



Consolidated Edison Company  
of New York, Inc.  
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December 1, 2023

Honorable Michelle L. Phillips  
Secretary to the Commission  
New York State Public Service Commission  
Empire State Plaza  
Agency Building 3  
Albany, New York 12223-1350

**RE: Case 22-E-0064, Con Edison's Electric Rate Case – Rate Year Two**

Dear Secretary Phillips:

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 Electricity Service, P.S.C. No. 10 – Electricity (the “Electric Tariff”), applicable to its customers in the City of New York and the County of Westchester. The Company is also filing amendments to its Schedule for PASNY Delivery Service, P.S.C. No. 12 – Electricity (the “PASNY Tariff”),<sup>1</sup> applicable to delivery by the Company of power and associated energy to Authority Public Customers under the PASNY Tariff.

The tariff amendments are issued with an effective date of January 1, 2024. The specific Electric Tariff leaves being revised are identified in Appendix A. The specific PASNY Tariff leaves being revised are identified in Appendix B.

**Reason for Filing**

The Commission’s *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements* issued and effective July 20, 2023, in Cases 22-E-0064 and 22-G-0065 (the “Order”), adopted with minor exceptions irrelevant to this filing, the Joint Proposal (“JP”) as set forth in Attachment 1 to the Order.

The Order provides for a three-year electric rate plan (“Electric Rate Plan”) in which Rate Years (“RY”) 1, 2, and 3 are the twelve-month periods commencing January 1, 2023, January 1,

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<sup>1</sup> This schedule is also titled, “Delivery Service Rate Schedule Implementing and Part of the Service Agreement Between the Power Authority of the State of New York (“PASNY” or “NYPA”) and Consolidated Edison Company of New York, Inc. (the “Company”), dated March 10, 1989, for the Delivery by the Company of Power and Associated Energy to Authority Public Customers.”

2024, and January 1, 2025, respectively. Under the Electric Rate Plan, the electric delivery service revenue requirement will be increased on an annual basis, including gross receipts tax, by \$457.5 million in each of RYs 1, 2, and 3. The revenue requirements are levelized during the three years to provide rate stability over the term of the Electric Rate Plan.<sup>2</sup>

The RY 2 electric delivery service revenue requirement increase is associated with Transmission and Distribution (“T&D”) delivery revenue and purchased power working capital, and totals \$443.1 million exclusive of gross receipts tax. For RY 2, the increase, excluding gross receipts tax, results in overall increases of \$390.4 million to customers served under the Electric Tariff and \$52.7 million to customers served under the PASNY Tariff.

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

#### **Revenue Allocation**

The revenue allocation for RY 2 is described in Appendix 16 of the JP. Table 2 of Appendix 16 summarizes the changes in delivery revenues by Service Classification (“SC”), including the components of the revenue changes.

The percentage change in revenues and bill changes for the Con Edison SCs are shown in Appendix C. The percentage change in revenues for NYPA is shown in Appendix D.

#### **Rate Design**

Appendix 16 of the JP describes the rate design process, for which major items for RY 2 are summarized below:

- 1) As summarized in the table below, the Company increased customer charges for SCs 1, 2, and 6; and, the voluntary Time-of-Day (“TOD”) classes for SCs 5, 8, 9, and 12, to more closely align customer charges with customer costs. For the non-TOD demand billed classes of SCs 5, 8, 9, and 12, the minimum charges for those classes have been replaced with new customer charges. Customer charges for customers served under SCs 5, 8, 9, 12, and 13 Standby Service rates were developed based on the customer costs determined in the 2019 embedded cost-of-service (“ECOS”) study, resulting in changes (increases or decreases) from current levels. Customer charges for non-standby classes are summarized below:

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<sup>2</sup> The annual levelized rate changes would result in higher base rates at the end of the three-year term of the Electric 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, 2026, the Company will make a compliance filing by December 1, 2025 to set rates effective January 1, 2026 at a level designed to produce non-competitive delivery base rate revenues on an annual basis that are lower by \$30.355 million. The Revenue Decoupling Mechanism targets for the Rate Year commencing January 1, 2026 will also be reduced by \$30.355 million.

| <b>Electric</b>                      | <b>RY 1 (2023)</b> | <b>RY 2 (2024)</b> | <b>RY 3 (2025)</b> |
|--------------------------------------|--------------------|--------------------|--------------------|
| SC 1 Rate I, II, III,<br>Rider Z     | \$18.00            | \$19.00            | \$20.00            |
| SC 1 Rate IV                         | \$28.00            | \$29.00            | \$29.00            |
| SC 2 Rate I & II,<br>Rider AA        | \$30.00            | \$32.00            | \$33.00            |
| SC 6                                 | \$40.00            | \$44.00            | \$47.00            |
| Mandatory TOD<br>(Demand-Billed)     | \$500.00           | \$500.00           | \$500.00           |
| <b>Voluntary TOD (Demand-Billed)</b> |                    |                    |                    |
| SC 8 Rate III                        | \$51.00            | \$55.00            | \$58.00            |
| SC 9 Rate III                        | \$62.00            | \$66.00            | \$71.00            |
| SC 12 Rate III                       | \$32.00            | \$34.00            | \$37.00            |
| <b>Non-TOD (Demand-Billed)</b>       |                    |                    |                    |
| SC 5 Rate I                          | N/A                | \$46.00            | \$49.00            |
| SC 8 Rate I                          | N/A                | \$55.00            | \$58.00            |
| SC 9 Rate I                          | N/A                | \$66.00            | \$71.00            |
| SC 12 Rate I                         | N/A                | \$34.00            | \$37.00            |

- 2) In each of RYs 1, 2 and 3, demand and energy charges were redesigned in certain SCs as follows: (a) seven percent of usage revenues were shifted into demand revenues for Rate I of SCs 5, 8, 9 and 12 cumulatively for each rate year; (b) high/low tension differentials (i.e., annualized high/low tension rates compared to high/low tension costs based on the 2019 ECOS study) were adjusted for SC 5 Rate I and Rate II, and NYPA Rate I as shown in Table 3 of Appendix 16; and, (c) seasonal delivery revenue ratios were adjusted in SC 8 Rate II and SC 9 Rate II. These changes were revenue neutral to the January 1, 2022 rate level and made before adjusting delivery rates to reflect the RY changes.

### **Other Tariff Changes**

Pursuant to the Order, the Company has included customers billed under Standby Service rates in the Revenue Decoupling Mechanism (“RDM”).<sup>3</sup> The Company has also included SC 13 customers in the RDM, combined with SC 8 customers for revenue reconciliation purposes.

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<sup>3</sup> The Company’s RY 1 compliance filing included Electric Tariff Leaf No. 351 and PASNY Tariff Leaf No. 22, which set forth RDM targets for RYs 1, 2 and 3, and are therefore not included in this RY 2 compliance filing. On November 6, 2023, the Company filed a petition with the Commission to correct the RY 2 and RY 3 RDM targets to align those targets with the JP’s RY 2 and RY 3 revenue requirements. In its petition, the Company requested that the Commission direct the Company to file revised tariff leaves in the order granting the petition.

Customers billed under Standby Service rates will be assessed the RDM Adjustment effective August 1, 2024.<sup>4</sup>

The Company also included the following housekeeping changes in this RY 2 compliance filing:<sup>5</sup>

- 1) On leaf 251.4, the Company added a period to the end of a sentence.
- 2) On leaves 389 and 395, Special Provision (D) was removed because that provision will expire by December 31, 2023.
- 3) On PASNY leaves 4, 6, 7, and 9, section names were corrected from “Common Charges” to “Common Charges and Adjustments” to reconcile with naming changes.
- 4) On PASNY leaf 10, the Company corrected the capitalization of “Charge.”
- 5) On PASNY leaf 17.1, the Company corrected the capitalization of “Supplied.”
- 6) On PASNY leaf 17.10.10, the Company added a period to the end of a sentence.

### **Conclusion and Notice**

As directed by Ordering Clause 4 of the Order, the Company is serving copies of this filing electronically upon all parties to this proceeding. As directed by Ordering Clause 5, the Company has filed its tariff amendments to take effect on a temporary basis, on not less than thirty days’ notice, to become effective on January 1, 2024. As directed by Ordering Clause 6, 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.

Questions regarding this filing can be directed to Ricky Joe at (212) 460-4995.

Sincerely,

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

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<sup>4</sup> In a separate RY 2 compliance filing, the Company will update the Electric Tariff to reflect the reduction of the mandatory hourly pricing threshold, on not less than thirty days’ notice, to take effect on September 1, 2024.

<sup>5</sup> Section G.7.w.xv of the JP allows the Company to make additional changes of a housekeeping nature in each RY compliance filing.

**PSC No. 10 - Electricity: List of Revised Electric Tariff Leaves**

| <u>Leaf No.</u> | <u>Revision No.</u> | <u>Superseding<br/>Revision No.</u> | <u>Leaf No.</u> | <u>Revision No.</u> | <u>Superseding<br/>Revision No.</u> |
|-----------------|---------------------|-------------------------------------|-----------------|---------------------|-------------------------------------|
| 181             | 17                  | 16                                  | 406             | 17                  | 16                                  |
| 242             | 11                  | 10                                  | 408             | 17                  | 16                                  |
| 243             | 11                  | 10                                  | 409             | 17                  | 16                                  |
| 243.1           | 8                   | 7                                   | 410             | 17                  | 16                                  |
| 243.2           | 8                   | 7                                   | 416             | 17                  | 16                                  |
| 243.3           | 8                   | 7                                   | 432             | 17                  | 16                                  |
| 243.4           | 8                   | 7                                   | 435             | 17                  | 16                                  |
| 243.5           | 8                   | 7                                   | 437             | 17                  | 16                                  |
| 243.6           | 8                   | 7                                   | 438             | 17                  | 16                                  |
| 243.7           | 8                   | 7                                   | 439             | 17                  | 16                                  |
| 243.8           | 8                   | 7                                   | 445             | 18                  | 17                                  |
| 243.9           | 8                   | 7                                   | 449             | 17                  | 16                                  |
| 243.10          | 8                   | 7                                   | 451             | 17                  | 16                                  |
| 251.4           | 5                   | 4                                   | 452             | 17                  | 16                                  |
| 327.3           | 9                   | 8                                   | 453             | 17                  | 16                                  |
| 327.4           | 9                   | 8                                   | 453.1           | 14                  | 13                                  |
| 327.5           | 9                   | 8                                   | 463             | 18                  | 17                                  |
| 327.5.1         | 8                   | 7                                   | 479             | 17                  | 16                                  |
| 327.10          | 9                   | 8                                   | 480             | 17                  | 16                                  |
| 349             | 9                   | 8                                   | 483             | 17                  | 16                                  |
| 388             | 18                  | 17                                  | 485             | 17                  | 16                                  |
| 389             | 18                  | 17                                  | 486             | 17                  | 16                                  |
| 389.1           | 16                  | 15                                  | 487             | 17                  | 16                                  |
| 389.2           | 5                   | 4                                   | 488             | 17                  | 16                                  |
| 395             | 11                  | 10                                  | 495             | 17                  | 16                                  |
| 397             | 18                  | 17                                  | 496             | 18                  | 17                                  |
| 398             | 17                  | 16                                  |                 |                     |                                     |

**PSC No. 12 - Electricity: List of Revised PASNY Tariff Leaves**

| <u>Leaf No.</u> | <u>Revision No.</u> | <u>Superseding<br/>Revision No.</u> |
|-----------------|---------------------|-------------------------------------|
| 4               | 17                  | 16                                  |
| 5               | 17                  | 16                                  |
| 6               | 17                  | 16                                  |
| 7               | 18                  | 17                                  |
| 8               | 18                  | 17                                  |
| 9               | 17                  | 16                                  |
| 10              | 15                  | 14                                  |
| 17.1            | 8                   | 7                                   |
| 17.10.9         | 4                   | 3                                   |
| 17.10.10        | 1                   | 0                                   |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**  
**Estimated Effect on Con Edison Conventional and TOD Customers' Bills and Revenue**  
**Resulting from the Application of Proposed Conventional and TOD Rates and Charges**  
**Based on Sales and Revenues for the Twelve Months Ended December 31, 2019**

| <u>Con Edison Service Classification -</u> |  | <u>Total Annual Revenues</u>             | <u>Total Annual Revenues</u>             | <u>Estimated Change</u>                  | <u>Percentage</u>    | <u>Estimated Number of Customers' Bills</u> |                  |                                |
|--|--|--|--|--|----------------------|---|------------------|--------------------------------|
| <u>Conventional Rates</u>                  |  | <u>@January 2023 Rates<sup>(a)</sup></u> | <u>@January 2024 Rates<sup>(a)</sup></u> | <u>@January 2024 Rates<sup>(d)</sup></u> | <u>Change</u>        | <u>Increased</u>                            | <u>Decreased</u> | <u>Unchanged<sup>(e)</sup></u> |
| 1 - Rate I <sup>(b)</sup>                  | Residential & Religious                          | \$3,981,828,829                          | \$4,160,638,181                          | \$178,809,352                            | 4.49%                | 32,549,954                                  | 3,256,965        | 5,140                          |
| 2  | General - Small                                  | 742,844,285                              | 774,899,214                              | 32,054,929                               | 4.32%                | 4,937,300                                   | -                | -                              |
| 5 - Rate I                                 | Electric Traction Systems                        | 172,980                                  | 179,096                                  | 6,116                                    | 3.54%                | 106   | 4                | -                              |
| 6  | Public & Private Street Lighting                 | 3,778,577                                | 4,093,130                                | 314,553                                  | 8.32%                | 40,858                                      | -                | -                              |
| 8 - Rate I                                 | Multiple Dwellings - Redistribution              | 310,219,049                              | 321,221,969                              | 11,002,920                               | 3.55%                | 20,493                                      | 254              | -                              |
| 9 - Rate I                                 | General - Large                                  | 3,463,505,100                            | 3,583,696,869                            | 120,191,769                              | 3.47%                | 1,494,870                                   | 49,689           | 399                            |
| 12 - Rate I                                | Multiple Dwelling - Space Heating                | 28,755,847                               | 29,891,611                               | 1,135,764                                | 3.95%                | 4,512                                       | 780              | -                              |
| Sub-Total                                  | Con Edison's Conventional Rates                  | \$8,531,104,667                          | \$8,874,620,070                          | \$343,515,403                            | 4.03%                | 39,048,093                                  | 3,307,692        | 5,539                          |
| <br>                                       |  |  |  |  |                      |   |                  |                                |
| <u>Con Edison Service Classification -</u> |  |  |  |  |                      |   |                  |                                |
| <u>Time-of-Day Rates</u>                   |  |  |  |  |                      |   |                  |                                |
| 1 - Rate II                                | Residential & Religious                          | \$15,793,305                             | \$16,458,061                             | \$664,756                                | 4.21%                | 17,793                                      | -                | -                              |
| 1 - Rate III                               | Residential & Religious - Voluntary              | 852,644                                  | 886,492                                  | 33,848                                   | 3.97%                | 4,072                                       | -                | -                              |
| 2 - Rate II                                | General - Small                                  | 29,667,619                               | 30,773,429                               | 1,105,810                                | 3.73%                | 36,456                                      | -                | -                              |
| 5 - Rate II                                | Electric Traction Systems                        | 14,883,037                               | 15,168,943                               | 285,906                                  | 1.92%                | 60  | -                | -                              |
| 8 - Rate II                                | Multiple Dwellings - Redistribution              | 24,076,790                               | 24,836,700                               | 759,910                                  | 3.16%                | 227   | -                | -                              |
| 8 - Rate III                               | Multiple Dwellings - Redistribution - Voluntary  | 21,543,523                               | 22,252,351                               | 708,828                                  | 3.29%                | 924   | -                | -                              |
| 9 - Rate II                                | General - Large                                  | 1,464,179,523                            | 1,496,462,069                            | 32,282,546                               | 2.20%                | 9,533                                       | -                | -                              |
| 9 - Rate III                               | General - Large - Voluntary                      | 353,315,288                              | 363,014,728                              | 9,699,440                                | 2.75%                | 59,284                                      | -                | -                              |
| 12 - Rate II                               | Multiple Dwelling - Space Heating                | 33,561,779                               | 35,156,737                               | 1,594,958                                | 4.75%                | 321   | -                | -                              |
| 12 - Rate III                              | Multiple Dwelling - Space Heating - Voluntary    | -  | -  | -  | -                    | -   | -                | -                              |
| 13 - Rate I                                | Bulk Power - High Tension - Housing Developments | 4,096,335                                | 4,275,239                                | 178,904                                  | 4.37%                | 12  | -                | -                              |
| Sub-Total                                  | Con Edison's Time-of-Day Rates                   | \$1,961,969,843                          | \$2,009,284,749                          | \$47,314,906                             | 2.41%                | 128,682                                     | -                | -                              |
| Con Edison Total                           | Con Edison's Total Excluding Special Contract    | \$10,493,074,510                         | \$10,883,904,819                         | \$390,830,309 <sup>(c)</sup>             | 3.72% <sup>(c)</sup> | 39,176,775                                  | 3,307,692        | 5,539                          |

<sup>(a)</sup> Total Annual Revenues for all customers include: T&D delivery charge and estimated market supply charge, monthly adjustment clause, system benefits charge, dynamic load management, EV make-ready charge, and the associated gross receipts taxes. The market supply charge revenues for retail access customers are equivalent to what these customers would have paid as full service customers.

<sup>(b)</sup> Total Annual Revenues in Service Classification No. 1 include customers currently served under Rider D.

<sup>(c)</sup> The change in Con Edison P.S.C. No. 10 revenues for the rate year, i.e., the twelve months ending December 31, 2024, equates to \$382.4 million, or an overall increase of 3.8%.

<sup>(d)</sup> Reflects the overall impacts by class, including the net effect of the increase in low income funding and low income discounts.

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

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**  
**Estimated Effect on NYPA Delivery Service Conventional and TOD Revenue Resulting from the Application of**  
**Proposed Conventional and TOD Rates and Charges Based on Sales and Revenues For the 12 Months Ended December 31, 2019**

| <u>NYPA Delivery Service</u> | <u>Total Annual Revenues</u><br><u>@January 2023 Rates<sup>(a)</sup></u> | <u>Total Annual Revenues</u><br><u>@January 2024 Rates<sup>(a)</sup></u> | <u>Estimated Change</u><br><u>@January 2024 Rates<sup>(c)</sup></u> | <u>Percentage</u><br><u>Change</u> |
|------------------------------|--|--|---|------------------------------------|
| NYPA Total                   | \$1,534,070,808  | \$1,591,686,327  | \$57,615,519 <sup>(b)</sup>   | 3.76% <sup>(b)</sup>               |

<sup>(a)</sup> Total Annual Revenues include delivery service revenues, DLM, EV make-ready, and estimated supply revenues associated with customers billed under the PASNY No. 12 tariff.

<sup>(b)</sup> Based on sales and revenues for the rate year, i.e., the twelve months ending December 31, 2024 such increase in NYPA Delivery Service revenue equates to \$55.1 million or an overall increase of 3.8%.

<sup>(c)</sup> Reflects the overall impacts by class.