STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc., for Electric Service	**CASE 13-E-0030**
Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc., for Gas Service	**CASE 13-G-0031**
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	**CASE 13-S-0032**

UPDATED AND CORRECTED

TESTIMONY OF WILLIAM D. YATES, CPA
FOR
PUBLIC UTILITY LAW PROJECT OF NEW YORK, INC.

Q. PLEASE STATE YOUR NAME, ADDRESS, AND IDENTIFY FOR WHOM YOU ARE PRESENTING TESTIMONY IN THIS PROCEEDING.

A. My name is William D. Yates, and my office address is at Public Utility Law Project of New York, Inc., P.O. Box 10787, Albany, NY 12201. I am presenting testimony in this proceeding for the Public Utility Law Project of New York, Inc.

Q. PLEASE DESCRIBE THE PUBLIC UTILITY LAW PROJECT OF NEW YORK, INC. AND YOUR RELATIONSHIP TO THE ORGANIZATION.

A. The Public Utility Law Project of New York, Inc., ("PULP") is a New York not for profit corporation. PULP was formed in 1981 to promote and defend the legal rights of utility consumers, *inter alia*, by educating the public about rates for utility service, conducting research on the legal rights of utility consumers, and litigation in the public interest with a primary emphasis on the rights of low income utility consumers. I have been employed by PULP in various capacities since July 1990. Currently, I am PULP's senior financial analyst, and I provide financial analysis and technical assistance in support of PULP's advocacy on behalf of residential utility and energy consumers.

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND, YOUR PROFESSIONAL QUALIFICATION, AND YOUR EMPLOYMENT HISTORY?

A. I am a graduate of Colgate University (B.A.) and a graduate of the New York University Stern School of Business Administration (M.S. in Accounting). I am a Certified Public Accountant (CPA), licensed to practice in New York State, and I am a member of the American Institute of Certified Public Accountants (AICPA). I am familiar with software applications and in the course of my work I write custom computer applications using various languages. After completing my graduate work, I worked for several years in New York City for the accounting firm Deloitte & Touche. After relocating to the Albany area, in addition to my work for PULP, I have also worked as an independent consultant to a variety of enterprises.

Q. WHAT IS THE GENERAL PURPOSE FOR YOUR TESTIMONY?

A. In Part I, I testify regarding the Joint Proposal's low income assistance changes and data regarding customer payment of Con Edison bills. The data is contained in Collection Activity Reports filed monthly by Con Edison concerning its residential customers with arrears who are at risk of actual or threatened interruption of utility service.

In Part II, I discuss 1) adjustments to terms of the rate plans and, 2) aspects of the earnings sharing mechanism contained in the non unanimous joint proposal of parties filed December 31, 2013.

This testimony updates and corrects testimony filed January 9, 2013. The updates include charts based on more recent Con Edison collection activity data through November, 2013. The original testimony included reference to data through September, 2013. The data through November 30, 2013 was received in response to Utility Project Information Request # 104. This testimony also contains some minor corrections.

Q. DO THE UPDATES AND CORRECTIONS CHANGE THE TRENDS IDENTIFIED IN YOUR ORIGINAL TESTIMONY?

A. No.

I

Q. ARE CON EDISON CUSTOMERS HAVING DIFFICULTIES IN PAYING THEIR BILLS?

A. Yes. As of November 30, 2013, 312,489 residential customers (10.8% of total residential customers) were more than 60 days behind in paying their bills, compared to 313,315 (10.9%) in November, 2012. They owed approximately $251.8 million (2012: $256.5 million). 248,082 final termination notices were issued to residential customers (8.57% of total) in November 2013, whereas 91,103 notices (3.16% of total customers) were issued in November 2012. 61,258 (2.12%) of residential customer accounts were eligible for field action in November, 2013 (2012: 72,198, 2.51%); while service was terminated to 6,875 (0.24%) accounts (2012: 2,794, 0.10%).

In terms of deferred payment agreements (DPAs), there were 182,081 active DPAs as of November 30, 2013 (6.29% of customers; 2012: 168,050, 5.83%). 15,546 (0.54%) of customers defaulted on their DPAs in November 2013 (2012: 15,099, 0.52%).

Q. WHAT IS THE RECENT HISTORY REGARDING CUSTOMER ARREARS AND SHUTOFFS?

A. The charts below summarize the data from the past 23 months provided by Con Edison; as well as other Collection Activity Report data obtained by the Project from the Department of Public Service through requests under the Freedom of Information Law from January, 2005 through December, 2011:

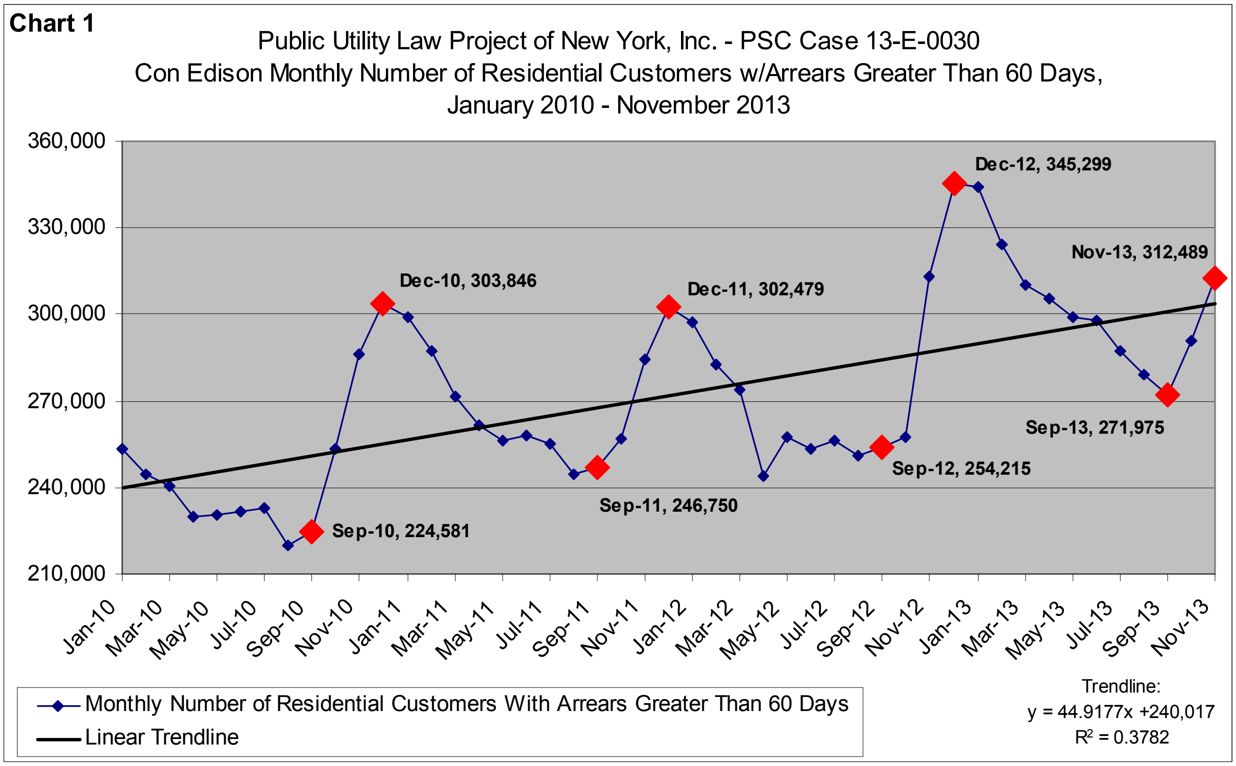


Chart 1
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Monthly Number of Residential Customers w/Arrears Greater Than 60 Days,
January 2010 - November 2013
360,000
330,000
300,000
270,000
240,000
210,000
Dec-12, 345,299
Nov-13, 312,489
Dec-10, 303,846
Dec-11, 302,479
Sep-13, 271,975
Sep-12, 254,215
Sep-11, 246,750
Sep-10, 224,581
Jan-10 Mar-10 May-10 Jul-10 Sep-10 Nov-10 Jan-11 Mar-11 May-11 Jul-11 Sep-11 Nov-11 Jan-12 Mar-12 May-12 Jul-12 Sep-12 Nov-12 Jan-13 Mar-13 May-13 Jul-13 Sep-13 Nov-13
Monthly Number of Residential Customers With Arrears Greater Than 60 Days
Linear Trendline
Trendline:
y = 44.9177x +240,017
R² = 0.3782

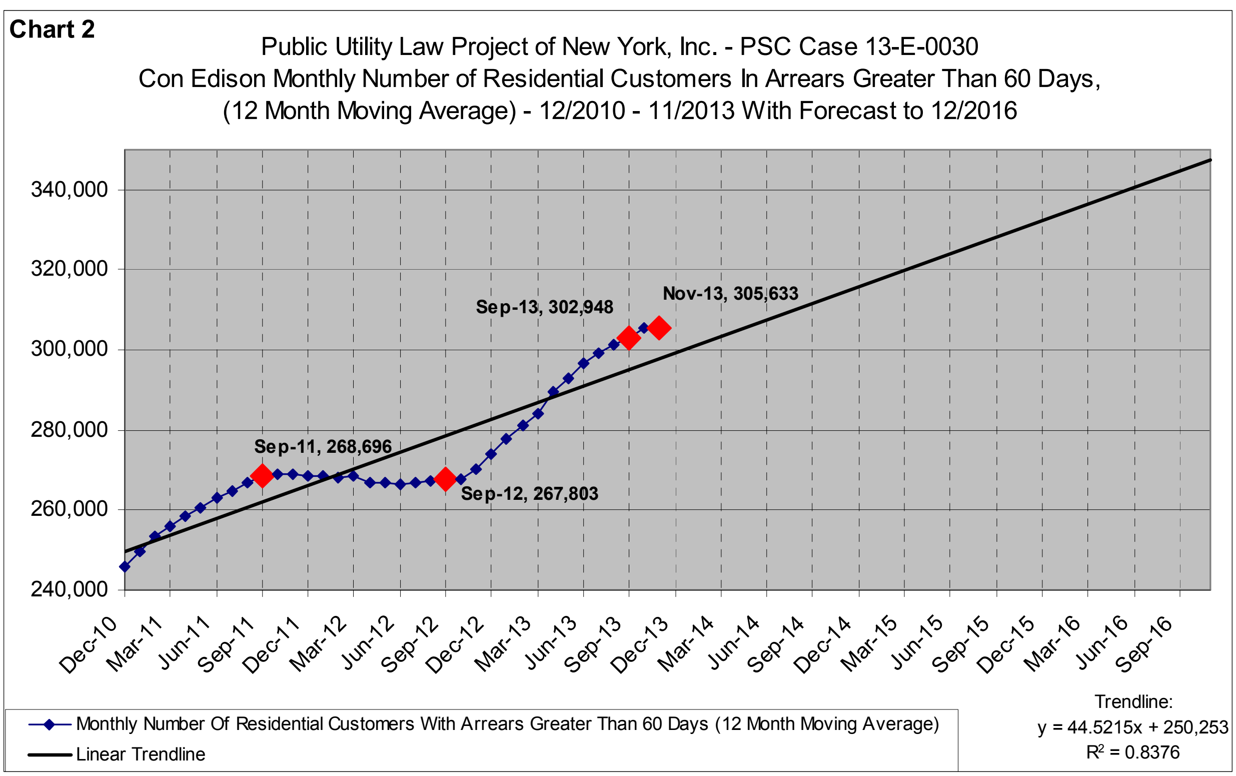


Chart 2
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Monthly Number of Residential Customers In Arrears Greater Than 60 Days,
(12 Month Moving Average) - 12/2010 - 11/2013 With Forecast to 12/2016
340,000
320,000
300,000
280,000
260,000
240,000
Sep-13, 302,948
Nov-13, 305,633
Sep-11, 268,696
Sep-12, 267,803
Dec-10 Mar-11 Jun-11 Sep-11 Dec-11 Mar-12 Jun-12 Sep-12 Dec-12 Mar-13 Jun-13 Sep-13 Dec-13 Mar-14 Jun-14 Sep-14 Dec-14 Mar-15 Jun-15 Sep-15 Dec-15 Mar-16 Jun-16 Sep-16
Monthly Number Of Residential Customers With Arrears Greater Than 60 Days (12 Month Moving Average)
Linear Trendline
Trendline:
y = 44.5215x + 250,253
R² = 0.8376

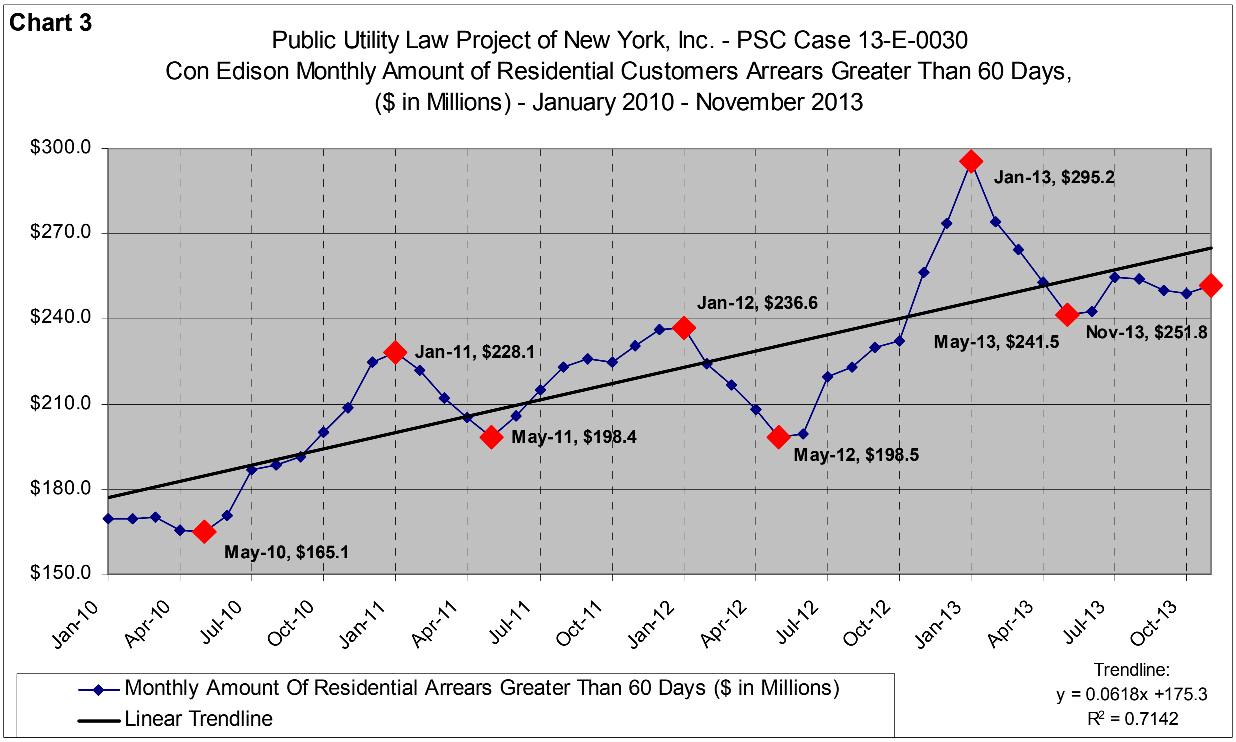


Chart 3
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Monthly Amount of Residential Customers Arrears Greater Than 60 Days,
($ in Millions) - January 2010 - November 2013
$300.0
$270.0
$240.0
$210.0
$180.0
$150.0
Jan-13, $295.2
Jan-12, $236.6
Jan-11, $228.1
May-13, $241.5
Nov-13, $251.8
May-11, $198.4
May-12, $198.5
May-10, $165.1
Jan-10
Apr-10
Jul-10
Oct-10
Jan-11
Apr-11
Jul-11
Oct-11
Jan-12
Apr-12
Jul-12
Oct-12
Jan-13
Apr-13
Jul-13
Oct-13
Monthly Amount Of Residential Arrears Greater Than 60 Days ($ in Millions)
Linear Trendline
Trendline:
y = 0.0618x +175.3
$R^2 = 0.7142$

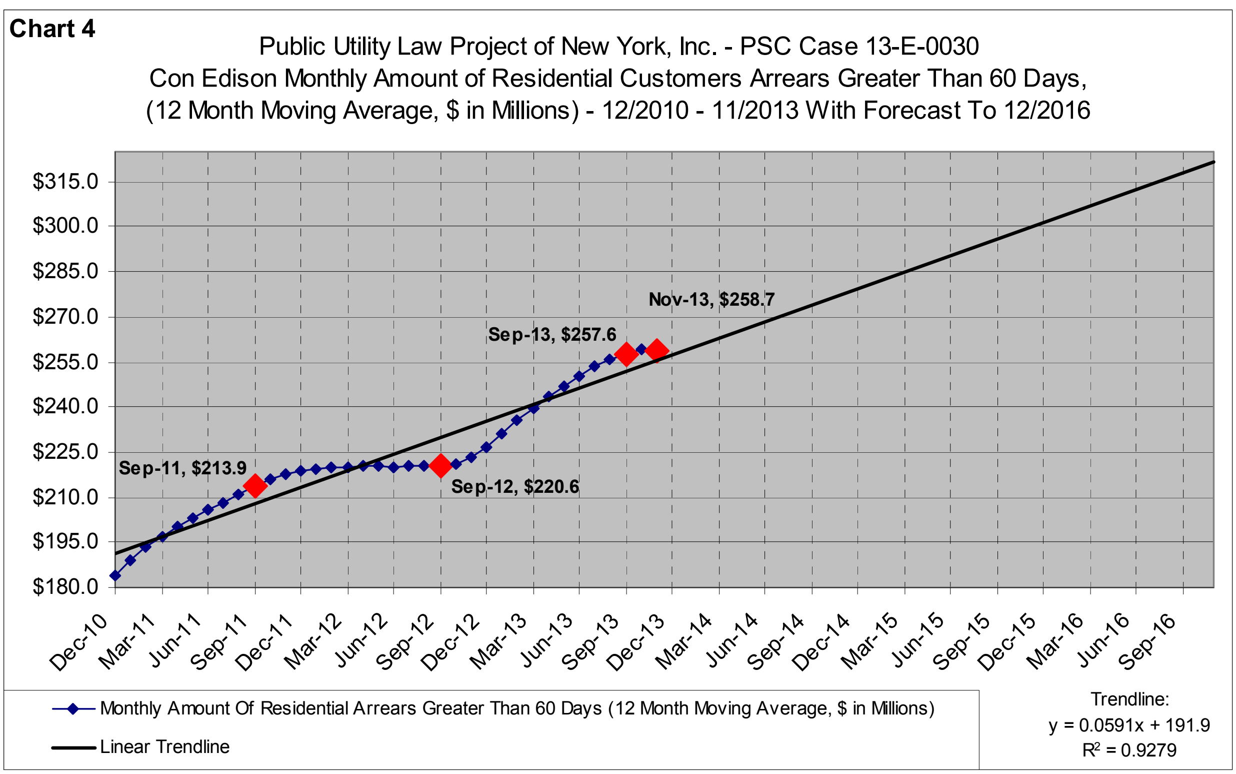


Chart 4
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Monthly Amount of Residential Customers Arrears Greater Than 60 Days,
(12 Month Moving Average, $ in Millions) - 12/2010 - 11/2013 With Forecast To 12/2016
$315.0
$300.0
$285.0
$270.0
$255.0
$240.0
$225.0
$210.0
$195.0
$180.0
Nov-13, $258.7
Sep-13, $257.6
Sep-11, $213.9
Sep-12, $220.6
Dec-10
Mar-11
Jun-11
Sep-11
Dec-11
Mar-12
Jun-12
Sep-12
Dec-12
Mar-13
Jun-13
Sep-13
Dec-13
Mar-14
Jun-14
Sep-14
Dec-14
Mar-15
Jun-15
Sep-15
Dec-15
Mar-16
Jun-16
Sep-16
Monthly Amount Of Residential Arrears Greater Than 60 Days (12 Month Moving Average, $ in Millions)
Linear Trendline
Trendline:
y = 0.0591x + 191.9
$R^2 = 0.9279$

Chart 5

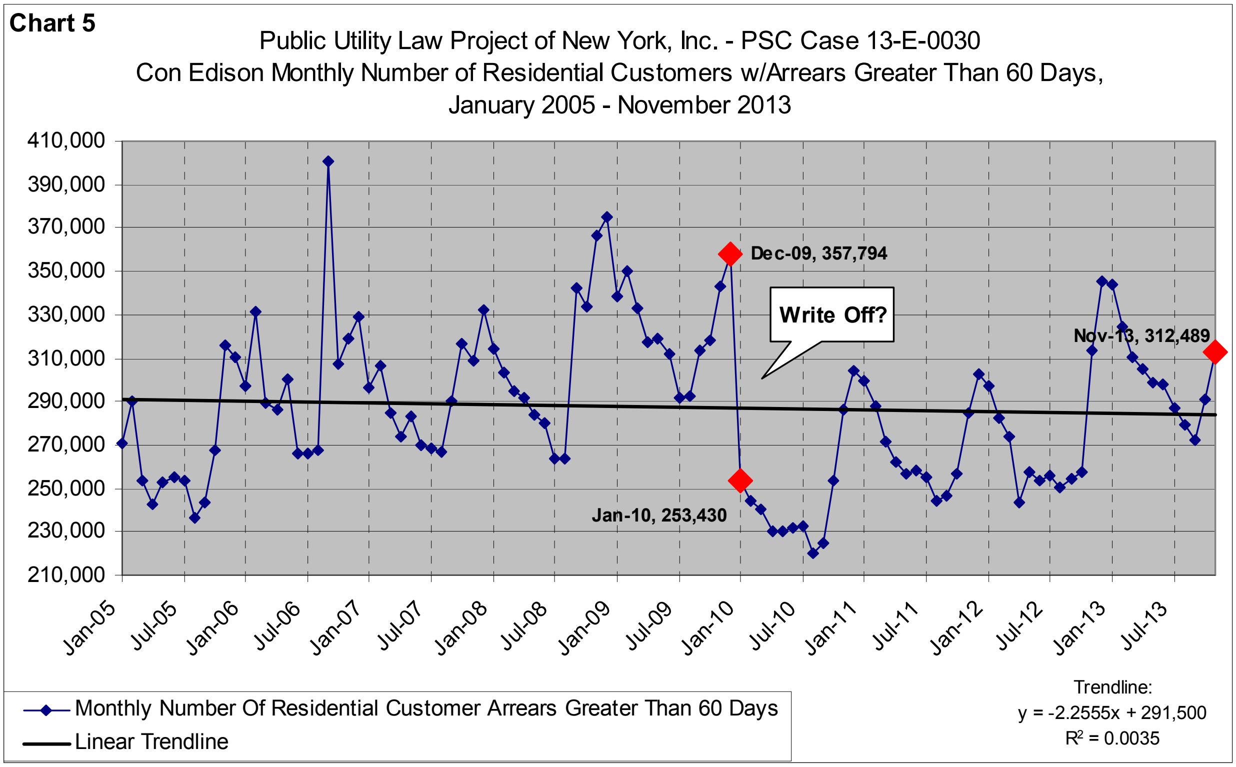
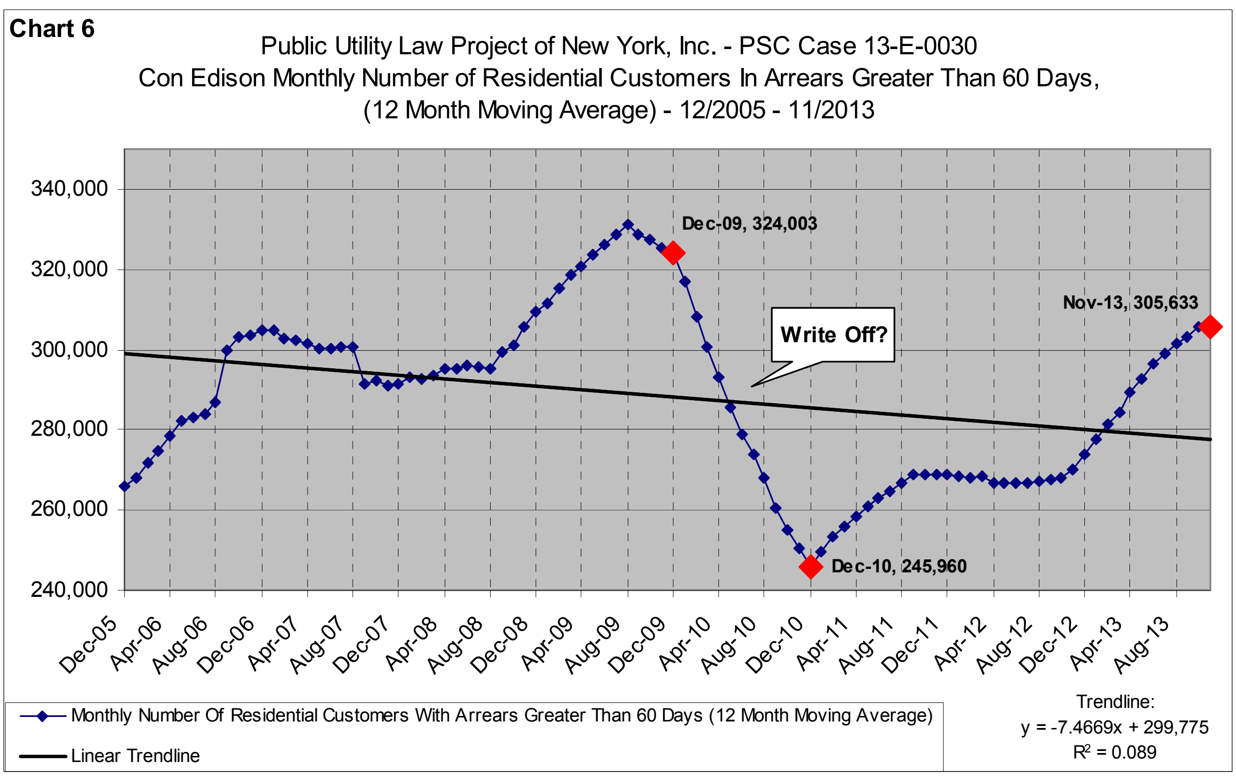


Chart 6



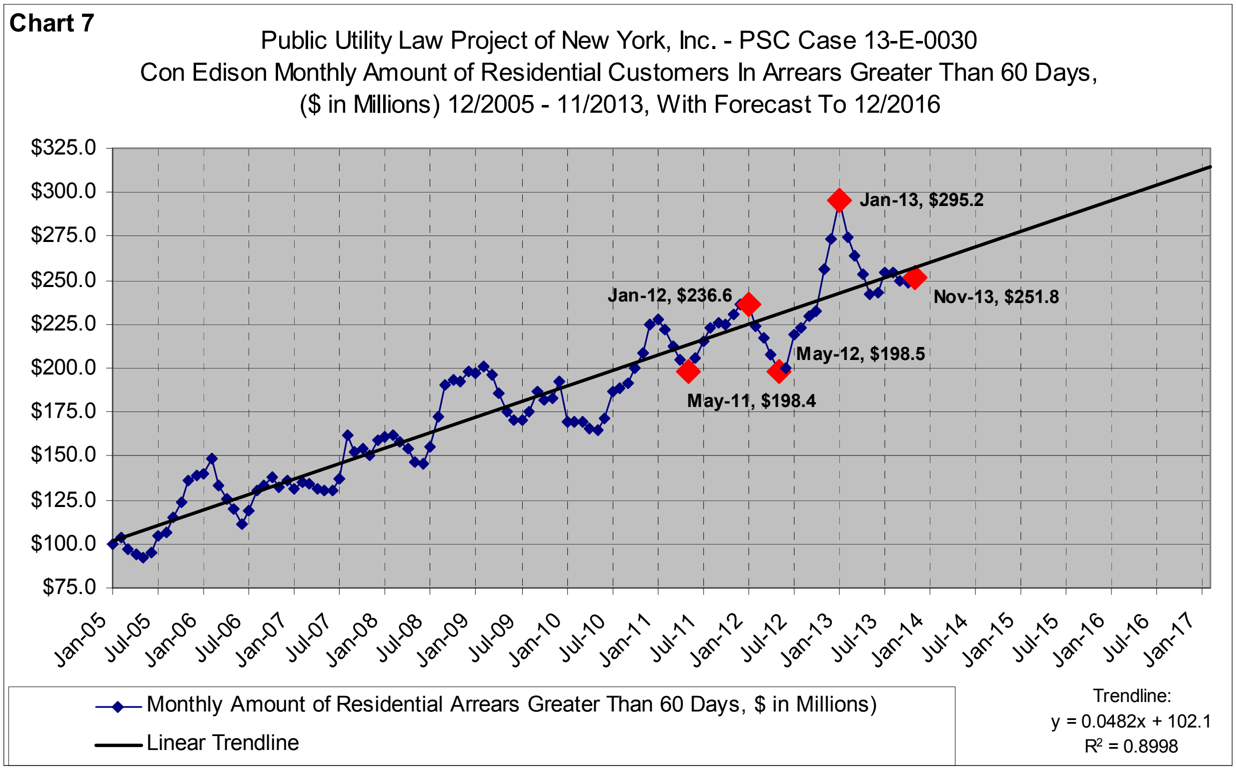


Chart 7
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Monthly Amount of Residential Customers In Arrears Greater Than 60 Days,
($ in Millions) 12/2005 - 11/2013, With Forecast To 12/2016
Jan-13, $295.2
Jan-12, $236.6
Nov-13, $251.8
May-12, $198.5
May-11, $198.4
Monthly Amount of Residential Arrears Greater Than 60 Days, $ in Millions)
Linear Trendline
Trendline:
y = 0.0482x + 102.1
R² = 0.8998

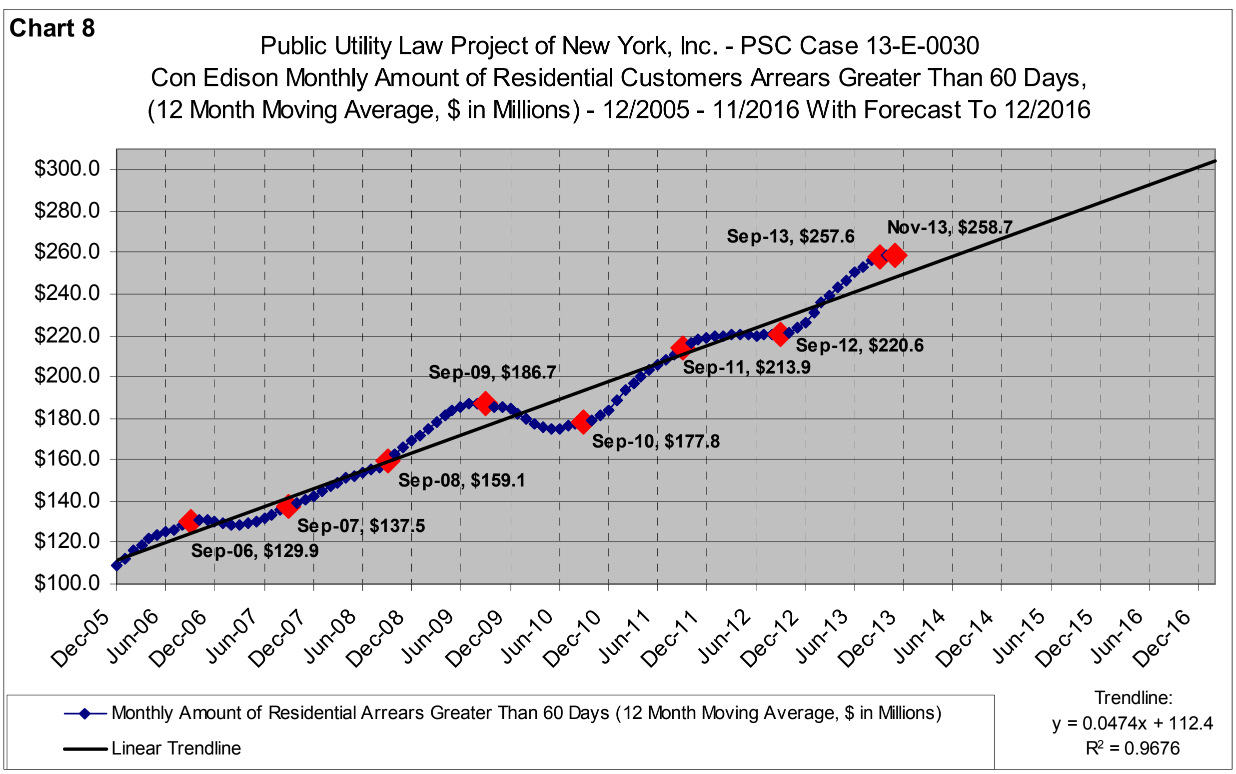


Chart 8
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Monthly Amount of Residential Customers Arrears Greater Than 60 Days,
(12 Month Moving Average, $ in Millions) - 12/2005 - 11/2016 With Forecast To 12/2016
Sep-13, $257.6
Nov-13, $258.7
Sep-12, $220.6
Sep-11, $213.9
Sep-09, $186.7
Sep-10, $177.8
Sep-08, $159.1
Sep-07, $137.5
Sep-06, $129.9
Monthly Amount of Residential Arrears Greater Than 60 Days (12 Month Moving Average, $ in Millions)
Linear Trendline
Trendline:
y = 0.0474x + 112.4
R² = 0.9676

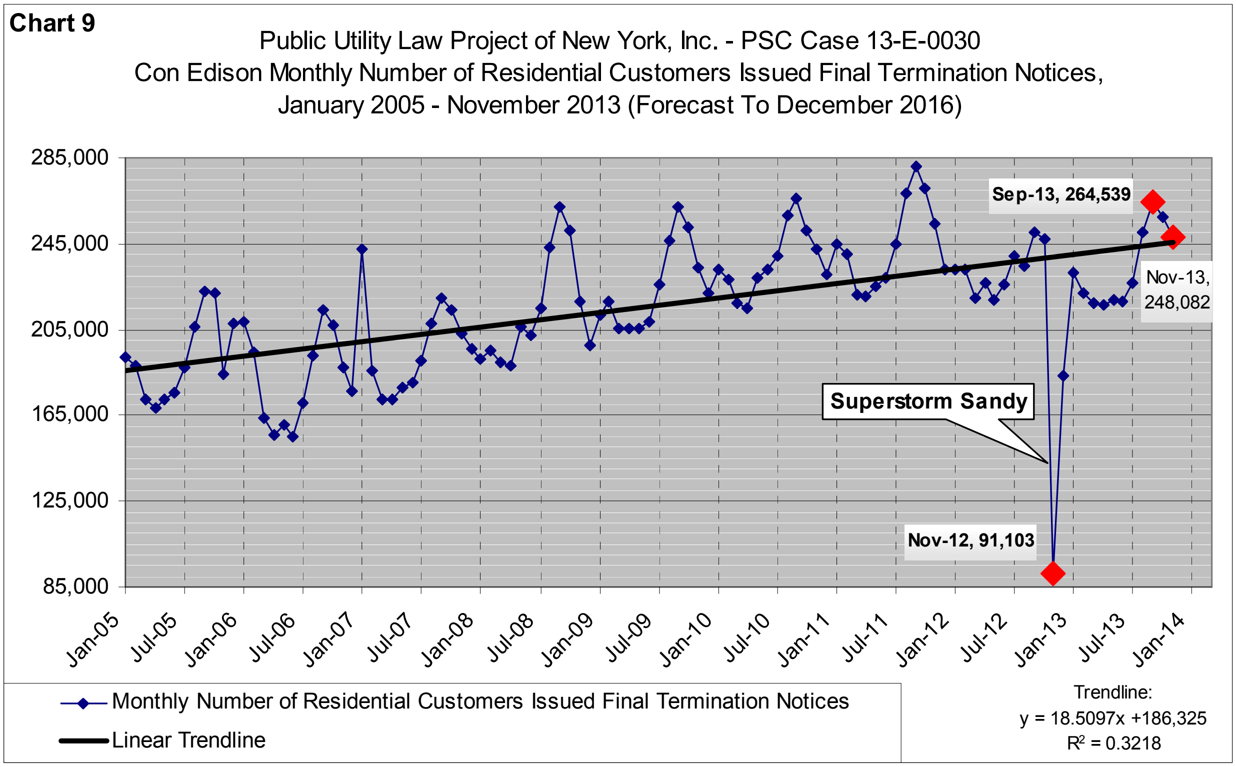


Chart 9
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Monthly Number of Residential Customers Issued Final Termination Notices,
January 2005 - November 2013 (Forecast To December 2016)
285,000
245,000
205,000
165,000
125,000
85,000
Jan-05
Jul-05
Jan-06
Jul-06
Jan-07
Jul-07
Jan-08
Jul-08
Jan-09
Jul-09
Jan-10
Jul-10
Jan-11
Jul-11
Jan-12
Jul-12
Jan-13
Jul-13
Jan-14
Sep-13, 264,539
Nov-13, 248,082
Superstorm Sandy
Nov-12, 91,103
Monthly Number of Residential Customers Issued Final Termination Notices
Linear Trendline
Trendline:
y = 18.5097x +186,325
R^2 = 0.3218

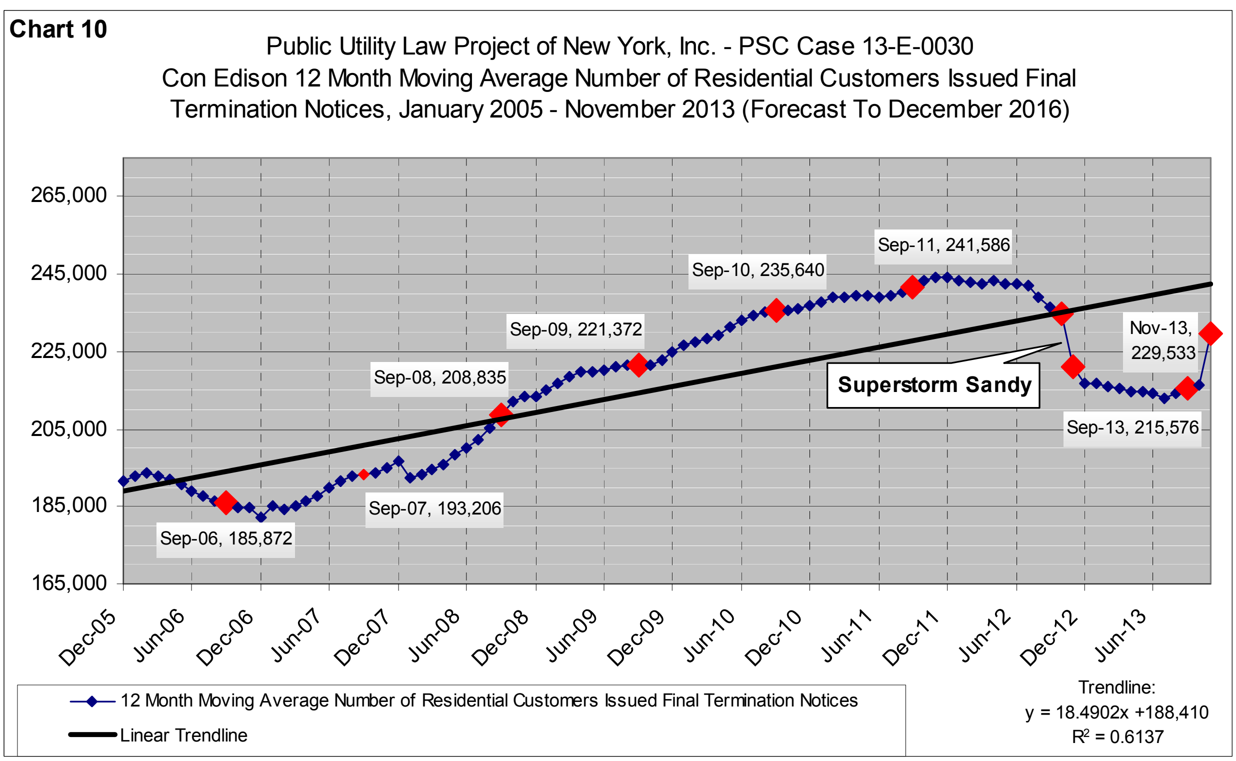


Chart 10
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison 12 Month Moving Average Number of Residential Customers Issued Final
Termination Notices, January 2005 - November 2013 (Forecast To December 2016)
265,000
245,000
225,000
205,000
185,000
165,000
Dec-05
Jun-06
Dec-06
Jun-07
Dec-07
Jun-08
Dec-08
Jun-09
Dec-09
Jun-10
Dec-10
Jun-11
Dec-11
Jun-12
Dec-12
Jun-13
Sep-06, 185,872
Sep-07, 193,206
Sep-08, 208,835
Sep-09, 221,372
Sep-10, 235,640
Sep-11, 241,586
Superstorm Sandy
Nov-13, 229,533
Sep-13, 215,576
12 Month Moving Average Number of Residential Customers Issued Final Termination Notices
Linear Trendline
Trendline:
y = 18.4902x +188,410
R^2 = 0.6137

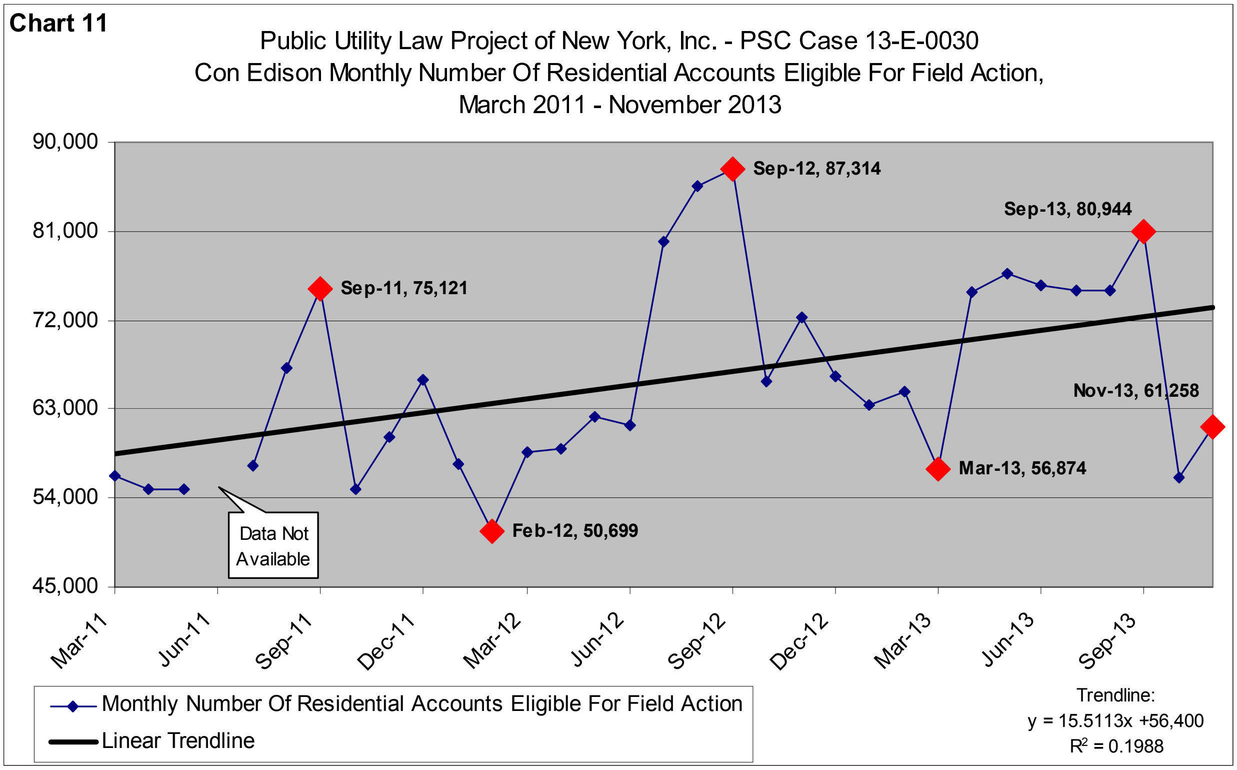


Chart 11
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Monthly Number Of Residential Accounts Eligible For Field Action,
March 2011 - November 2013
90,000
81,000
72,000
63,000
54,000
45,000
Sep-12, 87,314
Sep-13, 80,944
Sep-11, 75,121
Nov-13, 61,258
Mar-13, 56,874
Feb-12, 50,699
Data Not Available
Mar-11
Jun-11
Sep-11
Dec-11
Mar-12
Jun-12
Sep-12
Dec-12
Mar-13
Jun-13
Sep-13
Monthly Number Of Residential Accounts Eligible For Field Action
Linear Trendline
Trendline:
y = 15.5113x +56,400
R² = 0.1988

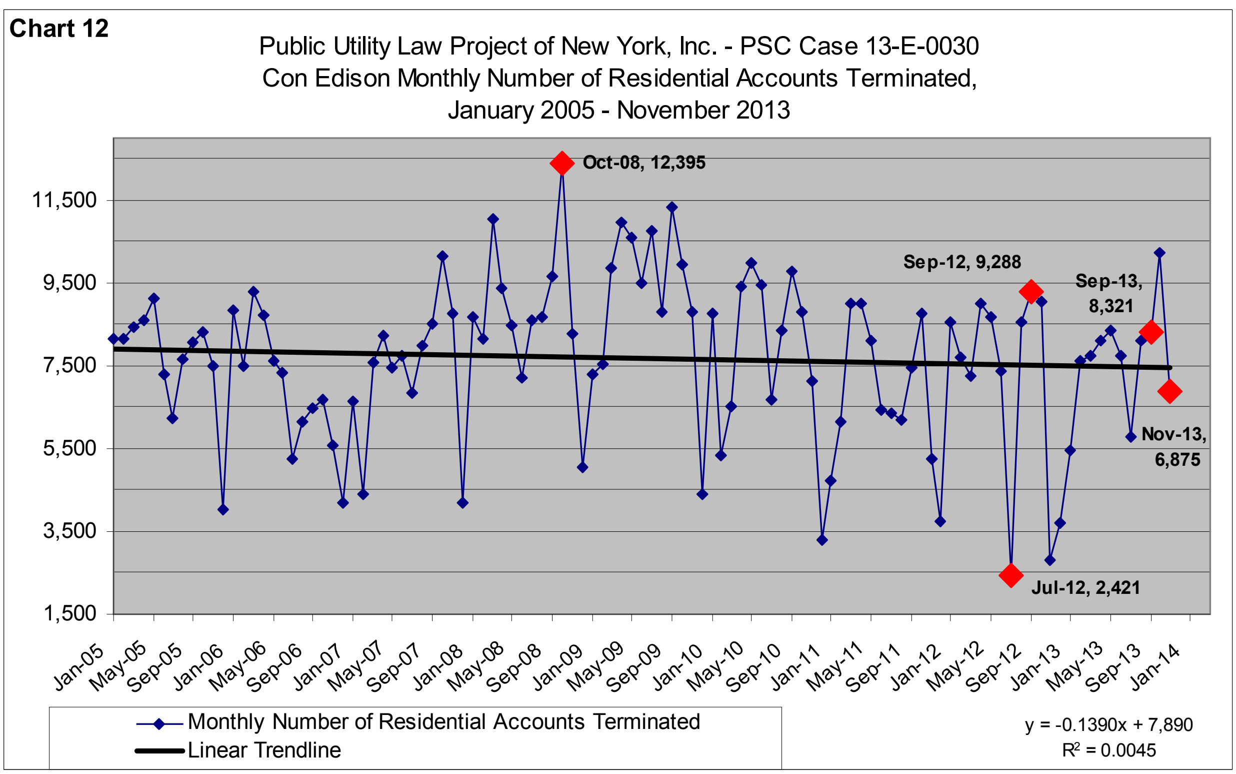


Chart 12
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Monthly Number of Residential Accounts Terminated,
January 2005 - November 2013
11,500
9,500
7,500
5,500
3,500
1,500
Oct-08, 12,395
Sep-12, 9,288
Sep-13, 8,321
Nov-13, 6,875
Jul-12, 2,421
Jan-05
May-05
Sep-05
Jan-06
May-06
Sep-06
Jan-07
May-07
Sep-07
Jan-08
May-08
Sep-08
Jan-09
May-09
Sep-09
Jan-10
May-10
Sep-10
Jan-11
May-11
Sep-11
Jan-12
May-12
Sep-12
Jan-13
May-13
Sep-13
Jan-14
Monthly Number of Residential Accounts Terminated
Linear Trendline
y = -0.1390x + 7,890
R² = 0.0045

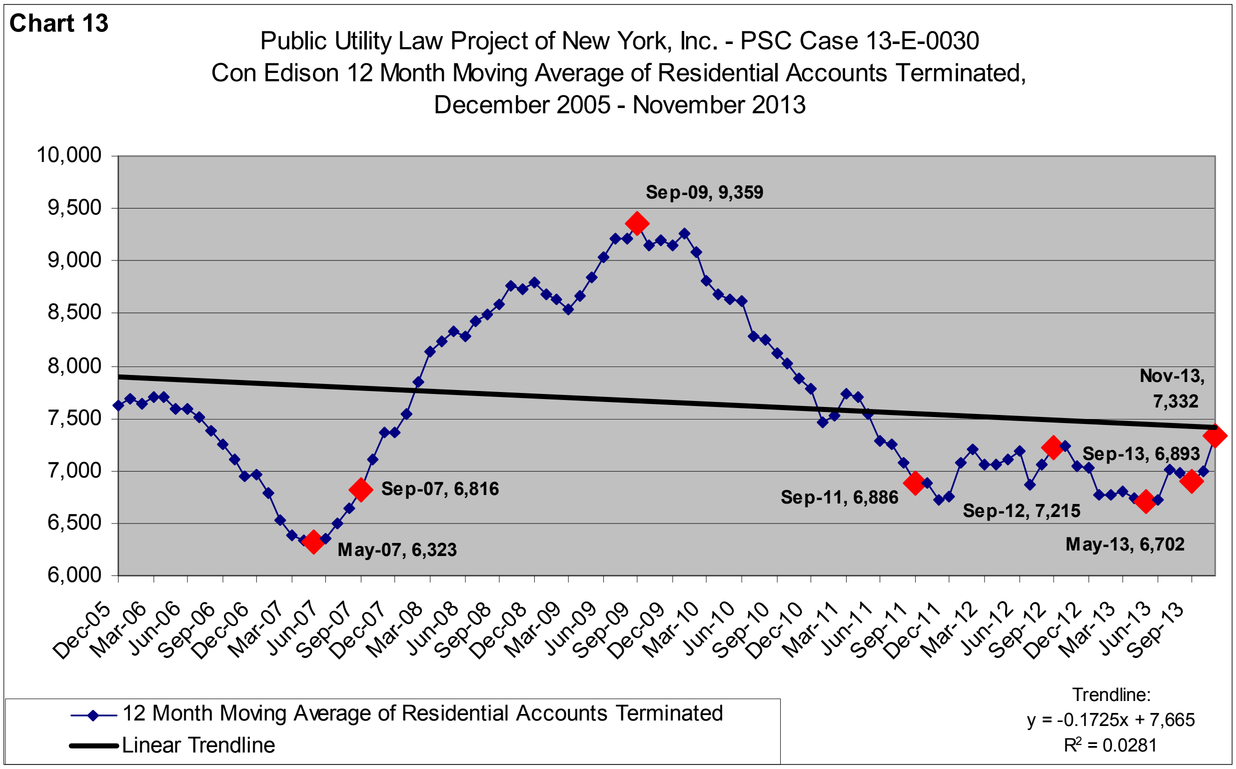


Chart 13
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison 12 Month Moving Average of Residential Accounts Terminated,
December 2005 - November 2013
Sep-09, 9,359
Sep-07, 6,816
May-07, 6,323
Sep-11, 6,886
Sep-12, 7,215
Sep-13, 6,893
May-13, 6,702
Nov-13, 7,332
12 Month Moving Average of Residential Accounts Terminated
Linear Trendline
Trendline:
y = -0.1725x + 7,665
R² = 0.0281

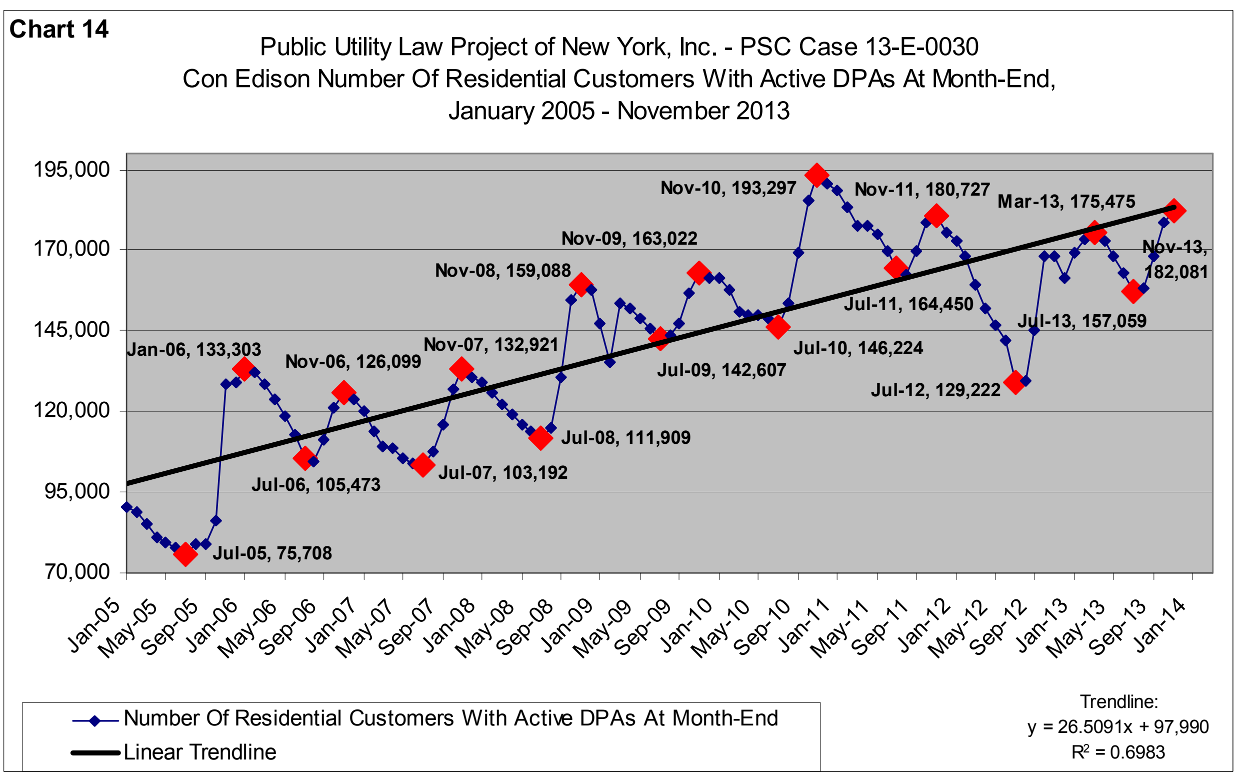


Chart 14
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Number Of Residential Customers With Active DPAs At Month-End,
January 2005 - November 2013
Jul-05, 75,708
Jan-06, 133,303
Jul-06, 105,473
Nov-06, 126,099
Jul-07, 103,192
Nov-07, 132,921
Jul-08, 111,909
Nov-08, 159,088
Jul-09, 142,607
Nov-09, 163,022
Jul-10, 146,224
Nov-10, 193,297
Jul-11, 164,450
Nov-11, 180,727
Jul-12, 129,222
Mar-13, 175,475
Jul-13, 157,059
Nov-13, 182,081
Number Of Residential Customers With Active DPAs At Month-End
Linear Trendline
Trendline:
y = 26.5091x + 97,990
R² = 0.6983

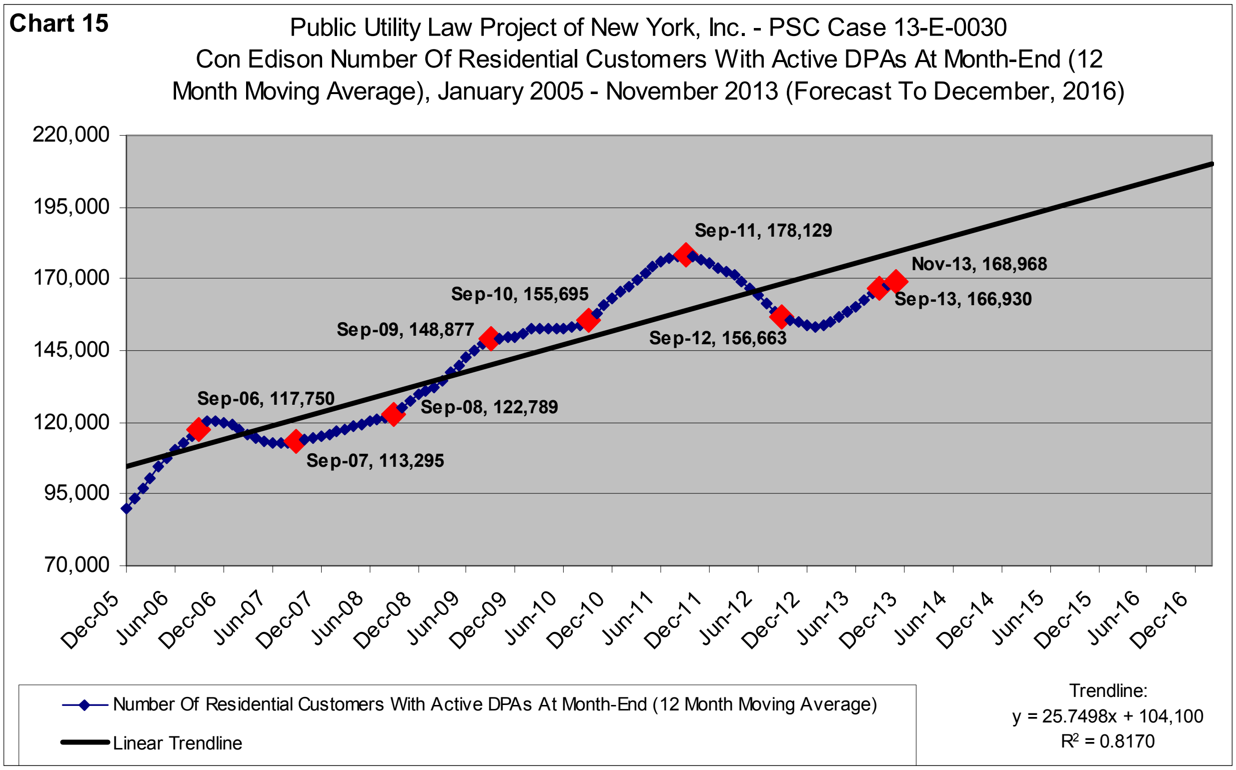


Chart 15
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Number Of Residential Customers With Active DPAs At Month-End (12 Month Moving Average), January 2005 - November 2013 (Forecast To December, 2016)
220,000
195,000
170,000
145,000
120,000
95,000
70,000
Sep-06, 117,750
Sep-07, 113,295
Sep-08, 122,789
Sep-09, 148,877
Sep-10, 155,695
Sep-11, 178,129
Sep-12, 156,663
Sep-13, 166,930
Nov-13, 168,968
Dec-05
Jun-06
Dec-06
Jun-07
Dec-07
Jun-08
Dec-08
Jun-09
Dec-09
Jun-10
Dec-10
Jun-11
Dec-11
Jun-12
Dec-12
Jun-13
Dec-13
Jun-14
Dec-14
Jun-15
Dec-15
Jun-16
Dec-16
Number Of Residential Customers With Active DPAs At Month-End (12 Month Moving Average)
Linear Trendline
Trendline:
y = 25.7498x + 104,100
R² = 0.8170

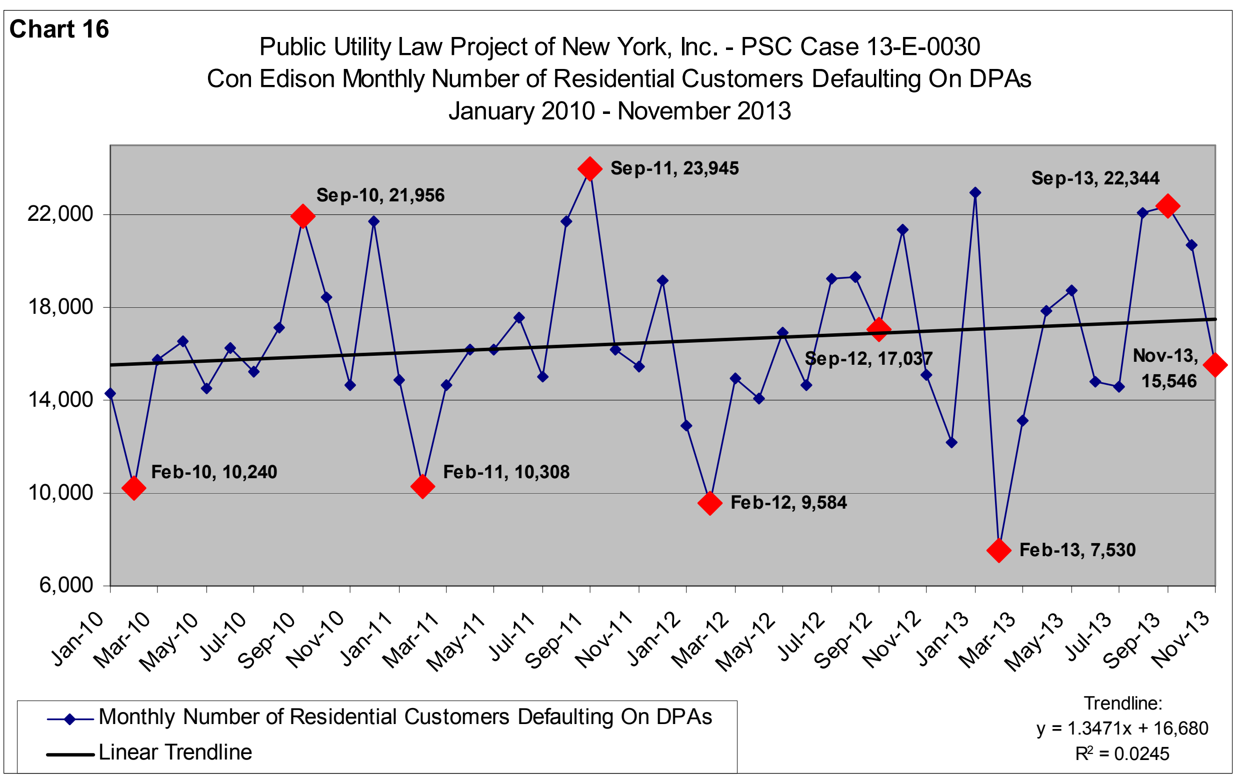


Chart 16
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Monthly Number of Residential Customers Defaulting On DPAs
January 2010 - November 2013
22,000
18,000
14,000
10,000
6,000
Feb-10, 10,240
Sep-10, 21,956
Feb-11, 10,308
Sep-11, 23,945
Feb-12, 9,584
Sep-12, 17,037
Feb-13, 7,530
Sep-13, 22,344
Nov-13, 15,546
Jan-10
Mar-10
May-10
Jul-10
Sep-10
Nov-10
Jan-11
Mar-11
May-11
Jul-11
Sep-11
Nov-11
Jan-12
Mar-12
May-12
Jul-12
Sep-12
Nov-12
Jan-13
Mar-13
May-13
Jul-13
Sep-13
Nov-13
Monthly Number of Residential Customers Defaulting On DPAs
Linear Trendline
Trendline:
y = 1.3471x + 16,680
R² = 0.0245

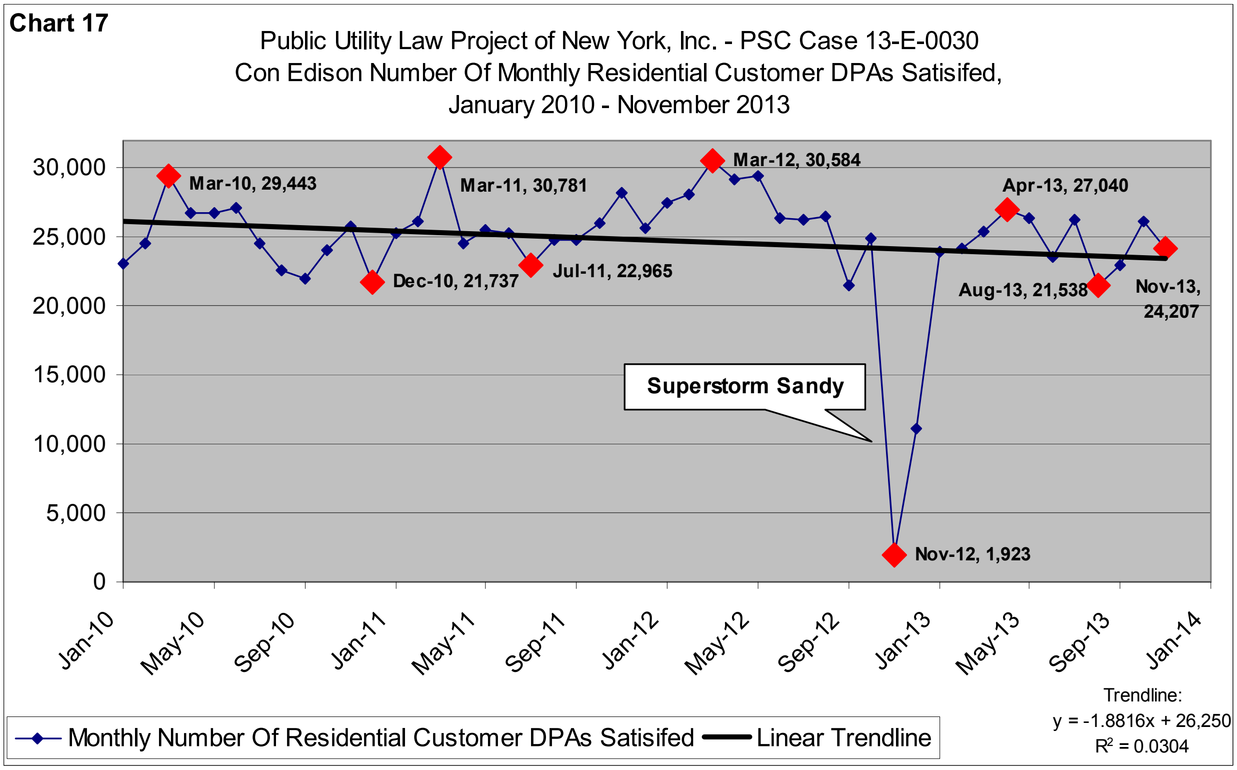


Chart 17
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Number Of Monthly Residential Customer DPAs Satisifed,
January 2010 - November 2013
30,000
25,000
20,000
15,000
10,000
5,000
0
Mar-10, 29,443
Mar-11, 30,781
Mar-12, 30,584
Apr-13, 27,040
Dec-10, 21,737
Jul-11, 22,965
Aug-13, 21,538
Nov-13, 24,207
Superstorm Sandy
Nov-12, 1,923
Jan-10
May-10
Sep-10
Jan-11
May-11
Sep-11
Jan-12
May-12
Sep-12
Jan-13
May-13
Sep-13
Jan-14
Monthly Number Of Residential Customer DPAs Satisifed
Linear Trendline
Trendline:
y = -1.8816x + 26,250
R² = 0.0304

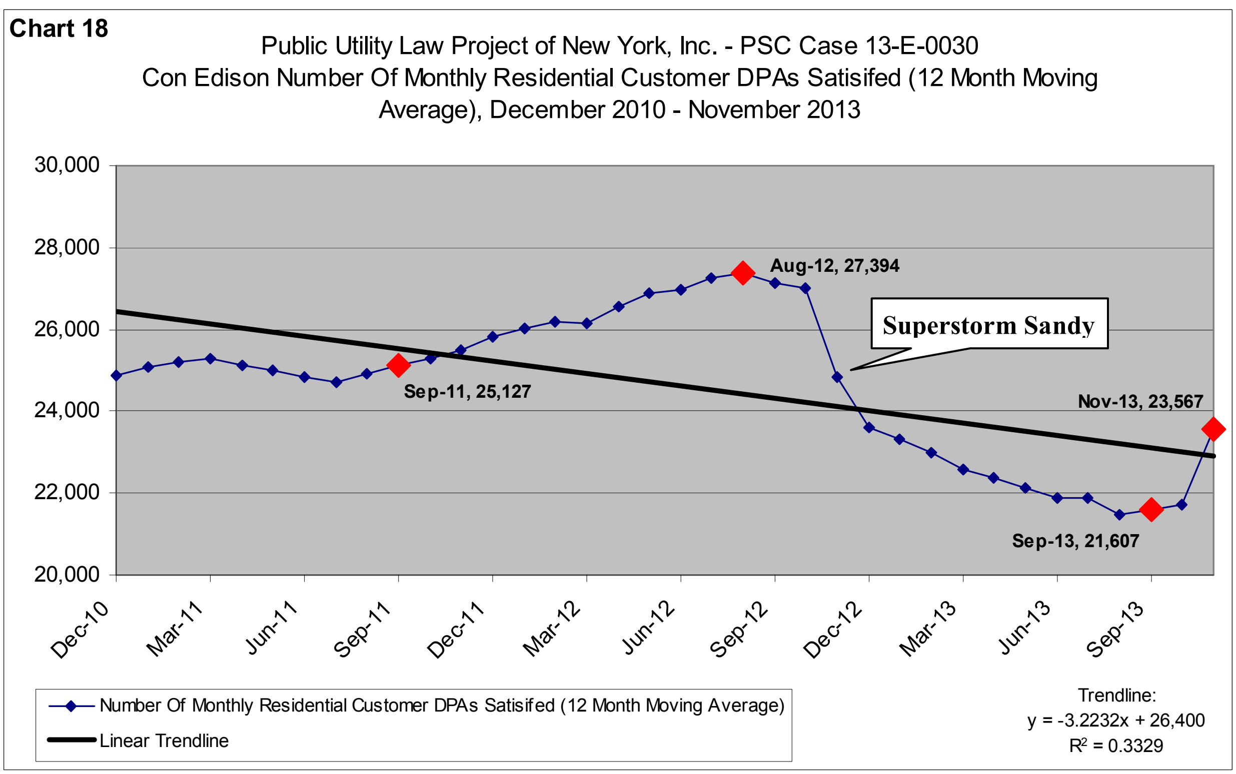


Chart 18
Public Utility Law Project of New York, Inc. - PSC Case 13-E-0030
Con Edison Number Of Monthly Residential Customer DPAs Satisifed (12 Month Moving Average), December 2010 - November 2013
30,000
28,000
26,000
24,000
22,000
20,000
Aug-12, 27,394
Superstorm Sandy
Sep-11, 25,127
Nov-13, 23,567
Sep-13, 21,607
Dec-10
Mar-11
Jun-11
Sep-11
Dec-11
Mar-12
Jun-12
Sep-12
Dec-12
Mar-13
Jun-13
Sep-13
Number Of Monthly Residential Customer DPAs Satisifed (12 Month Moving Average)
Linear Trendline
Trendline:
y = -3.2232x + 26,400
R² = 0.3329

Q. PLEASE DESCRIBE THE METHODOLOGY YOU USED TO CREATE CHARTS 1-18.

A. I reviewed Collection Activity Report (CAR) activity from 2005-13 for trends in the economic circumstances of customers. I summarized monthly reporting of the raw data and their 12 month moving averages in spreadsheet format and created linear graphs of each data series. I utilized linear regression analysis to visually depict the relationship between the independent (time) and dependent (CAR data point) variables in the graph. I calculated the equation of the regression (trend) line and its correlation coefficient (R^2) to determine how well the equation describes the data. For trend lines with an R^2 of at least .80, I forecasted the trend of the data series through the end of the natural gas rate period in the joint proposal (December 31, 2016).

Q. WHAT ARE YOUR OVERALL CONCLUSIONS ABOUT SHUTOFFS AS PRESENTED BY CHART 13?

A. My overall conclusion is that the downtrend in shutoffs, as reflected in the 12 month moving average in Chart 13, that began after September 2009 has likely ended and that shutoffs have been stable on a moving average basis since September 2011. The trailing 12 month average number of shutoffs from September 2011-13 varied less than 5%. Each was slightly higher than the average at September 2007, just before the beginning of the Great Recession.

Q. DO YOU THINK THAT YOUR CONCLUSION ABOUT THE SHUTOFF DATA IN CHART 13 IS THE RESULT OF AN IMPROVEMENT IN THE ECONOMIC CIRCUMSTANCES OF RESIDENTIAL CUSTOMERS?

A. No. As can be discerned from each of the remaining charts, the Collection Activity Report data suggest the opposite: that the economic circumstances of residential customers has worsened during the longer term (2005-13) and the shorter term (2010-13) periods. Charts 1-8 show the behavior of residential customer arrears both in terms of numbers of customers and dollar amounts in arrears. Except for a sudden interruption in trend from December 2009 to January 2010, all of the charts show a clear uptrend in arrears. On a moving average basis from 2005-13 (Charts 2 and 4), the trend is even clearer.

Q. HOW DO YOU EXPLAIN THE SUDDEN INTERRUPTION IN THE TREND OF ARREARS FROM DECEMBER 2009 – JANUARY 2010, AND WHAT IMPACT DID IT HAVE ON THE OVERALL ARREARS TREND?

A. Due to lack of explanatory data in the Collection Activity Reports, I was unable to explain the sudden drop in arrears at the end of 2009. However, I did note from the Company SEC 10-K filing for 2009 that net write-offs for uncollectible accounts ($11 million) were substantially higher in 2009 than the prior two years. I also noted that the write-offs occurred during rate case 09-E-0428, part of which considered the development of an arrears forgiveness program. I was unable to determine conclusively any link between the sudden drop in arrears from December 2009 to January 2010 and either the 10-K described write-offs or provisions of the rate order for case 09-E-0428.

The impact that the December 2009-January 2010 drop in arrears had was to break the longer term uptrend in the monthly number of residential customers with arrears greater than 60 days. As can be seen in Chart 5, the number of customers with arrears over 60 days dropped from 357,794 to 253,430. Chart 6 shows that the trailing 12 month moving average number of customers with arrears greater than 60 days dropped from 324,003 to 245,960.

In both Charts 5 and 6 - but especially in Chart 6 – it is evident that the upward trend in arrears immediately resumes after resetting at the lower January 2010 level. The strength of the shorter-term trend in customer arrears behavior is born out in Charts 1 and 2.

Q. WAS THE LONG TERM TREND IN CUSTOMER DOLLAR AMOUNTS IN ARREARS IMPACTED IN THE SAME WAY AS WAS THE TREND IN THE NUMBER OF CUSTOMERS?

A. No. Charts 7-8 show that, although there was a sudden drop, the decrease did not impact the long term trend in a meaningful way. The long term upward trend in the dollar amount of arrears is very strong, especially on a trailing 12 month moving average basis (Chart 8).

Q. ARE YOU ABLE TO DRAW ANY CONCLUSIONS ABOUT THE DICHOTOMY OF BEHAVIOR BETWEEN THE LONG TERM TRENDS IN THE NUMBER AND DOLLAR AMOUNTS OF CUSTOMER ARREARS?

A. No. Due to a lack of explanatory data in the Collection Activity Reports and publicly available sources such as SEC filings, I am not able to explain the dichotomy.

Q. WHAT OTHER DATA LEAD YOU TO CONCLUDE THAT THE ECONOMIC CIRCUMSTANCES OF RESIDENTIAL CUSTOMERS HAVE WORSENED DURING THE SHORTER TERM (2010-13) AND LONGER TERM (2005-13) PERIODS?

A. First, with regard to the number of residential customers issued final termination notices from January 2005 – November 2013, there is a clear uptrend from 2005, broken only in November – December 2012 in the aftermath of Superstorm Sandy (Charts 9-10). Further, based on limited data available from Mar, 2011 through November 2013, there appears to be an upward trend in the number of residential accounts eligible for field action (Chart 11).

With regard to deferred payment agreements, Charts 14-18 show an unbroken long-term uptrend in the month-end number of active DPAs from 2005-13 (Charts 14-15), and a break in the short-term uptrend in the number of DPAs satisfied after Superstorm Sandy (Charts 17-18). The trend in the number of customers defaulting on DPAs (Chart 16) is inconclusive.

Q. CAN YOU SUMMARIZE YOUR CONCLUSIONS REGARDING THE TRENDS IN THE COLLECTION DATA YOU HAVE EXAMINED?

A. Yes. The short and long term trend in the number of customers and dollar amount of arrears is up. The long term trend in the number of customers 1) issued final termination notices, or 2) with active DPAs at month end is up. The short term trend in the number of customers eligible for field action is up. The long term trend of residential customers who accounts have been terminated is inconclusive, and the short term downtrend in terminations since September, 2009 likely ended beginning in September 2011. The short term trend in the number of residential customers defaulting on their DPAs is inconclusive. The short term uptrend in the monthly number of customers satisfying their DPAs ended in October-November 2012.

Q. WHAT FORECASTS ARE YOU ABLE TO MAKE BASED ON THE DATA IN CHARTS 1-18?

A. Assuming the factors impacting the economic circumstances of residential customers do not change between November, 2013 and December 2016, the data support forecasts of higher arrears greater than 60 days, both in terms of the number of customers and dollar amount owed, and a higher number of customers with active DPAs. I would add that if a one-time factor such as a write-off of uncollectibles was the cause of the sudden drop in the number of customers with arrears greater than 60 days from December 2009 to

January 2010 and that event had not occurred, a forecast to December 2016 based on the resulting revised trend line in Chart 6 would likely have been appropriate.

Based on Charts 2 and 4, at December 2016 the trailing 12 month average number of customers in arrears greater than 60 days, and the associated average dollar amounts owed, can be expected to exceed 340,000 and $315 million, respectively. The trailing 12 month average number of customers with active DPAs at month end can be expected to exceed 200,000.

Q. WHAT IS THE TOTAL AMOUNT OF INCREMENTAL LOW INCOME ASSISTANCE PROVIDED IN THE JOINT PROPOSAL FOR ELECTRIC AND GAS CUSTOMERS?

A. The total amount of incremental low income assistance provided in the joint proposal for electric and gas customers is $18.5 million for electric ($9.25 million annually covering the two rate years 2014-15; and $13.5 million for gas ($4.5 million annually covering the three rate years 2014-16). The total annual incremental cost is $13.75 million for the first two years of the rate plan.

Q. HOW DOES THIS COMPARE TO THE NUMBER OF CUSTOMERS IN ARREARS AND THE AMOUNT THEY OWE AND OTHER INDICIA OF CUSTOMER DIFFICULTY IN PAYING BILLS FOR CON EDISON SERVICE?

As previously described, as of November 30, 2013, 312,489 residential customers had arrears greater than 60 days, owing a total of $251.8 million. The average arrears per customer at November 30, 2013 was $805.81. The annual incremental cost increase as described in the joint proposal would amount to $50.56 per residential customer in arrears.

Q. IF THE RATES IN THE JOINT PROPOSAL DO NOT LOWER CHARGES FOR LOW-INCOME CUSTOMERS TO MAKE THEM MORE AFFORDABLE, COULD LOW-INCOME CUSTOMERS REDUCE THEIR BILLS BY SWITCHING TO ESCOS?

The Commission and Con Edison have for many years suggested in their messages to customers that shopping for ESCO service might lead to savings. The Project asked Con Edison for data that would permit comparison of the bills of its ESCO customers with what they would have paid had they not switched. Con Edison refused to provide the information. Con Edison did provide information regarding a customer who was billed $50 more. A copy of that IR and response is attached. The experience of that customer is similar to the results of a full analysis of Niagara Mohawk's electric and gas bills for ESCO customers.

Q. WHAT WERE THE RESULTS OF THE ANALYSIS OF BILLS OF NIAGARA MOHAWK'S RESIDENTIAL CUSTOMERS WHO TOOK ESCO SERVICE?

A. Niagara Mohawk buys the receivables for residential ESCO service at a discount and collects the charges. It maintains "shadow" bill data of what it would have charged for full bundled service in order to comply with a HEFPA requirement that allows a suspended ESCO customer to regain service by paying or arranging to pay either the bills including ESCO service charges or what the bills would have been for full bundled service, whichever is less.

For the 24 months August 2010 through July 2012, the data shows that nearly all bills, 84.3% for electricity and 92.1% for gas, were higher for those customers who had switched to ESCO service. Only 15.7% of electricity bills and 7.9% of gas bills were lower.

For low-income customers, 91.5% of electricity bills and 93.4% of gas bills were higher for those customers who had switched to ESCO service. Only 8.5% of electricity bills and 6.6% of gas bills were lower.

For regular (i.e., non low-income customers), 83.2% of electricity bills and 91.8% of gas bills were higher for those customers who had switched to ESCO service. Only 16.8% of electricity bills and 8.2% of gas bills were lower.

The Niagara Mohawk data also shows that the net extra cost incurred by ESCO customers over what they would be charged by Niagara Mohawk was $101,775,321 for electricity and $27,375,032 for gas. An estimated 207,842 customers (84.3%) paid

$103,711,214 more for ESCO electricity service while an estimated 107,225 customers (92.1%) paid $27,931,488 more for ESCO gas service.

Only 38,579 of the total estimated 246,420 ESCO electricity customers (15.7%) paid less using ESCO service (their total savings was $1,935,893). Only 9,249 of the total estimated 116,474 ESCO gas customers (7.9%) paid less using ESCO service (their total savings was $556,456).

For low-income ESCO customers, the net extra cost incurred over what they would be charged by Niagara Mohawk was $13,331,134 for electricity and $5,819,450 for gas. 30,195 (91.5%) of a total estimated 33,015 low-income electricity customers paid $13,442,926 more for ESCO service, while 19,473 (93.4%) of a total estimated 20,840 low-income gas customers paid $5,905,789 more for ESCO service. Only 2,820 (8.5%) of ESCO low-income electricity customers paid less using ESCO service (their total savings was $111,791). Only 1,367 (6.6%) of ESCO low-income gas customers paid less using ESCO service (their total savings was $86,339).

For regular ESCO customers, the net extra cost incurred over what they would be charged by Niagara Mohawk was $88,444,187 for electricity and $21,555,582 for gas. 177,647 (83.2%) of a total estimated 213,406 regular electricity customers paid $90,268,288 more for ESCO service, while 87,752 (91.8%) of a total estimated 95,634 regular gas customers paid $22,025,699 more for ESCO service.

Only 35,759 (16.8%) of ESCO regular electricity customers paid less using ESCO service (their total savings was $1,824,101). Only 7,882 (8.2%) of ESCO regular gas customers paid less using ESCO service (their total savings was $470,117).

The Niagara Mohawk data also showed that, of the ESCO customers who had higher bills, over 24 months the cumulative net average cost above what their bills would have been had they not switched to ESCO service was $413.02 for electricity and $235.03 for gas. Of those who experienced higher bills, their average extra cost was $498.99 for electricity and $260.49 for gas. Those with lower bills saved an average of $50.18 for electricity and $60.16 for gas.

For low-income ESCO customers who had higher bills, over 24 months the cumulative net average cost above what their bills would have been had they not switched to ESCO service was $403.79 for electricity and $279.25 for gas. Of those who experienced higher bills, their average extra cost was $445.21 for electricity and $303.29 for gas. Those with lower bills saved an average of $39.64 for electricity and $63.16 for gas.

For regular ESCO customers who had higher bills, over 24 months the cumulative the net average cost above what their bills would have been had they not switched to ESCO service was $414.44 for electricity and $225.40 for gas. Of those who experienced higher bills, their average extra cost was $508.13 for electricity and $251.00 for gas. Those with lower bills saved an average of $51.01 for electricity and $59.64 for gas. A summary table of the Niagara Mohawk bill comparison data is attached.

Q. WHAT IS THE SIGNIFICANCE IF ESCO CHARGES ARE HIGHER?

A. From the Niagara Mohawk data we learned that most customers who switched to ESCO service are billed significantly more for it than they would have been billed had they not switched to an ESCO. If that experience is similar to that of customers in the Con Edison service territory, then a considerable portion of residential arrears may be attributable to higher costs of ESCO service.

Q. WHAT ARE YOUR RECOMMENDATIONS REGARDING ESCO SERVICE?

A. While the data for Con Edison customers is not available, the Niagara Mohawk data suggests that ESCO charges add to the burdens of low income customers. The Commission should investigate further whether ESCO service is providing value or harming low-income customers, particularly those with arrears.

II

Q. **WHAT IS THE TOTAL REVENUE REQUIREMENT FOR THE REVENUE YEAR ENDED DECEMBER 31, 2014 AS PROVIDED IN THE JOINT PROPOSAL?**

A. The Joint Proposal establishes a total revenue requirement of $10,467,911,000 (electric, gas and steam) for the year ended December 31, 2014.

Q. **HOW DOES THE TOTAL REVENUE REQUIREMENT COMPARE TO THE 2014 REQUIREMENT DEVELOPED BY STAFF IN ITS MAY, 2013 ACCOUNTING PANEL TESTIMONY?**

A. In its May 2013 testimony, the Staff Accounting Panel developed a 2014 total revenue requirement of $10,331,868,000, based on a return on equity of 8.7%. The total revenue requirement in the joint proposal is therefore $136,043,000 higher than that developed by staff in May.

Q. **HOW DID THE STAFF ACCOUNTING PANEL DETERMINE THE USE OF AN 8.7% RETURN ON EQUITY IN ITS MAY ANALYSIS TO DETERMINE THE 2014 TOTAL REVENUE REQUIREMENT?**

A. The return on equity was based on the May testimony of Staff witness Craig E. Henry, Supervisor, Utility Accounting and Finance. The purpose of Mr. Henry's testimony was to recommend the fair and reasonable rate of return on the common equity capital (ROE) to be used to determine the revenue requirement for the Company's electric, gas and steam operations for the rate year ending December 31, 2014.

Q. DID STAFF USE THE 8.7% RETURN ON EQUITY RECOMMENDED BY MR. HENRY TO DETERMINE THE 2014 TOTAL REVENUE REQUIREMENT?

A. Yes. In its May, 2013 Accounting Panel Testimony Staff adopts the 8.7% recommendation of Mr. Henry for use in developing its 2014 total revenue requirement.

Q. DURING THE PROCEEDINGS IN CASE 13-E-0030 *ET AL*, WERE THERE ANY PUBLICLY FILED ADJUSTMENTS TO STAFF'S 2014 TOTAL REVENUE REQUIREMENT AS FILED IN ITS MAY TESTIMONY?

A. Yes. In July, Staff filed corrected testimony including exhibits that adjusted its 2014 total revenue requirement to $10,331,419,000, and in its August initial brief, with exhibits, staff adjusted its 2014 total revenue requirement to $10,335,121,000.

Q. DID STAFF CONTINUE TO USE MR. HENRY'S 8.7% RETURN ON EQUITY RECOMMENDATION FOR THE 2014 TOTAL REVENUE REQUIREMENT WHEN MAKING THE ADJUSTMENTS IN ITS CORRECTED TESTIMONY AND AUGUST INITIAL BRIEF?

A. Yes.

Q. **WHAT IS THE DIFFERENCE BETWEEN THE 2014 TOTAL REVENUE REQUIREMENT IN THE JOINT PROPOSAL AND STAFF'S AUGUST INITIAL BRIEF?**

A. The difference is $132,790,000.

Q. WHAT IS THE RETURN ON EQUITY PROVIDED IN THE JOINT PROPOSAL FOR RATE YEAR 1?

A. The return on equity is 9.2% for electric and 9.3% for both gas and steam.

Q. IS THERE AN EARNINGS SHARING MECHANISM IN THE JOINT PROPOSAL?

A. Yes. Earnings sharing begins at a return on equity of 9.8% for electric, and 9.9% for gas and steam. The "dead band" (the difference between the authorized return on equity and the threshold for earnings sharing) is therefore 60 basis points for each division.

Q. CAN YOU CALCULATE THE ADDITIONAL AMOUNT OF UTILITY OPERATING INCOME THE COMPANY WOULD BE ABLE TO EARN BEFORE SHARING IN 2014 AS A RESULT OF THE "DEAD BAND"?

A. Yes. In the electric division, the Company would generate approximately $1,270,300,000 of utility operating income if its return on equity were 9.8% in 2014. That compares to $1,220,765,000 as anticipated in the Joint Proposal at an authorized return on equity of 9.2%. The potential additional utility operating income for the electric division in 2014 before sharing under this scenario would therefore be $49,535,000.

In the gas division, the Company would generate approximately $260,000,000 of utility operating income if its return on equity were 9.9% in 2014. That compares to $249,783,000 as anticipated in the Joint Proposal at an authorized return on equity of 9.3%. The potential additional utility operating income for the electric division in 2014 before sharing under this scenario would therefore be $10,217,000.

In the steam division, the Company would generate approximately $111,500,000 of utility operating income if its return on equity were 9.9% in 2014. That compares to $107,173,000 as anticipated in the Joint Proposal at an authorized return on equity of 9.3%. The potential additional utility operating income for the electric division in 2014 before sharing under this scenario would therefore be $4,327,000.

The combined potential additional utility operating income for all three divisions would therefore be $49,535,000 (electric) + $10,217,000 (gas) + $4,327,000 (steam) = $64,079,000 for 2014 before any earnings sharing is required under the joint proposal.

Q. CAN YOU CALCULATE THE ADDITIONAL AMOUNT OF UTILITY OPERATING INCOME THE COMPANY WOULD BE ABLE TO EARN BEFORE SHARING IN 2015 AS A RESULT OF THE "DEAD BAND"?

A. Yes. In the electric division, the Company would generate approximately $1,334,000,000 of utility operating income if its return on equity were 9.8% in 2015. That compares to $1,282,057,000 as anticipated in the Joint Proposal at an authorized return on equity of 9.2%. The potential additional utility operating income for the electric division in 2015 before sharing under this scenario would therefore be $51,943,000.

In the gas division, the Company would generate approximately $286,400,000 of utility operating income if its return on equity were 9.9% in 2015. That compares to $275,253,000 as anticipated in the Joint Proposal at an authorized return on equity of 9.3%. The potential additional utility operating income for the electric division in 2015 before sharing under this scenario would therefore be $11,147,000.

In the steam division, the Company would generate approximately $114,700,000 of utility operating income if its return on equity were 9.9% in 2015. That compares to $110,247,000 as anticipated in the Joint Proposal at an authorized return on equity of 9.3%. The potential additional utility operating income for the electric division in 2015 before sharing under this scenario would therefore be $4,453,000.

The combined potential additional utility operating income for all three divisions would therefore be $51,943,000 (electric) + $11,147,000 (gas) + $4,453,000 (steam) = $67,543,000 for 2015 before any earnings sharing is required under the joint proposal.

Q. CAN YOU CALCULATE THE ADDITIONAL AMOUNT OF UTILITY OPERATING INCOME THE COMPANY WOULD BE ABLE TO EARN BEFORE SHARING IN 2016 AS A RESULT OF THE "DEAD BAND"?

A. I can only make the calculation for the gas and steam divisions. In the gas division, the Company would generate approximately $317,600,000 of utility operating income if its return on equity were 9.9% in 2016. That compares to $305,350,000 as anticipated in the Joint Proposal at an authorized return on equity of 9.3%. The potential additional utility operating income for the electric division in 2016 before sharing under this scenario would therefore be $12,250,000.

In the steam division, the Company would generate approximately $120,250,000 of utility operating income if its return on equity were 9.9% in 2016. That compares to $115,638,000 as anticipated in the Joint Proposal at an authorized return on equity of 9.3%. The potential additional utility operating income for the electric division in 2016 before sharing under this scenario would therefore be $4,612,000.

The combined potential additional utility operating income for the gas and steam divisions would therefore be $12,250,000 (gas) + $4,612,000 (steam) = $16,862,000 for 2016 before any earnings sharing is required under the joint proposal.

Q. WHAT IS THE TOTAL ADDITIONAL UTILITY OPERATING INCOME FOR 2014-16 THAT COULD BE KEPT BY THE COMPANY BEFORE ANY EARNINGS SHARING UNDER THE JOINT PROPOSAL?

A. For the three years covered under the joint proposal, the total additional utility operating income for 2014-16 that could be kept by the Company before any earnings sharing is:

$64,079,000 (2014) + $67,543,000 (2015) + $16,862,000 (2016) = $148,484,000 (Total)

Q. WHAT RELATIONSHIP DOES THE ADDITIONAL UTILITY OPERATING INCOME YOU HAVE CALCULATED FOR 2014-16 THAT COULD BE KEPT BY THE COMPANY BEFORE ANY EARNINGS SHARING UNDER THE JOINT PROPOSAL HAVE TO THE TOTAL REVENUE REQUIREMENT YOU DISCUSSED EARLIER?

A. The total additional utility operating income of $148,484,000 would be the equivalent of approximately $245,834,430 ($148,484,000 divided by .604) in revenue requirement. The amount of additional revenue requirement that could be kept by the Company each year would be:

$106,091,050 (2014) + $111,826,150 (2015) + $27,917,230 (2016) = $245,834,430 (Total)

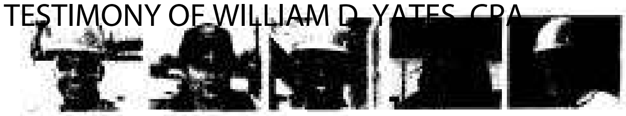
Q. DO YOU HAVE ANY EVIDENCE THAT THE COMPANY COULD EXPERIENCE A RETURN ON EQUITY OF 9.8% IN ITS ELECTRIC DIVISION IN 2014-15 AND 9.9% IN ITS GAS AND STEAM DIVISIONS IN 2014-16?

A. The data necessary to back-cast return on equity over the authorized return on equity was not made available to me. I am not sure whether it is publicly available in any of the filings of this case. Some utilities do provide a return on equity calculation in their annual reports to the Public Service Commission that divides utility operating income by average common equity. This calculation is usually accurate within a range of +/- 10-20 basis points to the calculation used to derive cost of common equity in the rate years of the joint proposal. Unfortunately, Con Edison does not provide such a calculation of return on common equity in its annual reports to the Public Service Commission.

It is worth noting that, in each of its 2011 and 2012 annual reports to the Public Service Commission, Con Edison reported a 9.6% return on common equity (2011, page 204; 2012, page 195). In the 2011 report, Common Stock and Retained Earnings as a percent of capitalization (including short term debt) was 50.6%. In the 2012 report, Common Stock and Retained Earnings as a percent of capitalization (including short term debt) was 50.7%. Since the percentage equity component of capitalization in the joint proposal is set as 48%, it is entirely possible that an analysis of Con Edison's utility operating income for 2011-12 would have shown a return on equity at or above 9.9% - if calculated based on the terms of the joint proposal.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.



conEdison

ON IT. Working for you 24/7.

A FINAL TURN-OFF NOTICE IS IN EFFECT

[redacted]

Your account number: 52[redacted]

Service delivered to: [redacted]

Your electric rate: EL1 Residential or Religious
Your gas rate: Trans Residential or Religious Heating

Next meter reading date: Wednesday, May 1, 2013

Your billing summary as of Apr 3, 2013

Your previous charges and payments

Total charges from your last bill	$1,539.70
Payments through Apr 1	None
Remaining balance	**$1,539.70**

Your new charges - *details start on page 2*

Billing period: Mar 04, 2013 to Apr 02, 2013

Esco electricity supply charges - for 29 days	$52.09
Con Edison electricity charges	$69.57
Esco gas supply charges - for 29 days	$163.41
Con Edison gas charges	$143.26
Adjustments	$23.09
Total new charges	**$451.42**

Total amount due	**$1,991.12**

Payment is due upon receipt of this bill. To avoid a late payment charge of 1.5%, please pay the total amount due by **Apr 29, 2013.**
A FINAL TURN-OFF NOTICE is in effect. Please see important information in the Message Center.

Message Center

THIS IS A FINAL TURN-OFF NOTICE.
PLEASE BRING IT TO OUR ATTENTION WHEN PAYING THIS BILL. A turn-off notice is still in effect. Service will be discontinued for non-payment unless an overdue amount of $1,539.70 is received immediately. A notice explaining your rights is enclosed.

HURRICANE SANDY ASSISTANCE If you have been impacted financially by Hurricane Sandy and need help paying your energy bills, please call us at 1-800-75-CONED (1-800-752-6633). Our representatives can offer extensions, payment agreements and information about available financial aid programs.

The "Adjustments" amount includes a Late Payment Charge of $23.09 calculated on the portion of your balance which is overdue.

AN OPPORTUNITY TO SAVE Save energy, save money, help the environment and receive rebates for energy-efficient heating and cooling equipment for your home. For more information call 1-877-870-6118.

VISIT MY ENERGY TOOLKIT Visit www.coned.com/customercentral and select My Energy Toolkit. Then, use the new calculators to estimate your savings when you "go green" and conserve energy.

Contact us 24 hours a day, 7 days a week

To report a service problem, call 1-800-75-CONED (1-800-752-6633) or visit **www.conEd.com**

Visit **www.conEd.com**
For payments, visit **www.conEd.com** or call **1-888-925-5016**

Con Edison
Cooper Station
P.O. Box 138
New York, NY 10276-0138

For other information, call 1-212-243-3003 or 1-877-282-6633

Tear off here

conEdison

Payment slip

Please make checks payable to Consolidated Edison Company of N.Y. Inc.

A FINAL TURN-OFF NOTICE is in effect. Please see important information in the Message Center.

Your account number: [redacted]
Total amount due: $1,991.12

Amount enclosed:

[redacted]
EASTCHESTER NY 10707

JAF STATION
P.O. BOX 1702
NEW YORK, NY 10116-1702

[redacted]

51
0005129

Your electricity charges

These charges are for the electricity you used (supply) and getting that electricity to you (delivery). Rates are based on a 30 day period. When your billing period is more or less than 30 days, we prorate your bill accordingly.

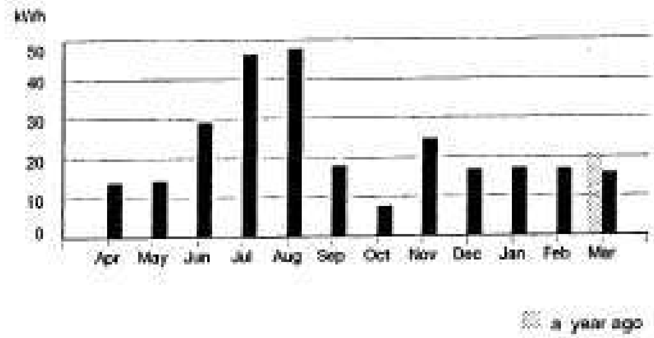
Electricity you used during this 29 day billing period from Mar 04, 2013 to Apr 02, 2013

Rate: EL1 Residential or Religious **Meter** [redacted]

We measure your electricity by how many kilowatt hours (kWh) you use. One kWh will light a 100 watt bulb for 10 hours.

Apr 02, 13 actual reading	33329
Mar 04, 13 actual reading	-32864
Your electricity use	**465 kWh**

Your average daily electricity use



▶ Your supply charges

Your electricity is supplied by ENERGY PLUS HOLDINGS LLC. Your supply charges appear on page 4.

▶ Your delivery charges

Basic service charge	$15.23
Charge for basic system infrastructure and customer-related services, including customer accounting, meter reading and meter maintenance.	
Delivery 465 kWh @10.2710c/kWh	$47.76
Charge for maintaining the system through which Con Edison delivers electricity to you.	
SBC/RPS charges @0.5699c/kWh	$2.65
The System Benefits Charge/Renewable Portfolio Standard charges fund New York State renewable energy, environmental and other related public policy programs.	
Temporary NY State Surcharge @0.4667c/kWh	$2.17
Covers new fees imposed by the state.	
GRT & other tax surcharges	$1.76
Taxes on Con Edison gross receipts from sales of utility services and other tax surcharges.	
Total delivery charges	**$69.57**

▶▶ Con Edison electric charges **$69.57**

Ways to pay your Con Edison bill:

If you have a checking or savings account, the easiest way to pay your Con Edison bill is with the Direct Payment Plan (DPP). It's free, and there are no checks to write or stamps to buy. Once you set it up, it's automatic every month. Con Edison also offers Pay-by-Phone and Pay-by-Internet services. Call Payment Express at 1-888-925-5016 for DPP enrollment or to make a payment by phone, or go to **www.conEd.com** to make a payment. You can also pay your bill by mail in the enclosed envelope. The address to mail all payments is Con Edison, JAF Station, PO Box 1702, New York, NY 10116-1702. Con Edison has a network of Authorized Payment Agents throughout the five boroughs and Westchester County. This option is also free. Go to **www.conEd.com** to find a location closest to you.

Moving?

Contact us to make sure you have service at your new address.

Changing your mailing address?

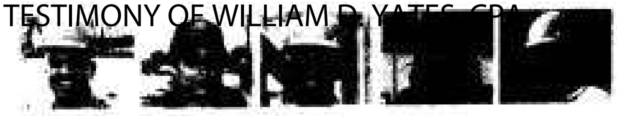
Contact us to make sure your bills go to the right place.

For information about your account:

You can speak to someone in person about your Con Edison account at one of the following locations:

- Bronx Walk-in Center - 1775 Grand Concourse
- Brooklyn Walk-in Center at National Grid - One Metrotech Plaza
- Manhattan - 122 East 124th St.
- Queens Walk-in Center at National Grid - 89-67 162nd Street
- Staten Island Walk-in Center - 1140 Richmond Terrace
- Mount Vernon Walk-In Center at Food Bazaar - 1 Bogopa Plaza

conEdison



ON IT. Working for you 24/7.

Name: [redacted] Account number: [redacted] Billing period ending: Apr 02, 2013

Your gas charges

These charges are for the gas you used (supply) and getting that gas to you (delivery). Rates are based on a 30 day period. When your billing period is more or less than 30 days, we prorate your bill accordingly.

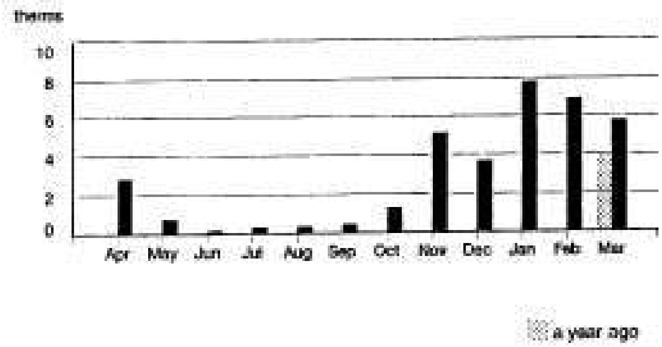
Gas you used during this 29 day billing period from Mar 04, 2013 to Apr 02, 2013

Rate: Trans Residential or Religious Heating **Meter:** [redacted]

Gas meters measure the volume of natural gas used in hundred cubic feet (ccf). Gas usage is billed in therms, the heat content of gas. The therm conversion factor converts ccf into therms.

Apr 02, 13 actual reading	1710
Mar 04, 13 actual reading	-1548
Usage in ccf	162 ccf
Therm conversion factor	X1.030
Your gas use	**167 therms**

Your average daily gas use



▶Your supply charges

Your gas is supplied by ENERGY PLUS HOLDINGS LLC. Your supply charges appear on page 4.

▶Your delivery charges

Basic service charge (includes first 2.9 therms) $19.72
Charge for basic system infrastructure and customer-related services, including customer accounting, meter reading and meter maintenance.

Remaining 164.1 therms @67.1846c/therm $110.25
Charge for maintaining the system through which Con Edison delivers gas to you.

Monthly rate adjustment @1.5509c/therm $2.59
Adjustment for miscellaneous costs and credits, and from October through May, for the effect of variation from normal weather.

SBC @1.8502c/therm $3.09
The System Benefits Charge funds New York State environmental and other related public policy programs.

Temporary NY State Surcharge @2.5808c/therm $4.31
Covers new fees imposed by the state.

GRT & other tax surcharges $3.30
Taxes on Con Edison gross receipts from sales of utility services and other tax surcharges.

Total delivery charges **$143.26**

Your electricity supply detail

Your electricity supplier
ENERGY PLUS HOLDINGS LLC
P.O. BOX 38815
PHLADELPHIA PA 19104
For information call: 1-877-320-0356

Your supplier account #: 18457516390254

▶ Your electricity supply charges

29 day billing period from Mar 04, 2013 to Apr 02, 2013
kWh used 465

Customer charge	$0.00
Supply cost @10.8750c per kWh	$50.57
Sales tax @3.0000%	$1.52
Total electricity supply charges	**$52.09**

Your gas supply detail

Your gas supplier
ENERGY PLUS HOLDINGS LLC
P.O. BOX 38815
PHLADELPHIA PA 19104
For information call: 1-877-320-0356

Your supplier account #: 29817276014003

▶ Your gas supply charges

29 day billing period from Mar 04, 2013 to Apr 02, 2013
therms used 167

Customer charge	$0.00
Supply cost @95.0000c per therm	$158.65
Sales tax @3.0000%	$4.76
Total gas supply charges	**$163.41**

MESSAGES from your electricity ESCO

Thank you for choosing Energy Plus as your energy supplier. We hope you are enjoying the rewards you earn each and every month as our customer.

MESSAGES from your gas ESCO

Thank you for choosing Energy Plus as your energy supplier. We hope you are enjoying the rewards you earn each and every month as our customer.

Company Name: Con Edison
Case Description: Con Edison Electric, Gas & Steam Rate Cases
Case: 13-E-0030, 13-G-0031, 13-S-0032

Response to PULP Interrogatories – Set PULP 2
Date of Response: 05/17/2013
Responding Witness: Customer Operations Panel

Question No. :056
Attached is a residential customer bill for Con Edison electric and gas service including charges for ESCO service for the 29 day billing period from March 4, 2014 to April 2, 2013, in which Con Edison seeks to collect charges for ESCO service at the rate of 10.8750 cents/kWh for electric supply and 95.0000 cents/therm for gas supply and threatens shutoff if charges are not paid. Please provide a comparison of the prices demanded in this bill for a customer who switched to ESCO service with the prices Con Edison would charge under its Commission approved tariffs for a full service customer using the same amount of service during the same time period, showing any line by line differences between charges for the ESCO customer and charges of a similar full service customer, and the total difference in charges for the period.

Response:
The disconnection notice is for past due unpaid bills and not the bill that the comparison is based on. The comparison of prices is based on the following components:

- Billing period: 3/4/2013 – 4/2/2013
- Electric consumption: 465 kWh
- Gas consumption: 167 therms
- The tax status is assumed as fully taxable

Bundled Gas		ESCO Gas	
$144.38	Delivery	$143.26	Delivery
$102.56	Supply	$158.65	ESCO Supply
$246.94	Total Supply & Delivery	$301.91	Total Supply & Delivery
$7.41	Sales Tax	$4.76	Sales Tax
$254.35	**Total Bundled Gas Bill**	**$306.67**	**Total ESCO Gas Bill**
Bundled Electric		**ESCO Electric**	
$70.10	Delivery	$69.57	Delivery
$29.50	Supply	$50.57	ESCO Supply
$99.60	Total Supply & Delivery	$120.14	Total Supply & Delivery
$2.99	Sales Tax	$1.52	Sales Tax
$102.59	**Total Bundled Electric Bill**	**$121.66**	**Total ESCO Electric Bill**
$356.94	**Total Bundled Gas & Electric Bill**	**$428.33**	**Total ESCO Gas & Electric Bill**

		Electricity								
Customer Type		Number of Bills			Estimated # of Customers			Extra Cost vs. Savings To Use ESCO		
		Higher	Lower	Total	Higher	Lower	Total	Extra Cost	Savings	Net Extra Cost
Low Income	Amount	724,668	67,684	792,352	30,195	2,820	33,015	$13,442,926	$111,791	$13,331,134
	% of Total	91.5%	8.5%	100.0%	91.5%	8.5%	100.0%	n/a	n/a	n/a
	Avg./Customer							$445.21	$39.64	$403.79
Regular	Amount	4,263,528	858,204	5,121,732	177,647	35,759	213,406	$90,268,288	$1,824,101	$88,444,187
	% of Total	83.2%	16.8%	100.0%	83.2%	16.8%	100.0%	n/a	n/a	n/a
	Avg./Customer							$508.13	$51.01	$414.44
Total	Amount	4,988,196	925,888	5,914,084	207,842	38,579	246,420	$103,711,214	$1,935,893	$101,775,321
	% of Total	84.3%	15.7%	100.0%	84.3%	15.7%	100.0%	n/a	n/a	n/a
	Avg./Customer							$498.99	$50.18	$413.02
		Gas								
Customer Type		Number of Bills			Estimated # of Customers			Extra Cost vs. Savings To Use ESCO		
		Higher	Lower	Total	Higher	Lower	Total	Extra Cost	Savings	Net Extra Cost
Low Income	Amount	467,341	32,807	500,148	19,473	1,367	20,840	$5,905,789	$86,339	$5,819,450
	% of Total	93.4%	6.6%	100.0%	93.4%	6.6%	100.0%	n/a	n/a	n/a
	Avg./Customer							$303.29	$63.16	$279.25
Regular	Amount	2,106,051	189,166	2,295,217	87,752	7,882	95,634	$22,025,699	$470,117	$21,555,582
	% of Total	91.8%	8.2%	100.0%	91.8%	8.2%	100.0%	n/a	n/a	n/a
	Avg./Customer							$251.00	$59.64	$225.40
Total	Amount	2,573,392	221,973	2,795,365	107,225	9,249	116,474	$27,931,488	$556,456	$27,375,032
	% of Total	92.1%	7.9%	100.0%	92.1%	7.9%	100.0%	n/a	n/a	n/a
	Avg./Customer							$260.49	$60.16	$235.03
		Total								
Customer Type		Number of Bills			Estimated # of Customers			Extra Cost vs. Savings To Use ESCO		
		Higher	Lower	Total	Higher	Lower	Total	Extra Cost	Savings	Net Extra Cost
Low Income	Amount	1,192,009	100,491	1,292,500	n/a	n/a	n/a	$19,348,714	$198,130	$19,150,584
	% of Total	92.2%	7.8%	100.0%	n/a	n/a	n/a	n/a	n/a	n/a
	Avg./Customer									
Regular	Amount	6,369,579	1,047,370	7,416,949	n/a	n/a	n/a	$112,293,988	$2,294,218	$109,999,770
	% of Total	85.9%	14.1%	100.0%	n/a	n/a	n/a	n/a	n/a	n/a
	Avg./Customer									
Total	Amount	7,561,588	1,147,861	8,709,449	n/a	n/a	n/a	$131,642,702	$2,492,348	$129,150,354
	% of Total	86.8%	13.2%	100.0%	n/a	n/a	n/a	n/a	n/a	n/a