



Consolidated Edison Company
of New York, Inc.
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December 2, 2020

Honorable Michelle L. Phillips
Secretary
New York State Public Service Commission
3 Empire State Plaza, 19th Floor
Albany, New York 12223

**RE: Case 19-G-0066 – Con Edison’s Gas Rate Case - Rate Year Two
Case 14-M-0565 – Affordability for Low Income Utility Customers**

Dear Secretary Phillips:

Consolidated Edison Company of New York, Inc. (“Con Edison”) 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 tariff amendments are issued with an effective date of January 1, 2021. The specific Gas Tariff leaves and statement being revised are identified in Appendix A.

Reason for Filing

The Commission’s Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plan, issued and effective January 16, 2020, in Cases 19-E-0065 and 19-G-0066 (the “Order”), adopted the Joint Proposal (“JP”) as set forth in Attachment A to the Order.

The Order provides for a three-year gas rate plan (“Gas Rate Plan”) in which Rate Years (“RY”) 1, 2 and 3 are the twelve-month periods commencing January 1, 2020, January 1, 2021 and January 1, 2022, respectively. Under the Gas Rate Plan, the gas delivery service revenue requirement was increased by \$47.2 million (which includes gross receipts tax) in RY1, is increased by \$176.3 million in RY2 and will be increased by an additional \$170.3 million in RY3. The revenue requirements are levelized during the three years to provide rate stability over the term of the Gas Rate Plan.¹

¹ The annual levelized rate changes would result in higher base rates at the end of the three-year term of the Gas Rate Plan than they would otherwise be under a non-levelized approach. Therefore, if the Company does not file for new rates to be effective January 1, 2023, the Company will make a compliance filing by December 1, 2022 to set rates effective January 1, 2023 at a level designed to produce non-competitive delivery base rate revenues on an

The tariff amendments being filed herewith include the rates for the second year of the Gas Rate Plan in compliance with the Order.

Revenue Allocation and Rate Design

Gas Revenue Allocation

The revenue allocation for firm customers is described in Appendix 21 of the JP. Table 1 of Appendix 21 summarizes the changes in delivery revenues by Service Classification ("SC"), including the components of the revenue changes.

The percentage changes in revenues and bill changes for the firm service classes are shown in Appendix B.

Rate Design

FIRM:

Appendix 21 of the JP describes the rate design process for firm customers, for which major items are summarized below:

The minimum monthly charges for the firm service classes were increased as follows:

- (a) The SC 1 and corresponding SC 9 minimum charge increased from \$24.00 to \$26.00.
- (b) The SC 2 Rate 1 and SC 2 Rate II and corresponding SC 9 minimum charges increased from \$31.00 to 32.90.
- (c) The SC 3 and corresponding SC 9 minimum charge increased from \$21.50 to \$22.60.
- (d) The SC 13 and corresponding SC 9 minimum charge increased from \$53.14 to \$56.40.
- (e) The Rider J minimum charge applicable to:
 - SC 1 and its corresponding SC 9 rate, was increased by the same percentage increase as the SC 1 minimum charge and increased from \$24.30 to \$26.30; and
 - SC 3 and its corresponding SC 9 rate, was increased by the same percentage as the SC 3 minimum charge and increased from \$39.00 to \$41.00.
- (f) The Rider H minimum charges were increased by the same percentage increase as the SC 2 Rate I minimum charge and are set forth in the table below.

annual basis that are lower by \$20.89 million. The Revenue Decoupling Mechanism targets for the Rate Year commencing January 1, 2023 will also be reduced by \$20.89 million.

DG Capacity	RY1	RY2
<= 0.25 MW	\$165.73	\$175.89
> 0.25 MW and <= 1 MW	226.52	240.41
> 1 MW and <= 3 MW	450.66	478.29
> 3 MW and < 5 MW	600.67	637.49
>= 5 MW and < 50 MW	90.98	96.56

NON-FIRM:

In addition to the firm rate changes, Interruptible Delivery Rates under SC 9 Rate B and SC 12 Rate 1 have been updated to reflect the rates in effect for the second year of the Gas Rate Plan. In compliance with the Gas Rate Plan, the volumetric block rates are set at 70% of each of the SC 2 Rate 2 volumetric block rates for non-residential customers and 70% of each of the SC 3 volumetric block rates for residential customers. The monthly minimum charge remains at \$100.

Other Tariff Changes

- Pursuant to the Commission's Order Approving Implementation Plans with Modifications, issued and effective February 17, 2017, in Case 14-M-0565, the Company is making the annual update to the tiered discount levels for Customers enrolled in the low-income program under Rider E.²
- The factor of adjustment ("FOA") has been updated for RY2 as described in General Information Section VII.(A)(d). The FOA for RY2 is 1.0245.
- General Information Section IX.14, Revenue Decoupling Mechanism, has been updated to reflect the allowed revenues for January 2020.³
- A housekeeping change was made to Leaf 252, General Information Applicable to Firm Sales Services. Customer Incentive Programs (J) has been deleted since there are no

² This change is further described in the Company's Annual Low Income Program Update Report filed on October 1, 2020, in Case 14-M-0565.

³ It was noted in the RY1 compliance filing that allowed revenues for January 2020 would be determined based on the revenue per customer methodology by applying the revenue per customer factors for January 2019 to the actual number of 30-day bills for January 2020. The actual number of 30-day bills for January 2020 was not known at the time of the RY1 compliance filing. For SC 1, the allowed revenue is the SC 1 actual delivery revenue for January 2020 since that is the amount the Company retained under Case 16-G-0061 when SC 1 was outside the RDM.

customer incentive programs currently being offered to defray the cost of new facilities. The JP discontinued the Company's Oil Heating to Gas Heating Conversion Incentive Program effective in the first Rate Year, and therefore, this provision should have been deleted in the RY1 compliance filing.⁴

Statement

The Company is filing a Statement of Delivery Revenue Surcharge – SDR Statement No. 15 to the Gas Tariff. Effective January 1, 2021, this statement will cease recovery or pass back of amounts related to the collection of Pure Base Revenue shortfalls that resulted from the extension of the Case 19-G-0066 suspension period. Consistent with General Information IX. 20 of the Gas Tariff (leaf 183.2), the Company will file a subsequent statement to reconcile any differences between amounts to be collected and the actual amounts collected under the Gas Tariff.

Conclusion and Notice

As directed by Ordering Clause 4 of the Order, the Company is filing its tariff amendments to take effect on a temporary basis, on not less than thirty days' notice, to become effective January 1, 2021.

As directed by Ordering Clause 3, the Company is serving copies of this filing electronically upon all parties to this proceeding.

As directed by Ordering Clause 5, the Company will file proof of newspaper publication prior to the effective date of these amendments.

Sincerely,

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

⁴ This change had no impact on incentives provided in the first rate year since the Oil to Gas Conversion Program Surcharge component of the Monthly Rate Adjustment reflected the discontinuance of these incentives in the RY1 compliance filing.

Appendix A

PSC No. 9 – Gas: List of Revised Gas Tariff Leaves and Statement

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
131	6	5
152	25	24
154.6	22	21
154.8	22	21
154.9	28	27
154.18	26	25
154.24	26	25
154.25	23	22
157.1	14	13
181.2	9	8
228	33	32
230	26	25
234	20	19
240	32	31
243	24	23
252	5	4
331	10	9
349	31	30

Statement

Statement of Delivery Revenue Surcharge

Statement Type

SDR

Statement No.

15

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Estimated Effect on Gas Customers' Bills and Company Revenues Resulting from Proposed Gas Rates
Based on Forecasted Sales and Revenues for the Twelve Months Ending December 31, 2021 for Service Classification Nos. 1, 2, 3, 13 and 14
and the Corresponding SC 9 Firm Transportation Sub-classes

Firm Service Classification (Sales and Transportation)	Total Annual Therms	Total Annual Revenues at Current 01/01/20 Rates (b) (c)	Total Annual Revenues at Proposed 01/01/21 Rates (b) (c)	Estimated Total Annual Revenues Increase/ (Decrease) (d)	Percent Change	Number of Customers' Bills		
						Increased	Decreased	Unchanged (e)
1 - Residential & Religious	39,720,000	\$249,619,451	\$269,991,501	\$20,372,050	8.2%	6,961,707	0	0
2 - General - Rate I (a)	251,630,000	259,093,463	274,315,359	15,221,897	5.9%	794,789	0	0
2 - Rider H - Distribution Generation	78,110,000	53,843,000	56,237,582	2,394,582	4.4%	2,658	0	0
2 - General - Rate II (a)	355,920,000	408,738,681	439,209,929	30,471,248	7.5%	833,706	0	0
2 - Total Commercial	685,660,000	721,675,144	769,762,871	48,087,726	6.7%	1,631,153	0	0
3 - Residential & Religious - Heating (a)	1,076,560,000	1,433,595,333	1,558,472,692	124,877,358	8.7%	3,742,167	0	0
13 - Seasonal Off Peak Firm Service	890,000	940,129	1,009,061	68,932	7.3%	5,181	0	0
14 - Natural Gas Vehicles	270,000	610,593	610,593				0	0
Total Firm Sales & Firm Transportation	1,803,100,000	\$2,406,440,650	\$2,599,846,718	\$193,406,067	8.0%	12,340,208	0	0

(a) Gas air-conditioning is included in SC 2 and SC 3.

(b) Total Annual Revenues reflect the gas cost factor and monthly rate adjustments, merchant function charges and various other charges used in calculating Rate Year Revenues.

(c) Total Annual Revenues include gas supply costs for transportation customers equivalent to what these customers would have paid as full service customers.

(d) Reflects the overall impacts by class, including the estimated increase in the MRA for the recovery of EAMs, positive revenue adjustments and \$11 million related to the White Plains Gate Station.

(e) Number of customer bills unchanged have bill impacts ranging from -0.01% to 0.01%.