



Orange and Rockland Utilities, Inc.
4 Irving Place
New York NY 10003-0987
www.oru.com

December 30, 2016

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

RE: Case 15-G-0185 – In the Matter of Heating Fuel Oil
Supply Coordination with Interruptible Gas Service
Customers

Dear Secretary Burgess:

Orange and Rockland Utilities, Inc. ("O&R" or "the Company") hereby submits for electronic filing with the Public Service Commission (the "Commission") the following tariff leaves reflecting revisions to its Schedule for Gas Service, P.S.C. No. 4 – Gas ("Gas Tariff").

9th	Revised Leaf No.	139.1
6th	Revised Leaf No.	140
6th	Revised Leaf No.	141.1
4th	Revised Leaf No.	141.1.1
1st	Revised Leaf No.	147.3

These leaves are issued December 30, 2016, to become effective January 1, 2017.

Reason for Filing

The Commission's Order Adopting New Communication Protocols (the "Order"), issued and effective December 16, 2016 in the above referenced case, directed that changes be made by all local distribution companies ("LDC") to the provisions for interruptible service contained in the LDC tariffs and Gas Transportation Operating Procedures ("GTOP") to ensure safe and reliable service for all customers at times of peak demand.

The Order proposed changes in the following areas: (1) the required communications between the LDC and interruptible customers¹ prior to, during, and immediately following an interruption; (2) the filing of an annual customer affidavit attesting to compliance with the LDC tariff from all interruptible customers except those customers who have elected to cease using natural gas when directed in lieu of maintaining an alternate fuel inventory ("Shut Down

¹ In the Order, the Commission refers to interruptible customers as "demand response customers."

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customer”); (3) the inclusion of certain information in the annual customer affidavit; and (4) an additional unannounced interruption test at the end of January of every year.

Tariff Changes and Request for Clarification

Provisions for interruptible service are contained in SC Nos. 8 and 9 of the Gas Tariff and in the GTO. Currently, there is no statement in the Gas Tariff requiring the submittal of the annual affidavit by an interruptible customer as required by the Order; however there is language in the Gas Tariff that requires customers served under SC Nos. 8 and 9 to be in compliance with the GTO. Contained in the GTO is the affidavit that is required to be submitted to the Company each Winter Season (i.e., November 1 through March 31) by interruptible customers attesting that they will be in compliance with the provisions of the Gas Tariff. The Company is proposing to add language to SC Nos. 8 and 9, respectively, to explicitly state that any interruptible customer will be required to submit the affidavit contained in the GTO by October 1 of each year.

In regards to the additional unannounced interruption test, the Company has made changes to SC Nos. 8 and 9 to indicate that there may be more than one planned interruption test each year. The Company also revised the one-time waiver of certain penalties contained in SC No. 8 of the Gas Tariff for a customer's failure to interrupt due to documented equipment failures. In accordance with the Order, the changes reflect an opportunity for a second waiver of certain penalties for failing to interrupt during any second planned interruption test due to documented equipment failures.

The Company respectfully requests that the Commission clarify that the Order was not intended to modify existing utility waivers related to documented equipment failures but, rather, that the Commission simply directed utilities to extend existing waivers to planned interruptions. Currently, if an interruptible customer who has not elected to be shut down during an interruption fails to interrupt their gas usage due to a documented inoperable alternate fuel facility, the Company will offer a one-time waiver whereby the failure to interrupt will not be counted towards the two-violation rule, provided that the customer follows the procedures set forth in the Gas Tariff. In addition, if the customer makes operable its alternate fuel facilities within the forty-eight hour or seven day repair period detailed in the Gas Tariff, then the Charge for Inoperable Alternate Fuel/Energy Facilities or Inadequate Fuel Reserves will also be waived. Notably, the one-time waiver does not apply to the Charge for Unauthorized Use of Gas and customers who fail to comply with interruptions, including planned interruptions, are subject to this charge. Justifying the need for an additional unannounced interruption test, the Straw Proposal states as follows:

Staff believes that another method for keeping demand response customers prepared for interruption events is for customers to test their alternative fuel equipment and alternative fuel inventory periodically....Staff believes that the implementation of a second interruption test each January will further improve customer preparedness and provide further indications to customers of potential equipment issues needing immediate attention in anticipation of gas interruptions.²

² Straw Proposal, pp. 9-10.

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It is clear from the language above that Staff intended to extend existing waivers to planned interruptions rather than materially modify existing waivers related to interruptible service. The Company will therefore apply the same waiver framework to any second waiver that is granted under the revised tariff (i.e., waiver will apply to the two-violation rule and Charge for Inoperable Alternate Fuel/Energy Facilities or Inadequate Fuel Reserves, but the waiver will not apply to the Charge for Unauthorized Use of Gas).

Finally, further revisions to the Company's GTOP reflecting amendments required by the Order will be made in a separate filing as they relate to communication protocols and the information contained in the affidavit.

Conclusion and Notice

Ordering Clause 2 of the Order directed utilities to file, on not less than one days' notice, tariff changes to become effective on January 1, 2017 on a temporary basis.

The newspaper publication requirements of §66(12)(b) of the Public Service Law are waived pursuant to Ordering Clause 3 of the Order.

Any questions regarding this filing can be directed to Cheryl M. Ruggiero at (212) 460-3189.

Very truly yours,

/s/

William A. Atzl, Jr.
Director – Rate Engineering