



Consolidated Edison Company  
of New York, Inc.  
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February 15, 2008

Honorable Jaclyn A. Brillling  
Secretary  
State of New York  
Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223

**Re: Case 07-E-0392, Rider U – Distribution Load Relief Program**

Dear Secretary Brillling:

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) is filing with the Public Service Commission (the “Commission”) revisions to the Company’s Schedule for Electricity Service, P.S.C. No. 9 – Electricity, applicable to its customers in the City of New York and the County of Westchester.

Tariff leaves reflecting the proposed changes are identified below:

P.S.C No. 9 - Electricity

Fourth Revised Leaf No. 158-Q-1  
Superseding Third Revised Leaf No. 158-Q-1

Eighth Revised Leaf No. 158-R  
Superseding Seventh Revised Leaf No. 158-R

Second Revised Leaf No. 158-R-3  
Superseding First Revised Leaf No. 158-R-3

Second Revised Leaf No. 158-R-4  
Superseding First Revised Leaf No. 158-R-4

The leaves bear an issue date of February 15, 2008, and an effective date of April 24, 2008.

### **Background**

On March 29, 2007, the Company issued a tariff filing in Case 07-E-0392 that proposed to increase Rider U participation by implementing a Summer Reservation Payments program under Rider U - Distribution Load Relief Program, effective July 1, 2007. On June 21, 2007, the Commission issued an Order in Case 07-E-0392 (the "June 2007 Order"), which approved the tariff amendments and directed the Company to file further amendments to Rider U. Those changes were filed on tariff leaves issued June 29, 2007, which became effective on a temporary basis on July 1, 2007. Additional clarifying and housekeeping changes were filed on tariff leaves issued July 31, 2007, which became effective on a temporary basis on August 1, 2007.

On August 2, 2007, the Company filed a further change to Rider U to permit customers and aggregators who were enrolled in the NYISO's Special Case Resources Program ("SCR"), but who did not have interval meters and associated telecommunications service used by the Company for billing, to participate in the 2007 Summer Reservation Payments program up to the kW amount that such customers/aggregators had enrolled in the NYISO SCR Program. These customers and aggregators were required to provide data as would be provided to the NYISO if the NYISO called an event under the SCR Program, or the same data if the NYISO called an event, including any updates, and they were required to report to the Company the results of any audit or verification conducted by the NYISO under the SCR Program within ten days of such audit or verification.

The Company's filing of August 2, 2007, became effective on August 8, 2007, pursuant to the Commission's Emergency Order issued August 7, 2007, in Case 07-E-0392. The Emergency Order authorized the leaves to become effective on less than statutory notice and directed the Company to make a further filing to allow customers and aggregators who submitted applications through August 15, 2007, to participate in the 2007 Summer Reservation Payments program in August 2007, subject to receiving half of the August 2007 summer reservation payment if they enrolled after July 27, 2007. The Company made a compliance filing on August 7, 2007, which became effective on August 8, 2007. The Commission adopted its Emergency Order of August 7, 2007, on a permanent basis in its Order dated October 31, 2007, in Case 07-E0392.

### **Reason for the Current Filing**

Ordering Clause 4 of the June 2007 Order directed Con Edison to file a report by January 31, 2008, assessing the effectiveness of the Rider U program changes on increasing the level of customer participation and recommending any tariff changes for implementation prior to the summer 2008 capability period. Subsequently, the Company requested and received the Commission's permission to file the report and any proposed

Rider U tariff changes by February 15, 2008. The Company is filing tariff changes hereunder, and its report by separate letter.

### **Tariff Changes Proposed**

As discussed in the companion letter on the Rider U program assessment, the Company proposes to make the following tariff changes to the Summer Reservation Payments program under Rider U:

- Advance notice by the Company of a designated Load Relief Period will be assumed to be made on the first quarter-hour following actual notice. If the Company provides less than two hours' advance notice, penalties will apply only to performance commencing two hours after advance notice was given. At present, penalties are based on performance during each of the first four hours of a designated period, even if only the minimum 30-minute advance notice has been given.
- Once during each summer capability period, the Company may require a customer or aggregator to run a test for a period not to exceed one hour, commencing at a time determined solely at the Company's discretion, in a network in which the Company has not called a designated Load Relief Period. A customer or aggregator who fails the test will be subject to derating as specified in the Company's operating procedure until the next test is called by the Company. The Company will give at least two hours advance notice of a test. If the Company can verify that a customer provided at least 50 kW of Load Relief or an aggregator provided at least 100 kW of Load Relief during the test period, a one-hour payment for energy will be made up to the contracted amount. (The Company proposes to recover such payments through the Monthly Adjustment Clause as it does with other payments made under Rider U.)
- The Company will permit customers and aggregators who were enrolled in the 2007 Summer Reservation Payments program to participate in the 2008 program if they are enrolled in the NYISO's SCR, but do not have interval meters and associated telecommunications service used by the Company for billing, subject to the same requirements for data and reporting as under the 2007 Summer Reservation Payments program. In future program years, the Company intends to require these customers and aggregators to have interval metering for billing, as it requires for participation under all of its demand response programs.
- The Company proposes to accept applications from customers and aggregators until April 24 during the 2008 summer capability period. In future years, the Company will require applications to be submitted by April 15 of the calendar year of each summer capability period, except for new customer accounts that did not exist prior to the onset of that summer capability period.

The Company has also reduced the voltage reduction criterion for designating a Load Relief Period from eight percent to five percent. This will permit the Company to designate a Load Relief Period at its discretion when a lower voltage reduction is ordered. In addition, the Company has eliminated text pertaining to the 2007 Summer Reservation Payments program, since that program has expired.

**Conclusion and Notice**

The Company is issuing this filing to become effective on April 24, 2008. Enclosed is a proposed form of Notice of Proposed Rule Making for publication in the State Register pursuant to the State Administrative Procedure Act.

The Company will publish newspaper publication on February 22 and 29, and March 7 and 14, 2008.

Respectfully submitted,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

By: Christine Colletti  
Christine Colletti  
Director  
Rate Engineering

**GENERAL INFORMATION - Continued**

**VI. Service Classification Riders (Available on Request) - Continued**

**U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued**

**(C) Definitions - Continued**

“Load Delivery” means power and energy produced by use of on-site generation and delivered to the Company’s primary distribution feeders during a Load Relief Period.

“Load Reduction” means load ordinarily supplied by the Company that is displaced by use of on-site generation and/or reduced by the Customer or Aggregator during a Load Relief Period.

“Load Relief” refers to limiting demand on the Company’s system through Load Reduction or delivering demand to the Company’s system through Load Delivery, as specified in the Customer or Aggregator’s contract with the Company and for the time period directed by the Company.

**(D) Load Relief Period**

- (1) A Load Relief Period is a period of not less than four hours designated by the Company.
- (2) Criteria for Designating a Load Relief Period: If the next contingency would result in a Condition Yellow, or if a voltage reduction of five percent or greater has been ordered, the Company may designate such period as a Load Relief Period. The Company may designate specific networks, feeders or geographical areas in which load relief will be requested. A Condition Yellow exists when the next contingency (excluding breaker failure) either will result in an outage to more than 15,000 customers or will result in some equipment being loaded above emergency ratings.
- (3) Advance Notice of Load Relief Period: The Company will notify Customers or Aggregators (as specified in paragraph K) no less than 30 minutes in advance of the commencement of a Load Relief Period. The Customer or Aggregator shall designate in writing an authorized representative and an alternate representative to receive the notice.

(General Information – Continued on Leaf No. 158-R)

Date of Issue: February 15, 2008

Date Effective: April 24, 2008

Issued by Robert N. Hoggund, Senior Vice President  
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GENERAL INFORMATION – Continued

VI. Service Classification Riders (Available on Request) - Continued

U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued

- (E) **Term of Service:** Service under this Rider will be available upon the Company's receipt of a completed application. Customers or Aggregators may terminate service under this Rider upon written notice to the Company; provided, however, that a Customer or Aggregator who receives a Summer Reservation Payment pursuant to paragraph (J) may terminate service under this Rider prior to October 31 of the contract year only if the Summer Reservation Payment(s) have been returned to the Company.
- (F) **Metering:** Each Customer's entire service must be measured by one or more interval meters, and Customers must maintain any associated pilot wiring in good working order. If the Customer's service is not measured by one or more interval meters, provided in connection with other Company service requirements, the Customer shall arrange for the furnishing and installation of interval metering with telecommunications capability, and arrange for telecommunications service, at the Customer's expense, net of any discount or rebate received by the Customer, before the Customer's application shall be accepted for service under this Rider; provided, however, that during the 2008 Summer Reservation Payment program, Customers and Aggregators who are enrolled in the NYISO's Special Case Resources Program ("SCR"), but do not have interval meters and associated telecommunications service used by the Company for billing, may participate in this Rider's Summer Reservation Payment program up to the kW amount that such Customers/Aggregators have enrolled in the NYISO SCR Program if they were enrolled in the Company's 2007 Summer Reservation Payment program and (a) provide to the Company, in the format prescribed by the Company, the same data as would be provided to the NYISO if the NYISO called an event under the SCR Program, or the same data if the NYISO calls an event, including any updates, and (b) report to the Company the results of any audit or verification conducted by the NYISO under the SCR Program within ten days of such audit or verification. Where the Customer contracts for Load Delivery, such delivery must be separately metered.
- (G) **Interconnection and Delivery for Load Delivery Customers:** A Customer who contracts, or a Customer whose Aggregator contracts, to provide Load Delivery must comply with the following provisions of Service Classification No. 11 of this Rate Schedule: (1) all Common Provisions, including the Interconnection Charge and Determination of Demand, including establishment of a contract demand and installation of appropriate metering to measure the energy delivered to the Company's system, and (2) Special Provision C or D, as applicable. Further, such Customer is required to pay charges as would be required of Customers taking service under Service Classification No. 11. The Customer will pay any costs associated with reinforcing the distribution system and/or adding facilities as may be required for Load Delivery. Load Delivery to the Company's secondary networks is prohibited.
- (H) Where part of the Customer's requirements are served under Rider Q of this Rate Schedule and/or in part by NYPA, NYCPUS or COWPUSA, Load Relief for service under each applicable economic development program will be calculated as specified in General Rule III-11(W).
- (I) **Payment for Load Relief**
- (1) The Company will make payment to a Customer or Aggregator under this Rider for Load Relief that the Company can verify during designated Load Relief Periods. The Company will not make payment hereunder unless it can verify a Load Reduction or Load Delivery of at least 50 kW by a Customer or at least 100 kW by an Aggregator for at least four consecutive hours during any Load Relief Period. Where the Customer or Aggregator provides Load Reduction, the Company shall determine the baseline load or load reduction in each hour by applying the New York Independent System Operator ("NYISO") methodology selected by the Customer or Aggregator.

(Continued on Leaf No. 158-R-1)

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**GENERAL INFORMATION – Continued**

**VI. Service Classification Riders (Available on Request) - Continued**

**U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued**

**(J) Summer Reservation Payments - Continued**

(1) Reservation Payments - Continued

(b) Voluntary Participation - Continued

Payments for Voluntary Participation will be calculated based on the average kW of Load Relief provided per hour subsequent to the fourth hour of the Load Relief Period. A Customer or Aggregator who responds to more than six Load Relief Periods during the Summer Capability Period will receive payment for Voluntary Participation for each of the months of the Summer Capability Period. A Customer or Aggregator who responds to a Load Relief Period of more than four hours will receive payment for Voluntary Participation for the month in which such Load Relief was provided. If the Customer or Aggregator would be eligible in any month for payments specified in both subsection (b)(i) and (b)(ii) above, the amounts will not be cumulative. The higher amount will apply.

Tier 2 Summer Reservation Payments, per kW per month during the Summer Capability Period, are equal to 150% of the Tier 1 payment rates specified above.

The Company must be able to verify the entire contracted Load Reduction and/or Delivery Amount for each hour of each designated Load Relief Period. To perform such verification, the Company will use the Average of Peak Monthly Demands (APMD) methodology used by the NYISO. Performance of an Aggregator will be measured on a portfolio basis by network.

(2) Penalties

- (a) If the Company determines that the Customer or Aggregator did not provide the entire contracted Load Reduction and/or Delivery Amount for each of the periods subject to penalty during one or more designated Load Relief Periods in a Summer Capability Period month, such Customer or Aggregator will be subject to a penalty.

The penalty will be equal to 150% of the Summer Reservation Payment for Mandatory Participation times the maximum amount of kW of contracted Load Relief not provided in any of the periods subject to penalty of any Load Relief Period designated that month.

- (b) Periods Subject to Penalty: Advance notice by the Company of a designated Load Relief Period will be assumed to be made on the first quarter-hour following actual notice. If the Company provides advance notice two or more hours before commencing a Load Relief Period, penalties will be based on performance for each 60-minute period of the first four hours of the designated Load Relief Period. If the Company provides less than two hours' advance notice, penalties will be based on performance for each 60-minute period commencing two hours after advance notice was given; provided, however, that the last "60-minute" period may be less than 60 minutes, so that the periods subject to penalty terminate four hours after commencement of the Load Relief Period. Penalties will not apply to performance in a network during a Load Relief Period if the Company previously designated six Load Relief Periods in such network during that Summer Capability Period.

(General Information - Continued on Leaf No. 158-R-4)

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**GENERAL INFORMATION – Continued**

**VI. Service Classification Riders (Available on Request) - Continued**

**U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued**

**(J) Summer Reservation Payments – Continued**

(3) Application of Payments and Penalties

Summer Reservation Payments, if applicable, will be calculated on a monthly basis. Payments to Customers enrolled in the program will be posted to their accounts. Payments to Aggregators and customers of NYPA, NYCPUS and COWPUSA will be made by check or wire transfer. If penalties are assessed, the Company will deduct the penalty amounts from any payments that may be due from the Company. Any remaining balance must be paid to the Company.

(4) Term

Applications under this Rider must be made in writing and received by April 15 of the calendar year of each effective Summer Capability Period; provided, however, that: (a) applications will be accepted from Customers or Aggregators until April 24 during the 2008 Summer Capability Period, and (b) applications will be accepted in any month during any Summer Capability Period from new Customer accounts that did not exist prior to May 1 of that Summer Capability Period. Service under this Rider will commence on the first day of the calendar month in the Summer Capability Period following the Company's acceptance of the Customer's application, except as specified below. The term will expire on the last day of the effective Summer Capability Period.

(5) Testing

Once during each summer capability period, the Company may require a Customer or Aggregator to run a test for a period not to exceed one hour, commencing at a time determined solely at the Company's discretion, in a network in which the Company has not called a designated Load Relief Period. A Customer or Aggregator who fails the test will be subject to derating as specified in the Company's operating procedure until the next test is called by the Company. The Company will give at least two hours advance notice of a test. If the Company can verify that a Customer provided at least 50 kW of Load Reduction or 50 kW of Load Delivery or that an Aggregator provided at least 100 kW of Load Reduction or 100 kW of Load Delivery during the test period, the Company will make a payment for one hour of energy up to the contracted amount using the calculation specified in Section (I) of this Rider.

**(K) Aggregation**

- (1) All customers of an Aggregator who provide Load Reduction must accept the same methodology for determining baseline load or load reduction, as described in paragraph (I) of this Rider.
- (2) All customers of an Aggregator must meet the metering and telecommunications requirements of this Rider.
- (3) An Aggregator is responsible for the compliance of all customers in its aggregation group and will be liable for any penalty for non-compliance.
- (4) In the event the Company designates a Load Relief Period, only the Aggregator will be notified. The Aggregator is responsible for notifying all of the customers within the aggregation group.

(General Information - Continued on Leaf No. 158-S)

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