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

December 2, 2015

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
3 Empire State Plaza, 19th Floor
Albany, New York 12223

RE: Case 13-G-0031, Con Edison Gas Rate Case

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 the City of New York and the County of Westchester.

The Company's Tariff Leaves are issued to become effective on January 1, 2016. The specific Gas Tariff Leaves and Statements being revised are identified in Appendix A attached hereto.

Reason for Filing

The Commission's Order Approving Electric, Gas and Steam Rate Plans in Accord With Joint Proposal, issued and effective February 21, 2014, in Case 13-E-0030 et al. (the "Order") adopted the Joint Proposal ("JP") set forth in Appendix A of the Order, with certain modifications.

The Order approved a three-year gas rate plan in which Rate Years ("RY") 1, 2 and 3 are the twelve-month periods commencing January 1, 2014, January 1, 2015 and January 1, 2016, respectively. Under the rate plan, the gas delivery service revenue requirement was decreased by $54.602 million in RY1, and increased by $38.620 million and $56.838 million in RY2 and RY3, respectively. The revenue requirements for RY1, RY2 and RY3 were then levelized to reflect no overall revenue change over the three rate years. The tariff amendments being filed herewith include the rates for RY3 of the Gas Rate Plan in compliance with the Order.

Tariff Changes and Temporary Credit

Pursuant to the JP, page 14, the Company is filing base rates that will remain in effect after the end of RY3 absent a new rate plan. Because the annual levelized rate changes will result in rates that are $40.856 million lower at the end of the three-year term than they would

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otherwise have been under a non-levelized approach, RY3 rates were set to reflect revenues that are $40.856 million (less gross receipts tax) greater than the RY3 revenue level. During RY3, the $40.856 million (less gross receipts tax) will be offset by class-specific temporary credits.

The temporary credits are described in new General Information Section IX.21 – Temporary Rate Adjustment (Leaf 183.2) of the Gas Tariff. Class-specific temporary credits are shown on the Statement of Temporary Rate Adjustment ("STRA Statement").

If the Company does not file new rates to take effect on January 1, 2017, the $40.856 million increase (less gross receipts tax) to take effect at the end of RY3, due to the expiration of the temporary credits, will be offset for the rate year commencing January 1, 2017, in part, by a $32.150 million deferred credit[1], (less gross receipts tax). That credit, if applicable, will be applied through class-specific temporary credits on an updated STRA Statement.

The first "Rate" leaf in each service classification ("SC") has been annotated to indicate that the charges are reduced by the credit described in General Information IX.21 and shown on the STRA Statement. Rate components reduced by the temporary credits are the Minimum Charge for the first 3 therms or less, Usage Charge, and Contract Demand Charge, if applicable.

Revenue Allocation and Rate Design

Revenue Allocation

The revenue allocation for firm customers is described in Appendix 21 of the JP.

A portion of the RY3 delivery revenue change was assigned to competitive service revenues in setting the rates for (1) the supply-related component of the Merchant Function Charge ("MFC"), excluding changes to the gas in storage working capital cost component; (2) the credit and collection-related component of the MFC; and (3) the billing and payment processing ("BPP") charge. The balance of the delivery revenue applicable to each class was then used in setting the non-competitive delivery rates for each class. The changes in competitive and non-competitive delivery rates, including the temporary credits, result in no overall revenue change.

While there is no overall change in total delivery revenues for the firm service classes as a whole, there are changes in delivery revenues by SC, which are shown on Appendix B, attached hereto.

In addition, the RY3 allocation of the total credit and collection target between the MFC and the credit and collection component of the purchase of receivables ("POR") discount is shown on Appendix C, attached hereto.

[1] This is equal to $29.728 million (credits of $54.602 million for each RY, debits of $38.620 million for RY2 and RY3, and a RY3 debit of $56.838 million) plus interest calculated at the 2014 other customer capital rate of 3.0%, updated for the 2015 rate of 2.9%, and the 2016 rate of 2.6 percent.

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Rate Design

FIRM:

Appendix 21 of the JP describes the rate design process for rates for firm service.

NON-FIRM:

Pursuant to the JP, a $100 monthly minimum charge for Rate 1 interruptible customers will be phased-in over the three Rate Years in equal increments. Accordingly, the monthly minimum charge has been increased from $66.66 in RY2 to $100.00 for RY3.

Other:

Factor of Adjustment

The Company has updated the factor of adjustment ("FOA") for RY3 as described in General Information Section VII.(A)(d) of the Gas Tariff. The FOA for RY3 is 1.0211.

Statements

The Company is filing a new Statement of Temporary Rate Adjustment – STRA Statement No. 1 to be in effect for the period January 1 through December 31, 2016. The Company is also filing an updated Statement of Rate Adjustment Clause – RAC Statement No. 8.

In addition, the Company is filing an updated Statement of Delivery Revenue Surcharge – SDR Statement No. 6 to the Gas Tariff. Effective January 1, 2016, this statement will cease recovery or pass back of amounts related to the collection of Pure Base Revenue shortfalls that resulted from the extension of the Case 13-G-0031 suspension period.

Conclusion and Notice

Pursuant to Ordering Clause 5 of the Order, this filing is being made on not less than 30 days' notice to go into effect on a temporary basis on January 1, 2016.

The Company will publish notice of the proposed tariff changes on December 9, 16, 23 and 30, 2015. Copies of this filing are being sent electronically to the active party list in 13-G-0031.

Sincerely,

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

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Appendix A

PSC No. 9 - Gas: List of Tariff Changes

Leaf No.	Revision No.	Superseding Rev. No.
6	8	7
128	9	8
152	18	17
154.6	14	12
154.8	14	12
154.9	17	15
154.18	16	15
154.24	16	15
154.25	13	12
154.26	13	12
157.1	7	6
183.2	9	8
228	22	21
230	19	18
234	13	12
240	22	21
243	14	13
269	20	19
270	19	18
271	19	18
272	16	15
274	12	11
349	21	20

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CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
Estimated Effect on Gas Customers' Bills and Company Revenues Resulting from Proposed Gas Rates
Based on Forecasted Sales and Revenues for the Twelve Months Ending December 31, 2016 for Service Classification Nos. 1, 2, 3, 13 and 14
and the Corresponding SC 9 Firm Transportation Sub-classes

Firm Service Classification (Sales and Transportation)	Annual Therms	Total Annual Revenues at Current 01/01/15 Rates (b) (c)	Total Annual Revenues at Proposed Rates (b) (c)	Estimated Total Annual Revenues Increase/(Decrease)	Percent Change	Number of Customers' Bills Increased	Number of Customers' Bills Decreased	Number of Customers' Bills Not Changed
1 - Residential & Religious	42,170,000	$ 211,348,356	$ 211,773,516	$ 425,160	0.2%	2,288,562	0	5,618,338
2 - General - Rate I - Non-Heating (a)	202,062,173	$ 247,037,847	$ 248,784,504	$ 1,746,657	0.7%	535,628	0	231,382
2 - General - Rate I - Distribution Generation	41,410,000	$ 35,664,160	$ 35,787,070	$ 122,910	0.3%	903	0	37
2 - General - Rate II - Heating (a)	317,304,929	$ 393,950,759	$ 391,758,172	$ (2,192,587)	-0.6%	198	622,492	160,151
2 - Total Commercial	560,777,102	$ 676,652,767	$ 676,329,747	$ (323,020)	0.0%	536,729	622,492	391,570
3 - Residential & Religious - Heating (a)	763,392,093	$ 1,065,856,988	$ 1,065,751,225	$ (105,763)	0.0%	66	2,335	3,745,774
13 - Seasonal Off Peak Firm Service	970,000	$ 987,941	$ 991,564	$ 3,623	0.4%	1,925	0	2,740
14 - Natural Gas Vehicles	190,000	$ 451,702	$ 451,702	$ -	0.0%	0	0	0
Total Firm Sales & Firm Transportation	1,367,499,195	$ 1,955,297,753	$ 1,955,297,753	$ -	0.0%	2,827,282	624,826	9,758,422

(a) Gas air-conditioning is included in SC 2 and SC 3.
(b) Annual Revenues reflect the gas cost factor and monthly rate adjustments, merchant function charges and various other charges used in calculating Rate Year Revenues.
(c) Annual Revenues include gas supply costs for transportation customers equivalent to what these customers would have paid as full service customers.

Appendix B

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Consolidated Edison Company of New York Inc.
Case 13-G-0031
Rate Design Targets

	Supply MFC	C&C MFC	C&C POR	C&C Total *	BPP	Non-Competitive
Rate Year 1	$ 2,812,413	$ 3,954,724	$ 2,294,337	$ 6,249,061	$ 7,868,300	$ 930,382,677
Rate Year 2	$ 2,881,320	$ 4,050,800	$ 2,351,368	$ 6,402,168	$ 7,897,545	$ 952,242,227
Rate Year 3	$ 2,948,321	$ 4,189,668	$ 2,361,375	$ 6,551,043	$ 7,926,319	$ 974,540,325

* The allocation of the C&C Total for each Rate Year between the C&C MFC and C&C POR will be reflected in the compliance filing for each Rate Year.

Appendix C