



**Craig S. Ivey**  
President

January 30, 2015

Honorable Kathleen H. Burgess  
Secretary  
State of New York  
Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") submits this rate filing to propose a new rate plan for the electric service it provides to its customers in New York City and Westchester County. The Company's primary goals are to engage customers and to continue to provide safe, reliable, and resilient service to its customers at a reasonable cost.

We have identified three objectives to achieve this goal: (1) to enhance customer experience through new technology, tools, and improved engagement; (2) to reduce electric system risk to deliver energy safely with reliability and resilience; and (3) to mitigate bill impacts by improving system design, reducing costs, and providing customers with the information and tools to better manage their energy use. The Company's plan includes electric infrastructure upgrades and investments to maintain and further improve its electric system and customer operations initiatives that will improve the overall customer experience. The Company seeks to implement these programs in a cost-effective manner.

The Company has determined that customers' interests will be best served by implementing advanced metering infrastructure ("AMI") and redesigning the [coned.com](http://coned.com) website. Providing customers with information to better manage their energy use, and by extension, their total bill, is a key goal of implementing AMI. AMI will also improve how the Company delivers services to customers. AMI involves the installation of advanced electric meters and the build-out of a supporting communications network to enable two-way communication that will allow the Company to provide customers with timely feedback regarding their energy consumption. Similarly, the planned upgrade to [coned.com](http://coned.com) will streamline and facilitate customer service-related interactions with the Company and will provide useful information to customers and stakeholders.

The Company continues its investments to protect its assets from damage caused by storms. The filing includes continued improvements that will enhance its process for assessing damage caused by storms and allow the Company to provide timely and accurate information during outages. This filing also addresses investments to protect Con Edison's networks and cyber infrastructure.

This filing is being made prior to the issuance of Commission orders in Tracks One and Two of its Reforming the Energy Vision ("REV") Proceeding. Before the initiation of REV, Con Edison had already begun implementation of many of the key themes of REV for the benefit of our customers, such as continued development of its Distributed Energy Resources Management System and the Brooklyn-Queens Demand Management project. The Company will continue to work with the Commission, its Staff, and stakeholders to address New York State's energy future. The Company is planning to submit a separate filing to the Commission proposing a mechanism that will enable the Company to implement additional programs that support the further development of REV concepts and initiatives.

Today's filing begins a public review process by the Commission and other interested parties on a schedule designed to implement the new rate plan on or before January 1, 2016. Con Edison's proposed rate plan provides the vehicle for the Company, Staff, and other stakeholders to agree upon the appropriate investments to prepare our energy delivery systems for 2016 and beyond. The proposal reflects our active engagement with the Company's external stakeholders and, to the extent practicable, the results of continued Company outreach efforts in a variety of forums and meetings.

We seek an increase in revenues for electric delivery of approximately \$368 million. This revenue increase would result in an overall customer bill increase of approximately 3.2 percent<sup>1</sup> (7.2 percent on a delivery revenue basis). The filing explains the need for continuing capital investments designed to maintain the safety and reliability of Con Edison's electric system and proposes initiatives and programs to facilitate customer engagement in a cost-effective manner.

As part of the costs of providing reliable electric service, Con Edison incurs many costs over which it has limited or no control. These costs include property taxes, payroll and other taxes, state assessments and fees, municipal infrastructure support, and pensions. To protect our customers from variations between actual and forecasted costs for these hard-to-estimate expenses, the filing proposes continuation of reconciliation mechanisms to adjust rates so that customers pay actual costs.

While this rate filing proposes a one-year rate plan, we intend to explore a multi-year rate plan in settlement discussions with the Commission Staff and interested parties. Multi-year rate plans benefit customers by providing certainty as to the level of the Company's delivery rates over a number of years. Multi-year rate plans also facilitate implementation of the Company's plans that are detailed in the rate filing.

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<sup>1</sup> The calculation of the overall customer bill increase percentage includes estimates of electric supply costs for Con Edison retail access customers and NYPA.

### **Information Accompanying This Rate Filing**

The proposed rate plan requires increases or decreases to charges for electric service and changes to other provisions of the Company's rate schedules ("Tariff").<sup>2</sup> Revised Tariff leaves, descriptions of changes, and revenue impacts are provided in the following appendices to this letter:

Appendix A - List of Electric Tariff Leaves

Appendix B - List of PASNY Tariff Leaves

Appendix C - Description of Electric and PASNY Tariff Changes

Appendix D - Electric Revenue Impacts

Appendix E - PASNY Revenue Impacts

The Tariff leaves are issued as of January 30, 2015, to become effective on March 1, 2015. The Company requests that the Commission suspend the effective dates of the proposed Tariff changes in order for the proposed rates and other changes to become effective on and as of January 1, 2016.

The Company has also included a draft Notice of Proposed Rulemaking in the form required by the State Administrative Procedure Act and the Commission's form regarding consent to receive electronic-only service of Commission orders.

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<sup>2</sup> Schedule for Electricity Service, P.S.C. No. 10 - Electricity ("Electric Tariff"), applicable to customers in the City of New York and the County of Westchester, and the Schedule for PASNY Delivery Service, P.S.C. No. 12- Electricity ("PASNY Tariff"), applicable to delivery of power and associated energy to customers of the Power Authority of the State of New York ("PASNY" or "NYPA").

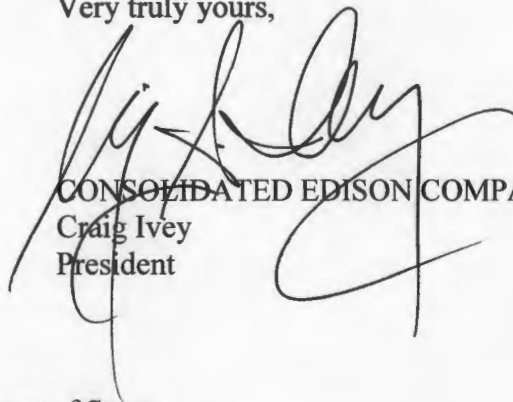
**Conclusion and Public Notice**

The Tariff leaves, testimony, and exhibits submitted with this filing explain the reasons for and nature of the proposed changes, and establish the reasons for the rate changes requested by the Company. As noted above, the Company will pursue discussions with Staff and other interested parties to the proceeding established by the Commission to consider this filing in an effort to reach agreement on the issues presented and to develop a multi-year rate plan.

The Company respectfully requests that, in the absence of agreement of the parties, the Commission approve the changes to become effective on and as of January 1, 2016.

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 March 1, 2015.

Very truly yours,

A large, stylized handwritten signature in black ink, likely belonging to Craig Ivey, is written over the typed name and title.

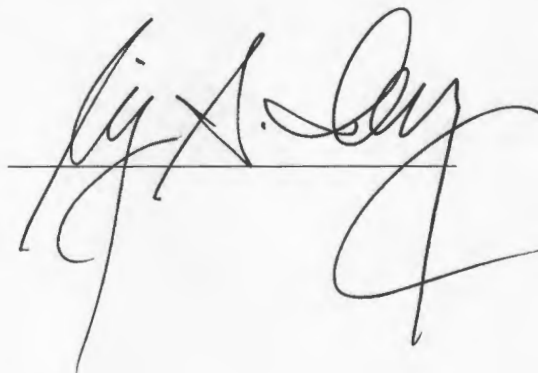
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
Craig Ivey  
President

cc: New York State Department of State  
Utility Intervention Unit  
Active Parties

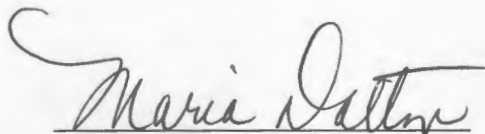
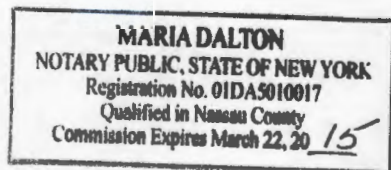
STATE OF NEW YORK    )  
                                  )  
COUNTY OF NEW YORK )

CRAIG S. IVEY, being duly sworn, says:

I am President of CONSOLIDATED EDISON COMPANY OF NEW YORK,  
INC., the applicant above-named, on behalf of which I have subscribed the foregoing  
application and know the contents thereof and the same is true to the best of my  
knowledge, information, and belief.

A handwritten signature in dark ink, appearing to read "Craig S. Ivey", is written over a horizontal line.

Subscribed and sworn to  
before me this 29th day of  
January, 2015.

A handwritten signature in dark ink, appearing to read "Maria Dalton", is written over a horizontal line.  
Notary Public

## Appendix A

## PSC No. 10 – Electricity: List of Tariff Leaves

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>		<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>	
3	4	3		388	7	6	
37	2	1		389	6	5	
56	1	0		389.1	3	2	
77	1	0		395	5	4	
78	2	1		397	7	6	
79	2	1		398	6	5	
95	5	4		406	6	5	
119	4	3		408	6	5	
121	3	2		409	6	5	
122	3	2		410	6	5	
126	3	2		416	6	5	
136	1	0		432	6	5	
139	1	0		435	6	5	
142	1	0		437	6	5	
154	2	0	(Rev. 1 - Canceled)	438	6	5	
157	4	3		439	6	5	
157.4	4	3		445	7	6	
167	3	2		449	6	5	
171	3	2		451	6	5	
181	6	5		452	6	5	
192	6	5		452.1	3	2	
193	2	1		453	6	5	
196	2	1		453.1	3	2	
199	2	1		459.4	3	2	
200	2	1		463	6	5	
201	3	2		466	3	1	(Rev. 2 - Canceled)
336	4	3		479	6	5	
337	3	2		480	6	5	
338	3	2		483	6	5	
343.1	2	1		485	6	5	
344	3	2		486	6	5	
346	3	2		487	6	5	
347	2	1		488	6	5	
351	12	10	(Rev. 11 - Pending)	495	6	5	
352	3	2		496	6	5	
358	3	2					
373.1	1	0					

Appendix B

PSC No. 12 – Electricity: List of Tariff Leaves

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
4	6	5
5	6	5
6	6	5
7	6	5
8	6	5
9	6	5
10	6	5
14	8	7
22	7	6
24	2	1
25	2	1
26	2	1
27	1	0
29	1	0

Changes proposed to the Schedule for Electricity Service, P.S.C. No. 10 – Electricity, and  
the Schedule for PASNY Delivery Service, P.S.C. No. 12 – Electricity

The Company is filing revisions to the following in P.S.C. No. 10 – Electricity: rates under electric Service Classifications (“SC”s) 1, 2, 5, 6, 8, 9, 11, 12 and 13; Uncollectible Bill (“UB”) factors associated with the Market Supply Charge (“MSC”) and Monthly Adjustment Clause (“MAC”) UB expense; competitive metering charges; reactive power demand charges; charges under Riders D and I; and the Rule 20.2.1((B)(8) communications credit. The Company is also filing revisions to the following in P.S.C. No. 12 – Electricity: rates under Rates I, II, III, and IV; competitive metering credits; and reactive power demand charges.

The Company is proposing to modify P.S.C. No. 10 – Electricity:

- for customers billed under Standby Service rates, to: (a) assess the MAC on a kWhr basis to conform to the method of MAC assessment for other customers, (b) assess “offset” customers’ kWhr charges based on the total usage less the generator output (i.e., based on net instead of gross kWhr), and (c) provide contract demand credits to customers, under new General Rule 20.5.3, based on the performance of their generating facility over a period of two successive summers; and
- for participation under the Company’s Business Incentive Rate (“BIR”) Program, to: (a) extend the deadline for accepting BIR applications so that the Company can continue to foster economic development through the acceptance of new customers; (b) define “retail establishments,” which are excluded under BIR except for restaurants and hotels that receive Sandy BIR; and (c) eliminate WTC BIR, which was established following September 11, 2001, and has had no participants since 2007.

The Company also proposes to:

- permit customers billed under SC 1 – Residential and Religious to have a separate SC 1 – Rate III account for the sole purpose of charging a Plug-in Electric Vehicle (“PEV”), so as to encourage PEV charging during the off-peak period, when energy rates are very low;
- continue the low-income rate program for one year, including customer charge reductions and reconnection charge waivers, at \$400,000 more than the aggregate annual levels established in Case 13-E-0030;
- increase the amount of compensation payable due to power failures attributable to malfunctions in the Company’s lines, in accordance with the standard established by the Commission based on changes in a specific economic index;
- update the percentage reduction applicable to customers who newly commence service under BIR or the Excelsior Jobs Program to be reflective of current marginal costs; and
- permit Standby Service customers to pay a non-refundable lump sum charge instead of annual surcharges to cover property taxes and operation and maintenance expenses associated with interconnection costs (i.e., the same option allowed to customers that request excess distribution facilities). The cost of capital in the “lump sum” formula for both excess distribution facilities and standby interconnection costs will be set at the pre-tax return authorized by the Commission in the Company’s most recent electric rate case.

In addition, the Company proposes to:

- revise General Rule 5.2.7, “Temporary Service,” to clarify that temporary service includes service to a permanent structure that supplies a mobile and intermittent load external to the structure;
- clarify cost responsibility under General Rule 5.6.1, “Space for Transforming Apparatus” depending on whether suitable space is provided, and require elevation of non-submersible transformer enclosures in a 100-year flood zone established by the Federal Energy Management Agency plus an additional vertical three-foot flood elevation;
- add new General Rule 8.4, “Electrical Energy Storage Equipment,” to indicate that use of energy storage equipment is permitted at a customer’s premises provided that the interconnection is in compliance with the interconnection requirements, including the Interconnection Charge, specified in General Rule 20, and that the account will not be subject to Standby Service rates unless the storage is used with other electric generating equipment subject to such rates; and
- recover, through the Monthly Adjustment Clause, credits provided under General Rule 20.5.3.

The Company proposes to update the following fees and percentages to reflect current costs:

- the annual carrying charge percentage associated with interconnection charges assessed to standby service and buy-back service customers;
- the percentages used for handling costs and for corporate overheads in the definition of costs associated with Special Services to reflect current costs; and
- some of the charges for Special Services at Stipulated Rates.

In PSC No. 12 – Electricity, the Company proposes to modify paragraph (A) of Special Provision 3, applicable to public street lighting, to clarify that traffic control equipment, such as traffic detectors, red light cameras, and municipal parking meters, are street lighting uses. It also proposes to eliminate the annual cost cap on PASNY contributions to PJM OATT costs.

Finally, the Company proposes housekeeping changes to various provisions of its rate schedules, including the elimination of obsolete provisions.

For information on all changes being proposed, please consult the tariff leaves being filed and the testimony of the Company’s witnesses.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
 Estimated Effect on Con Edison Conventional and TOD Customers' Bills and Revenue  
 Resulting from the Application of Proposed Conventional and TOD Rates and Charges  
 Based on Sales and Revenues for the Twelve Months Ended December 31, 2013

Con Edison Service Classification - Conventional Rates		Total Revenues * @ January 2015 Rates	Total Revenues * @ January 2016 Rates	Estimated Change @ January 2016 Rates	Percentage Change	Estimated Number of Customers' Bills ***		
						Increased	Decreased	Unchanged
1 - Rate I **	Residential & Religious	\$3,610,340,542	\$3,765,198,282	\$154,857,740	4.29%	34,797,027	0	0
2	General - Small	596,564,012	626,382,491	29,818,479	5.00%	4,306,623	0	0
5 - Rate I	Electric Traction Systems	179,122	186,211	7,089	3.96%	120	0	0
6	Public & Private Street Lighting	2,948,378	2,976,419	28,041	0.95%	10,642	3	30,618
8 - Rate I	Multiple Dwellings - Redistribution	350,258,260	360,990,281	10,732,021	3.06%	22,307	0	0
9 - Rate I	General - Large	3,464,230,608	3,564,712,412	100,481,804	2.90%	1,561,352	133	0
12 - Rate I	Multiple Dwelling - Space Heating	<u>32,710,472</u>	<u>33,733,892</u>	<u>1,023,420</u>	3.13%	<u>5,330</u>	<u>0</u>	<u>0</u>
Sub-Total	Con Edison's Conventional Rates	\$8,057,231,394	\$8,354,179,988	\$296,948,594	3.69%	40,703,401	136	30,618
Con Edison Service Classification - Time-of-Day Rates								
1 - Rate II	Residential & Religious	\$16,460,482	\$17,094,702	\$634,220	3.85%	23,230	0	15
2 - Rate II	General - Small	1,647,434	1,690,917	43,483	2.64%	3,923	0	0
5 - Rate II	Electric Traction Systems	16,253,854	16,517,562	263,708	1.62%	60	0	0
8 - Rate II	Multiple Dwellings - Redistribution	24,848,716	25,566,527	717,811	2.89%	228	0	0
8 - Rate III	Multiple Dwellings - Redistribution - Voluntary	11,955,248	12,292,518	337,270	2.82%	539	0	0
9 - Rate II	General - Large	1,660,823,085	1,685,737,356	24,914,271	1.50%	8,200	0	0
9 - Rate III	General - Large - Voluntary	222,085,427	226,381,826	4,296,399	1.93%	26,377	0	0
12 - Rate II	Multiple Dwelling - Space Heating	43,577,016	44,640,292	1,063,276	2.44%	337	0	0
13 - Rate II	Bulk Power - High Tension - Housing Developments	<u>4,266,717</u>	<u>4,412,691</u>	<u>145,974</u>	3.42%	<u>12</u>	<u>0</u>	<u>0</u>
Sub-Total	Con Edison's Time-of-Day Rates	\$2,001,917,979	\$2,034,334,391	\$32,416,412	1.62%	62,906	0	15
Con Edison Total	Con Edison's Total Excluding Special Contract	\$10,059,149,373	\$10,388,514,379	\$329,365,006	3.27%	40,766,307	136	30,633

\* Total Revenues for all customers include: T&D delivery charge and estimated market supply charge, monthly adjustment clause, system benefits/renewable portfolio standard program charges, the surcharge to collect Public Service Law, Section 18-a Assessments, and the associated gross receipts taxes.

The market supply charge revenues for retail access customers are equivalent to what these customers would have paid as full service customers.

\*\* Total Revenues in Service Classification No. 1 include customers currently served under Rider D. Total Revenues in SC 1 include \$48.00 million of low income program credits at January 2015 Rate (i.e., \$47.50 million of low income and \$500,000 for waived reconnection fees) and \$48.40 million of low income program credits at January 2016 Rate (i.e., \$47.90 million of low income and \$500,000 for waived reconnection fees).

\*\*\* The change in Con Edison P.S.C. No. 10 revenues for the rate year, i.e., the twelve months ending December 31, 2016, equates to \$326.5 million, or an overall increase of 3.2%.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
Estimated Effect on NYPA Delivery Service Conventional and TOD Revenue Resulting from the Application of  
Proposed Conventional and TOD Rates and Charges Based on Sales and Revenues For the 12 Months Ended December 31, 2013

	Total Revenue @ January 2015 Rates*	Total Revenue @ January 2016 Rates*	Estimated Change @ January 2016 Rates	Percentage Change
NYPA Delivery Service				
NYPA Total	\$1,415,611,762	\$1,456,156,003	\$40,544,241	2.86%

\* Total Revenues include delivery service revenues, NYPA's share of the estimated PJM OATT costs and estimated supply revenues and the surcharge to collect Public Service Law, Section 18-a Assessments associated with customers billed under the PASNY Delivery Service - P.S.C. No. 12 tariff.

\*\* Based on sales and revenues for the rate year, i.e., the twelve months ending December 31, 2016, such increase in NYPA Delivery Service revenue equates to \$41.6 million or an overall increase of 3.0%.