

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of
Consolidated Edison Company Of New York, Inc.

Case 07-E-0523

September 2007

Prepared Staff Rate Panel
Exhibits of:

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Staff Rate Panel
Exhibit____(SRP-1)
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Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff1

Date of Response: 06/14/2007

Responding Witness: Forecasting Panel

Question No. :6

Subject: Forecasting Panel Exhibit – electronic spreadsheets Provide a copy of Forecasting Panel Exhibits __ (FP-2) and __ (FP-3) in electronic spreadsheet format with all formulas accessible along with the panel’s workpapers supporting such Exhibits.

Response:

See attached. Supporting documentation for the Competitive Services Rates is in the Rate Panel’s work papers, RA-8 Column 15, RA-10 Column 28 and RA-11 Column 12.

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff4

Date of Response: 07/02/2007

Responding Witness:

Question No. :74

Subject: Embedded Cost-of-Service Study (ECOS) On page 9 of Exhibit __ (ERP-1), under the heading for the D08 Low Tension – Overhead and D09 Low Tension –Underground, the panel states that “A special adjustment to this allocator is made for the Con Ed service classes of SC1 and SC7 to allow for the diversity of individual customer loads in multiple dwellings. No adjustments were made for NYPA or EDDS, since they do not serve any direct residential customers.” a) Provide the number of SC1 and SC7 customers for the year 2005. For each class, SC1 and SC7, identify how many customers live in multiple dwellings. (b) Provide the total billed kWhs applicable top SC1 and SC7 for the year 2005. For each class, SC1 and SC7, provide the total billed kWhs for those customers that live in multiple dwellings. (c) Identify the total number of SC1 and SC7 customers that are included in the company’s class demand study population for each of those service classes. For each class, identify how many of the demand study population live in multiple dwellings. (d) Provide your detailed understanding of how residential customers are served by NYPA or EDDS. Identify the basis of such understanding. (e) Provide copies any studies that the Company has relied upon in the preparation of the current ECOS or in the preparation of historic ECOS studies that discuss or reach conclusions on the diversity of individual residential customer loads in multiple dwellings in New York City.

Response:

- (a) The Company’s ECOS study, Exhibit ____(ERP-1), Table 7, pages 7 and 8 show the total number of customers for SC 1 and SC 7 for the year 2005 to be 2,584,877 and 16,262 respectively. The number of SC 1 and SC 7 customers living in multiple dwellings is unavailable. See response to (e) below.
- (b) The Company’s ECOS study, Exhibit ____(ERP-1), Table 7, pages 7 and 8 show the total kWh for SC 1 and SC 7 for the year 2005 to be 14,058,112,347 and 209,843,934 respectively. The kWh for SC 1 and SC 7 customers living in multiple dwellings is unavailable. See response to (e) below.
- (c) Total SC 1 and SC 7 customer populations are reflected in the Company’s Class Demand Study, ERP-2. The number of SC 1 and SC 7 customers living in multiple dwellings is unavailable. See response to (e) below.
- (d) Some residential customers reside in New York City Housing Authority (NYCHA) buildings. The NYCHA is a customer of NYPA. Individual residential apartments in NYCHA buildings are not separately metered. EDDS customers are commercial customers.
- (e) The Company does not have studies on the diversity of individual residential customer loads in multiple dwellings in New York City. However, the Company periodically reviews census data in conjunction with residential customer counts to obtain an estimate of residential dwelling units in multiple dwellings. For example, the 2000 census indicates that approximately 70% of New York City residential dwelling units are located in buildings containing three or more dwelling units.

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff5

Date of Response: 07/02/2007

Responding Witness: Electric Rate Panel

Question No. :78

Subject: ECOS On page 9 of ERP-1, under the heading for the D08 Low Tension – Overhead and D09 Low Tension –Underground, the panel states that “A special adjustment to this allocator is made for the Con Ed service classes of SC1 and SC7 to allow for the diversity of individual customer loads in multiple dwellings.” a) Please explain how the diversity of individual customer loads in multiple dwellings is considered by the company’s system design engineers when designing the secondary and primary underground delivery systems. b) Please explain how the diversity of individual customer loads in multiple dwellings is considered by the company’s system design engineers when designing the secondary and primary overhead delivery systems. c) Please provide copies of all company procedures, system design specifications, guidelines, etc. that make reference to the consideration of individual customer loads in multiple dwellings as they relate to designing the underground and overhead secondary and primary delivery systems.

Response:

a) & b) The Company evaluates similarly operated and occupied buildings to determine the demand at the service point as it relates to the occupancy and space use (i.e., number of dwelling units, 1, 2, 3 bedroom etc. and their size). The Company applies this data when evaluating proposed new multiple dwelling buildings to develop an estimated demand. This estimated demand would then be used in the design of the delivery system.

c) There are no Company specifications regarding the diversity of loads in multiple dwelling buildings. This is our day to day business and we recognize as well as have identified through experience that in a multiple dwelling building, the building peak is not the aggregate sum of all individual apartment loads. Note, the customer designs for connected load which is generally much higher than the coincident peak demand that is realized at the service point. As noted above, we would evaluate a similarly operated and occupied building to determine what we expect the building’s peak coincident demand will be at the service point based upon the buildings individual space use.

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff6

Date of Response: 07/12/2007

Responding Witness: Forecasting Panel

Question No. :94

Subject: Billable Demand Forecast Workpapers The Forecasting Panel states in its testimony that “the billable demand forecast is the ratio of the forecast for energy volume and the average hours use” (p. 16, ll. 5-6). Please provide in electronic format, with all formulas accessible, all spreadsheets used to perform the calculation of billable demand and the derivation of the average hours use for Con Edison’s commercial customers for the years 2007-2011.

Response:

See attached.

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff23
Date of Response: 08/14/2007
Responding Witness: Rate Panel

Question No. :410.1

Subject: Unbundling Reference ERP testimony, page 23. (a) Why does the Company propose to retain a bifurcated merchant function charge (MFC)? (b) Would the ERP be willing to have only a single MFC that is made up of all the components referenced for the two current charges? (c) Does the ERP know what was resolved on this issue for Con Edison's gas division in its recent proceeding? Explain the ERP's understanding of that resolution. (d) Would the ERP be amenable to adopting the same resolution for the electric division of the Company? (e) Would the Company also revise the POR discount rate to adjust for the combining of the two MFCs?

Response:

At the time of the Company's electric rate case filing, a Joint Proposal had not yet been filed in the gas rate case. With the filing of the Joint Proposal in the gas case, the Company is amenable to conforming the design of the MFC applicable to electric service to the MFC design expected to be adopted for gas service at the end of the gas rate case. Under this approach, there would be a single MFC applicable only to full service customers. The MFC would consist of a competitive supply-related component, including working capital on purchased power, and a competitive credit and collection-related component. Consistent with the approach taken in the gas Joint Proposal, the Company would develop a percentage that reflects the annual forecast cost of the Company's electric credit and collection function with respect to ESCO receivables and reflect that amount in the discount rate applicable to purchase of ESCO electric accounts receivable. The electric design should also provide for a reconciliation of the credit and collections related component of the POR discount rate.

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to DPS Interrogatories – Set Staff23

Date of Response: 08/14/2007

Responding Witness: Rate Panel

Question No. :410.3

Subject Unbundling - Reference ERP testimony, page 21. (a) Describe the process used to keep the customer bill issuance and payment processing (BIPP) charge equivalent for each customer bill regardless of whether that customer is a gas-only, electric-only, or combination gas and electric. (b) Describe how this charge will appear on customers' bills, providing examples of bill formats proposed.

Response:

- (a) See proposed tariff leaves 168-C and 168-D.
- (b) See attachment entitled "Unbundled Bill Formats." The attachment shows the bill format the Company will use for an electric only (a) SC 1 residential customer, (b) an SC 9 non-residential customer not eligible for competitive metering (less than 50 kW) and (c) an SC 9 non-residential customer eligible for competitive metering (50 kW or greater). As shown on all the attached bill formats, the Merchant Function Charge will be shown as a separate line item under supply charges. For SC 1, the billing and payment processing (BPP) charge will be included in the Basic Service Charge under delivery charges with a message below indicating that the basic service charge includes a billing and payment processing charge that the customer may avoid by switching to an ESCO. On an SC 9 bill for a customer not eligible for competitive metering, the BPP will be rolled up with the metering charges and shown as a Basic Service Charge with a similar notation on the BPP charge. For an SC 9 bill where the customer is eligible for competitive metering, a new line called "meter charges" will be added under delivery charges with a notation detailing the separate charges for each competitive metering function. A BPP charge line will also be added under delivery charges. These formats will be used subject to modification as necessary to reflect the outcome of the electric rate case.

Consolidated Edison Company
of New York, Inc.

P.S.C. No. 9 - Electricity
Original Leaf No. 168-C

GENERAL INFORMATION - Continued

VIII. Increase in Rates Relating to Taxes and Other Charges and Adjustments - Continued

(B) Other Charges and Adjustments - Continued

(5) Merchant Function Charge

The Merchant Function Charge ("MFC") contains one or both of the following components:

- (a) a competitive supply-related charge, and
- (b) a competitive credit and collection-related charge.

Full-service Customers are subject to an MFC that is the sum of components (a) and (b). Retail Access Customers who receive Consolidated Bills from the Company are subject to an MFC that is equal to component (b). Retail Access Customers who do not receive Consolidated Bills from the Company are not subject to an MFC.

The Company will file a Statement of Merchant Function Charge ("Statement"), apart from this Rate Schedule, setting forth the following: (a) the per-kilowatt-hour MFC to be put into effect, by Service Classification, for Customers served under this Rate Schedule (except for SC 11) and Customers served under SC 14-RA, Special Provision C, of the Retail Access Rate Schedule; and (b) the per-kilowatt-hour MFC to be put into effect, by Service Classification, for Customers served under the Retail Access Rate Schedule who receive Consolidated Bills from the Company. Unless otherwise directed by the Commission, the Company will file Statements no less than three days prior to MFC changes.

(6) Billing and Payment Processing ("BPP") Charge

A full-service bill is one that is issued to a Full-service Customer under this Rate Schedule. A Utility Consolidated Bill, an ESCO Consolidated Bill, or separate Utility/ESCO bills (also called "Dual Billing") are billing options under the Retail Access Rate Schedule. The charge for BPP depends on whether the Company or an ESCO handles billing and payment processing. Charges are identified below:

- (a) Billing and Payment Processing Charge on either an Electric only Account or a Combined Electric and Gas Account When the Company Determines its Charges for Electric-only

Bill Type	Charge, per bill
Full-service bill	94 cents
Utility Consolidated Bill	0
Separate Utility/ESCO Bills	94 cents
ESCO Consolidated Bill	0

(General Information - Continued on Leaf No. 168-D)

Date of Issue: May 4, 2007

Date Effective: June 3, 2007

Issued by Robert N. Hoglund, Senior Vice President and
Chief Financial Officer
4 Irving Place, New York, N.Y. 10003

Consolidated Edison Company
of New York, Inc.

P.S.C. No. 9 - Electricity
Original Leaf No. 168-D

GENERAL INFORMATION - Continued

VIII. Increase in Rates Relating to Taxes and Other Charges and Adjustments - Continued

(B) Other Charges and Adjustments - Continued

(6) Billing and Payment Processing ("BPP") Charge - Continued

- (b) Billing and Payment Processing Charge on a Combined Electric and Gas Account When the Company Determines its Charges for Both Electric and Gas

Electric Service and Bill Type	Gas Service and Bill Type	Charge, per bill, for the electric portion	Charge, per bill, for the gas portion	Total
Full-service	Full-service	47 cents	47 cents	94 cents
Full-service	Utility Consolidated Bill	47 cents	0	47 cents
Full-service	Separate Utility/ESCO Bills	47 cents	47 cents	94 cents
Full-service	ESCO Consolidated Bill	0	0 cents	0
Utility Consolidated Bill	Full-service	0	47 cents	47 cents
Utility Consolidated Bill	Utility Consolidated Bill	0	0	0
Utility Consolidated Bill	Separate Utility/ESCO Bills	0	47 cents	47 cents
Utility Consolidated Bill	ESCO Consolidated Bill	N/A	N/A	N/A *
Separate Utility/ESCO Bills	Full-service	47 cents	47 cents	94 cents
Separate Utility/ESCO Bills	Utility Consolidated Bill	47 cents	0	47 cents
Separate Utility/ESCO Bills	Separate Utility/ESCO Bills	47 cents	47 cents	94 cents
Separate Utility/ESCO Bills	ESCO Consolidated Bill	0	0	0 **
ESCO Consolidated Bill	Full-service	0	0	0
ESCO Consolidated Bill	Utility Consolidated Bill	N/A	N/A	N/A *
ESCO Consolidated Bill	Separate Utility/ESCO Bills	0	0	0 **
ESCO Consolidated Bill	ESCO Consolidated Bill	0	0	0 ***

* This scenario is not possible on a combined electric and gas account. The ESCO must request account separation.

** This scenario is only possible if there are two separate ESCOs. One ESCO issues consolidated bills for the utility's electric and gas charges and its charges. The second ESCO issues bills only for its own charges.

*** This scenario is only possible if there is one ESCO for both electric and gas. If there are two ESCOs, one ESCO must request account separation.

Note that Consolidated Bills for residential Customers are limited to Company-issued Consolidated Bills.

(General Information - Continued on Leaf No. 169)

Date of Issue: May 4, 2007

Date Effective: June 3, 2007

Issued by Robert N. Hoglund, Senior Vice President and
Chief Financial Officer
4 Irving Place, New York, N.Y. 10003

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to NYC Interrogatories – Set NYC3
Date of Response: 06/15/2007

Question No. :88

Please explain why D04 uses the higher of summer and winter demands for some classes, but only the summer demands for other classes.

Response:

Each component of the electrical delivery system is sized to meet peak kW demands imposed on that component. Since it is not possible to measure peak demands at each location on the grid and, further, to associate each location with a particular customer, electrical equipment is grouped in three main categories and customers are grouped into service classes for cost allocation purposes. The equipment categories are: the secondary delivery system (low tension system), which is electrically closest to customers, the primary delivery system (high tension system) which is electrically further removed, and the transmission system, which is electrically furthest from individual customers. Also, as a practical matter, there are three categories of demands that are used for cost allocations: individual customer maximum demand (ICMD), which corresponds to billing demand, class non-coincident peak demand (NCP), which is the total class peak demand, coincident within the class but non-coincident with the system peak, and system peak demand, which is the maximum coincident demand for the entire system.

The principal involved in selecting the appropriate allocation factors is diversity of demand. At the delivery point to the customer, the system is designed to meet the customer's ICMD.

However, as one proceeds upstream from the customer, diversity of demand is reflected in system designs, and equipment is designed to meet class NCPs. For example, a substation that serves only residential customers would generally be designed for the residential class NCP.

Similarly, a substation that serves only commercial load would be designed for the commercial class NCP. Substations that serve load that is composed of a mixture of various classes would be designed to serve the diversified demand of the customer class mix. In this latter case, the class NCP allocation reflects a reasonable sharing of the benefits of diversity among classes. Finally at the transmission level, only the peak demand of all customers is reflected in system designs.

The SC7, SC12, SC12TOD and NYPA Multiple Dwellings Space Heating classes are 100% low tension and their winter peak loads are much greater than their summer peak loads. Therefore, the demand responsibility for the low tension system should be based on their winter peak demands. However, their high tension allocation is based on summer peak demands to recognize that these customers are geographically dispersed throughout the service territory and that the high tension system is generally summer peaking.

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to NYC Interrogatories – Set NYC3
Date of Response: 06/15/2007

Question No. :89

Please provide details of the “special adjustment” for the D08 and D09 allocation factors as described on page 9 of Exhibit ERP-1.

Response:

The term “special adjustment” refers to the use of the 75%/25% (as opposed to 50%/50%) weighting of non-coincident demands and billing demands for calculation of the D08 and D09 allocators for direct-served residential classes. The 75%/25% weighting is designed to recognize the diversity of individual customer loadings within multiple dwellings. The term “special adjustment” refers to the use of the 75%/25% (as opposed to 50%/50%) weighting of non-coincident demands and billing demands for calculation of the D08 and D09 allocators for direct-served residential classes. The 75%/25% weighting is designed to recognize the diversity of individual customer loadings within multiple dwellings.

Company Name: Con Edison
Case Description: Electric Rate Filing
Case: 07-E-0523

Response to NYC Interrogatories – Set NYC3
Date of Response: 06/15/2007

Question No. :93

Please provide any diversity of load studies that supports the 75%/25% weighting described in the descriptor paragraph for D08 and D09 on page 9 of Exhibit ERP-1.

Response:

No diversity studies are available.