

Filed Session of May 16, 2013
Approved as Recommended
and so Ordered
by the Commission

JEFFREY C. COHEN
Acting Secretary

Issued and Effective May 16, 2013

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

April 30, 2013

TO: THE COMMISSION

FROM: OFFICE OF ELECTRIC, GAS AND WATER
– Major Utility Rates Section

SUBJECT: CASE 13-E-0043 – Filing by Consolidated Edison Company of New York, Inc. to Modify Rider J – Business Incentive Rate Applicability.

SUMMARY OF

RECOMMENDATION: Staff recommends that the tariff amendments listed in the Appendix be allowed to become effective with modifications.

Summary

Consolidated Edison Company of New York, Inc. (Con Edison or the Company) filed tariff amendments to P.S.C. No. 10 – Electricity to modify Rider J – Business Incentive Rate (BIR). Con Edison proposes revisions to the applicability of the residential-use restriction under Rider J, which currently restricts the availability of the BIR discount to buildings or premises where 25% or more of the square footage is used for residential purposes unless the residential space is separately metered. The Company proposes that Biomedical Research Customers taking service at high tension be excluded from this restriction. Staff has reviewed the Company's filing and recommends that the Utility's filing be approved with modifications.

Pursuant to the State Administrative Procedure Act (SAPA), a Notice of Proposed Rulemaking was published in the State Register on February 27, 2013. The SAPA comment period expired on April 15, 2013. Comments were received from Consumer Power Advocates (CPA), an alliance of large not-for-profit institutions in the greater New York region. The comments are addressed in the discussion section below.

Background

The BIR was developed to stimulate economic development by providing discounted delivery rates to the non-residential Service Classification (SC) 8 – Multiple Dwellings-Redistribution and SC 9 - General-Large customers taking service in new or formerly vacant buildings. These discounted delivery rates now extend to those customers who participate in the Biomedical Research or Business Incubator Programs.

The Company's current SC 9 tariff states that a customer taking service at high tension may redistribute or furnish electric service for use of tenants or occupants in the building or premises as long as the residential connected load does not exceed 50% of the total connected load. Additionally, the Company's tariff currently provides that the BIR is not available to a building or premises where more than 25% of the square footage is residential, unless such service is separately metered. The Company's proposed modifications would make these provisions consistent.

Company Filing

On February 1, 2013, Con Edison filed tariff amendments to modify the BIR to remove the 25% residential-use ceiling for allocations of BIR only where the customer: (1) receives high tension service; and, (2) applies for BIR as a Biomedical Research customer. The proposed changes to the BIR applicability requirements are filed with the intent of accommodating a specific not-for-profit institution that has requested a BIR allocation. Con Edison has also included housekeeping changes in its filing to correct numbering errors and a waiver of the requirement of newspaper publication.

Additionally, Con Edison requested a waiver of the requirement of

newspaper publication of its filing because the proposed filing does not change the BIR rate reductions or the megawatts allocated either generally to BIR or specifically to Biomedical Research customers. Staff recommends that the Commission approve the waiver.

The Company also notes that on January 29, 2013, the Commission issued an order suspending the operation of the amendments submitted in Case 13-E-0030 and therefore it makes the current filing pursuant to 16 NYCRR § 61.10(c)(5), or subject to the approval of the Commission pursuant to 16 NYCRR §61.10(a), as the Commission deems appropriate.

Discussion

CPA filed comments supporting the proposed tariff changes and requests that the Commission approve the proposed modifications. CPA notes that the program provides important economic benefits resulting from the impact of biomedical research on job growth in the Company's service territory and the employment multiplier of such job growth. CPA points out that separately metering residential usage for a high tension customer would be uneconomic and thwarts the public policy goals supporting biomedical research.

Staff has reviewed the proposed revisions and finds that they are reasonable since they eliminate the existing inconsistency in the Company's electric tariff and allows for the allocation of BIR to a not-for-profit Biomedical Research Facility that would otherwise not be eligible. However, Staff recommends two modifications. First, the Company's revision should be expanded to include Business Incubator Customers under Rider J, if such customers take high tension service. Second, language should be added to insure that the BIR allocation only applies to the Biomedical Research or Business Incubator load and not to the residential load on the premises. These modifications will insure that both customer groups that are eligible for BIR are treated equally when it comes to the residential-use restriction and that the original intent of the BIR discount is maintained.

Recommendation

Staff has reviewed the Company's filing and believes that the proposed tariff revisions should be allowed to become effective with the modifications as described above. In addition, the Company should be granted waiver of the requirements in Public Service Law §66(12) and 16 NYCRR 720-8.1 regarding newspaper publication. Finally, the Commission should permit the tariff filing pursuant to 16 NYCRR § 61.10(c)(5), since the tariff changes proposed herein will not have substantial revenue or customer bill effects.

It is recommended that:

- 1) the amendments listed in the Appendix be allowed to become effective on May 20, 2013, provided that Consolidated Edison Company of New York, Inc. files further revisions incorporating the modifications contained in the body of this order, to become effective on not less than one day's notice on May 20, 2013;
- 2) the requirement of Public Service Law §66(12) and 16 NYCRR 720-8.1 regarding newspaper publication of the of the amendments listed in the Appendix and the further revisions directed in Clause 2 be waived; and
- 3) this case be closed.

Respectfully submitted,

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Reviewed by:

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Office of General Counsel

CASE 13-E-0043

BRUCE E. ALCH
Chief, Major Utility Rates Section
Office of Electric, Gas and Water

Approved by:

RAJ ADDEPALLI
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Office of Electric, Gas and Water

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

Amendments to Schedule P.S.C. No. 10 – Electricity

First Revised Leaves Nos. 198, 230

Second Revised Leaf No. 205

Issued: February 1, 2013

Effective: May 20, 2013

SAPA 13-E-0043SP1 – State Register – February 27, 2013

NEWSPAPER PUBLICATION: Waived