



Consolidated Edison Company
of New York, Inc.
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December 21, 2018

Honorable Kathleen H. Burgess
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

**RE: Case 17-M-0815, Proceeding on Motion of the Commission on Changes in Law
that May Affect Rates**

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (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 Tariff leaves and Statement filed herewith, which are identified in Appendix A, have an effective date of January 1, 2019.

Reason for Filing

This filing is being made pursuant to the Commission’s Order Determining Rate Treatment of Tax Changes, issued and effective August 9, 2018 in the above proceeding (“Order”). The Order directed the Company to implement sur-credits related to the tax savings from the Tax Cuts and Jobs Act of 2017 (“Tax Sur-credit”).

Tariff Changes

Pursuant to the Order, the Company is adding “Tax Sur-Credit” to General Information Section IX, “Special Adjustments” and to Other Rates, Charges and Adjustments under Service Classification No. 9 of the Gas Tariff. It specifies that Customers will receive sur-credits per term, as shown on the Statement of Tax Sur-credit, commencing January 1, 2019. The following tax saving elements are included in the Company’s gas Tax Sur-credit calculation: (1) the annual ongoing tax savings effective January 1, 2019, (2) an amortization of the calendar year 2018 tax savings over a three-year period, and (3) an amortization of the protected and unprotected excess accumulated deferred federal income tax reserve balances over the life of the assets.

The Tax Sur-credits will be allocated to firm gas Service Classifications (“SC”) based on each class’s contribution to the Company’s firm gas annual delivery revenue used to set the Company’s firm delivery rates, and will be credited on a monthly basis per therm. The Tax Sur-credit applicable to a SC 9 Customer will be the Tax Sur-credit specified under such Customer’s otherwise applicable SC. The Company will implement sur-credits for the 12-month period January 1, 2019 to December 31, 2019. This will continue for each 12-month period effective January 1 until the net benefits of the Tax Sur-credit are fully reflected in rates in the Company’s next rate plan.

Any difference between the Tax Sur-credit amounts to be credited and actual amounts credited, excluding gross receipts taxes, will be reflected in a subsequent period sur-credit; provided, however, that any reconciliation amount required to be credited or collected after the last year that the sur-credit is in effect will be reconciled starting with the rate plan in which the sur-credit is terminated.

The Company also added the term “Tax Sur-credit” on various SC tariff leaves to include the sur-credit as an additional billing component applicable to these SCs. In addition, the Company modified the definition of “Pure base revenue” on leaves 154.16 and 171 to mean the total revenue less the revenue attributable to the Increase in Rates and Charges, less Gas Cost Factor and Monthly Rate Adjustment, and less revenue associated with the Merchant Function Charge, the System Benefits Charge, Billing and Payment Processing Charge, Revenue Decoupling Mechanism Adjustment and Tax Sur-credit, to incorporate the effect of the Tax Sur-credit on the calculation of Pure base revenue.

The Company is filing the new Statement of Tax Sur-credit No. 1 showing the sur-credits applicable to Customers effective January 1, 2019 through December 31, 2019.

Conclusion

As directed by Ordering Clause 3 of the Order, the tariff amendments and Statement are being filed on not less than five days’ notice, to become effective on January 1, 2019. Pursuant to Ordering Clause 11 of the Order, the Company will provide public notice of the tariff amendments by means of newspaper publication once a week for four consecutive weeks prior to their effective date.

Sincerely,

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

Appendix A

PSC No. 9 - Gas: List of Tariff Changes

| <u>Leaf No.</u> | <u>Revision No.</u> | <u>Superseding Rev. No.</u> |
|-----------------|---------------------|-----------------------------|
| 5 | 21 | 20 |
| 129 | 6 | 5 |
| 154.7 | 10 | 9 |
| 154.9 | 24* | 22 |
| 154.16 | 2 | 1 |
| 154.18 | 22* | 20 |
| 154.24 | 22* | 20 |
| 154.25 | 19* | 17 |
| 167.1 | 7 | 6 |
| 171 | 9 | 8 |
| 183 | 19 | 18 |
| 228 | 29* | 26 |
| 231 | 21 | 20 |
| 235 | 10 | 9 |
| 240 | 28* | 26 |
| 243 | 20* | 18 |
| 255 | 22** | 20 |
| 300.3 | 12 | 11 |
| 303.2 | 15** | 13 |
| 349 | 27* | 25 |

| <u>Statement</u> | <u>Statement Type</u> | <u>Statement No.</u> |
|-----------------------------|-----------------------|----------------------|
| Statement of Tax Sur-credit | TAX | 1 |

*The following leaves are pending in Cases 16-G-0061 and 14-M-0565 to become effective on 1/1/19:

Leaf 154.9 Revision 23
 Leaf 154.18 Revision 21
 Leaf 154.24 Revision 21
 Leaf 154.25 Revision 18
 Leaf 228 Revision 28
 Leaf 240 Revision 27
 Leaf 243 Revision 19
 Leaf 349 Revision 26

**As per the Order in Case 18-G-0565 issued 12/14/2018, the Company will be filing a cancellation supplement, on or before 12/27/2018, cancelling the following leaves:

Leaf 255 Revision 21
 Leaf 303.2 Revision 14