariff Leaves**

Leaf <u>No.</u>	Revision <u>No.</u>	Superseding <u>Revision No.</u>	Leaf <u>No.</u>	Revision <u>No.</u>	Superseding <u>Revision No.</u>	Leaf <u>No.</u>	Revision <u>No.</u>	Superseding <u>Revision No.</u>
4	17	15	154.13	4	2	235	14	12
5	23	21	154.14	5	3	235.1	1	
6	17	16	154.15	5	3	240	35	33
7	2	1	154.16	4	2	241	8	6
12	8	6	154.17	8	6	243	27	25
13	6	4	154.18	29	27	251	12	10
30	4	2	154.19	5	3	255	27	25
31	5	3	154.24	29	27	259	14	12
44	4	2	154.25	26	24	261	6	4
48	4	2	154.26	16	15	264	15	13
76.1	13	11	155	22	21	269	29	27
76.2	5	4	156	22	20	274	18	16
77.2	1	0	157.1	18	17	275	13	11
78	3	2	158	18	16	279	11	9
79	2	1	166.2	17	15	300.3	14	12
84	1	0	166.3	4	3	303.3	3	1
85	4	2	167.1	9	7	316	12	10
87	8	6	171	11	9	316.1	11	9
89	6	4	173	10	8	317	11	9
117	11	9	176	7	5	318	7	5
127	8	6	177	15	13	323	8	7
128	15	13	178	20	18	326	11	9
129	8	6	178.1	16	14	326.1	9	7
130	8	6	178.2	7	5	327	11	9
148	4	2	180	19	17	329	9	7
149	4	2	181	23	21	330	11	9
150	2	0	181.1	10	8	331	13	11
151	2	0	181.2	11	9	332	20	18
152	28	26	183	23	21	333	7	5
153	2	0	183.1	24	22	334	7	5
154	3	1	183.2	17	15	341.1	11	9
154.6	25	23	183.4	4	3	342	11	9
154.7	12	10	183.5	6	5	349	34	32
154.8	25	23	183.6	7	6	378	7	5
154.9	31	29	228	36	34	385	7	5
154.10	8	6	230	29	27	389.3	8	6
154.11	9	7	232	4	2	397.1	8	6
154.12	4	2	234	23	21	397.3	12	10

**PSC No. 9 - Gas: List of Revised Tariff Leaves**

<u>Statements</u>	<u>Statement Type</u>	<u>Statement No.</u>
Statement of Low Income Customers Affordability Assistance Program Discount	LIC	3
Statement of Delivery Revenue Surcharge	SDR	18
Statement of Purchase of Receivables Discount Percentage	DISC	7

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**

Estimated Effect on Gas Customers' Bills and Company Revenues Resulting from Proposed Gas Rates  
Based on Forecasted Sales and Revenues for the Twelve Months Ending December 31, 2023 for Service Classification Nos. 1, 2, 3, 13 and 14  
and the Corresponding SC 9 Firm Transportation Sub-classes

Firm Service Classification (Sales and Transportation)	Annual Therms	Total Annual Revenues at Current 01/01/22 Rates (b) (c)	Total Annual Revenues at Proposed Rates (b) (c)	Estimated Total Annual Revenues Increase/(Decrease)(d)	Percent Change	Number of Customers' Bills Increased	Number of Customers' Bills Decreased	Number of Customers' Bills Not Changed (e)
1 - Residential & Religious	38,829,495	\$ 284,571,001	\$ 304,555,546	\$ 19,984,544	7.0%	6,935,282	0	0
2 - General - Rate I (a)	233,898,556	296,954,834	312,906,683	15,951,848	5.4%	840,382	0	0
2 - General - Rate I - Distribution Generation	74,130,000	59,668,141	61,584,905	1,916,765	3.2%	2,205	0	0
2 - General - Rate II (a)	344,355,210	468,597,250	502,659,591	34,062,342	7.3%	747,703	0	0
2 - Total Commercial	652,383,766	825,220,225	877,151,179	51,930,955	6.3%	1,590,290	0	0
3 - Residential & Religious - Heating (a)	1,013,984,334	1,647,956,974	1,767,298,302	119,341,328	7.2%	3,355,406	185,162	40
3 - Res. & Rel. - Heating Rider J	30,000	37,141	39,550	2,409	6.5%	84	0	0
13 - Seasonal Off Peak Firm Service	590,000	838,276	895,347	57,070	6.8%	2,584	0	0
14 - Natural Gas Vehicles + Negotiated Contracts	24,120,000	15,709,380	15,737,155	27,775				
<b>Total Firm Sales &amp; Firm Transportation</b>	<b>1,729,937,594</b>	<b>\$ 2,774,332,998</b>	<b>\$ 2,965,677,079</b>	<b>\$ 191,344,081</b>	<b>6.9%</b>	<b>11,883,646</b>	<b>185,162</b>	<b>40</b>

(a) Gas air-conditioning is included in SC 2 and SC 3.

(b) Annual Revenues:  
include gas cost factor, monthly rate adjustment, merchant function charges and various other charges used in calculating Rate Year Revenues;  
include gas supply costs for transportation customers equivalent to the supply costs applicable to full service customers;

(c) Number of customers' bills not changed have bill impacts ranging from -0.01% to 0.01%.