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of New York, Inc.  
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December 2, 2021

Honorable Michelle L. Phillips  
Secretary  
New York State Public Service Commission  
3 Empire State Plaza, 19<sup>th</sup> Floor  
Albany, New York 12223

**RE: Case 19-G-0066 – Con Edison’s Gas Rate Case - Rate Year Three**

Dear Secretary Phillips:

Consolidated Edison Company of New York, Inc. (“Con Edison”) 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 tariff amendments are issued with an effective date of January 1, 2022. The specific Gas Tariff leaves being revised are identified in Appendix A.

**Reason for Filing**

The Commission’s Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plan, issued and effective January 16, 2020, in Cases 19-E-0065 and 19-G-0066 (the “Order”), adopted with minor exceptions irrelevant to this filing the Joint Proposal (“JP”) as set forth in Attachment A to the Order.

The Order provides for a three-year gas rate plan (“Gas Rate Plan”) in which Rate Years (“RY”) 1, 2 and 3 are the twelve-month periods commencing January 1, 2020, January 1, 2021 and January 1, 2022, respectively. Under the Gas Rate Plan, the gas delivery service revenue requirement was increased by \$47.2 million (which includes gross receipts tax) in RY1, \$176.3 million in RY2 and is increased by an additional \$170.3 million in RY3. The revenue requirements are levelized during the three years to provide rate stability over the term of the Gas Rate Plan.<sup>1</sup>

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<sup>1</sup> The annual levelized rate changes would result in higher base rates at the end of the three-year term of the Gas Rate Plan than they would otherwise be under a non-levelized approach. Therefore, if the Company does not file for new rates to be effective January 1, 2023, the Company will make a compliance filing by December 1, 2022 to set rates effective January 1, 2023 at a level designed to produce non-competitive delivery base rate revenues on an annual basis that are lower by \$20.89 million. The Revenue Decoupling Mechanism targets for the Rate Year commencing January 1, 2023 will also be reduced by \$20.89 million.

The tariff amendments being filed herewith include the rates for RY3 of the Gas Rate Plan in compliance with the Order.

Pursuant to the Commission's *Order Adopting Energy Affordability Policy Modifications and Directing Utility Filings*, in Cases 14-M-0565 and 20-M-0266, issued August 12, 2021, the Company is not required to update the tiered discount levels for Customers enrolled in the Company's low-income program under Rider E for rates effective January 1, 2022.

### **Revenue Allocation and Rate Design**

#### **Gas Revenue Allocation**

The revenue allocation for firm customers is described in Appendix 21 of the JP. Table 1 of Appendix 21 summarizes the changes in delivery revenues by Service Classification ("SC"), including the components of the revenue changes.

The percentage changes in revenues and bill changes for the firm service classes are shown in Appendix B.

#### **Rate Design**

##### **FIRM:**

Appendix 21 of the JP describes the rate design process for firm customers, for which major items are summarized below:

The minimum monthly charges for the firm service classes were increased as follows:

- (a) The SC 1 and corresponding SC 9 minimum charge increased from \$26.00 to \$27.70.
- (b) The SC 2 Rate 1 and SC 2 Rate II and corresponding SC 9 minimum charges increased from \$32.90 to 34.80.
- (c) The SC 3 and corresponding SC 9 minimum charge increased from \$22.60 to \$23.80.
- (d) The SC 13 and corresponding SC 9 minimum charge increased from \$56.40 to \$59.66.
- (e) The Rider J minimum charge applicable to:
  - SC 1 and its corresponding SC 9 rate, was increased by the same percentage increase as the SC 1 minimum charge and increased from \$26.30 to \$28.00; and
  - SC 3 and its corresponding SC 9 rate was increased by the same percentage as the SC 3 minimum charge and increased from \$41.00 to \$43.20.
- (f) The Rider H minimum charges were increased by the same percentage increase as the SC 2 Rate I minimum charge and are set forth in the table below.

DG Capacity	RY2	RY3
<= 0.25 MW	\$175.89	\$186.10
> 0.25 MW and <= 1 MW	240.41	254.30
> 1 MW and <= 3 MW	478.29	505.90
> 3 MW and < 5 MW	637.49	674.30
>= 5 MW and < 50 MW	96.56	102.10

**NON-FIRM:**

In addition to the firm rate changes, Interruptible Delivery Rates under SC 9 Rate B and SC 12 Rate 1 have been updated to reflect the rates in effect for the third year of the Gas Rate Plan. In compliance with the Gas Rate Plan, the volumetric block rates are set at 70% of each of the SC 2 Rate 2 volumetric block rates for non-residential customers and 70% of each of the SC 3 volumetric block rates for residential customers. The monthly minimum charge remains at \$100.

**Other Tariff Changes**

The factor of adjustment (“FOA”) has been updated for RY3 as described in General Information Section VII.(A)(d). The FOA for RY3 is 1.0288.

**Conclusion and Notice**

As directed by Ordering Clause 4 of the Order, the Company is filing its tariff amendments to take effect on a temporary basis, on not less than thirty days’ notice, to become effective on January 1, 2022.

Pursuant to Ordering Clause 5, the Company will provide public notice of the tariff amendments by means of newspaper publication once a week for four consecutive weeks prior to their effective date.

Sincerely,

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

## Appendix A

### **PSC No. 9 – Gas: List of Revised Gas Tariff Leaves**

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
152	26	25
154.6	23	22
154.8	23	22
154.9	29	28
154.18	27	26
154.24	27	26
154.25	24	23
157.1	15	14
228	34	33
230	27	26
234	21	20
240	33	32
243	25	24
331	11	10
349	32	31

**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, 2022 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)	Total Annual Therms	Total Annual Revenues at Current 01/01/21 Rates (b) (c)	Total Annual Revenues at Proposed 01/01/22 Rates (b) (c)	Estimated Total Annual Revenues Increase/ (Decrease) (d)	Percent Change	Number of Customers' Bills		
						Increased	Decreased	Unchanged (e)
1 - Residential & Religious	39,190,000	\$267,693,755	\$285,651,282	\$17,957,527	6.7%	6,909,997	0	0
2 - General - Rate I (a)	250,640,000	274,162,464	284,814,476	10,652,012	3.9%	800,904	0	0
2 - Rider H - Distribution Generation	81,220,000	58,226,584	59,438,651	1,212,067	2.1%	2,668	0	0
2 - General - Rate II (a)	360,230,000	444,730,564	470,192,362	25,461,798	5.7%	843,532	0	0
2 - Total Commercial	692,090,000	777,119,612	814,445,488	37,325,876	4.8%	1,647,104	0	0
3 - Residential & Religious - Heating (a)	1,089,620,000	1,577,368,409	1,686,817,160	109,448,751	6.9%	3,775,554	0	0
13 - Seasonal Off Peak Firm Service	890,000	1,021,126	1,073,847	52,721	5.2%	5,384	0	0
14 - Natural Gas Vehicles	270,000	610,593	610,593				0	0
Total Firm Sales & Firm Transportation	1,822,060,000	\$2,623,813,495	\$2,788,598,371	\$164,784,876	6.3%	12,338,039	0	0

(a) Gas air-conditioning is included in SC 2 and SC 3.

(b) Total 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) Total Annual Revenues include gas supply costs for transportation customers equivalent to what these customers would have paid as full service customers.

(d) Reflects the overall impacts by class, including the estimated increase in the MRA for the recovery of EAMs and positive revenue adjustments offset in part by the expiration of the cost recovery related to the White Plains Gate Station.

(e) Number of customer bills unchanged have bill impacts ranging from -0.01% to 0.01%.