



Consolidated Edison Company  
of New York, Inc.  
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September 26, 2018

Honorable Kathleen H. Burgess  
Secretary  
New York State Public Service Commission  
Three Empire State Plaza, 19<sup>th</sup> Floor  
Albany, New York 12223-1350

**RE: Case 17-G-0794, Reconciliation of Purchase of Receivables**

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (“Con Edison” or 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 revised Gas Tariff Leaves, which are identified below, are filed to become effective on January 1, 2019:

| <u>Leaf No.</u> | <u>Revision No.</u> | <u>Superseding No.</u> |
|-----------------|---------------------|------------------------|
| 178             | 18                  | 17                     |
| 178.1           | 13                  | 12                     |
| 397.2           | 9                   | 8                      |
| 397.3           | 9                   | 8                      |

**Reason for Filing**

This filing is made in compliance with the Commission’s Order Modifying Reconciliation of Gas Purchase of Receivables, issued and effective July 13, 2018, in Case 17-G-0794 (the “Order”). In the Order, the Commission concluded that since energy service companies (“ESCOs”) are paying costs related to credit and collection and theft (“C&C”) through the Purchase of Receivables (“POR”) Discount Rate, the reconciliation of target C&C dollars and C&C recoveries should be credited or surcharged to ESCOs, and not to customers, as currently reconciled for Con Edison’s electric and gas services. Accordingly, the Order required the Company to: (1) file gas tariff revisions on or before September 30, 2018 to modify the methodology used to reconcile its gas POR discount rate<sup>1</sup> to become effective on January 1,

<sup>1</sup> The POR discount rate is referred to as the “POR Discount Percentage” in this filing.

2019, and (2) file separate electric tariff revisions on or before July 30, 2018 to modify the methodology used to reconcile its electric POR discount rate charged to ESCOs.<sup>2</sup>

As a result, the Company is filing gas tariff revisions in compliance with the directive to revise the reconciliation of target C&C dollars attributable to firm transportation customers whose ESCOs participate in the Company's POR program and C&C recoveries associated with such customers ("POR C&C Reconciliation"). In addition to the Gas Tariff Leaves, the Company is also including an illustrative version of a new statement which shows the components of the POR Discount Percentage.

### **Tariff Changes**

Pursuant to the Order, the Company is filing changes to its Gas Tariff as described below.

- Miscellaneous Provision (P) under Service Classification No. 20, Consolidated Billing and Payment Processing Services, has been expanded to include a more detailed description of the POR Discount Percentage, which is comprised of four components:
  1. Uncollectible Bill Percentage – based on the Company's actual uncollectible bill experience applicable to electric and gas customers for the 12-month period through the previous November;
  2. Risk Factor - equal to 15 percent of the Uncollectible Bill Percentage;
  3. Credit and Collections – (a) a ratio of the Company's credit and collection expenses attributable to firm transportation customers whose ESCOs participate in the Company's POR program and the estimated gas supply costs to be billed on behalf of ESCOs through the POR program; and (b) a percentage that reflects a reconciliation of prior periods' credit and collections expenses and recoveries, plus interest;
  4. Incremental Cost – set at 0.15 percent

Component 3.(b) above has been added to the POR Discount Percentage to assess the POR C&C Reconciliation on ESCOs.

- A new Statement of Purchase of Receivables Discount Percentage has been drafted for illustrative purposes as shown in Appendix A, to show the components of the POR Discount Percentage.
- General Information IX. 7., Transition Adjustment for Competitive Services, has been revised to reflect that, effective January 1, 2019, the POR C&C Reconciliation will be included in the C&C component of the POR Discount Percentage.

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<sup>2</sup> The electric tariff revisions were filed on July 30, 2018.

**Conclusion and Notice**

As directed by Ordering Clause 1 of the Order, the Company is filing changes to the Gas Tariff to become effective January 1, 2019. As directed by Ordering Clause 2 of the Order, the requirements for newspaper publication are waived.

Sincerely,

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

Appendix A

PSC NO: 9 – Gas  
Consolidated Edison Company of New York, Inc.  
Effective Date: 01/01/2019  
Issued in compliance with order in Case 17-G-0794 dated July 13, 2018

Statement Type: DISC  
Statement No.:

**Statement of Purchase of Receivables Discount Percentage**

The below percentages are applicable to firm transportation customers whose ESCOs participate in the Company's Purchase of Receivables ("POR") program, pursuant to Miscellaneous Provision (P) under Service Classification No. 20. The total of the percentages comprise the POR Discount Percentage.

|  |           |
|--|-----------|
| 1) Uncollectible Bill Percentage .....                               | X.XX%     |
| 2) Risk Factor .....   | X.XX%     |
| 3) Credit and Collections Component (including reconciliation) ..... | X.XX%     |
| 4) Incremental Cost Component .....                                  | X.XX%     |
| <br>POR Discount Percentage .....                                    | <br>X.XX% |

