



Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York NY 10003
www.conEd.com

August 29, 2011

Hon. Jaclyn A. Brillling
Secretary
Public Service Commission
State of New York
Three Empire State Plaza
Albany, New York 12223

Re: Case 09-S-0794, Steam Rate Case

Dear Secretary Brillling:

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, 2011.

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 the terms and conditions of the three-year steam rate plan contained in the May 18, 2010 Joint Proposal filed in Cases 09-S-0794 and 09-S-0029, except as modified by Ordering Clause 1 of the Order.

The Order provided for levelized base rate increases of \$49.5 million, including gross receipts taxes, in each of the three rate years. The Order also provided for the reallocation of \$7.5 million of East River Repowering Project ("ERRP") fuel costs from the Company's electric system to the steam system beginning with the second rate year ("RY 2"), which commences October 1, 2011.¹

¹ The reallocation of ERRP fuel costs will be reflected in the fuel adjustment beginning with the fuel adjustment effective November 9, 2011, based on fuel costs for the month of October 2011.

The Company is hereby filing RY 2 rates that provide for a base rate increase of \$49.5 million. Appendix B shows the estimated effect of the RY 2 rate increase on customers' bills and Company revenues based on sales and revenues for the historical period, i.e., the twelve months ended June 30, 2009,² including the reallocation of \$7.5 million of ERRP fuel costs.

Rate Changes

Allocation of Rate Increase Among the Customer Classes

The \$49.5 million revenue increase, excluding gross receipts taxes, was allocated to the Company's Service Classifications ("SC"s) pursuant to Appendix H, page 1, of the Joint Proposal. Specifically, the revenue increase was allocated as follows:

- The Company applied an overall pure base rate percentage increase to SCs 1, 2, 3 and corresponding SC 4 pure base revenues at current October 1, 2010 rates. The overall pure base rate percentage increase was developed by dividing the Rate Year revenue increase by the total Rate Year system pure base revenues. Rate Year "pure base revenues" means service class base revenues less the base cost of fuel, which includes the component in the Customer Charge relating to the fuel costs associated with steam line losses ("fixed fuel component").
- For rate design purposes, each class's assigned rate year increase was restated on the basis of the historical period by dividing the rate year increases by a ratio representing the relationship of Rate Year pure base revenues to historical period pure base revenues.

Except where the terms of negotiated contracts specifically reference tariff rates, the revenue increases were not allocated to customers with negotiated contracts, since their charges are fixed by contract. Also, SC 6 was not allocated any of the revenue increase because there are presently no customers taking service under that SC.

Rate Design Within the Classes

The SC 1, 2 and 3 Rates were designed to collect the increased revenue requirement assigned to each class, pursuant to Appendix H, page 2, of the Joint Proposal. First, the customer charges were increased. The customer charges in SC 1 and in SC 3 Rate II, excluding the fixed fuel component, were increased by 1.1 times and 1.5 times the overall pure base revenue percentage increase, respectively. The SC 2 Rate I (Non-Demand), SC 2 Rate II (Demand), and

² The rate increase of \$49.5 million represents approximately a 12.6 percent increase to pure base revenues or 6.5 percent on total bills. Since pure base revenues represent only about 51 percent of the total average bill, the 6.5 percent total bill impact is more representative of what customers take into account when considering the actual bill impacts. The total rate increase, including the reallocation of \$7.5 million of ERRP fuel costs, represents a 7.5 percent increase on total bills.

SC 3 Rate I (Non-Demand) customer charges, excluding the fixed fuel component, were increased by the overall pure base revenue percentage increase. After increasing the customer charges, the applicable energy and demand rates in each class were proportionally increased to recover the balance of each class's assigned rate increase.

Pursuant to Appendix H, page 3, of the Joint Proposal, the SC 4 back-up/supplementary service rates and SC 6 transportation rates were designed consistent with the SC 4 and SC 6 rate designs approved by the Commission's Opinion and Order Adopting Terms of Settlement in Case 99-S-1621, issued and effective December 1, 2000. That is, SC 4 and SC 6 rates were designed to recover the same revenues that would be recovered if all eligible customers were billed under the applicable SC 2 or SC 3 rates. Specifically, SC 4 and 6 Rate I and Rate II Customer Charges were set equal to the revised SC 2 and SC 3 Rate I (Non-Demand) Customer Charges, respectively, and the SC 4 and 6 Rate III and IV Customer Charges were set equal to the revised SC 2 and SC 3 Rate II (Demand) Customer Charges, respectively. For SC 4, the balance of the required annual class revenues will be collected through Contract Demand Charges and winter Usage Charges. During the summer months, the usage charge applicable to on and off-peak period customers will be equal to the base cost of fuel. For SC 6, the balance of required annual class revenues will be collected through the Contract Demand and Usage Charges.

Other

Pursuant to section V.G of the Joint Proposal, the Company is enclosing with this filing a revised statement of Rate Adjustment Clause ("RAC"), RAC Statement No. 4.

Conclusion and Notice

As directed by Ordering Clause 4 of the Order, the Company has filed its tariff amendments to take effect on a temporary basis, on no less than thirty days' notice. The tariff leaves have an effective date of October 1, 2011.

Publication of notice of these revisions is scheduled for September 9, 16, 23, and 30. As directed by Ordering Clause 5 of the Order, the Company is serving copies of this filing upon all parties to Case 09-S-0794 electronically or, where a party cannot accept electronic service, by first class mail.

Sincerely,

/s/ Christine Colletti

Christine Colletti

Director

Rate Engineering Department

List of Tariff Leaves Effective October 1, 2011

PSC No. 4 - Steam

Leaf 68 – Revision 5
Superseding Revision 4

Leaf 71 – Revision 4
Superseding Revision 3

Leaf 73 – Revision 4
Superseding Revision 3

Leaf 74 – Revision 4
Superseding Revision 3

Leaf 81 – Revision 4
Superseding Revision 3

Leaf 83 – Revision 4
Superseding Revision 3

Leaf 84 – Revision 4
Superseding Revision 3

Leaf 91 – Revision 4
Superseding Revision 3

Leaf 92 – Revision 4
Superseding Revision 3

Leaf 93 – Revision 4
Superseding Revision 3

Leaf 94 – Revision 4
Superseding Revision 3

Leaf 102 – Revision 4
Superseding Revision 3

Leaf 103 – Revision 4
Superseding Revision 3

Leaf 104 – Revision 4
Superseding Revision 3

Leaf 105 – Revision 4
Superseding Revision 3

Statement of Rate Adjustment Clause – RAC Statement No. 4

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 STEAM - Estimated Effect on Customers' Bills and Company Revenues Resulting from
 New Steam Rates Effective October 1, 2011 - Based on Sales and Revenues for the Twelve Months Ended June 30, 2009

Appendix B

SERVICE CLASSIFICATION	TOTAL REVENUE AT CURRENT RATES EFFECTIVE 10/1/2010 (1)	TOTAL REVENUE AT PROPOSED RATES EFFECTIVE 10/1/2011 EXCLUDING ADDITIONAL ERRP FUEL COST OF \$7.5 MILLION (2)	CHANGE * FROM CURRENT RATES (3)=(2)-(1)	% CHANGE * FROM CURRENT RATES (3A)=(3)/(1)	TOTAL REVENUE AT PROPOSED RATES EFFECTIVE 10/1/2011 INCLUDING ADDITIONAL ERRP FUEL COST OF \$7.5 MILLION (4)	CHANGE ** FROM CURRENT RATES** (5)=(4)-(1)	% CHANGE ** FROM CURRENT RATES (5A)=(5)/(1)	ESTIMATED NUMBER OF CUSTOMERS' BILLS		
								INCREASE	DECREASE	UNCHANGE
								(6)	(7)	(8)
1- GENERAL SERVICE	\$30,502,006	\$33,032,809	\$2,530,803	8.3%	\$33,220,220	\$2,718,214	8.9%	6,108	0	0
2- ANNUAL POWER SERVICE - RATE I - NON DEMAND	\$96,712,524	\$104,281,617	\$7,569,093	7.8%	\$105,029,582	\$8,317,058	8.6%	4,176	0	0
2- ANNUAL POWER SERVICE - RATE II - DEMAND	\$445,022,819	\$473,052,411	\$28,029,592	6.3%	\$477,714,540	\$32,691,721	7.3%	3,647	0	0
3- APARTMENT HOUSE SERVICE - RATE I - NON DEMAND	\$95,236,629	\$101,673,498	\$6,436,869	6.8%	\$102,574,801	\$7,338,172	7.7%	5,508	0	0
3- APARTMENT HOUSE SERVICE - RATE II - DEMAND	\$119,386,170	\$126,563,823	\$7,177,653	6.0%	\$127,885,525	\$8,499,355	7.1%	1,608	0	0
4- BACKUP/SUPPLEMENTARY SERVICE	\$16,318,175	\$17,405,959	\$1,087,784	6.7%	\$17,564,727	\$1,246,552	7.6%	156	0	0
TOTAL	\$803,178,323	\$856,010,117	\$52,831,794	6.6%	\$863,989,395	\$60,811,072	7.6%	21,203	0	0

Notes:

* Based on sales and revenues for the rate year ending September 30, 2012, the increase in Con Edison Steam revenues equates to \$49.5 million or 6.5%

** Based on sales and revenues for the rate year ending September 30, 2012, the increase in Con Edison Steam revenues inclusive of the \$49.5 million rate increase and \$7.5 million additional ERRP fuel cost equates to an overall increase of 7.5%