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Consolidated Edison Company of New York, Inc.
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New York NY 10003
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September 30, 2016

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

Re: – Case 16-G-0406 - Further Proposed Gas Tariff Revisions related to Daily Delivery Service for Gas Marketers

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.
157	11	10
158	11	10
259	10	9
260	10	9
361	10	9
370	4	3
386.1	1	0
386.2	1	0
386.3	1	0
386.4	0	
388	5	4

The revised tariff leaves are proposed to become effective on November 1, 2016.

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Reasons for Proposed Tariff Modifications

On July 21, 2016 ("July 2016 Filing"), Con Edison filed proposed changes to its Gas Tariff to replace the Company's existing Firm Balancing Programs (*i.e.*, its Load Following Service and Managed Supply Service) with the Daily Delivery Service ("DDS") as a new Gas Tariff program effective November 1, 2016, to which its Service Classification ("SC") No. 20 Gas Marketers ("Marketers"), serving firm transportation customers, would be required to subscribe. Under the new DDS program, the Company will provide the Gas Marketers or their Agents with daily delivery quantity requirements to meet the forecasted gas consumption of their respective aggregated customers. In addition, the Company proposed to continue a modified Winter Bundled Sales Service ("WBSS") for the period from December 1, 2016 through March 1, 2017 and to terminate WBSS on March 1, 2017.

During the State Administrative Procedure Act ("SAPA") comment period on its July 2016 Filing, the Company reviewed and replied to comments filed by several Marketers. In addition, the Company had several conference calls with the Marketers and NYPSC Staff during the SAPA comment period. Based upon the comments and discussions held with the Marketers and Staff, the Company is proposing modifications and clarifications to its July 2016 Filing.

Summary of Proposed Tariff Changes

The following is a summary of the DSS and the WBSS program modifications and clarifications to the Company's July 2016 Filing:

- The Company proposes to change from 30 to 25 degrees Fahrenheit the temperature at which Marketers must utilize 100% of their Tier 1 Mandatory Capacity Release allocation before utilizing any of their Tier 2 Managed Supply (Storage) allocation.
- A new temperature requirement has also been added requiring Marketers to utilize 85% of their Tier 1 Mandatory Capacity Release allocation before utilizing any of their Tier 2 Manage Supply (Storage) allocation when the temperature is greater than 25 degrees Fahrenheit but less than 30 degrees.
- The Company proposes to shorten the notification deadline for Marketers to notify the Company if they will exercise their base load monthly supply option under WBSS by changing it from two weeks prior to the start of each month to the fifth (5th) business day prior to the start of the next month.
- The definition of the Daily Transportation Quantity on Leaf 259 is clarified to indicate it excludes any adjustments to storage deliveries due to actual weather.
- A new definition, "Adjusted Daily Delivery Service Quantity", is added to the Tariff in order to reflect the adjustments for actual weather pursuant to the Intraday Balancing rules set forth in the Company's GTOP. This definition will be utilized in the monthly cashout calculation.
- Monthly Cashout credits or charges will be modified to indicate that (1) cashouts are based upon the relationship between the Adjusted Daily Delivery Service Quantities and the Daily Delivery Quantities and (2) the comparison between Adjusted Daily

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Delivery Service Quantity and Daily Delivery Quantity will each reflect the sum of the daily values.

- The Company clarifies that the Tier 2 Managed Supply (Storage) Commodity Charge will be applied to volumes that the Marketer elects to withdraw from storage including any adjustments for any injections into or withdrawals from storage resulting from the Intraday Balancing rules to account for actual weather as set forth in the Company's GTOP.
- The Company also clarifies that the difference between the cost of storage gas billed through the DDS program and the actual cost of storage gas incurred by the Company will be included in the inventory cost for the following month.
- Any difference between the cost of peaking gas billed through the DDS program and the actual cost of peaking gas delivered under the DDS program will be included in the annual surcharge or refund adjustment to the Gas Cost Factor.
- The Tier 2 Managed Supply (Storage) Demand Pricing Charge will be charged over the five winter months from November through March rather than over twelve months.
- The Tier 3 Peaking Demand Pricing Charge will be charged over the five winter months from November through March rather than over twelve months.
- The Company clarifies Liquefied Natural Gas ("LNG") is included in the Tier 3 Peaking Service.

Conclusion and Notice

The Company respectfully requests a waiver of the notice requirements of § 66 (12)(b) of the Public Service Law and 16 NYCRR Section 720-8.1 as to newspaper publication of these further Tariff changes. This waiver is requested on the basis that the Tariff changes are modifications and clarifications to the Company's SAPA-noticed July 2016 Filing based upon comments received from Gas Marketers and NYPSC Staff during the SAPA comment period for the July 2016 Filing.

Sincerely,

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