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Consolidated Edison Company of New York, Inc.
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New York NY 10003
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July 1, 2019

Hon. Kathleen Burgess
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 19-G-XXXX - Proposed Gas Tariff Revisions To Company's Daily Delivery Service for Gas Marketers

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") hereby submits for filing with the Public Service Commission (the "Commission") the following tariff leaves proposing revisions to its Schedule for Gas Service, P.S.C. No. 9 – Gas (the "Gas Tariff"):

Leaf No.	Revision No.	Superseding Revision No.
158	16	15
386.1	4	3
386.2	4	3
386.2.1	1	0
386.2.2	2	0
386.2.3	1	0

The revised tariff leaves are proposed to become effective on November 1, 2019.

Reasons for Proposed Tariff Modifications

Gas Marketers serving firm transportation customers on the Con Edison gas system must take Daily Delivery Service ("DDS"),[1] a program under which the Marketers receive allocations

[1] DDS replaced the Company's Load Following Service effective November 1, 2016. See Case 16-G-0406, Order Approving Tariff Amendments (issued October 17, 2016).

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of the Company's baseload supply, pipeline capacity, storage and peaking supply assets. DDS currently consists of the following tiers:

Baseload Service[2]
Tier 1 – Mandatory Capacity Release
Tier 2 – Managed Supply (Storage)[3]
Tier 3 – Peaking

In a December 1, 2017 DDS filing[3], the Company proposed the Tier 2(B) Physical Storage pilot program. Under the Commission-approved pilot program, the Company released to Gas Marketers certain allocations of the Company's physical storage assets along with associated firm transportation capacity. The pilot was in effect for the twelve-month period April 1, 2018 through March 31, 2019. After the Tier 2(B) Physical Storage pilot expired on March 31, 2019, the Company evaluated the program and met with the Gas Marketers and Department of Public Service Staff ("Staff") through an established collaborative process to discuss modifications and continuation of the program on a permanent basis. Based upon input received from the Gas Marketers and Staff and consistent with the overall nature of the DDS program, the Company is now proposing to institute the Tier 2(B) Physical Storage program on a permanent basis as described below.

Summary of Proposed Tariff Changes

- The Company is proposing to institute the Tier 2(B) Physical Storage program beginning April 1, 2020 under its DDS program.
- The Tier 2(B) Physical Storage program will be a voluntary program for Gas Marketers and/or their Agents and in effect from April 1 through March 31 of each year.
- Gas Marketers and/or their Agents who are interested in participating in the Tier 2(B) Physical Storage program must notify the Company by February 1 of each year.
- Gas Marketers and/or their Agents who elect to participate in the program for one year but decide not to participate in it the following year must return their allotted storage capacity empty by March 31 of each participating year.

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[2] On June 29, 2018, the Company made a filing with the Commission that proposed to modify DDS by adding a new Baseload Service component from December through February of each winter season. The proposed modification was approved by the Commission in its Order Approving Tariff Amendments, issued and effective October 22, 2018, in Case 18-G-0393.
[3] As proposed, Tier 2 would be sub-divided into Tier 2(A) - Virtual Storage and Tier 2(B) – Physical Storage. The proposed modification was approved by the Commission in its Order Approving Tariff Amendments, issued and effective March 21, 2018, in Case 17-G-0745.

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- A participating Gas Marketer and/or its Agent who elects to continue its participation in the Tier 2(B) Physical Storage program must either:

  (i) empty all of its gas in storage by March 31 or
  (ii) retain 100% of its remaining gas as of March 31 provided that its remaining gas does not exceed its subsequent year's (April 1) allocated capacity release minus two (2) dekatherms per storage field (to account for potential system rounding concerns).

  If the Marketer and/or its Agent fails to do (i) or (ii) above and has gas remaining in storage as of March 31, then the Company will purchase the remaining gas at the lower of the Company's weighted average cost of inventory as of March 1 (excluding the cost of LNG, CNG and propane) minus $0.50/Dt or the FERC first of month market price of gas for March at the storage field listed in the GTOP.

- The Tier 2(B) Physical Storage allocation will be increased to 15 percent from 12 percent of the Tier 2 Managed Supply (Storage) assets.

- The Company re-worded item (xiii) under the Annual Surcharge or Refund Adjustment provision of the Gas Cost Factor since it should reference "incurred costs of capacity" rather than "charges."

Upon Commission approval of the proposed tariff revisions, the Company will update its Gas Sales and Transportation Operating Procedures ("GTOP") Manual consistent with the DDS program changes described above.

Conclusion and Notice

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

Enclosure (SAPA Notice)