

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 16-E-0060

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 16-G-0061

Proceeding on the Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service.

Case 15-E-0050

Tariff filing by Consolidated Edison Company of New York, Inc. to revise General Rule 20 Standby Service contained in its electric tariff schedules, P.S.C. Nos. 10 and 12.

Case 16-E-0196

EXHIBIT 9

OF

UIU ELECTRIC RATE PANEL ON THE JOINT PROPOSAL

Dated: October 13, 2016
Albany, New York

UTILITY INTERVENTION UNIT
DIVISION OF CONSUMER PROTECTION
NYS DEPARTMENT OF STATE
99 WASHINGTON AVENUE
SUITE 640
ALBANY, NY 12231-0001
www.dos.ny.gov



Law Department

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Consolidated Edison Company of New York, Inc. (JERP-JP-9)
4 Irving Place Page 1 of 10
New York NY 10003-0987
www.conEd.com

March 17, 2006

Hon. Jaclyn Brilling
Secretary
New York State Public
Service Commission
Three Empire State Plaza
Albany, NY 12223

**RE: Case 04-E-0572--
Con Edison Electric Rates
Embedded Cost of Service Collaborative**

Dear Secretary Brilling:

Pursuant to the Order Adopting Three-Year Rate Plan in the referenced case, Consolidated Edison Company of New York, Inc. ("Con Edison"), Department of Public Service Staff ("Staff") and numerous other parties worked together in a collaborative process to resolve issues associated with the methodologies to be utilized by Con Edison in developing embedded cost of service studies ("ECOS Study") for future Con Edison electric rate cases. This letter is intended to serve as the report on these discussions contemplated by paragraph L.6.b of the Joint Proposal.

The parties held numerous meetings (both in person and by teleconference), exchanged discovery and views about their beliefs as to how certain parts of the ECOS Study should be performed in the future. As a result of these meetings, the parties reached an understanding with respect to methodologies for two inputs to the ECOS, which understanding is embodied in the enclosed Memorandum of Understanding ("MOU").

The MOU has been signed by the following eight parties to the collaborative -- Con Edison, Staff, City of New York, Consumer Power Advocates, New York Power Authority, New York Energy Consumers Council, Port Authority of New York and New Jersey and the Metropolitan Transportation Authority.

In accordance with the MOU, Con Edison will employ these methodologies in its next electric case filing, which the other signatories will either support or not oppose, and thereafter in accordance with the terms of the MOU.

Hon. Jaclyn Brillling, Secretary
March 17, 2006
Page 2

It should be noted that the use of these methodologies will affect the overall surpluses and deficiencies of the customer classes. For example, NYPA will continue to have a deficiency, albeit a smaller one.

If there are any questions related to the MOU, please contact me.

Respectfully submitted,

A handwritten signature in black ink that reads "May L Gayle". The signature is written in a cursive, slightly slanted style.

cc: Parties to Case 04-E-0572

263170

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Case 04-E-0572 – 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.

**MEMORANDUM OF UNDERSTANDING ON
EMBEDDED COST OF SERVICE STUDY**

This Memorandum of Understanding documents the undersigned parties' (the "Signatories") agreement to changes in two embedded cost of service ("ECOS") Study methodologies, which will be incorporated in future Consolidated Edison Company of New York, Inc. ("Con Edison") electric department ECOS studies.

WHEREAS, one aspect of the electric rate plan approved by the New York State Public Service Commission ("Commission") for Con Edison was the institution of "a collaborative process to discuss and analyze alternative ECOS methodologies and inputs consistent with generally accepted cost of service principles, the appropriateness of a Winter/Summer rate differential for the Rate I NYPA class, and the streetlighting outage allowance."¹

WHEREAS, many of the parties to the rate proceeding have engaged in this collaborative effort, which has spanned seven months. The collaborative effort has included in-person and telephonic discussions, the provision of documentary information, and the exchange of and debate over various analyses and proposals.

¹ Case 04-E-0572, Consolidated Edison Company of New York, Inc. – Electric Rates, Order Adopting Three-Year Rate Plan (issued March 24, 2005), Rate Plan, pp. 77-78.

WHEREAS, the collaborative effort has generally discussed methodologies currently employed by Con Edison in its ECOS, including:

- 1) The measurement used to allocate the customer related portion of distribution plant; and
- 2) The classification of distribution plant between customer-related and demand related.

WHEREAS, Con Edison and the City of New York have discussed but not resolved the street lighting outage allowance issue. Accordingly, this MOU does not address that issue.

WHEREAS, during the collaborative process, Department of Public Service Staff raised the issue of a Winter/Summer rate differential for the Rate I NYPA class, but no party expressed any interest in pursuing this issue.

WHEREAS, the Signatories have reached consensus on certain issues and desire to express that consensus position in writing.

NOW, THEREFORE, the Signatories agree as follows:

1. Subject to paragraph 4 below, Con Edison will employ, and the Signatories will either support or not oppose, the following two methodologies in future ECOS studies prepared for use in Con Edison's electric rate cases:
 - Con Edison will use the number of services, instead of the weighted services approach Con Edison previously used, to allocate the customer-related portion of low-tension distribution plant.
 - Con Edison will use the "Minimum Size" method to split low tension distribution plant into a customer-related component and a demand-related component. The cost associated with the minimum size will be determined by calculating the weighted average unit cost using the embedded cost of installed wire sizes from 1 to 10.
2. The application of these two methodologies does not depend on a large degree of judgment and produces reasonable results.

3. The use of these two methodologies will affect the overall surpluses and deficiencies of the customer classes, as compared to the results based on prior ECOS studies, subject to the possibility of offsetting impacts if and to the extent there are changes to other methodologies currently employed by Con Edison in its ECOS studies.

4. Con Edison will employ these two methodologies in the ECOS study that Con Edison prepares for its next electric rate case, which all other Signatories will support or not oppose. Furthermore, it is the intention of all Signatories that these two methodologies be employed in ECOS studies prepared for subsequent Con Edison electric rate cases as well. Accordingly, any Signatory proposing to modify either or both of these methodologies in a subsequent Con Edison electric rate case will have the burden of establishing that: (i) there has been a substantial change in circumstances (*e.g.*, a change in technology such as the extensive use of superconducting conductors in place of existing conductors or a wholesale change in the methodology used to prepare the ECOS); (ii) the methodology described in paragraph 1, above, is no longer appropriate or is no longer permissible; and (iii) the proposed modification(s) to the methodology are reasonable and appropriate.

5. Nothing herein restricts any Signatory from proposing or opposing modifications to any aspect of the ECOS studies prepared for future Con Edison electric rate cases, other than the two methodologies described in paragraph 1, above. Additionally, even absent any proposed modifications, all issues related to future ECOS studies, other than Con Edison's use of the two methodologies described in paragraph 1, may be challenged in future Con Edison electric rate cases.

IN WITNESS WHEREOF, each of the undersigned has executed this Memorandum of Understanding the day and year written below.

CONSOLIDATED EDISON COMPANY
OF NEW YORK, INC.

By 

Dated: _____, 2006

NEW YORK STATE DEPARTMENT
OF PUBLIC SERVICE

By 

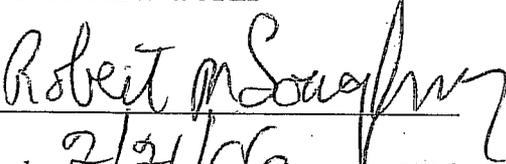
Dated: 2/21/06, 2006

NEW YORK POWER AUTHORITY

By _____

Dated: _____, 2006

CITY OF NEW YORK

By 

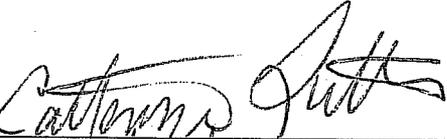
Dated: 2/21/06, 2006

METROPOLITAN TRANSPORTATION
AUTHORITY

By _____

Dated: _____, 2006

CONSUMER POWER ADVOCATES

By 

Dated: 2/21/06, 2006

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By _____

Dated: _____, 2006

NEW YORK ENERGY CONSUMERS
COUNCIL, INC.

By _____

Dated: _____, 2006

IN WITNESS WHEREOF, each of the undersigned has executed this Memorandum of Understanding the day and year written below.

CONSOLIDATED EDISON COMPANY
OF NEW YORK, INC.

NEW YORK STATE DEPARTMENT
OF PUBLIC SERVICE

By _____

By _____

Dated: _____, 2006

Dated: _____, 2006

NEW YORK POWER AUTHORITY

CITY OF NEW YORK

By _____

By _____

Dated: _____, 2006

Dated: _____, 2006

METROPOLITAN TRANSPORTATION
AUTHORITY

CONSUMER POWER ADVOCATES

By _____

By _____

Dated: _____, 2006

Dated: _____, 2006

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

NEW YORK ENERGY CONSUMERS
COUNCIL, INC.

By _____

By _____

Dated: February 27, 2006

Dated: _____, 2006

CRUZ C. RUSSELL
Deputy Chief of
Strategic Planning
Office of Policy & Planning

APPROVED	
TERMS	FORM
GYD	RMS
by Mr	

Case 04-E-0572

IN WITNESS WHEREOF, each of the undersigned has executed this Memorandum of Understanding the day and year written below.

CONSOLIDATED EDISON COMPANY
OF NEW YORK, INC.

NEW YORK STATE DEPARTMENT
OF PUBLIC SERVICE

By _____

By _____

Dated: _____, 2006

Dated: _____, 2006

NEW YORK POWER AUTHORITY

CITY OF NEW YORK

By _____

By _____

Dated: _____, 2006

Dated: _____, 2006

METROPOLITAN TRANSPORTATION
AUTHORITY

CONSUMER POWER ADVOCATES

By _____

By _____

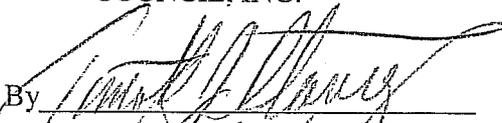
Dated: _____, 2006

Dated: _____, 2006

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

NEW YORK ENERGY CONSUMERS
COUNCIL, INC.

By _____

By  _____

Dated: _____, 2006

Dated: 2/27/2006, 2006

By  _____

Dated: 3/1/06, 2006

IN WITNESS WHEREOF, each of the undersigned has executed this Memorandum of Understanding the day and year written below.

CONSOLIDATED EDISON COMPANY
OF NEW YORK, INC.

NEW YORK STATE DEPARTMENT
OF PUBLIC SERVICE

By _____

By _____

Dated: _____, 2006

Dated: _____, 2006

NEW YORK POWER AUTHORITY

CITY OF NEW YORK

By Yousef N. Mayman

By _____

Dated: ~~Feb~~ March 1, 2006

Dated: _____, 2006

METROPOLITAN TRANSPORTATION
AUTHORITY

CONSUMER POWER ADVOCATES

By _____

By _____

Dated: _____, 2006

Dated: _____, 2006

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

NEW YORK ENERGY CONSUMERS
COUNCIL, INC.

By _____

By _____

Dated: _____, 2006

Dated: _____, 2006

CONSOLIDATED EDISON COMPANY
OF NEW YORK, INC.

NEW YORK STATE DEPARTMENT
OF PUBLIC SERVICE

By _____

By _____

Dated: _____, 2006

Dated: _____, 2006

NEW YORK POWER AUTHORITY

CITY OF NEW YORK

By _____

By _____

Dated: _____, 2006

Dated: _____, 2006

METROPOLITAN TRANSPORTATION
AUTHORITY

CONSUMER POWER ADVOCATE'S

By Catherine C. Enaldi
Deputy Dir. General Counsel
Dated: 2/22/06, 2006

By _____
Dated: _____, 2006

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

NEW YORK ENERGY CONSUMER
COUNCIL, INC.

By _____

By _____

Dated: _____, 2006

Dated: _____, 2006