



Consolidated Edison Company
of New York, Inc.
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December 2, 2014

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

RE: Case 13-G-0031, Con Edison Gas Rate Case

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 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 Company's Tariff Leaves are issued to become effective on January 1, 2015. The specific Gas Tariff Leaves and Statements being revised are identified in Appendix A attached hereto.

Reason for Filing

The Commission's Order Approving Electric, Gas and Steam Rate Plans in Accord With Joint Proposal, issued and effective February 21, 2014, in Case 13-E-0030 et al. (the "Order") adopted the Joint Proposal ("JP") set forth in Appendix A of the Order, with certain modifications.

The Order approved a three-year gas rate plan in which Rate Years ("RY") 1, 2 and 3 are the twelve-month periods commencing January 1, 2014, January 1, 2015 and January 1, 2016, respectively. Under the rate plan, the gas delivery service revenue requirement was decreased by \$54.602 million in RY1, and increased by \$38.620 million and \$56.838 million in RY2 and RY3, respectively. The revenue requirements for RY1, RY2 and RY3 were then levelized to reflect no overall revenue change over the three rate years. The tariff amendments being filed herewith include the rates for the second year of the Gas Rate Plan in compliance with the Order.

Revenue Allocation and Rate Design

Revenue Allocation

The revenue allocation for firm customers is described in Appendix 21 of the JP.

A portion of the RY2 delivery revenue was assigned to competitive service revenues in setting the rates for (1) the supply-related component of the Merchant Function Charge ("MFC"), excluding changes to the gas in storage working capital cost component; (2) the credit and collection-related component of the MFC and (3) the billing and payment processing ("BPP") charge. The balance of the delivery revenue applicable to each class was then used in setting the non-competitive delivery rates for each class. The competitive and non-competitive delivery rates result in no overall revenue change.

While there is no overall change in total delivery revenues for the firm service classes as a whole, there are changes in delivery revenues by service classification ("SC"), which are shown on Appendix B, attached hereto.

In addition, the RY2 allocation of the total credit and collection target between the MFC and the credit and collection component of the purchase of receivables ("POR") discount is shown on Appendix C, attached hereto.

Rate Design

FIRM:

Appendix 21 of the JP describes the rate design process for rates for firm service.

NON-FIRM:

Pursuant to the JP, a \$100 monthly minimum charge for Rate 1 interruptible customers was to be phased-in over the three Rate Years in equal increments. Accordingly, the monthly minimum charge has been increased from \$33.33 in RY1 to \$66.66 for RY2.

Other:

Factor of Adjustment

The Company has updated the factor of adjustment ("FOA") for RY2 as described in General Information Section VII.(A)(d) of the Gas Tariff. The FOA for RY2 is 1.0197.

Statements

The Company is filing an updated Statement of Rate Adjustment Clause – RAC Statement No. 7.

The Company is also filing a Statement of Delivery Revenue Surcharge – SDR Statement No. 3 to the Gas Tariff. Effective January 1, 2015, this statement will cease recovery or pass back of amounts related to the collection of Pure Base Revenue shortfalls that resulted from the extension of the Case 13-G-0031 suspension period. Consistent with General Information IX. 20 of the Gas Tariff (Leaf 183.2), the Company will file a subsequent statement to reconcile any differences between amounts required to be collected and the actual amounts collected under the Gas Tariff. The Company expects to file this statement (i.e., SDR Statement No. 4) for rates effective February 1, 2015.

Conclusion and Notice

Pursuant to Ordering Clause 5 of the Order, this filing is being made on not less than 30 days' notice to go into effect on a temporary basis on January 1, 2015.

The Company will publish notice of the proposed tariff changes on December 9, 16, 23 and 30, 2014. Copies of this filing are being sent electronically to the active party list in 13-G-0031.

Sincerely,

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

Appendix A

PSC No. 9 - Gas: List of Tariff Changes

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Rev. No.</u>
128	8	7
152	17	16
154.6	12	11
154.8	12	11
154.9	15	14
154.18	15	14
154.24	15	14
154.25	12	11
154.26	12	11
157.1	6	5
228	21	20
230	18	17
234	12	11
240	21	20
243	13	12
269	19	18
270	18	17
271	18	17
272	15	14
274	11	10
349	20	19

<u>Statement</u>	<u>Statement Type</u>	<u>Statement No.</u>
Statement of Rate Adjustment Clause	RAC	7
Statement of Delivery Revenue Surcharge	SDR	3

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, 2015 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 01/01/14 Rates (b) (c)	Total Annual Revenues at Proposed Rates (b) (c)	Estimated Total Annual Revenues Increase/(Decrease)	Percent Change	Number of Customers' Bills Increased	Number of Customers' Bills Decreased	Number of Customers' Bills Not Changed
1 - Residential & Religious	42,940,000	\$ 213,700,883	\$ 214,183,738	\$ 482,855	0.2%	2,779,873	0	5,174,290
2 - General - Rate I - Non-Heating (a)	200,451,448	\$ 247,055,592	\$ 248,802,981	\$ 1,747,389	0.7%	515,604	13	243,411
2 - General - Rate I - Distribution Generation	37,300,000	\$ 32,670,385	\$ 32,781,082	\$ 110,697	0.3%	869	0	36
2 - General - Rate II - Heating (a)	313,426,620	\$ 397,721,003	\$ 395,575,524	\$ (2,145,479)	-0.5%	207	610,248	167,177
2 - Total Commercial	551,178,068	\$ 677,446,979	\$ 677,159,587	\$ (287,393)	0.0%	516,681	610,261	410,624
3 - Residential & Religious - Heating (a)	728,704,729	\$ 1,035,343,967	\$ 1,035,144,839	\$ (199,128)	0.0%	64	5,015	3,661,103
13 - Seasonal Off Peak Firm Service	970,000	\$ 1,002,738	\$ 1,006,403	\$ 3,665	0.4%	1,871	0	2,794
14 - Natural Gas Vehicles	190,000	\$ 451,702	\$ 451,702	\$ 0	0.0%	0	0	0
Total Firm Sales & Firm Transportation	1,323,982,797	\$ 1,927,946,269	\$ 1,927,946,269	\$ 0	0.0%	3,298,489	615,276	9,248,810

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

(b) Annual Revenues reflect the gas cost factor and monthly rate adjustments, merchant function charges and various other charges used in calculating Rate Year Revenues.

(c) Annual Revenues include gas supply costs for transportation customers equivalent to what these customers would have paid as full service customers.

Consolidated Edison Company of New York Inc.
Case 13-G-0031
Rate Design Targets

	Supply MFC	C&C MFC	C&C POR	C&C Total *	BPP	Non-Competitive
Rate Year 1	\$ 2,812,413	\$ 3,954,724	\$ 2,294,337	\$ 6,249,061	\$ 7,868,300	\$ 930,382,677
Rate Year 2	\$ 2,881,320	\$ 4,050,800	\$ 2,351,368	\$ 6,402,168	\$ 7,897,545	\$ 952,242,227
Rate Year 3	\$ 2,948,321	TBD	TBD	\$ 6,551,043	\$ 7,926,319	\$ 974,540,325

* The allocation of the C&C Total for Rate Year 2 and Rate Year 3 between the C&C MFC and C&C POR will be reflected in the compliance filing for each respective Rate Year.