



Consolidated Edison Company  
of New York, Inc.  
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December 3, 2018

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

**RE: Case 16-E-0060 - Con Edison's Electric Rate Case - RY 3 and Case 14-M-0565 -  
Affordability for Low Income Utility Customers**

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 "Electric Tariff"), applicable to its customers in the City of New York and the County of Westchester. The Company is also filing amendments to its Schedule for PASNY Delivery Service, P.S.C. No. 12 – Electricity (the "PASNY Tariff"),<sup>1</sup> applicable to delivery by the Company of power and associated energy to Authority Public Customers under the PASNY Tariff.

The Company's schedule leaves are issued with an effective date of January 1, 2019. The specific Electric Tariff leaves being revised are identified in Appendix A. The specific PASNY Tariff leaves being revised are identified in Appendix B.

**Reason for Filing**

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 "Order"), adopted the Joint Proposal ("JP") as set forth in Attachment A to the Order.

The Order provides for a three-year electric rate plan in which Rate Years ("RY") 1, 2, and 3 are the twelve-month periods commencing January 1, 2017, January 1, 2018, and January 1, 2019, respectively. Under the rate plan, the electric delivery service revenue requirement, including the fixed component of the Monthly Adjustment Clause ("MAC"), will be increased on

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<sup>1</sup> This schedule is also titled, "Delivery Service Rate Schedule Implementing and Part of the Service Agreement Between the Power Authority of the State of New York ("PASNY" or "NYPA") and Consolidated Edison Company of New York, Inc. (the "Company"), dated March 10, 1989, for the Delivery by the Company of Power and Associated Energy to Authority Public Customers."

an annual basis, including gross receipts tax, by \$194.554 million starting in RY 1,<sup>2</sup> an additional \$155.315 million starting in RY 2, and an additional \$155.206 million starting in RY 3. To provide rate stability over the term of the electric rate plan, the revenue requirement increase plus the \$47.776 million increase approved by the 2015 Rate Case Order will be implemented on a levelized basis, which includes interest. The annual levelized revenue changes associated with Transmission and Distribution (“T&D”) delivery revenue, the retained generation component of the MAC, and purchased power working capital will be \$199.034 million, or \$193.959 million exclusive of gross receipts tax, in each RY.<sup>3</sup>

The tariff amendments being filed herewith include the rates for RY 3 of the Electric Rate Plan in compliance with the Order. For RY 3, the increase, after excluding gross receipts tax, results in overall increases of \$170.791 million to customers served under the Electric Tariff and \$23.168 million to customers served under the PASNY Tariff.

## **Revenue Allocation and Rate Design**

### **Revenue Allocation**

The revenue allocation for RY 3 is described in Appendix 19 of the JP. Table 2 of Appendix 19 summarizes the changes in delivery revenues by Service Classification (“SC”), including the components of the revenue changes. Table 2a of Appendix 19 shows the overall impacts (e.g., including additional MAC changes and PASNY surcharges to collect the customers’ share of incentives earned by the Company under Earning Adjustment Mechanisms) by SC.

The percentage change in revenues and bill changes for the Con Edison SCs are shown in Appendix C. The percentage change in revenues for NYPA is shown in Appendix D.

### **Rate Design**

Appendix 19 of the JP describes the rate design process, for which major items are summarized below:

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<sup>2</sup> The electric revenue increase of \$194.554 million in RY 1 is in addition to the \$47.776 million increase in electric delivery service revenues established by the Commission’s Order Adopting Terms of Joint Proposal to Extend Electric Rate Plan (“2015 Rate Case Order”), issued June 19, 2015, in Cases 15-E-0050 and 13-E-0030, resulting in a total increase of \$242.330 million.

<sup>3</sup> The annual levelized rate changes would result in higher base rates at the end of the three-year term of the Electric Rate Plan than they would otherwise be under a non-levelized approach. Accordingly, if the Company does not file for new rates to be effective January 1, 2020, the Company will make a compliance filing by December 1, 2019 to set rates effective January 1, 2020 at a level that is designed to produce delivery base rate revenues on an annual basis that are lower by \$44.25 million and reduce the Revenue Decoupling Mechanism (“RDM”) target by that amount effective January 1, 2020.

- Customer charges were not changed, except for customer charges for customers served under SCs 5, 8, 9, 11, 12, and 13 Standby Service rates, which were increased by the non-competitive percentage increase to the overall system on a historic basis.
- Demand charges were redesigned in some SCs, as follows: the high/low tension differential (i.e., annualized high/low tension rates compared to high/low tension costs based on the 2013 embedded cost-of-service study) was adjusted for Rate I of SCs 5 and 12, Rate II of SCs 8 and 12, and NYPA rates, as shown in Table 3 of Appendix 19. These changes were revenue neutral to the January 1, 2016 rate level and made before adjusting delivery rates to reflect the RY changes.

Pursuant to the Commission's Order Approving Tariff Amendments With Modifications, issued and effective on January 19, 2018, in Case 16-E-0060, Rider Q – Standby Rate Pilot became effective on February 1, 2018. The Company is updating Rider Q to reflect the RY 3 revenue levels.

### **Other Tariff Changes**

Pursuant to the Commission's Order Approving Implementation Plans with Modifications, issued and effective February 17, 2017, in Case 14-M-0565, the Company is making the annual update to the tiered discount levels for Customers enrolled in the Company's low-income program under Rider S. The Company is also making a clarifying edit to Leaf 255 to remove the word, "standard" to reflect that eligibility for Tier 1 of the Low Income Program is not limited to the Standard HEAP grant (i.e., Emergency HEAP grants qualify).<sup>4</sup>

### **Conclusion and Notice**

As directed by Ordering Clause 5 of the Order, the Company is filing its tariff amendments on 30 days' notice to take effect on a temporary basis on January 1, 2019.

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

Pursuant to Ordering Clause 6, 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 Department

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<sup>4</sup> These changes are further described in the Company's Annual Low Income Program Update Report filed on November 30, 2018, in Case 14-M-0565.

## Appendix A

**PSC No. 10 - Electricity: List of Revised Tariff Leaves**

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>	<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
157.4	10	9	416	10	9
181	10	9	432	10	9
192	10	9	435	10	9
242	4	3	437	10	9
243	4	3	438	10	9
243.1	1	0	439	10	9
243.2	1	0	445	11	10
243.3	1	0	449	10	9
243.4	1	0	451	10	9
243.5	1	0	452	10	9
243.6	1	0	452.1	7	6
243.7	1	0	453	10	9
243.8	1	0	453.1	7	6
243.9	1	0	463	11	10
243.10	1	0	479	10	9
255	9	8	480	10	9
255.1	3	2	483	10	9
388	11	10	485	10	9
389	10	9	486	10	9
389.1	7	6	487	10	9
397	11	10	488	10	9
398	10	9	495	10	9
406	10	9	496	10	9
408	10	9			
409	10	9			
410	10	9			

**Appendix B**

**PSC No. 12 - Electricity: List of Revised Tariff Leaves**

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
4	10	9
5	10	9
6	10	9
7	10	9
8	10	9
9	10	9
14	12	11

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
 Estimated Effect on Con Edison Conventional and TOD Customers' Bills and Revenue  
 Resulting from the Application of Proposed Conventional and TOD Rates and Charges  
 Based on Sales and Revenues for the Twelve Months Ended December 31, 2013

Con Edison Service Classification - Conventional Rates		Total Revenues * @ January 2018 Rates	Total Revenues * @ January 2019 Rates	Estimated Change @ January 2019 Rates	Percentage Change	Estimated Number of Customers' Bills ***		
						Increased	Decreased	Unchanged
1 - Rate I **	Residential & Religious	\$3,619,210,277	\$3,715,060,984	\$95,850,707	2.65%	34,699,186	0	97,841
2	General - Small	600,896,201	616,660,283	15,764,082	2.62%	4,172,579	0	134,044
5 - Rate I	Electric Traction Systems	178,244	185,098	6,854	3.85%	120	0	0
6	Public & Private Street Lighting	2,808,210	2,777,202	-31,008	-1.10%	632	17,549	23,083
8 - Rate I	Multiple Dwellings - Redistribution	340,433,983	347,111,236	6,677,253	1.96%	22,307	0	0
9 - Rate I	General - Large	3,348,010,213	3,404,956,645	56,946,432	1.70%	1,561,485	0	0
12 - Rate I	Multiple Dwelling - Space Heating	<u>31,672,844</u>	<u>32,382,576</u>	<u>709,732</u>	2.24%	<u>5,301</u>	<u>0</u>	<u>29</u>
Sub-Total	Con Edison's Conventional Rates	\$7,943,209,972	\$8,119,134,024	\$175,924,052	2.21%	40,461,610	17,549	254,997
Con Edison Service Classification - Time-of-Day Rates								
1 - Rate II	Residential & Religious	\$16,319,139	\$16,838,011	\$518,872	3.18%	23,229	0	16
2 - Rate II	General - Small	1,643,486	1,686,710	43,224	2.63%	3,911	0	12
5 - Rate II	Electric Traction Systems	15,053,872	15,224,673	170,801	1.13%	60	0	0
8 - Rate II	Multiple Dwellings - Redistribution	24,025,200	24,483,918	458,718	1.91%	228	0	0
8 - Rate III	Multiple Dwellings - Redistribution - Voluntary	11,584,792	11,795,675	210,883	1.82%	539	0	0
9 - Rate II	General - Large	1,555,080,703	1,564,264,560	9,183,857	0.59%	8,200	0	0
9 - Rate III	General - Large - Voluntary	209,969,445	212,834,866	2,865,421	1.36%	26,377	0	0
12 - Rate II	Multiple Dwelling - Space Heating	41,620,959	42,272,173	651,214	1.56%	337	0	0
13 - Rate II	Bulk Power - High Tension - Housing Developments	<u>4,207,883</u>	<u>4,295,823</u>	<u>87,940</u>	2.09%	<u>12</u>	<u>0</u>	<u>0</u>
Sub-Total	Con Edison's Time-of-Day Rates	\$1,879,505,479	\$1,893,696,409	\$14,190,930	0.76%	62,893	0	28
Con Edison Total	Con Edison's Total Excluding Special Contract	\$9,822,715,451	\$10,012,830,433	\$190,114,982	1.94%	40,524,503	17,549	255,025

\* Total Revenues for all customers include: T&D delivery charge and estimated market supply charge, monthly adjustment clause, system benefits program charges, the surcharge to collect Public Service Law, Section 18-a Assessments, and the associated gross receipts taxes.

The market supply charge revenues for retail access customers are equivalent to what these customers would have paid as full service customers.

\*\* Total Revenues in Service Classification No. 1 include customers currently served under Rider D. Total Revenues in SC 1 at both January 2018 and January 2019 Rates include \$55.247 million of low income program credits (i.e., \$54.7 million of low income and \$547,000 for waived reconnection fees).

\*\*\* The change in Con Edison P.S.C. No. 10 revenues for the rate year, i.e., the twelve months ending December 31, 2019, equates to \$192.3 million, or an overall increase of 2.0%. Excludes the impact of Tier 3 (Heat and Non Heat) low income credit discounts effective January 1, 2018 in Service Classification No. 1.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
Estimated Effect on NYPA Delivery Service Conventional and TOD Revenue Resulting from the Application of  
Proposed Conventional and TOD Rates and Charges Based on Sales and Revenues For the 12 Months Ended December 31, 2013

NYPA Delivery Service	Total Revenue	Total Revenue	Estimated Change	Percentage
	@ January 2018 Rates*	@ January 2019 Rates*	@ January 2019 Rates	Change
			**	**
NYPA Total	\$1,356,510,408	\$1,380,945,222	\$24,434,814	1.80%

\* Total Revenues include delivery service revenues, estimated supply revenues, estimated NYPA portion of the "EAM" incentive costs and the surcharge to collect Public Service Law, Section 18-a Assessments associated with customers billed under the PASNY Delivery Service - P.S.C. No. 12 tariff.

\*\* Based on sales and revenues for the rate year, i.e., the twelve months ending December 31, 2019, such increase in NYPA Delivery Service revenue equates to \$25.5 million or an overall increase of 1.9%.