Consolidated Edison Company of New York, Inc.
4 Irving Place, New York, NY 10003

August 18, 2015

Ms. Tatyana Benyaguyeva
Informal Hearing Officer
Office of Consumer Affairs
90 Church Street
New York, NY 10007

Subject: Request for Reconsideration
Case Number: 340506
Fifth and 67th Street Inc.
856 Fifth Avenue
New York, NY 10065

Dear Ms. Benyaguyeva,

Please let this letter serve as Con Edison's official request for reconsideration on the ruling for the informal review for case #340506.

The first item that I would like to address is the analysis of the use per heating degree day comparison. I just wanted to clarify that the comparison was over three consecutive years, not three days. The drop in this ratio over each year, instead of it keeping a consistent pattern, can signify a slow meter condition.

The second item that I would like to contest is the position on how the backbill is calculated. Meters run at an efficiency level of 100%. If the meter is found to be either slow or fast, the proper adjustment units have to be added to the consumption if there is over a 2% variance from 100%. This and the testing procedure are outlined by Public Service regulation. The adjustment is made so that the consumption is as if the meter were reading at the optimal efficiency of 100%. The formula for efficiency is as follows:

Efficiency = 100% * (actual output/standard output)

In the case of a slow meter adjustment:

- The "efficiency" field would be replaced by the accuracy percentage that the meter was found to be recording at. (In this case that number would be 97.36%)
- 100% represents the accuracy the meter is believed to be reading at
- The "actual output" is the consumption that the meter actually has been recording
- The "standard output" is what the consumption should be based on 100% accuracy.

Since the "standard output" is what is missing, we can rewrite the equation as follows:

Standard output = Actual output/ (efficiency/100%)

To illustrate the formula, let's look at the example below to see how adj. Mlbs are derived:

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ACCT	Bill Date	Mlbs	Adj. Mlbs
3702000000	1/28/2013	944.9923	**967.4314**

The consumption for the subject meter for the month above is as follows:

Meter	Mlbs	Adj. Mlbs	Adj. Factor
9928	827.527356	22.43911	102.71%

Standard Output = 827.527356 / (97.36%/100%)
= 827.527356 / .9736
= 849.96647

849.96647-827.527356 = 22.43911
944.9923+22.43911=**967.4314**

The adjustment factor is the percentage needed in order to "adjust" the meter reading efficiency to the optimal efficiency of 100%. It is computed as follows:

Adjustment Factor = optimal percentage/actual percentage
= 100%/97.36%
= 102.71 %

This calculation is performed for each month, and each bill is recalculated using the effective rates at that time.

Although not relevant to the case, the third item that I would like to address is the question: "Does the utility rebate end users when their equipment over records consumption?" The answer to this question is yes. We are obliged to refund the money to the customer for six years, or the full life of the meter in question, plus any overpayment interest. This credit to the customer would occur if the meter was recording at 110% accuracy, or at 102.01% accuracy.

Lastly, I want to reiterate the fact that both our meter testing and backbilling are governed by Public Service Commission policies. All of the testing procedures, including the tested loads, are in compliance with PSC Code Part 400. In the determination it states that we should establish a policy to not enforce backbilling where the deviation is within 5% of acceptable standards. This would be contradictory to what is written in NYCRR 16 400.7.A, which states "All meters shall be adjusted to register accurately with a tolerance of not more than two percent."

It is because of the above mentioned points that we feel this case needs to be reconsidered. Please let me know if you require additional information or clarification.

Sincerely,

Salvatore Flagiello
Supervisor, Steam Customer Service
Consolidated Edison Company of NY