



Consolidated Edison Company  
of New York, Inc.  
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June 15, 2012

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

**RE: Case 09-M-0311, Temporary Annual Assessment**

**Pursuant to Public Service Law §18-a(6)**

Dear Secretary Brillling:

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) herein submits for filing with the New York Public Service Commission (the “Commission”) a Statement of Surcharge to Collect PSL 18-a Assessments to the Company’s Schedule for Electricity Service, P.S.C. No. 10 – Electricity (the “Schedule for Electricity Service”), applicable to its customers in the City of New York and the County of Westchester. The Company also submits for filing with the Commission a Statement of Surcharge to Collect PSL 18-a Assessments to its Schedule for PASNY Delivery Service, P.S.C. No. 12 - Electricity (“PASNY Rate Schedule”)<sup>1</sup>, applicable to delivery by the Company of power and associated energy to Authority Public Customers under P.S.C. No. 12 – Electricity.

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<sup>1</sup> 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.

Submitted herewith are the following Statements, which have an effective date of July 1, 2012:

Statement of Surcharge to Collect PSL Section 18-a Assessments,

PSL – Statement No.: 2 to P.S.C. NO: 10 – Electricity

Statement of PASNY Surcharge to Collect PSL Section 18-a Assessments,

PSL – PASNY Statement No.: 2 to P.S.C. NO: 12 - Electricity

### **Reason for Filing**

These Statements are being filed pursuant to the Commission’s June 19, 2009 Order in the above-referenced case (“June 2009 Order”) and the provisions entitled “Surcharge to Collect Assessments Under Section 18-a of the Public Service Law,” in General Rules Section 26.6 of P.S.C. No. 10 – Electricity and in the Additional Delivery Charges and Adjustments Section of P.S.C. No. 12 – Electricity. The June 2009 Order and these provisions require that the Company file a Statement no less than fifteen days before the start of the period that the §18-a surcharges are to be in effect. In accordance with these tariff provisions, revised surcharges have been designed to collect PSL §18-a amounts required to be collected above the amount in base rates for the State Fiscal Year 2012-2013 (April through March) and include an adjustment for uncollectible expenses and working capital costs.

The surcharges also reflect the reconciliation of the State Fiscal Year 2011-2012 PSL §18-a amounts to be recovered with the actual amounts collected under the surcharges that were in effect from July 1, 2011 through June 30, 2012 (i.e., actual collections through May 31, 2012 and estimated collections for June 2012). As permitted by the June 2009 Order and as referenced in the Company’s tariffs, the Company is maintaining the prior year’s unit surcharges for all service classes, except for Con Edison Service Classifications No. (“SC”) 6 and 13 and for NYPA service under the PASNY Rate Schedule, since the calculation of the surcharges for the current State Fiscal Year would have resulted in a surcharge below the level of the prior year’s surcharges.

The PSL §18-a amounts required to be collected for the 2012-2013 State Fiscal Year, which begins July 1, 2012, were allocated to each Rate Schedule, including the Economic Delivery Service Schedule (“EDDS”) Rate Schedule, P.S.C. No. 11 - Electricity (the “EDDS Rate Schedule”), based on their contribution to the Company’s total 2011 electric revenues inclusive of gross receipts taxes. Revenues include both delivery and supply charges for all Con

Edison service classes (including estimated supply charges for retail access classes)<sup>2</sup> and delivery only charges for the PASNY and EDDS Rate Schedules.

Reconciliation amounts for the State Fiscal Year 2011-2012 were determined by allocating the total of the 2011-2012 actual PSL §18-a payments made by the Company, and working capital and uncollectible expense adjustments based on the actual payments, to the Schedule for Electricity Service and the PASNY Rate Schedule based on total 2010 electric revenues inclusive of gross receipts taxes and estimated ESCO revenues. These amounts were compared with the actual class-specific amounts collected under the surcharges that were in effect from July 1, 2011 through June 30, 2012, under those tariffs and the EDDS Rate Schedule.<sup>3</sup> Any differences have been added to the 2012-2013 State Fiscal Year amounts to determine total amounts recoverable from the Schedule for Electricity Service and the PASNY Rate Schedule during the July 1, 2012 through July 31, 2013 period.

Surcharge amounts will be collected from each Con Edison class under the Schedule for Electricity Service on a per kWhr basis, except that amounts will be collected per kW from customers served under SC 11 and SC 5 -Rates III and IV, SC 8 – Rates IV and V, SC 9 – Rates IV and V, and SC 12 – Rates IV and V and as a single amount per monthly bill for SC 13 accounts or former SC 13 accounts now served under another service classification. Due to the phase-out of service under Con Ed SC 7 under Con Edison’s existing electric rate plan, as approved in Case 09-E-0428, that class has been combined with SC 1 when calculating this year’s surcharge and reconciling past collections.

Additionally, the surcharge for the Con Ed SC 9 class has been modified to recover the EDDS Rate Schedule’s allocated share of PSL §18-a amounts in recognition of a letter dated May 24, 2012 from NYPA. In this letter, NYPA advised the Company that, as of June 30, 2012, it will terminate its bundled service contracts with certain of its customers and its power sales agreements with the Municipal Distribution Agencies (New York City Public Utility Service (“NYCPUS”) and County of Westchester Public Utility Service Agency (“COWPUSA”), (together referred to as the “MDAs”), which serve customers in Con Edison’s service territory. NYPA and the MDAs have agreements with Con Edison for delivery service that are implemented through the Company’s EDDS Rate Schedule”). By letter addressed to Con Edison

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<sup>2</sup> Based on applying the average Market Supply Charge per kWhr paid by Con Edison full-service customers in 2011 to retail access sales, the Company has estimated ESCO commodity revenues, including gross receipts taxes to be about \$2 billion.

<sup>3</sup> June 2012 collections have been estimated and will be trued up in next year’s Temporary Annual Assessment surcharge. This year’s surcharge reflects the true-up of June 2011 collections which were estimated last year.

during the week of June 11, 2012, COWPUSA informed the Company that it will no longer require delivery service under the EDDS Rate Schedule after June 30, 2012. The Company has not yet received any similar advice from NYCPUS but expects that the same advice would be provided. Lacking an expectation of service to be provided under the EDDS Rate Schedule, the Company is proposing not to provide an 18-a surcharge in the EDDS Rate Schedule on and after July 1, 2012.

The surcharge applicable to service under the PASNY Rate Schedule was calculated as a single monetary amount that will be billed monthly to NYPA commencing July 2012.

The Statements filed herewith reflect the unit amounts to be collected over the 12 months commencing July 1, 2012.

Sincerely,

/s/ Christine Colletti

Christine Colletti

Director

Rate Engineering Department

Attachments