Received: 08/26/2014

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August 26, 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 Program 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 December 22, 2014.

Rider	Leaf No.	Revision No.	Superseding No.
S	257	6	5
S	257.1	1	0
S	260	5	4
S	261	5	4
S	265	4	3
U	280	3	2
U	281	5	4
U	282	5	4
U	282.1	1	0
U	282.2	0	
U	291	5	4

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 (the "Order"), directed the Company to file tariff revisions to the Commercial System Relief Program ("Rider S") and the Distribution Load Relief Program ("Rider U") to: (a) make payment of the Three-Year Incentive Payment contingent upon the Direct Participant or

Received: 08/26/2014

Aggregator Network Resource ("ANR") performing, on average, 80 percent or higher of the pledged kilowatt amount across all hours in each season; (b) waive the requirement to 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 year 1 pledge where the customer completes an electric energy efficiency project that reduces its peak load; (c) clarify that the same customer can receive a Three-Year Incentive Payment more than once; and (d) extend the Rider S and Rider U application deadline for the 2014 Capability Period to August 1. Consistent with Ordering Clause 1 of the Order, that filing was issued on not less than one day's notice, to become effective on July 16, 2014.[1]

The Order also directed the Company to propose a tariff amendment, within 60 days of the Order's issuance, describing how the amount of a pledge reduction shall correspond to demand savings realized from the completed electric efficiency project.

Tariff Changes Regarding Pledge Reductions

As part of the tariff filing that became effective on July 16, 2014, the Company indicated that a Direct Customer or ANR that commenced participation for the first year of the Three-Year Incentive Period cannot increase or decrease its pledged Load Relief for any of the three years; however, the Direct Participant or Aggregator, for its ANR, may apply in writing to reduce the pledged Load Relief for the upcoming Capability Period for a kW amount up to the demand savings realized from a completed electric efficiency project. With the current filing, the Company has indicated that the request to reduce the pledged Load Relief for the upcoming Capability Period and any subsequent Capability Period in the Three-Year Incentive Period must be must be made at the time of annual enrollment for the Capability Period. Specific requirements and instructions for requesting a pledge reduction will be posted on the Company's website.

In addition, the Direct Participant or Aggregator must submit a Measurement and Verification ("M&V") report that demonstrates kW savings during the Rider S Contracted Hours or the Rider U Load Relief Period that are greater than or equal to the requested kW pledge reduction no later than November 15 following the end of the Capability Period for which the load reduction was requested or any subsequent deadline as described in requirements and instructions posted on the Company's website regarding requesting a pledge reduction. Otherwise, the Direct Participant or Aggregator will become ineligible for the Three-Year Incentive Payment, and Reservation Payments for the Capability Period will be based on the original pledged amount less the requested pledge reduction. In addition, in calculating the Performance Factor, the original pledged Load Relief will be used if an M&V report is not received by the deadline; the actual reduction as shown on the M&V report will be used if the M&V report shows kW savings that are lower than the requested load reduction.

[1] The Commission granted the Company's request for an extension of time to file on July 15, 2014.

Received: 08/26/2014

Furthermore, Rider S participants will be subject to a penalty, separate from the performance penalty, if either the M&V report shows lower savings than the kW pledge reduction or the M&V report is not submitted by the deadline. If the M&V report shows savings that are less than the kW pledge reduction, the penalty will be equal to the Reservation Payment rate times the kW difference between the requested pledge reduction and the amount of achieved savings identified on the M&V report; the penalty, if an M&V report is not submitted by the deadline, will be equal to the Reservation Payment rate times the kW difference between the original pledged amount and the requested reduced pledge.

Other Tariff Changes

In addition to the above tariff changes for pledge reductions, the Company proposes the following amendments to Riders S and U:

- The current Riders indicate that each Aggregator that participated in the Three-Year Incentive Period in 2014 must allocate its contracted kW of Load Relief per network into one or more ANRs prior to the start of the 2015 Capability Period. In this filing, the Company has indicated that the allocation must be made by February 2, 2015. This should provide sufficient time for the Company to process the newly designated ANRs prior to commencement of the 2015 Capability Period

- Rider U has been revised to allow the Company to call Test Events more than once in a Capability Period. The Company requires the flexibility to test resources, as needed, in order to measure the collective pool of resources as new participants join and to ensure that participants are adequately prepared when they are called to perform for future Events. This change will align Rider U testing requirements with those of Rider S.

- Participation under Rider S and Rider U commences on May 1 or June 1. The Application section of Rider S and U has been amended to allow an applicant to commence participation on July 1 if interval metering is not used for monthly billing at the time of application for Rider service, provided the application is received by April 1 and the applicant meets the Rider's metering requirements. In addition, text in the Application section about commencement of service for the 2014 Capability Period has been deleted, as this will become obsolete prior to the effective date of the proposed tariff amendments.

- Metering provisions in Rider S and Rider U have been modified to indicate that: (a) the Company will issue an invoice within three business days (instead of three days) of receiving a customer's application for a meter upgrade, to reflect the fact that the number of days should exclude week-ends and holidays; (b) an interval meter will be installed within 21 business days (instead of three weeks) of the

Received: 08/26/2014

later of an applicant's payment for a meter upgrade and evidence that the applicant has requested a landline from a telephone carrier or Internet Protocol address from a wireless carrier;[2] (c) meters that communicate wirelessly will be available only if the wireless service meets the Company's security requirements; (d) where a meter with wireless communications is requested and the wireless service meets the Company's security requirements, the Company will carry out a wireless survey at the premises within 14 business days of its receipt of payment for the survey and issue an invoice within three business days of the survey for the cost of an upgrade to a meter with either wireless communications or wired communications, if wireless is not viable (instead of a total of 5 business days);[3] (e) the process and rules pertaining to meter upgrades are described in the Meter Upgrade Manual posted on the Company's website; and (f) the Company will visit the premises at the request of the Customer to investigate a disruption of normal communications between the phone line or wireless communications and the meter, or operation of external pulses from the meter to the Customer's energy management equipment, and charge for the visit based upon the cost to the Company as defined in General Rule 17.3 of the Tariff.

- Rider S has been revised to eliminate the penalty applicable to Direct Participants and Aggregators that do not have interval metering and/or telecommunications service operational at least 30 days before commencing Rider S service. Elimination of the "metering" penalty is consistent with Rider U, which does not have a penalty. The failure of a Rider S participant to install the necessary metering and telecommunications service at least 30 days prior to July 1 (a commencement date that is one month later than the commencement date for customers that already have interval metering) will make the participant ineligible for participation in the current Capability Period.

- Two housekeeping changes have been made to Rider U. On Leaf 282, "four Contracted Hours" has been changed to "Load Relief Period," since "Contracted Hours" is applicable to Rider S only. Also, the text on Leaf 281 about the timeframe for meter installations and payment of Lost Reservation Payments was modified to conform to the text in Rider S.

[2] Many accounts that do not have interval meters at the time of application for Rider S or U are awaiting interval meter installation as part of the reactive power demand program or mandatory day-ahead hourly-pricing ("MHP") program. The increase from 21 days to 21 business days is necessary because removing these accounts from the planned installation schedule under either of the reactive power demand or MHP program, based on geography, and assigning them a higher priority, based on a Rider S or U application, results in rescheduling of Company resources and increased travel. (Note that if the account requires a meter upgrade for the reactive power demand program, the Company will require payment only if the meter upgrade is requested to provide meter capabilities in excess of that required for monthly billing.)

[3] The 14-day timeframe is required based on the Company's experience with the technical challenges associating with wireless installations, e.g., provisioning and configuring multi-port devices, verifying baseline signal strength and sensitivity, and customizing solutions based on site-specific requirements.

Received: 08/26/2014

Conclusion and Notice

As directed by Ordering Clause 2 of the Order, the Company is filing, within 60 days of the issuance of the Order, its proposed tariff revisions regarding the reduction of pledged Load Relief due to demand savings realized from a completed energy efficiency project. Those changes, as well as other proposed changes, are issued to become effective on December 22, 2014.

Footnote 2 on page 8 of the Order directed that newspaper publication be made. Newspaper publication of the tariff amendments during by the Order and the other proposed amendments will be published on September 5, 12, 19, and 26, 2014.

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