



Consolidated Edison Company
of New York, Inc.
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December 20, 2011

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

**RE: Case 09-S-0794, Steam Rate Plan, and Case 09-S-0029, Hudson Avenue --
Steam Peak Reduction Pilot Programs**

Dear Secretary Brilling:

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 (the "rate schedule"), applicable to its steam customers in the Borough of Manhattan, New York City.

The tariff leaves filed herewith are identified below:

Leaf No.	Revision No. ¹
49.1	1
49.2	1
49.3	1
49.4	1
49.5	1
49.6	1
49.7	1
49.8	1
49.10	1
49.11	1
49.14	1
53	3

¹ No changes are required to Leaf 49.9 (revision 0), Leaf 49.13 (revision 0), Leaf 50 (revision 3), Leaf 51 (revision 2), and Leaf 54 (revision 2), which were filed on July 28, 2011, or to Leaf No. 49.12 (revision 1), which was filed on September 1, 2011. These leaves also have an effective date of December 23, 2011.

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Reason for Filing

On July 28, 2011, the Company filed tariff changes proposing to establish Rider F - Demand Response ("DR") Pilot Programs and Rider G - Customer Sited Supply ("CSS") Pilot Program. The Company also proposed cost and lost revenue recovery through the Special Monthly Adjustments and the cost of fuel, as applicable. The filing had a proposed effective date of October 17, 2011. The effective date of the tariff leaves was postponed twice, which extended the proposed effective date to December 23, 2011.

After parties filed comments in response to the Company's tariff filing, the Company agreed to modifications to Rider F and Rider G. The Company filed its last changes to the Riders on November 22, 2011,² as redlined, draft versions. Among changes proposed to Rider F were: (a) permitting participants to switch to electric chillers except during electric demand response periods called by the Company or the NYISO and permitting participants to switch to gas boilers except during gas interruption or curtailment periods as prescribed under the Company's Schedule for Gas Service; (b) commencing the Winter Pilot Program on January 1, 2012, and expanding the Winter Pilot to two winter periods; (c) allowing customers to prospectively adjust their Contracted Load Reduction ("CLR") once during the term of each winter period in the Winter Pilot Program and once during the term of the Summer Pilot Program; (d) providing a one-time payment to a customer for each winter period in which the customer enrolls and requiring a refund of the payment only if the customer provided less than 2 Mlb/hour during the second winter period of the Winter Pilot Program;³ (e) paying for actual load reductions of up to 140 percent, rather than 100 percent, of the CLR, but no less than 2 Mlb/hour or more than 10 Mlb/hour; and (f) removing the requirement that customers provide "any other information" as may reasonably be requested by the Company for its data review. Among the changes proposed to Rider G were: (a) eliminating the requirement that participants be steam customers or applicants as of the effective date of the Rider; (b) commencing the pilot program on January 1, 2012; (c) clarifying that participants will have a minimum term of service of five years, terminable by the customer any time after one year upon thirty days' prior written notice and by the Company in accordance with law or the rate schedule; (d) renaming the "Maximum Steam Export Quantity" the "Maximum Export Quantity" and paying for up to 110 percent, instead of 100 percent, of the Maximum Export Quantity; (e) requiring that customers provide information for the Company's data review; and (f) clarifying that the liability provisions under Rider G are in addition to those in General Information Section 3.6 of the rate schedule.

On December 16, 2011, the Commission issued its Order Approving Steam Demand Response and Supply Pilot Programs With Modifications (the "Order"), issued and effective

² A corrected attachment was filed for Rider G on November 23, 2011.

³ No change was proposed to the Summer Pilot Program one-time payment or refund.

December 16, 2011. The Order approved the language of the November draft Riders, with modifications. Specifically, the Order directed that the Company make the following changes:

- add language to Rider F to expand the conditions under which it can call an event for both the Winter Pilot Program and the Summer Pilot Program (Order, p. 9);
- make payment under Rider F for actual load reductions that fall within 80 percent and 120 percent of the CLR, but no less than 2 Mlb/hour or more than 10 Mlb/hour (Order, p. 13); and
- expand the Data Review section in Rider G to indicate that participants must provide performance information to the Company on a time-of-day basis, including steam volumes, outage rates, heat rates, and emissions data, subject to appropriate confidentiality protection at the customer's request (Order, p. 8).

The Order also approved recovery of program costs and lost revenues through the Special Monthly Adjustments and recovery of the cost of steam purchased from Rider G participants through the cost of fuel, as proposed in the Company's July 28, 2011 filing, with one exception. The Order indicated that the Company may recover Rider G program costs and lost revenues associated with Rider F and Rider G through the Special Monthly Adjustments upon approval by the Commission (Order, p. 20).

This filing makes the changes directed by the Order.

Notice and Conclusion

Copies of this filing are being forwarded electronically to all parties to Case 09-S-0794 and Case 09-S-0029.

Pursuant to Ordering Clause 3 of the Order, this filing has been filed on no less than one day's notice to become effective on December 23, 2011. Pursuant to Ordering Clause 4 of the Order, the requirement for newspaper publication has been waived.

Sincerely,

/s/ Christine Colletti

Christine Colletti

Director

Rate Engineering Department