

Consumer Power Advocates

Continuum Health Partners
Fordham University
Luthin Associates, Inc.
Memorial Sloan Kettering Cancer Center
NYU Hospitals Center

Montefiore Medical Center
Mount Sinai Medical Center
New York Presbyterian Hospital
New York University

Via e-mail: secretary@dps.ny.gov

November 5, 2012

Hon. Jaclyn A. Brillling
Secretary
Public Service Commission
3 Empire Plaza
Albany, New York 12223

Re: Case 12-G-0389: Con Edison gas rates, Rider H

Dear Ms. Brillling,

Consumer Power Advocates (CPA) requests that you accept these brief late comments in the above matter in the interest of providing a fuller understanding of the impact of the Con Edison decision that was the source of this case. Since July 2009, one of our members, New York Presbyterian Hospital, has operated a combined heat and power (CHP) plant, and is directly and adversely affected by Con Edison's recent decision regarding the applicability of Rider H of its gas tariff to Heat Recovery Steam Generators (HRSG) that are integral to CHP plants.

CPA fully supports and endorses the arguments presented by OBP Cogen Partners in its original. Because of the lateness of these comments, we will not expand on those arguments, except to say that NYP enjoyed the benefit of Rider H in its CHP plant until Con Edison arbitrarily and prospectively denied the applicability of the rider to the gas delivered for use in the duct burner portion of the plant. Con Edison's decision, if it is allowed to stand, will be a fatal blow to the development of clean DG in New York City, and one which our members oppose.

As much as the economic loss to current operators of DG plants, and the lost opportunity to develop CHP is of concern, the arbitrary reversal of its initial tariff interpretation by the Company calls into question its commitment to fair administration of its tariff. We note that OBP states that as early as 2006 it informed Con Edison of its intent to use HRSG, and the Company's denial of that knowledge should not only be "ignored" as OBP suggests, it must be seen as an affront to the Commission. The fact that NYP received service under Rider H for its entire CHP plant supports OBP's contention that, until recently, the Company agreed that Rider H applied.

Con Edison has suggested three alternatives to NYP. Two of these options involve significant physical alterations to the gas services and / or metering requirements of the plant. We do not at this time understand either the costs or the feasibility of these alternatives. The final alternative would involve taking all gas service from Con Edison under a firm rate. We estimate that this could result in a penalty to New York Presbyterian Hospital of as much as \$1.2 million. An 80% increase.

For all these reasons, we urge the Commission to approve the OBP petition, and require Con Edison to apply Rider H to the entire volume of gas used in CHP plants.

Very truly yours,

Catherine M. Luthin

Executive Director