



Consolidated Edison Company
of New York, Inc.
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September 4, 2018

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

RE: Case 18-G-XXXX, Matters Regarding Interruptible Service

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 Manhattan and the Bronx, the First and Third Wards of Queens, and certain municipalities in the County of Westchester.

The revised tariff leaves are proposed to become effective on January 1, 2019. Appendix A to this filing letter sets forth the tariff leaves being filed.

Reason for Filing

On December 30, 2016 the Company filed tariff amendments in compliance with the Commission’s December 16, 2016 Order Adopting New Communication Protocols (the “Order”) in Case 15-G-0185. Those tariff amendments became effective January 1, 2017 (“January 2017 Tariff Amendments”). The Order directed that all local distribution companies (“LDC”) modify their tariffs in regards to those customers taking interruptible service. The modifications included: (1) the filing of an annual affidavit with the Company every year by Interruptible Customers attesting to Customer’s compliance with the Company’s Tariff; and (2) the inclusion of certain Customer information in the annual affidavit.

The Company’s January 2017 Tariff Amendments penalized Customers who did not comply with the affidavit requirement by making them ineligible for Interruptible Service. Based on the Company’s experience with implementing this change for the winter of 2017-2018, the Company is proposing to remove this provision from the tariff and add a provision assessing a violation or “strike” against any Customer who does not return a completed affidavit prior to each Winter Period (*i.e.*, by October 15).

Moreover, in September 2017, in Case 17-G-0606, the Company filed its “Smart Solutions For Natural Gas Customers Program” (“Program”) with the Commission. The Program’s purpose is to propose solutions to the projected shortfall in peak day pipeline capacity due to the difficulty in contracting for additional unsubscribed pipeline capacity. The Commission has approved certain components of the Program as modified in its orders.

The Company’s tariff currently requires that Interruptible Customers be automatically moved to Firm Service, when they receive a second violation, if the gas distribution system is adequate to meet the customer’s peak demand requirement. This requirement would only increase any projected shortfall in peak day pipeline capacity. Therefore, in support of its overall efforts to reduce peak demand load, the Company is proposing to remove the requirement that Interruptible Customers be automatically moved to Firm Service when the Customer incurs two violations. In addition, commencing on and after January 1, 2019, the Company is also proposing that any customer who incurs two (2) violations during the Winter Period will remain on Interruptible Service and the Company will impose an additional monetary penalty starting that month.

Tariff Changes

The following is a summary of the proposed changes to the Company’s tariff provisions for interruptible service:

- Added a provision that any Interruptible Customer who does not return the required affidavit by October 15 of each year will be assessed a violation or strike for the current Winter Period.
- Eliminated the provision that Interruptible Customers who do not return the affidavit by October 1 are not eligible for Interruptible Service.
- Eliminated the requirement that an Interruptible Customer with two (2) violations will automatically be moved to firm service. Instead, the Customer will be assessed a monetary penalty based on the applicable monthly Interruptible Rate 1 Non-Residential tail block base delivery rate, commencing with the billing month in which the customer incurs the second violation, and continuing until the earlier of April 15 or when the Customer is no longer taking Interruptible Service.
- Added a provision that Interruptible customers who incur two violations and would have been automatically been moved to Firm Service by the Company may formally apply for Firm Service through the Company’s application process by April 15. Those customers who do not apply or who apply and are not accepted for Firm Service by the Company will have their gas service terminated. Interruptible Customers who cannot meet the Firm Service requirements or who the Company cannot accommodate on Firm Service will also have their gas service terminated.

- Added a provision that terminated Customers who are not accepted for Firm Service, may re-apply for Interruptible Service after one year.

Conclusion and Notice

The Company requests approval of these changes that are necessary to help it manage its peak demand given the difficulties in obtaining new gas supply. The Company will provide for public notice of the tariff changes proposed in this filing by means of newspaper publication once a week for four consecutive weeks prior to the effective date. Enclosed is a proposed form of Notice of Proposed Rule-Making for publication in the State Register pursuant to the State Administrative Procedure Act.

Sincerely,

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

Enclosures (Appendix A and SAPA Notice)

PSC No. 9 Gas: List of Tariff Changes

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
253	6	5
255	21	20
278	4	3
302	8	7
303.2	14	13
314	4	2
316	9	8
316.1	7	5
316.3	6	5
316.4	6	5
317	7	6
324	10	9
327	6	5
332	16	15
336	3	2
338	6	5
340	3	2
341	3	2
341.1	7	5
341.2	6	5
341.3	10	9
342	6	5