



Consolidated Edison Company  
of New York, Inc.  
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July 30, 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 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 revised Electric 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> |
|-----------------|---------------------|------------------------|
| 146             | 2                   | 1                      |
| 360             | 2                   | 1                      |
| 361             | 3                   | 2                      |

**Reason for Filing**

This filing is made pursuant to 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 Percentage, 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 become effective on January 1, 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 Percentage charged to ESCOs.

As a result, the Company is filing tariff revisions in compliance with the directive to revise the reconciliation of target C&C dollars attributable to retail access 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 Electric 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 Electric Tariff as described below.

- General Rule 19.3.6, 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 retail access customers whose ESCOs participate in the Company's POR program and the estimated electric 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 Rule 28, 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. Additionally, the reconciliation of competitive C&C-related charges reflected in the Merchant Function Charge has been modified to specify that, effective January 1, 2019, it will apply only to full service customers.

### **Conclusion and Notice**

As directed by Ordering Clause 3 of the Order, the Company is filing changes to the Electric Tariff to become effective January 1, 2019. The Company will provide public notice of the tariff changes in this filing by means of newspaper publication once a week for four consecutive weeks prior to the effective date of the proposed tariff changes. Included is a proposed form of Notice of Proposed Rule Making for publication in the State Register pursuant to the State Administrative Procedures Act.

Sincerely,

/s/ William A. Atzl, Jr.

Director

Rate Engineering Department

Appendix A

PSC NO: 10 – Electricity  
Consolidated Edison Company of New York, Inc.  
Effective Date: 01/01/2019  
Issued in compliance with order in Case 17-G-0794 dated 07/13/2018

Statement Type: DISC  
Statement No.:

**Statement of Purchase of Receivables Discount Percentage**

The below percentages are applicable to retail access customers whose ESCOs participate in the Company's Purchase of Receivables ("POR") program, pursuant to General Rule 19.3.6. 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% |