

PSC NO: 12 – Electricity
Consolidated Edison Company of New York, Inc.
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Revision: 1
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PASNY DELIVERY SERVICE

Additional Delivery Charges and Adjustments - Continued

(F) Smart Grid Surcharge

A Smart Grid Surcharge is applicable to service under this Rate Schedule to reflect costs to be collected for approved Smart Grid projects, as directed by the Public Service Commission in Case 09-E-0310. Costs will be collected for each project based on the date that each unit of project work is placed or expected to be placed in service, except for costs associated with the Smart Grid Demonstration Project, which will be collected over a five-year period.

The total amount to be collected by the Company under this Rate Schedule and the Schedule for Electricity is composed of the incremental revenue requirement associated with the Company's capital and operating expenditures for Smart Grid projects. The revenue requirement includes incremental depreciation, taxes, and operating expenses (including incremental direct and associated indirect costs and contractor costs) for Smart Grid projects and a return on capital, adjusted for annual operational savings or other benefits once a project is placed in service. Customers' share of project costs excludes grants received in connection with these projects, such as grants received from the U.S. Department of Energy under the American Recovery and Reinvestment Act and, if received, a grant from the New York State Office of Science, Technology and Academic Research under the 10% State Innovation Economy Matching Grant Program.

Costs of Smart Grid project work have been moved into base rates. The Smart Grid Surcharge in effect for the ten months commencing March 2014 will reflect the following:

- (1) a refund of the revenue requirement associated with the units of project work that were surcharged through December 2013 but not placed in service during calendar year 2013. The amount to be refunded under this Rate Schedule will be determined by multiplying the total amount to be refunded by the ratio of forecasted Rate Year Delivery Revenues under this Rate Schedule to total combined forecasted Rate Year Delivery Revenues under this Rate Schedule and the Schedule for Electricity for the Rate Year that commences March 2014;
- (2) a refund of Smart Grid amounts that were surcharged under this Rate Schedule in January and February 2014; and
- (3) an adjustment that reconciles prior periods.