



Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York NY 10003
www.conEd.com

March 1, 2019

Hon. Kathleen H. Burgess, Secretary
NYS Public Service Commission
3 Empire State Plaza
Albany, NY 12223-1350

RE: Case 18-E-0397 - Tariff filing by Consolidated Edison Company of New York, Inc. to Make Revisions to Its Electric Tariff Schedule, P.S.C. No. 10, to Add New Riders Z (Residential) and AA (Small Commercial) Innovative Pricing Pilot to Implement Rate Structures for Residential and Small Commercial Customers.

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (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 Company requests that the Commission approve these tariff amendments, identified in Appendix A, on an emergency basis under State Administrative Procedure Act (“SAPA”) § 202(6) with an effective date of April 1, 2019. The changes in these tariff amendments are filed on an emergency basis to protect the general welfare of customers by preserving the integrity of the Company’s Innovative Pricing Pilot (“Pilot”). The Commission’s December 13, 2018 Order Approving Tariff Amendments With Modifications (“Order”) approved a new, innovative pilot

program to test various mass-market rate structures. Since the Order was issued, the Company has conducted additional analyses that demonstrate that the demand-based delivery rates should be adjusted downward prior to the start of the Pilot. The Company believes these changes should be implemented on or before the April 1, 2019 commencement of billing under the Pilot. Therefore, the Commission should deem the notice requirements of SAPA § 202(1) as unnecessary in order to have a viable pilot that can be used to inform future decisions regarding mass-market rate structures.

Reason for Filing

On July 6, 2018, the Company filed tariff amendments to establish rates for the Pilot. The Company proposed the establishment of two new riders in the Electric Tariff – Rider Z and Rider AA. Rider Z is applicable to residential Pilot participants in Service Classification (“SC”) 1. Rider AA is applicable to small commercial participants in SC 2. These riders include new delivery rate structures for the Pilot based on customers’ kilowatt (“kW”) demands. In the Order, the Commission approved these tariff amendments, with certain modifications, to become effective on January 1, 2019. Certain of the Pilot rates will become effective on April 1, 2019.¹

In the Order, the Commission stated that the Pilot is first of its kind and will “provide insights about customer acceptance, satisfaction, and preferences, as well as bill and peak demand impacts of these innovative rate structures.” The Commission further recognized that “the scope of rates to be tested and participation targets under the rate Pilot are unparalleled elsewhere in the Country.” Given the Pilot’s breadth and significance, it is imperative that the rates charged to customers be based on the most recent, accurate data available. Since the Order, the Company has conducted an additional analysis of customer interval usage data that indicates that the demand-based delivery rates should be adjusted downward by approximately 4.1 percent. Therefore, the Company proposes to adjust the demand-based Pilot rates downward to

¹ Rates I and III of Rider Z and Rate I of Rider AA become effective on April 1, 2019.

reflect the revised billing determinants so that the pilot will be based on the most recent, accurate data.

Tariff Changes

The Company is proposing to reduce the demand-based delivery rates included in Rider AA and Rider Z as shown in Appendix B.

Conclusion and Notice

The Company is filing its tariff amendments to become effective on April 1, 2019. The Company respectfully requests that the Commission approve these tariff amendments on an emergency basis. SAPA § 202(6) allows a state agency to adopt a rule on an emergency basis if “immediate adoption of a rule is necessary for the preservation of the public health, safety or general welfare” and compliance with the SAPA’s general 60-day advanced notice requirement would be contrary to the public interest.

Approval of the tariff amendments effective April 1, 2019 is necessary to promote the general welfare because the revised pricing will preserve the integrity of the Pilot, which the Company will use to inform future decisions regarding mass-market rate design. Without these tariff amendments, certain Pilot participants will be assessed rates that are higher than they should be effective April 1, 2019. This could cause some customers to unnecessarily exit the Pilot, distorting its results, when the goal of this pilot is to develop a basis for future time-based rates.² SAPA’s general 60-day notice period would unduly delay the changes described herein and, therefore, compliance with SAPA § 202(1) should be deemed unnecessary.

² The Company notes that, given the customer bill protection measures built into the Pilot, its request for emergency action is *not* based on customer bill impact. This request for emergency action is based on the integrity of the pilot justification alone.

The Company respectfully requests a waiver of notice requirements of § 66 (12)(b) of the Public Service Law and 16 NYCRR Section 720-8.1 as to newspaper publication of the tariff changes. This filing will decrease rates for the Pilot, and Pilot customers will be directly notified of the revised rates during the Pilot recruitment process.

Respectfully submitted,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

/s/

William A. Atzl, Jr.

Director

Rate Engineering

PSC No. 10 - Electricity: List of Revised Tariff Leaves

<u>Leaf No.</u>	<u>Revision No.</u>	Superseding <u>Revision No.</u>
327.3	3	1
327.4	3	1
327.5	3	1
327.5.1	2	0
327.10	3	1

Consolidated Edison Company of New York, Inc.
Innovative Pricing Pilot

	Current		Proposed	
<u>Rider Z Rate I</u>				
Customer Charge (All Months)	\$15.76	per month	\$15.76	per month
On-Peak (June-September)	\$19.92	per kW	\$19.10	per kW
On-Peak October-May)	\$15.32	per kW	\$14.69	per kW
Off-Peak (All Months)	\$6.72	per kW	\$6.44	per kW
<u>Rider Z Rate II</u>				
Customer Charge (All Months)	\$15.76	per month	\$15.76	per month
On-Peak (June-September)	\$19.92	per kW	\$19.10	per kW
Off-Peak (June-September)	\$6.72	per kW	\$6.44	per kW
All-Hours (October-May)	\$18.76	per kW	\$17.98	per kW
<u>Rider Z Rate III</u>				
Customer Charge (All Months)	\$15.76	per month	\$15.76	per month
On-Peak (June-September)	\$19.25	per kW	\$18.45	per kW
On-Peak October-May)	\$14.81	per kW	\$14.20	per kW
Off-Peak (All Months)	\$6.62	per kW	\$6.35	per kW
<u>Rider Z Rate IV</u>				
Customer Charge (All Months)	\$15.76	per month	\$15.76	per month
On-Peak (June-September)	\$19.92	per kW	\$19.10	per kW
On-Peak October-May)	\$15.32	per kW	\$14.69	per kW
Off-Peak (All Months)	\$6.72	per kW	\$6.44	per kW
<u>Rider Z Rate V</u>				
Customer Charge (All Months)	\$15.76	per month	\$15.76	per month
Subscribed Demand (All Months)	\$19.87	per kW	\$19.05	per kW
<u>Rider Z Rate VI</u>				
Customer Charge (All Months)	\$15.76	per month	\$15.76	per month
Subscribed Demand (All Months)	\$18.88	per kW	\$18.10	per kW
Overage Demand (June-September)	\$24.97	per kW	\$23.94	per kW
<u>Rider Z Rate VII</u>				
Customer Charge (All Months)	\$15.76	per month	\$15.76	per month
On-Peak (June-September)	\$9.96	per kW	\$9.55	per kW
On-Peak October-May)	\$7.66	per kW	\$7.35	per kW
Off-Peak (All Months)	\$3.36	per kW	\$3.22	per kW
All kWh (All Months)	\$0.05541	per kWh	\$0.05541	per kWh
<u>Rider AA Rate I</u>				
Customer Charge (All Months)	\$26.01	per month	\$26.01	per month
On-Peak (June-September)	\$20.22	per kW	\$19.38	per kW
On-Peak October-May)	\$15.55	per kW	\$14.91	per kW
Off-Peak (All Months)	\$7.86	per kW	\$7.53	per kW