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a conEdison, inc. company

Consolidated Edison Company
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December 1, 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-G-0061 - Con Edison's Gas Rate Case-RY 2, and Case 14-M-0565 - Affordability for Low Income Customers

Dear Secretary Burgess:

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 the Company's Schedule for Gas Service, P.S.C. No. 9 - Gas ("Gas Tariff"), applicable to its customers in the City of New York and the County of Westchester.

The Company's schedule leaves are issued with an effective date of January 1, 2018. The specific leaves and statement being revised are identified in Appendix A.

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") set forth in Appendix A to the Order.

The Order provides for a three-year gas 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 gas delivery service revenue requirement is increased by a net of $35.483 million (which includes gross receipts tax) in RY 1, reflecting a decrease of $5.373 million offset by a $40.856 million increase due to the expiration of the temporary credit in effect during the 2016 rate year. The gas delivery service revenue requirement is increased by $92.337 million in RY 2 and will be increased by $89.453 million in RY 3, respectively.

The tariff amendments being filed herewith include the rates for the second year of the Gas Rate Plan in compliance with the January 2017 Order.

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Revenue Allocation and Rate Design

Gas Revenue Allocation

The revenue allocation for firm customers is described in Appendix 21 of the JP. Table 1 of Appendix 21 summarizes the changes in delivery revenues by Service Classification ("SC"), including the components of the revenue changes.

The percentage change in revenues and bill changes for the firm service classes are shown in Appendix B. These percentages reflect the overall impacts (i.e., including the increase in the MRA for the estimated recovery during RY 2 of payments made to a pipeline company for gate station work on pipeline-owned facilities).

Rate Design

FIRM:

Appendix 21 of the JP describes the rate design process for firm customers, for which major items are summarized below:

- The minimum monthly charge for SC 1 and corresponding SC 9 customers was set at $21.75. Note that the minimum monthly charges in all three Rate Years for all other firm service classes were not changed.

- The monthly minimum charge for Rider J Rate I, applicable to SC 1 and its corresponding SC 9 rate, was set at $22.00.

- The base tariff rates for low income customers (SC 1 Rate II, SC 3 Rate II, SC 9 (A)(1) and SC 9 (A)(6)) were eliminated since these customers will now pay the same base tariff rates as non-low income customers as a result of the low income discounts being reflected as a credit on customers' bills.

- Competitive delivery rates (i.e., the billing and payment processing charge, which remains unchanged from RY 1, and the merchant function charge ("MFC"), including the credit and collection-related component of the Purchase of Receivables Discount rate) were set to reflect the RY 2 revenue requirement.

NON-FIRM:

- The Off-Peak Firm Rates for contracts entered into during RY 2 is set at 8.25 cents per therm, for one, two and three year contracts until the contracts expire. An existing customer will be charged the new rate after the expiration of its current contract. The existing 1.0 cent per therm discount for monthly usage greater than 500,000 therms will remain in effect.

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Other Tariff Changes

Low Income

Pursuant to Section N of the JP and the Commission's Order Approving Implementation Plans with Modifications, issued and effective February 17, 2017, in Case 14-M-0565 (the "2017 Order")[1], the Company is implementing tiered discount levels for Customers enrolled in the Company's gas low-income program[2]. The Company is establishing a new Rider, Rider E – Low Income Program, applicable to SC 1, SC 3, SC 9 (A)(1) and SC 9 (A)(6) Customers who are enrolled in the Company's gas low income program. In accordance with the JP, the low income discounts will be shown as a credit on customers' bills rather than through reduced base rates. Customers enrolled in this program, except for those in Arrears or in Tier 4, will be notified that they will automatically be enrolled in the Company's Levelized Payment Plan, as described in General Information Section III.8.(Q) of the Gas Tariff, unless the Customer contacts the Company and opts out within 30 days of receiving such notice.

The Company is also filing conforming tariff leaves to implement the new Rider E – Low Income Program and modifying tariff leaves to:

- Eliminate references to Rate I and Rate II as it applied to SC 1, SC 3 and their corresponding SC 9 classes throughout the tariff as this distinction is no longer applicable.
- Modify the revenue decoupling mechanism adjustment under General Information Section IX.14 to specify that the adjustment to add the effect of any rate discounts provided to low income customers being served under the SC 3 customer group is only applicable to RY 1. This adjustment is no longer necessary since these discounts will be reflected as a credit on customers' bills and not through reduced base tariff rates.

The low-income reconnection fee waiver program will continue in each RY until the target cost of $75,000 is reached in that RY. The reconciliation of low-income discounts will continue through the Monthly Rate Adjustment.

Other

- The factor of adjustment ("FOA") has been updated for RY 2 as described in General Information Section VII.(A)1.(d). The FOA for RY 2 is 1.0210.

- The reference to gas in storage working capital in the MFC section has been eliminated[3].

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[1] On March 31, 2017, the PSC granted the Company's request for an extension to file tariff changes to implement the provisions discussed in the body of the 2017 Order from the directed March 30, 2017 deadline, to December 1, 2017.

[2] The Company is simultaneously filing its detailed annual report regarding its low income program in Case 14-M-0565.

[3] The gas in storage working capital component of the MFC was eliminated with the Commission approval of the

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Statement

The Company is filing a Statement of Delivery Revenue Surcharge – SDR Statement No. 11 to the Gas Tariff. Effective January 1, 2018, this statement will cease recovery or pass back of amounts related to the collection of Pure Base Revenue shortfalls that resulted from the extension of the Case 16-G-0061 suspension period. Consistent with General Information IX. 20 of the Gas Tariff (leaf 183.2), the Company will file a subsequent statement to reconcile any differences between amounts to be collected and the actual amounts collected under the Gas Tariff.

Conclusion and Notice

As directed by Ordering Clause 5 of the Order, the Company is filing its tariff amendments to take effect on a temporary basis, on not less than 30 days' notice, effective January 1, 2018.

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

The Company will publish notice of the proposed tariff changes on December 8, 15, 22 and 29, 2017.

Sincerely,

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

Company's Daily Delivery Service ("DDS") filing. The DDS became effective November 1, 2016, subsequent to the signing of the JP.

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Appendix A

PSC No. 9 - Gas: List of Tariff Changes

Leaf No.	Revision No.	Superseding Rev. No.
4	13	11
76.1	10	9
130	3	2
131	3	2
152	21	20
154.6	18	17
154.8	18	17
154.9	21	20
154.18	19	18
154.24	19	18
154.25	16	15
157.1	10	9
167.1	5	4
178.1	12	11
180	15	14
181.1	6	5
183.2	13	12
228	25	24
230	22	21
234	16	15
240	25	24
241	6	5
243	17	16
251	10	9
269	23	22
270	22	21
271	22	21
300.3	11	10
326	9	8
349	24	23

Statement	Statement Type	Statement No.
Statement of Delivery Revenue Surcharge	SDR	11

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CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
Estimated Effect on Gas Customers' Bills and Company Revenues Resulting from Proposed Gas Rates
Based on Forecasted Sales and Revenues for the Twelve Months Ending December 31, 2018 for Service Classification Nos. 1, 2, 3, 13 and 14
and the Corresponding SC 9 Firm Transportation Sub-classes

Firm Service Classification (Sales and Transportation)	Annual Therms	Total Annual Revenues at Current 01/01/17 Rates (b) (c)	Total Annual Revenues at Proposed Rates (b) (c)	Estimated Total Annual Revenues Increase/(Decrease)(d)	Percent Change	Number of Customers' Bills Increased	Number of Customers' Bills Decreased	Number of Customers' Bills Not Changed (e)
1 - Residential & Religious	43,720,000	$217,905,802	$238,340,095	$20,434,294	9.4%	7,801,655	0	0
2 - General - Rate I (a)	248,450,000	$239,318,600	$243,862,369	$4,543,770	1.9%	562,351	0	178,031
2 - General - Rate I - Distribution Generation	31,930,000	$21,533,456	$21,847,014	$313,558	1.5%	1,466	0	87
2 - General - Rate II (a)	318,640,000	$333,300,984	$347,801,946	$14,500,962	4.4%	702,259	0	140,980
2 - Total Commercial	599,020,000	$594,153,040	$613,511,329	$19,358,289	3.3%	1,266,075	0	319,098
3 - Residential & Religious - Heating (a)	989,660,000	$1,178,690,084	$1,234,453,872	$55,763,788	4.7%	3,635,534	139,227	103,750
13 - Seasonal Off Peak Firm Service	850,000	$895,420	$936,366	$40,946	4.6%	2,949	0	2,042
14 - Natural Gas Vehicles	220,000	$394,183	$394,183					
Total Firm Sales & Firm Transportation	1,633,470,000	$1,992,038,527	$2,087,635,845	$95,597,318	4.8%	12,706,214	139,227	424,890

(a) Gas air-conditioning is included in SC 2 and SC 3.
(b) Annual Revenues reflect the gas cost factor and monthly rate adjustments, merchant function charges and various other charges used in calculating Rate Year Revenues.
(c) Annual Revenues include gas supply costs for transportation customers equivalent to what these customers would have paid as full service customers.
(d) Shows the overall impact including the increase in the MRA for the estimated recovery in RY 2 of payments made to a pipeline company for gate station work on pipeline-owned facilities.
(e) Number of customer bills not changed have bill impacts ranging from -0.01% to 0.01%.

APPENDIX B