



Consolidated Edison Company
of New York, Inc.
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June 26, 2014

Honorable Kathleen H. Burgess
Secretary
NYS Public Service Commission
Empire State Plaza
Agency Building 3
Albany, New York 12223-1350

**RE: Case 09-M-0311, Temporary Annual Assessment to be Collected Under
the Electric and PASNY Tariffs Pursuant to Public Service Law §18-a(6)**

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) herein submits for filing with the New York Public Service Commission (the “Commission”) a revision to the Company’s 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 also submits a revision to its Schedule for New York Power Authority (“NYPA” or “PASNY”) Delivery Service – P.S.C. No. 12 – Electricity (“PASNY Tariff”),¹ applicable to delivery by the Company of power and associated energy to customers of NYPA.

The specific Tariff leaves being revised have an effective date of July 1, 2014, and are identified below:

<u>Tariff</u>	<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding No.</u>
P.S.C. No. 10 – Electricity	357	4	3
P.S.C. No. 12 – Electricity	23	3	2

The Company is also filing the following Statements, which have an effective date of July 1, 2014:

Statement of Surcharge to Collect PSL Section 18-a Assessments,
PSL – Statement No. 4 to P.S.C. No. 10 – Electricity

¹ This is the Delivery Service Rate Schedule Implementing and Part of the Service Agreement between the Power Authority of the State of New York (PASNY) and the Consolidated Edison Company of New York, Inc. (the Company) dated March 10, 1989.

Statement of PASNY Surcharge to Collect PSL Section 18-a Assessments,
PSL – PASNY Statement No. 4 to P.S.C. No. 12 - Electricity

Reason for Filing

The Commission's Order Implementing Revised Temporary State Assessment (the "2014 Order"), issued and effective June 18, 2014, in Case 09-M-0311, "Implementation of Chapter 59 of the Laws of 2009 Establishing a Temporary Annual Assessment Pursuant to Public Service Law §18-a(6)," implements the revised temporary state assessment. The 2014 Order authorizes the continuation of the temporary surcharge through December 31, 2017, for utilities whose estimated over-collection through June 30, 2014 (excluding the March 2014 assessment payment) is less than their expected March 2015 total assessment payment. Any remaining balance at the end of 2017 shall remain on the books of the utility until it is disposed of through a future Commission action.

Tariff Changes

The Company has revised General Rule 26.6 of the Electric Tariff and Additional Delivery Charges and Adjustments, Section (E), of the PASNY Tariff, to indicate that surcharges will be assessed pursuant to the Commission's Orders dated June 19, 2009 and June 18, 2014, in Case 09-M-0311.² In addition, text about how the Company may retain the prior year's surcharge to improve cash flow has been deleted, because the 2014 Order explicitly describes how prior under- and over-collections are to be included in the subsequent year's collections.

Statements

Revised surcharges have been designed to collect Public Service Law ("PSL") §18-a amounts required to be collected above the amount in base rates for the State Fiscal Year 2014-2015 (April through March) inclusive of an adjustment for uncollectible expenses and working capital costs. The PSL §18-a amounts required to be collected for the 2014-2015 State Fiscal Year were allocated to the Electric Tariff and PASNY Tariff based on their contribution to the Company's total 2013 electric revenues inclusive of gross receipts taxes. Revenues include both delivery and supply charges for all Con Edison service classes (including estimated supply charges for retail access customers)³ and delivery only charges for the PASNY Tariff. These amounts will be recovered for

² The current Tariffs specified the date of the 2009 Order.

³ Based on applying the average Market Supply Charge per kWh paid by Con Edison full-service customers in 2013 to retail access sales, the Company has estimated ESCO commodity revenues, including gross receipts taxes to be about \$2.4 billion.

the period July 2014 through June 2015 and reflect the reduction of assessments from 2.0 to 1.63 percent for Fiscal Year 2014-2015.⁴

The surcharges also reconcile the difference between past period PSL §18-a amounts required to be collected and actual amounts collected. The PSL §18-a surcharges that became effective for the 12 months commencing July 1, 2013, recognized over/under collections applicable to past periods, resulting in adjusted surcharges by service class.⁵ In this filing, the Company is continuing to adjust the PSL §18-a surcharges for past period over/under collections. Reconciliation amounts for past periods were determined by allocating the total of the actual PSL §18-a payments made by the Company for each State Fiscal Year, including working capital and uncollectible expense adjustments based on the actual payments, to the Electric Tariff and the PASNY Tariff based on total electric revenues inclusive of gross receipts taxes and estimated ESCO revenues for the previous calendar year. These amounts were compared with the actual class-specific amounts collected under the surcharges that were in effect under those Tariffs.⁶ Any differences have been added to the 2014-2015 State Fiscal Year amounts to determine total amounts recoverable through the Electric Tariff and the PASNY Tariff over the July 1, 2014 through June 30, 2015 period.

The Statements filed herewith reflect the unit amounts to be collected over the 12 months commencing July 1, 2014. Surcharge amounts will be collected from each Con Edison class under the Electric Tariff on a per-kWh basis, except that amounts will be collected per kW from customers served under SC 11 and SC 5 – Rates III and IV, SC 8 – Rates IV and V, SC 9 – Rates IV and V, and SC 12 – Rates IV and V and as a single amount per monthly bill for SC 13 – Rates I and II. The surcharge applicable to service under the PASNY Tariff was calculated as a single monetary amount that will be billed monthly to NYPA commencing July 2014.

Conclusion and Notice

As directed by Ordering Clause 1 of the 2014 Order, the Tariff amendments and Statements are being filed within ten days of the 2014 Order's issuance, to become effective on a temporary basis on July 1, 2014.⁷

⁴ The assessments for Fiscal Years 2015-2016, 2016-2017, and 2017-2018 are 1 percent, 0.73 percent, and 0.365 percent, respectively.

⁵ The Commission's Order issued May 16, 2013, in Case No. 09-M-0311, approved tariff changes to allow the Company to reduce collections in the subsequent year if warranted by lower prior period revenues or a large over-collected balance.

⁶ June 2014 collections have been estimated and will be true-up in next year's Temporary Annual Assessment surcharge. This year's surcharge reflects the true-up of June 2013 collections which were estimated last year.

⁷ No tariff changes were required to implement the requirement in Ordering Clause 1 of the 2014 Order that future statements will become effective on 15 days' notice, the requirement in Ordering Clause 2 that carrying charges are to be calculated at the Company's pre-tax rate of return, or the requirement in Ordering Clause 3 that any remaining balance after the last year the surcharge is in effect is to be deferred

Pursuant to Ordering Clause 4 of the 2014 Order, the Commission has waived the requirement for newspaper publication.

Sincerely,

/s/

William A. Atzl, Jr.

Director

Rate Engineering Department

Attachments

for future disposition by the Commission. Those provisions are already tariffed.