



Consolidated Edison Company of NY, Inc.
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June 26, 2014

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

**RE: Case 09-M-0311, Temporary Annual Assessment 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 Gas Service, P.S.C. No. 9 – Gas (“Gas Tariff”), applicable to its customers in the City of New York and the County of Westchester.

The specific tariff leaf being revised has an effective date of July 1, 2014 and is identified below:

<u>Gas Tariff Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision</u>
183	14	13

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

Statement of Temporary State Assessment Surcharge, TSAS – Statement No. 6

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 Information Section IX. 17 of the Gas 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-0311.¹ 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.

Statement

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 each class based on their contribution to the Company's total 2013 gas revenues inclusive of gross receipts taxes. Revenues include both delivery and supply charges for all Con Edison service classes (including estimated supply charges for transportation customers).² These amounts will be recovered for the period July 2014 through June 2015 and reflect the reduction of assessments from 2.0 to 1.63 percent for Fiscal Year 2014-2015.³

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 class.⁴ 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 derived from total gas 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

¹ The current Tariff specified the date of the 2009 Order.

² Based on applying the average supply charge per therm paid by Con Edison full-service customers in 2013 to transportation volumes, the Company has estimated ESCO commodity revenues, including gross receipts taxes to be about \$490,000.

³ The assessments for Fiscal Years 2015-2016, 2016-2017 and 2017-2018 are 1 percent, 0.73 percent and 0.365 percent, respectively.

⁴ 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.

surcharges that were in effect under the Gas Tariff.⁵ Any differences have been added to the 2014-2015 State Fiscal Year amounts to determine total amounts recoverable over the July 1, 2014 through June 30, 2015 period.

The Statement filed herewith reflects the unit amounts to be collected over the 12 months commencing July 1, 2014.

Conclusion and Notice

As directed by Ordering Clause 1 of the 2014 Order, the Tariff amendment and Statement are being filed within ten days of the 2014 Order's issuance, to become effective on a temporary basis on July 1, 2014.⁶

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

Very truly yours,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

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

⁵ June 2014 collections have been estimated and will be trued 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.

⁶ 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 for future disposition by the Commission. Those provisions are already tariffed.