

Ex. 914

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
RESPONSE TO INTERROGATORY/DOCUMENT REQUEST**

**Consolidated Edison Company of New York, Inc.  
Cases 13-E-0030, 13-G-0031 and 13-S-0032**

**Requesting Party:** Con Edison  
**Set No.:** 41  
**Request No.:** 133  
**Responding Witness:** Staff Accounting Panel  
**Date of Response:** July 23, 2013

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In Exhibit \_\_ SAP-1 and Exhibit \_\_ SAP-2, the Staff Accounting Panel increased the Company's forecast the Rate Year level of POR discount revenues by multiplying the current POR discount rate by an annualized receivable balance for the period of July 2012 to February 2013 purchased from the ESCOs for electric and gas services.

As part of the current electric and gas rate plans adopted in Cases 09-E-0428 and 09-G-0795, the Credit and Collection component of the POR discount rate and the Merchant Function Charge "MFC" are reconciled annually to the recovery levels included in rates. Please refer to page 6 of the Company's attached General Accounting Procedure. A similar reconciliation procedure is in place in the current gas rate plan under the 'Transition Adjustment for Competitive Service' mechanism that is part of the MFC, as described in Appendix H, pages 2 and 3 of the Joint Proposal in case 09-G-0795 (attached).

**Question:**

Please explain where in Staff's exhibits SAP-1 and SAP-2 an adjustment was reflected to reduce the electric and gas Merchant Function Charges that would be applicable to full service customers for increases in credit and collection cost to be billed to full service customers.

**Response:**

No adjustment was reflected in Staff exhibits SAP-1 and SAP-2 to reduce the electric and gas Merchant Function Charges.

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**Question:**

If the adjustment to the Merchant Function charge revenues was not made, please indicate if one should be made to offset the shift of Credit and Collection costs from full service to ESCO customers?

**Response:**

Yes. Since the amount of credit and collection charges the Company can recover through the MFC and POR is limited to a preset target, it is appropriate to make an adjustment to reduce credit and collection recoveries from full service customers.

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**Question:**

If the answer to part 2 is no adjustment is necessary, please indicate why it is appropriate for the Company to collect from full service and ESCO customers more than its embedded credit and collection costs?

**Response:**

N/A