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Consolidated Edison Company
of New York, Inc.
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September 28, 2015

Hon. Kathleen Burgess
State of New York
Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: 15-G-____ Proposed Tariff Revision for New Gas Marketer Program

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") hereby submits for filing with the Public Service Commission (the "Commission") the following tariff leaves proposing revisions to its Schedule for Gas Service, P.S.C. No. 9 – Gas (the "Gas Tariff").

Leaf No.	Revision No.	Superseding Revision No.
156	15	14
157	9	8
158	8	7
164	10	9
181	14	13
259	7	6
279	7	6
362	12	11
389	7	6
389.1	9	8
389.2	8	7
389.3	6	5

The revised tariff leaves are proposed to become effective on January 1, 2016, for a three-month period ending March 31, 2016.

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Reasons for Proposed Tariff Modifications

The Company has been meeting periodically with Department of Public Service Staff ("Staff") and the Gas Marketers since 2014 through a collaborative process ("Marketer Collaborative") to discuss transportation and balancing issues relating to the Company's gas retail access firm transportation monthly balancing program. As a result of those meetings, the Company is now proposing to offer a supplemental winter supply and balancing program - Managed Supply Service ("MSS") - to Service Classification No. 20 Marketers serving firm transportation customers in the Company's service territory, on a pilot basis for a three-month period during the 2015-2016 winter season. This new program results from feedback received by the Company from Gas Marketers through the Marketer Collaborative expressing interest in having daily supply and balancing service options in addition to the Company's existing firm balancing programs for Gas Marketers (*i.e.*, Load Following Service and Winter Bundled Sales Service ("WBSS")). The proposed MSS would provide Marketers with an additional tool to balance their customers' loads and thereby mitigate the difference between their customers' gas usage and the Marketers' gas deliveries at the end of each month of the three-month program period.

Under the proposed MSS program, during the period from January 1, 2016 through March 31, 2016, for any day on which a participating Marketer or its Agent projects that its customers' use of gas will be more or less than the combination of its deliveries of gas pursuant to the Load Following Service and purchases of WBSS service, the Marketer or its Agent may designate all or some portion of such over- or under-delivery as MSS gas. The monthly and daily amounts of MSS gas for each Marketer or Agent will be established pursuant to terms and conditions set forth in the Company's Gas Transportation and Operating Procedures Manual ("GTOP"). At the end of each month, the Company will net out MSS designations for over-deliveries with MSS designations for under-deliveries during that month. The Marketer or its Agent will be cashed out for the net difference at the Company's weighted average cost of gas in storage plus associated charges, as set forth below. Any monthly imbalance beyond the parameters of MSS will be cashed out at market prices as provided in the tariff and GTOP.

Based on the projected utilization of the Company's gas portfolio, the Company proposes to offer up to 3.5 million Dths of MSS gas to Marketers collectively for the period January 1, 2016 to March 31, 2016.

In order to qualify to participate in the MSS program, a Marketer must either (i) have an average day peak month volume greater than or equal to 5,000 Dth/day or (ii) select an Agent who meets that threshold to act on its behalf. The Marketer or its Agent

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must follow the program protocols (maximum daily delivery parameters) that will be set forth in the GTOP. The Company plans to file to amend the GTOP on or about September 30, 2015.

After March 31, 2016, when this three-month pilot program has concluded, the Company will engage in discussions with Staff and the Marketers to evaluate the MSS program, as well as WBSS and other gas balancing alternatives, to determine which gas balancing alternative(s) are warranted for the following Winter Period beginning November 1, 2016. The Company will file with the Commission for authorization to implement changes to any existing programs and/or for authorization to implement any new program(s).

Summary of Proposed Changes

The following is a summary of the tariff changes that are proposed to implement the new MSS program:

- For the January 1, 2016 through March 31, 2016 program period, the Company will notify Marketers, by November 1, 2015[1], of their respective allocated portions (the “MSSV”) of the total MSS quantity, the 3.5 million Dth, that will be made available to those who qualify for the program. The MSSV allocation to each Marketer will be determined based on the ratio of the sum of the Maximum Daily Quantities (“MDQ”) of the Marketer’s firm transportation Customers to the total MDQs of all firm transportation Customers served under SC No. 9 (excluding power generation Customers). A qualifying Marketer must then notify the Company on or before December 1, 2015 whether it elects its full allocated MSSV (no partial allocations), and/or if it will be part of an aggregation group under a designated Agent. The Company is under no obligation to provide MSS to a Marketer who fails to notify the Company by the above-specified deadline. (And the Company’s obligation to provide the MSSV allocations elected by individual Marketers for the period beginning January 1, 2016 is predicated upon Commission approval of the Company’s request to implement the MSS program as described herein.)

- The bundled MSS rate will be set forth on the Statement of Balancing Service Charges applicable to SC No. 20 and will be updated monthly to recognize changes in costs. The bundled rate for MSS will be designed to recover commodity costs, storage costs and variable transportation costs, and carrying charges.

[1] This date (and several other dates set forth in the attached Gas Tariff Leaves) is predicated upon Commission approval of the proposed MSS program at its December open session for program implementation on January 1, 2016.

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- The sections of the Gas Tariff describing the computation of the average cost of gas used in determining the monthly Gas Cost Factor ("GCF") and the annual reconciliation of the GCF have been amended to provide for crediting or charging firm sales Customers for all MSS amounts charged to or collected from participating Marketers.

Apart from the changes described above for the new MSS program, the Company is proposing two changes to its WBSS program. The changes appear on Leaf No. 389 under item (6) e) as follows: (1) a new formula or reference point for calculating the carrying charges on the cost of WBSS gas has been inserted, since the Company is now moving to a weighted average pricing methodology for WBSS; and (2) "The Company's storage facilities" is inserted to replace the words "production area" storage facilities only, since, in fact both Northeast and Gulf Coast storage facilities comprise the total storage facilities in the Company's gas portfolio that will be used in determining variable transportation costs for use in calculating the monthly WBSS rate.

Conclusion and Notice

The Company will provide for public notice of the tariff changes proposed in this filing by means of newspaper publication once a week for four (4) consecutive weeks prior to the effective date of the MSS. Enclosed is a proposed form of Notice of Proposed Rule-Making for publication in the State Register pursuant to the State Administrative Procedure Act.

Sincerely,

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