



Consolidated Edison Company
of New York, Inc.
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March 1, 2012

Hon. Jaclyn A. Brillling
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

RE: Case 09-E-0428, Electric Rate Case

Dear Secretary Brillling:

Enclosed for filing with the Public Service Commission (the "Commission") are revised schedule leaves issued by Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") to the Company's Schedule for Electricity Service, P.S.C. No. 10 - Electricity ("Schedule for Electricity Service"), applicable to its customers in the City of New York and the County of Westchester.

Also enclosed for filing are revised schedule leaves issued by the Company to its Schedule for PASNY Delivery Service - PASNY No. 12 (also referred to as the "PASNY Rate Schedule"),¹ applicable to delivery by the Company of power and associated energy to Authority Public Customers under PASNY No. 12, and to its Schedule for Economic Development Delivery Service ("EDDS") – P.S.C. No. 11 (also referred to as the "EDDS Rate Schedule"),² applicable to delivery service to PASNY, the New York City Public Utility Service ("NYCPUS") and the County of Westchester Public Utility Service Agency ("COWPUSA").

¹ This is the Delivery Service Rate Schedule Implementing and Part of the Service Agreement Between the Power Authority of the State of New York (PASNY) and the Consolidated Edison Company of New York, Inc. (the Company) dated March 10, 1989.

² This is the Delivery Service Rate Schedule Implementing and Part of: (1) the "Service Agreement for the Delivery of Power and Energy" between the Power Authority of the State of New York ("PASNY") and the 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 Economic Development Customers, (2) the "Agreement for the Delivery of Power and Energy from the James A. FitzPatrick Power Project" between the County of Westchester, acting through the Westchester Public Utility Service Agency ("Agency") and the Company, made April 24, 1987, and (3) the "Agreement between the City of New York and Consolidated Edison Company of New York, Inc., for the Delivery of Power and Energy from the James A. FitzPatrick Nuclear Power Project" between the City of New York, acting through the New York City Public Utility Service ("Agency") and the Company, made October 23, 1987.

The Company's schedule leaves have an effective date of April 1, 2012. The specific leaves being revised in the Schedule for Electricity Service, the PASNY Rate Schedule, and the EDDS Rate Schedule are identified in Appendices A, B, and C, respectively.

Reason for Filing

The Commission issued its Order Establishing Three-Year Electric Rate Plan, on March 26, 2010, in Cases 09-E-0428 and 08-M-0152 (the "Order"). The Order adopted the Joint Proposal ("JP"), dated November 24, 2009, filed in Case 09-E-0428, except as modified with respect to the filing of distribution marginal cost information.

The Order provided for levelized delivery rate increases to be implemented each year over the three years commencing April 1, 2010, equivalent to \$420.4 million in each year. Rates for the third Rate Year ("RY 3") commencing April 1, 2012, will provide for an overall rate increase of \$420.4 million,³ of which \$365.5 million is allocable to customers served under the Schedule for Electricity Service. Of the remaining \$54.9 million, \$52.1 million is allocable to customers served under the PASNY Rate Schedule and \$2.8 million is allocable to customers served under the EDDS Rate Schedule.

The Order also provided that \$133.5 million of the rate year revenue requirement be collected through class-specific temporary surcharges that terminate March 31, 2013. Accordingly, the portion of the Company's rates and charges included in the rates shown in each Service Classification that comprises the temporary surcharges for the rate year ending March 31, 2013, has been set forth on the Statement of Temporary Surcharges filed for each Rate Schedule.

Appendices D, E, and F show the percentage bill increases for the Con Edison Service Classifications, for customers served under the PASNY Rate Schedule, and for customers served under the EDDS Rate Schedule, respectively.

Rate Changes

Allocation of Rate Increase to Con Edison Customers

The Company allocated the delivery revenue increase pursuant to Appendix I, pp. 1-3, of the JP. The delivery revenue increase includes an increase in T&D-related revenues and an increase in purchased power working capital costs.

³ The percentage rate increase is approximately 6.9 percent on delivery revenues or 3.4 percent on a total bill basis. The delivery revenue increase equals: (1) the delivery revenue increase divided by (2) total T&D revenues at current rates plus estimated revenues to be derived from the Monthly Adjustment Clause, the System Benefits Charge/Renewable Portfolio Standard charge, and the Surcharge to Collect Assessments under Section 18-a of the Public Service Law. The increase on a total bill basis equals the delivery revenue increase divided by total revenues (i.e., supply and delivery related charges including related taxes).

For Con Edison classes, a portion of the Rate Year T&D-related delivery revenue increase was assigned to competitive service revenues in setting the rates for the following: (1) the supply-related component of the Merchant Function Charge (“MFC”) excluding the purchased power working capital cost component; (2) the credit and collection-related component of the MFC, inclusive of credit and collection-related costs attributable to the Purchase of Receivables Discount Rate; and (3) competitive metering charges. No change was made to the billing and payment processing charge. The balance of the T&D-related delivery revenue increase applicable to each Con Edison class was then used in setting the non-competitive T&D rates for each class. The increase associated with a change to purchased power working capital (“PPWC”) of \$233,000 will be reflected in the supply-related component of the MFC.⁴

Rate Design

Rates were designed to collect the increased revenue requirement assigned to each class, pursuant to both Section J and Appendix I of the JP. Highlights include the following changes to the Service Classifications (“SCs” or “service classes”) of the Schedule for Electricity Service:

- Non-competitive delivery rates in Rate I of SC 1 and in Rate I of SC 7 reflect the phase-out of declining block energy rate blocks over the four years that commenced in RY 1. Rate II rates were set the same for both SC 1 and SC 7.
- The phase-in, which commenced in RY 1, of an increased minimum charge (for 5 kW of demand) and elimination of the declining demand rate blocks in Rate I of SC 9, will continue. (In year 5, the summer and winter rates for demand over 100 kW will be eliminated, and the respective summer and winter rates will be set the same for all demand over 5 kW.)
- The phase out, which commenced in RY 1, of SC 2 Rate I declining energy rate blocks will continue. (Declining block rates will be gradually increased so that, in year 5, the summer and winter rates for the rate block for usage over 2,000 kWhr will be eliminated, and the respective summer and winter rates will be the same for all usage.)
- Charges to Con Edison customers associated with competitive functions (i.e., the MFC, including the credit and collection-related component of the Purchase of Receivables Discount Rate, and competitive metering charges) were set to reflect the Rate Year revenue requirement, as explained in Appendix I of the JP. The metering charges applicable to customers in Rates I and III of SC 8, 9, and 12 demand and Rate I of SC 5 who are served under Rider M on a mandatory basis (or would be served under Rider M if they purchased supply from the Company) were increased by the overall Con Edison T&D average percentage rate increase. The revised credit and collection and supply-related components of

⁴ As provided by the JP in Case 09-E-0428, the MFC for the new rate year commencing April 1, 2012, will be further increased to reflect incremental PPWC associated with the change from monthly to weekly billing by the NYISO.

the MFC set forth in Appendix G, including the increase in PPWC costs and the annual change in the transition adjustment, effective April 1, 2012, and the monthly change in the uncollectible bill expense associated with the Market Supply Charge, will be reflected on a revised Statement of MFC to Con Edison's Schedule for Electricity Service. As required by the Company's Schedule for Electricity Service, the Statement of MFC will be filed three business days prior to its April 1, 2012 effective date

- The Company decreased the discount applicable to the low-income customer charge from \$9.00 to \$8.50. Other than this change, no change was made to the customer charge applicable to residential customers taking service under Rate I of SC 1 and SC 7. The change to the low-income discount was made pursuant to Section K of the JP, which provides that the low-income discount may be increased or decreased by up to \$0.50 if the annual cost of customer charge discounts in any year differs by more than five percent of \$38.25 million (*i.e.*, less than \$36,337,500 or more than \$40,162,500). The Company estimates that the annual cost would be greater than \$40,162,500 in RY 3 based on the current discount of \$9.00.
- Standby Service rates contained in SC 5, 8, 9, 12 and 13⁵ were designed to be revenue-neutral at the new revenue level, *i.e.*, to produce the same revenues as if the full-service class (not any individual customers) were priced under either the standard SC rates or the standby rates.
- The reactive power charge applicable to small induction generators was increased by the overall Con Edison system non-competitive T&D percentage increase. No change was made to the reactive power demand charge filed in Case 08-E-0751, which is applicable to customers billed for metered reactive power demand.

In addition, the following changes were made to the PASNY and EDDS Rate Schedules:

- Rate I and Rate II charges under the PASNY Rate Schedule were increased by the overall T&D delivery revenue percentage increase applicable to NYPA. Consistent with the standby rate guidelines, Rate III and Rate IV rates were developed for each class within the PASNY Rate Schedule to be revenue-neutral at the new revenue level, *i.e.*, Rate III and Rate IV were developed to produce the same delivery revenues as the equivalent non-standby class. Competitive metering back-outs were set to reflect the Rate Year revenue requirement.
- The current conventional and TOD rates under the EDDS Rate Schedule and SC 15 of the Schedule for Electricity Service were increased by the overall T&D delivery revenue percentage increase applicable to EDDS.
- The reactive power charges applicable to small induction generators under the PASNY and EDDS Rate Schedules were increased by their applicable overall T&D delivery percentage

⁵ Standby Service rates are Rates III and IV of SC 5, Rates IV and V of SC 8, 9, and 12, and Rate II of SC 13.

increases. No change was made to the reactive power demand charges filed in Case 08-E-0751, which are applicable to customers billed for metered reactive power demand.

Other Tariff Changes

In addition to the rate changes specified above, the revenue targets applicable under the Revenue Decoupling Mechanism ("RDM") were modified in the Schedule for Electricity Service and the PASNY Rate Schedule to reflect the revised allowed pure base revenue by service class for the Rate Year commencing April 1, 2012, due to the change in base delivery rates. (JP, p. 7) For purposes of the RDM, PASNY is considered to be a single class. The revised revenue targets are inclusive of the Con Edison and NYPA shares of the temporary surcharge of \$133.5 million, which terminates on March 31, 2013. This surcharge has been addressed on Leaf 359 (General Rule 27) of the Schedule for Electricity Service (Leaf 359), Leaf 13 of the PASNY Rate Schedule, and Leaf 9 of the EDDS Rate Schedule.

Other

The Company is filing revised Statements of Rate Adjustment Clause (RAC Statement No. 2 to the Schedule for Electricity Service, RAC PASNY Statement No. 2 to the PASNY Rate Schedule, and RAC EDDS Statement No. 2 to the EDDS Rate Schedule). It is also filing Statements of Temporary Surcharges (TEMP Statement No. 1 to the Schedule for Electricity Service, TEMP PASNY Statement No. 1 to the PASNY Rate Schedule, and TEMP EDDS Statement No. 1 to the EDDS Rate Schedule.)

Conclusion

As directed by Ordering Clause 4 of the Order, the Company has filed its tariff amendments to take effect on a temporary basis, on not less than 30 days' notice, effective April 1, 2012. Publication of notice of these revisions will be made on March 9, 16, 23, and 30, 2012. As directed by Ordering Clause 5, the Company is serving copies of this filing upon all parties to this proceeding. This will be done both electronically and by first class mail.

Very truly yours,
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

/s/ Christine Colletti
Director
Rate Engineering Department

PSC No. 10 – Electricity
List of Tariff Changes

<u>Leaf Number</u>	<u>Revision Number</u>
95	1
181	1
192	1
351	3*
359	1
388	1
389	1
397	1
398	1
406	1
408	1
409	1
410	1
416	1
423	1
424	1
432	1
435	1
437	1
438	1
439	1
445	1
446	3*
449	1
451	1
452	1
453	1
463	1
479	1
480	1
483	1

<u>Leaf Number</u>	<u>Revision Number</u>
485	1
486	1
487	1
488	1
495	1
496	1
501	2
502	2

*Revision No. 2 is pending (Case 11-M-0542).

<u>Statement</u>	<u>Statement Type</u>	<u>Statement No.</u>
Statement of Rate Adjustment Clause	RAC	2
Statement of Temporary Surcharges	TEMP	1

Appendix B

PSC No. 12 – PASNY
List of Tariff Changes

<u>Leaf Number</u>	<u>Revision Number</u>
4	1
5	1
6	1
7	1
8	1
9	1
10	1
13	1
14	1
22	1

<u>Statement</u>	<u>Statement Type</u>	<u>Statement No.</u>
Statement of Rate Adjustment Clause	RAC PASNY	2
Statement of Temporary Surcharges	TEMP PASNY	1

Appendix C

PSC No. 11 - EDDS
List of Tariff Changes

<u>Leaf Number</u>	<u>Revision Number</u>
5	1
6	1
7	1
9	1

<u>Statement</u>	<u>Statement Type</u>	<u>Statement No.</u>
Statement of Rate Adjustment Clause	RAC EDDS	2
Statement of Temporary Surcharges	TEMP EDDS	1

Case No. 09-E-0428
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
Estimated Effect on Con Edison Conventional and TOD Customers' Bills and Revenue
Resulting from the Application of Conventional and TOD Rates and Charges Effective April 1, 2012
Based on Sales and Revenues for the Twelve Months Ended December 31, 2007

Con Edison Service Classification - Conventional Rates		Total Revenues * @ April 2011 Rates	Total Revenues * @ April 2012 Rates	Estimated Change @ April 2012 Rates	Percentage Change	Estimated Number of Customers' Bills		
						Increased	Decreased	Unchanged
1 - Rate I **	Residential & Religious	\$3,736,356,396	\$3,887,901,269	\$151,544,873	4.06%	31,695,308	0	1,769
2	General - Small	\$623,155,703	\$649,567,318	\$26,411,615	4.24%	4,039,066	0	0
5 - Rate I	Electric Traction Systems	\$184,344	\$192,884	\$8,540	4.63%	132	0	0
6	Public & Private Street Lighting	\$3,785,785	\$3,973,397	\$187,612	4.96%	41,796	0	0
7 - Rate I**	Residential & Religious - Space or Space and Water Heating	\$44,696,421	\$47,137,456	\$2,441,035	5.46%	199,773	0	339
8 - Rate I	Multiple Dwellings - Redistribution	\$395,067,078	\$406,008,024	\$10,940,946	2.77%	21,870	0	0
9 - Rate I	General - Large	\$3,901,136,201	\$4,019,516,699	\$118,380,498	3.03%	1,442,349	0	0
12 - Rate I	Multiple Dwelling - Space Heating	<u>\$38,777,853</u>	<u>\$39,609,042</u>	<u>\$831,189</u>	2.14%	<u>5,407</u>	<u>0</u>	<u>0</u>
Sub-Total	Con Edison's Conventional Rates	\$8,743,159,781	\$9,053,906,089	\$310,746,308	3.55%	37,445,701	0	2,108
Con Edison Service Classification - Time-of-Day Rates								
1 - Rate II	Residential & Religious	\$23,384,052	\$24,058,151	\$674,099	2.88%	28,128	0	0
2 - Rate II	General - Small	\$1,009,273	\$1,038,978	\$29,705	2.94%	2,498	0	0
5 - Rate II	Electric Traction Systems	\$20,157,725	\$20,292,979	\$135,254	0.67%	60	0	0
7 - Rate II	Residential & Religious - Space or Space and Water Heating	\$882,747	\$906,721	\$23,974	2.72%	1,460	0	0
8 - Rate II	Multiple Dwellings - Redistribution	\$22,965,838	\$23,564,890	\$599,052	2.61%	192	0	0
8 - Rate III	Multiple Dwellings - Redistribution - Voluntary	\$6,882,279	\$7,072,870	\$190,591	2.77%	276	0	0
9 - Rate II	General - Large	\$1,875,800,349	\$1,921,511,568	\$45,711,219	2.44%	8,004	0	0
9 - Rate III	General - Large - Voluntary	\$116,909,814	\$119,774,189	\$2,864,375	2.45%	12,408	0	0
12 - Rate II	Multiple Dwelling - Space Heating	\$50,296,151	\$51,401,029	\$1,104,878	2.20%	336	0	0
13 - Rate II	Bulk Power - High Tension - Housing Developments	<u>\$24,891,890</u>	<u>\$25,278,040</u>	<u>\$386,150</u>	1.55%	<u>12</u>	<u>0</u>	<u>0</u>
Sub-Total	Con Edison's Time-of-Day Rates	\$2,143,180,118	\$2,194,899,415	\$51,719,297	2.41%	53,374	0	0
Con Edison Total	Con Edison's Total Excluding Special Contract	\$10,886,339,899	\$11,248,805,504	\$362,465,605	3.33%	37,499,075	0	2,108

* Total Revenues for all customers include: T&D delivery charge and estimated market supply charge, monthly adjustment clause, system benefits/renewable portfolio standard program charges, the surcharge to collect Public Service Law, Section 18-a Assessments, 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.

** Total Revenues in Service Classification No. 1 include Rider D. Total Revenues in SC 1 and 7 include \$38.75 million of low income program credits (i.e., \$38.25 million of low income rate reductions and \$500,000 for waived reconnection fees).

*** The increase in Con Edison P.S.C. No. 10 revenues for the rate year, i.e., the twelve months ending March 31, 2013, equates to \$365.5 million, or an overall increase of 3.4%. Pursuant to Section J.3.a of the Joint Proposal, the merchant function charge, effective April 1, 2012, will be further increased to recover the incremental purchase power working capital costs associated with the change from monthly to weekly billing by the New York Independent System Operator.

Case No. 09-E-0428
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
Estimated Effect on NYPA Delivery Service Conventional and TOD Revenue Resulting from the Application of
Conventional and TOD Rates and Charges Effective April 1, 2012
Based on Sales and Revenues For the 12 Months ended December 31, 2007

	Total Revenue @ April 2011 Rates*	Total Revenue @ April 2012 Rates*	Estimated Change @ April 2012 Rates	Percentage Change
NYPA Delivery Service				
NYPA Total	\$1,468,911,653	\$1,517,690,789	\$48,779,136	3.32%

* Total Revenues include delivery service revenues and estimated supply revenues and the surcharge to collect Public Service Law, Section 18-a Assessments associated with customers billed under the PASNY Delivery Service - P.S.C. No. 12 tariff.

** Based on sales and revenues for the rate year, i.e., the twelve months ending March 31, 2013, such increase in NYPA Delivery Service revenue equates to \$52.1 million or an overall increase of 3.3%.

Case No. 09-E-0428
 CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
 Estimated Effect on Economic Development Delivery Service Conventional and TOD Revenue Resulting from the Application of
 Conventional and TOD Rates and Charges Effective April 1, 2012
 Based on Sales and Revenues For the 12 Months ended December 31, 2007

	Total Revenue @ April 2011 Rates	Total Revenue @ April 2012 Rates*	Estimated Changes @ April 2012 Rates	Percentage Change
Economic Development Delivery Service *				
EDDS Total	\$116,222,016	\$119,180,894	\$2,958,878	2.55%

* Total Revenues include Economic Development Delivery Service revenues and estimated supply revenues and the surcharge to collect Public Service Law, Section 18-a Assessments associated with customers billed under the Economic Development Delivery Service - P.S.C. No. 11 tariff.

** Based on sales and revenues for the rate year, i.e., the twelve months ending March 31, 2013, such increase in Economic Development revenue equates to \$2.8 million or an overall increase of 2.5%.

Appendix G

Case No. 09-E-0428

Supply-Related and Credit and Collection-Related Rate Components of the Merchant Function Charge
Effective 4/1/2012Applicable to billing to Full Service Customers Subject to the Market Supply Charge pursuant to General Rule 25.3 of
the Schedule for Electricity Service

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

	<u>SC1 & SC7</u>	<u>SC2</u>	<u>All Other SCs</u>
Supply Related Charge per kilowatthour *	\$ 0.002308	\$ 0.002319	\$ 0.000983
Credit and Collection-Related Charge per kilowatthour	\$ 0.002788	\$ 0.002754	\$ 0.000515

* Includes additional purchase power working capital costs associated with the change from monthly to weekly billing by the New York Independent System Operator.