



Consolidated Edison Company
of New York, Inc.
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October 28, 2014

Honorable Kathleen H. Burgess
Secretary
New York State
Public Service Commission
Three Empire State Plaza, 19th Floor
Albany, New York 12223-1350

RE: Case 13-E-0573, Demand Response Programs - Riders S and U

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) is filing with the Public Service Commission (“Commission”) amendments to its Schedule for Electricity Service, P.S.C. No. 10 – Electricity (“Tariff”), applicable to its customers in the City of New York and the County of Westchester. The Tariff leaves, which are identified below, are filed to become effective on October 29, 2014:

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding No.</u> ¹
257.1	2	0
282.1	2	0

Background

The Commission’s Order Denying Petition for Rehearing But Granting Reconsideration in Part, issued and effective June 27, 2014, in Case 13-E-0573 (“June 2014 Order”), directed tariff changes with regard to the Company’s Commercial System Relief Program (“Rider S”) and the Distribution Load Relief Program (“Rider U”). The June 2014 Order created the concept of “Aggregator Network Resource” (“ANR”), to which Aggregators can assign customers under the Three-Year Incentive Program, and it

¹ First Revised Leaf No. 257.1 and First Revised Leaf No. 282.1 were issued on August 26, 2014, in Case 13-E-0573, and are pending Commission review. When those leaves, as approved or modified, become effective, conforming changes will be required to merge the text on these leaves with those leaves.

modified the performance measurement required to trigger a Three-Year Incentive Payment.

The Company's filing of July 15, 2014, revised Riders S and U, as directed by the June 2014 Order. The Company made multiple changes, such as adding a definition of "ANR" and modifying definitions of "Performance Factor," "Three-Year Incentive Period," and "Three-Year Incentive Payment." The "Applications and Term of Service" section of the Riders was also modified to state that Aggregators must pledge kW Load Relief per ANR, and that once a Direct Customer or ANR commences participation for the first Capability Period of a Three-Year Incentive Period, the pledged Load Relief cannot be increased or decreased for any of the three years, unless demand savings are realized from a completed electric efficiency project.

Tariff Changes

The Company is filing a clarification to the "Applications and Term of Service" section of Rider S and Rider U related to pledged Load Relief made by Aggregators and Direct Participants who commenced participation in the Three-Year Incentive Period in 2014.

During enrollment for the 2014 Capability Period, Aggregators and Direct Participants who wanted to participate for the Three-Year Incentive Period were required to make pledges for all three years, but were not prohibited from changing their pledges in the second and third years.² That prohibition was added to the Tariff, effective July 16, 2014, in a filing made to comply with the June 2014 Order. So as not to penalize 2014 participants who enrolled before participants were required to establish firm three-year pledges, the Company is filing a housekeeping change to the Tariff to permit Direct Participants and Aggregators that participated in the Three-Year Incentive Period in 2014 to increase their second and/or their third-year pledges³ prior to the start of the 2015 Capability Period.⁴ Each Aggregator that participated in the Three-Year Incentive Period in 2014 will be allowed to increase its second and third-year pledge when creating one or more ANRs from its contracted Load Relief per network prior to the start of the 2015 Capability Period.⁵ No change is proposed to ANRs and Direct Participants commencing participation in the Three-Year Incentive Period starting 2015.

² The Three-Year Incentive Period was approved by the Commission's Order Adopting Tariff Revisions With Modifications, issued and effective March 13, 2014, in Case 13-E-0573 (the "March 2014 Order").

³ Participants may increase their pledge amount but not decrease it, because the March 2014 Order, page 12, requires that a program participant "pledge an amount of load reduction in years two and three of the three-year incentive period that is equal to or higher than the first year amount."

⁴ The Company proposed in its pending filing made August 26, 2014, in Case 13-E-0373 that each Aggregator that participated in the Three-Year Incentive Period allocate its contracted Load Relief to ANRs no later than February 2, 2015. If that change is approved, the Company would change this provision as well, so that both Direct Customers and Aggregators that wish to increase their second and/or third-year pledges must do so by February 2, 2015.

⁵ As indicated in Footnote 4, the Company's pending filing proposes that this allocation be made no later than February 2, 2015.

Conclusion and Notice

Consistent with Ordering Clause 1 of the Order, this filing has been issued on not less than one day's notice. Ordering Clause 3 of the Order waived the requirement for newspaper publication of the tariff changes.

Copies of this filing are being sent electronically to all active parties to Case 13-E-0573.

Sincerely,

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