



Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York NY 10003
www.conEd.com

December 30, 2016

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
3 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:

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) is filing with the Public Service Commission (the “Commission”) amendments to its Schedule for Gas Service, P.S.C. No. 9 – Gas (the “Gas Tariff”), applicable to its customers in Manhattan and the Bronx, the First and Third Wards of Queens, and certain municipalities in the County of Westchester.

The following Gas Tariff amendments are issued December 30, 2016 to become effective on January 1, 2017, on a temporary basis.

<u>Leaf</u>	<u>Revision</u>	<u>Superseding</u>
316.3	5	4
317	5	4
341.3	8	6
342	4	3

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 and Operations Manual (“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

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

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 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. 9 and 12 of the Gas Tariff and in the GTOP. 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. 9 and 12 to be in compliance with the GTOP. Contained in the GTOP 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. 9 and 12, respectively, to explicitly state that any interruptible customer will be required to submit the affidavit contained in the GTOP by October 1 of each year.

In regards to the additional unannounced interruption test, the Company has made changes to SC Nos. 9 and 12 to indicate that there may be more than one planned test each year. The Company also revised the one-time waiver of certain penalties contained in SC Nos. 9 and 12 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 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 the unauthorized use of gas and customers who fail to comply with interruptions are subject to this non-compliance charge as set forth in Miscellaneous Provisions (D) of SC Nos. 9 and 12. Justifying the need for an additional unannounced interruption, 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

It is clear from the language above that Staff intended to extend existing waivers to any second 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 Inoperable Fuel Charge, 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.

Please direct any questions regarding this filing to Margie Lenz at (212) 460-2217.

Sincerely,

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

² Straw Proposal, pp. 9-10.