



Consolidated Edison Company
of New York, Inc.
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February 16, 2017

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

**RE: Case 16-E-0060 and Case 16-E-0196, Con Edison's Electric Rate Case –
Standby Service General Rule 20.3.4**

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. ("Con Edison") is filing with the Public Service Commission (the "Commission") amendments to its Schedule for Electricity Service, P.S.C. No. 10 – Electricity (the "Tariff"), applicable to its customers in the City of New York and the County of Westchester.

The Company's Tariff Leaves, identified below, are issued to become effective on February 17, 2017:

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
162.4	1	0
162.5	0	

Reason for Filing

On January 31, 2017, the Company filed Tariff changes, to become effective on February 1, 2017, pursuant to the Commission's Order Approving Electric and Gas Rate Plans, issued and effective January 25, 2017, in Cases 16-E-0060, 16-G-0061, and 16-E-0196 (the "2017 Order"). The 2017 Order adopted the Joint Proposal ("JP"), set forth in Attachment A to the 2017 Order, establishing a three-year rate plan.

The Company's filing made multiple changes to its rules regarding Standby Service, including providing targeted exemptions from Standby Service rates for up to ten years to customers who newly install or expand efficient combined heat and power ("CHP") generation facilities with an aggregated capacity of 1 MW or greater and customers who newly install battery energy storage of 50 kW or greater. Eligible customers must meet requirements set forth

in new General Rule 20.3.3 and new General Rule 20.3.4. Subparagraphs (b), (c), and (d) of General Rule 20.3.4 contain requirements agreed upon by the collaborative that was established in Case 16-E-0060 pursuant to Appendix 20 of the JP (the “Collaborative”). For example, the CHP facilities of customers that receive targeted exemptions must be designed to meet certain NOx emissions standards, which are based on generator size, if located in zip codes specified in General Rule 20.3.4. In addition, all customers who receive targeted exemptions must provide information to the Secretary of the Public Service Commission.

Two letters were filed with the Commission by Consumer Power Advocates (“CPA”) – on February 10 and February 11, 2017 – asserting two omissions to General Rule 20.3.4 (Leaf 162.4) in the Company’s Tariff filing of January 31, 2017. First, CPA indicates that the Company should state the reporting requirement deadlines by participants in the Standby Rate Pilot¹ to the Commission’s Secretary. Second, CPA states that the Tariff’s references to MW limits of “up to 1 MW” and “up to 2 MW” leave gaps at equal to 1 MW and 2 MW. As explained below, this filing makes a change for the first item and for the second item this letter makes clear that there is no gap in the tariff language as filed.

Company Response

Item 1: Reporting Requirements

CPA’s February 10 letter proposes that text be added to the Tariff to mirror text adopted by the Collaborative. The Company discussed this with the Collaborative at its February 13, 2017 meeting, and participants agreed that reporting deadlines should be in the tariff. The Company has, thus, added to its Tariff the dates by which information must be provided to the Commission’s Secretary. Note that the Company modified the Collaborative’s proposed language to reflect that the tariff currently specifies Option 1 (*i.e.*, the targeted exemptions), but not Option 2, of the Standby Rate Pilot. Also, because the Tariff is the Company’s agreement with its customers (*i.e.*, the rates, terms and conditions under which electric service will be furnished), the Tariff specifies the filing requirements that were established by the Collaborative for participants, but not for the Company.² As a result, the Company did not tariff text that the Company may request confidential treatment in its filings with the Secretary. Such text was added for targeted-exemption participants.

Item 2: “Up to”

CPA’s February 10 letter states that the provisions should be amended to state “up to or equal to.” Its February 11 letter states that the provisions should be amended to state “up to and including.” This is unnecessary.

¹ As described in Appendix 20 of the JP, the Standby Rate Pilot has two options: Option 1 is a targeted 10-year exemption; Option 2 is a standby pilot rate. Option 1 has been tariffed, but Option 2 has yet to be developed and filed with a proposed effective date of January 1, 2018.

² During the term of the Standby Rate Pilot, the Company is required to inform the Secretary of the Commission, on a quarterly basis, of the participants added to the Standby Rate Pilot.

The tariff references on Leaf 162.4 are “up to 1 MW,” “above 1 MW up to 2 MW” and “above 2 MW.” Clearly, “up to” is also “inclusive of.” Moreover, this is no different from instances in which the Commission uses the term “up to” and where the intent is equally clear. For example, the Commission’s Standardized Interconnection Requirements and Application Process for New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems” approved by the Commission’s Order issued and effective January 25, 2017, in Case 16-E-0560, refers to generators of “50 kW or less” and those “above 50 kW up to 5 MW.”

Conclusion and Notice

As directed by Ordering Clause 3 of the 2017 Order, the Company has filed its Tariff Leaves to take effect on a temporary basis, on one day’s notice, effective February 17, 2017.

As directed by Ordering Clause 4 of the 2017 Order, the Company is serving copies of this filing electronically upon all parties to this proceeding.

Newspaper publication of the electric rate-year changes is scheduled for February 8, 15, and 22 and March 1, 2017. Because this filing makes no substantive changes to the filing made on January 31, 2017, the Company requests waiver of newspaper publication beyond the publication that is already in process.

Sincerely,

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