

Filed Session of January 18, 2006
Approved as Recommended
and so Ordered
By the Commission

JACLYN A. BRILLING
Secretary

Issued and Effective January 18, 2006

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

December 29, 2005

TO: THE COMMISSION

FROM: OFFICE OF ELECTRICITY AND ENVIRONMENT-RATES & TARIFFS

SUBJECT: CASE 03-S-1672 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Steam Service.

Consolidated Edison Company of New York, Inc. compliance tariff filing related to the Commission Order issued September 27, 2004 in this proceeding.

RECOMMENDATION: The tariff amendments listed in Appendix A should be allowed to become effective on a permanent basis on January 20, 2006.

SUMMARY

Consolidated Edison Company of New York, Inc. (Con Edison) filed amendments to its steam tariff schedule in compliance with the Commission's Order Adopting the Terms of a Joint Proposal, issued September 27, 2004 in Case 03-S-1672 (September 27 Order). The amendments effectuate the second rate year (12 months ending September 30, 2006) increase of \$27.4 million as allowed by the September 27 Order. Staff has reviewed the amendments and finds them to be in compliance with the

September 27 Order. Therefore, the amendments should be allowed to become effective on a permanent basis on January 20, 2006.

BACKGROUND

In the September 27 Order, the Commission adopted a two-year rate plan for Con Edison's steam business commencing October 1, 2004. Effectuation and implementation of the terms and conditions of the rate plan required amendment of numerous provisions of the company's steam tariff, P.S.C. No. 3 – Steam. The Order directed Con Edison to file the tariff amendments necessary to effectuate its terms.

On August 25, 2005, Con Edison filed the required tariff amendments to effectuate the terms of the second rate year and advised the Secretary that copies of the filing had been served on all parties to Case 03-S-1672. Pursuant to the terms of the September 27 Order, the tariff amendments became effective on a temporary basis on October 1, 2005, and interested parties were given ten days to submit comments thereon. No comments were received.

The tariff amendments are listed in Appendix A. A description of the tariff amendments is included in Appendix B.

DISCUSSION AND CONCLUSION

Staff has reviewed the company's filing and confirmed that the tariff amendments properly reflect the provisions of the September 27 Order. The amendments include language necessary to implement the second rate year (October 1, 2005 through September 30, 2006) rate increase of \$27.4 million, as well as the rate design and other changes described in the rate plan. No party has objected to the changes and Staff does not believe any modifications to the amendments are needed. Accordingly, there is no impediment to adopting them on a permanent basis.

It is recommended that the tariff amendments listed in Appendix A be allowed to become effective on a permanent basis on January 20, 2006.

Respectfully submitted,

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Utility Analyst 2

Reviewed by:

KEVIN LANG
Assistant Counsel
Office of General Counsel

Approved by:

DOUGLAS E. LUTZY
Chief, Rates & Tariffs
Office of Electricity and Environment

SUBJECT: Filing by CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Amendments to Schedule P.S.C. No. 3 - Steam

Third Revised Leaf No. 30

Fifth Revised Leaf No. 23

Thirty-Second Revised Leaves Nos. 20, 21, 22

Issued: August 25, 2005 Effective on a Temporary Basis: October 1, 2005

NEWSPAPER PUBLICATION: September 5, 12, 19 and 26, 2005

SUMMARY OF TARIFF CHANGES

Taken from Con Edison's August 25, 2005 filing

Proposed Rate Design within Each Service Class

- 1) The customer charges for S.C. No. 1 (General Service), S.C. No. 2 (Annual Power Service), and S.C. No. 3 (Apartment House Service) rates have been increased by the overall pure base rate percentage increase. The pure base rate percentage increase was developed by dividing the sum of the first rate year and second rate year revenue increases, excluding gross receipts taxes plus the decrease related to the roll-in of the current level state income of taxes by the total first rate year pure base revenues prior to any rate increases.
- 2) S.C. No. 1 and S.C. No 2 winter and S.C. No 3 winter block rates have been designed to recover the balance of the revenue requirement in each class.
- 3) S.C. No. 4 Rate I (Backup/Supplementary Service) and S.C. No. 6 Rate I (Transportation Service) customer charges have been set equal to the S.C. No. 2 customer charge. S.C. No 4 Rate II and S.C. No. 6 Rate II customer charges have been set equal to S.C. No. 3 customer charge. Rate I and Rate II On-Peak and Off – Peak Contract Demand Charges and On-Peak and Off-Peak Usage Charges excluding the base of fuel have been increased by the overall pure base rate percentage increase.
- 4) A portion of the fuel costs associated with line losses, equal to \$2.2 million in the second rate year (or \$4.4 million in total), is included in the customer charge applicable to S.C. Nos. 1, 2, 3, 4, and 6.