Q. Would the members of the Gas Forecasting Panel please state their names and business address?
A. Margaret M. Lenz, and Scott E. Campagne 4 Irving Place, New York, New York 10003.

Q. By whom are you employed, in what capacity, and what are your professional backgrounds and qualifications?
A. (Lenz) We are employed by Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”). I am Department Manager of Revenue and Volume Forecasting in Corporate Accounting. My background is as follows: I received my Bachelor of Science degree in Mathematics from St. Lawrence University in 1981. I also received an MBA Degree in Finance in 1995 from Adelphi University. In 1981, I was employed by Con Edison in its Management Intern Program. I have held various positions of increasing responsibility in the Company’s Planning, Corporate Accounting, Energy Services and Rate Engineering departments. I have overseen the Electric Revenue and Volume Forecasting Section since December 2002 and have been in my current position, overseeing the volume and revenue forecasts of all three systems (electric, gas and steam), since July 2006.

(Campagne) I am Section Manager of Gas and Steam...
Revenue and Volume Forecasting in Corporate Accounting. My background is as follows: I received a Bachelor of Science Degree in Accounting and a minor in economics from SUNY College at Brockport in 1984. I also received an MBA degree in Banking and Finance from Hofstra University in 1999. I have been employed by Con Edison since 2010 to oversee the Gas and Steam Forecasting section. Prior to coming to Con Edison I was employed by National Grid (Formerly KeySpan Energy and the Long Island Lighting company) since 1985. I held various positions of increasing responsibility in Fixed Assets Accounting, Corporate Planning, Marketing Services, and Regulation and Pricing. From 2005 to 2010 I was the manager of Revenue and Volume Forecasting for National Grid’s United States gas companies.

Q. Have you previously submitted testimony to the New York State Public Service Commission ("Commission")?

A. (Lenz) I testified in Case Nos. 08-E-0539, 07-E-0523 and 06-E-1433 and submitted testimony in Case Nos. 09-E-0428, 07-E-0949, and 04-E-0572.

(Campagne) No, I have not.

Q. What is the purpose of the Gas Forecasting Panel’s testimony in this proceeding?
A. The Gas Forecasting Panel’s testimony presents the Company’s forecast of gas delivery volumes (both full service and transportation combined), and revenues for the 12 months ending December 31, 2014 (“Rate Year”) also known as (“RY1”), and two additional twelve month periods ending December 31, 2015 and 2016, (which we will refer to as “RY2”, and “RY3,” respectively, for ease of reference). We are also proposing changes to the Revenue Decoupling Mechanism (“RDM”). Our testimony addresses the development of these forecasts starting from the 12 months ended June 2012 (“Historic Year”), and the key factors expected to impact future delivery volumes for the period July 1, 2012 through December 31, 2016. The forecasted firm delivery volumes for the Rate Year are 129,415 Mtdts. This represents an average annual growth rate of approximately 2.7 percent over the weather normalized Historic Year firm delivery volumes. The forecast of firm delivery revenues to Tariff customers (other than Service Classification (“SC”) 14) was determined based on billing determinants. Revenues from contractual customers were based on their current contract terms and revenues from SC 14 revenues were determined using prices in effect as of
June 2012. Fuel related revenues and revenue tax were provided by Financial Forecasting. Competitive Charges include Billing and Payment Processing Charges, and Merchant Function Charges related to credit and collections and supply related functions. The Merchant Function Charges were provided by the Gas Rate Panel. Billing and Payment Processing Charge revenues were estimated based on the estimated number of bills in the Rate Year and a rate charged per bill. PSL 18-A assessment Charges and System Benefit Charges were also provided by Financial Forecasting. “Other Charges,” which include certain Monthly Rate Adjustment Charges, Oil to Gas Conversion Charges, Load Following, and MFC Storage Working Capital and Uncollectible Charges were also provided by Financial Forecasting. Based on detailed rate design data and billing determinant data provided by the Gas Forecasting Panel, the Gas Rate Panel determined the rates required to generate the proposed revenue requirement for the Rate Year in this proceeding. The total proposed rate increase inclusive of revenue tax is $25,347,000. Assuming all firm customers to be full service customers, the total proposed rate increase to firm customers equates to 1.3 percent.
Q. Please describe the forecast methodology.

A. The process begins with the weather normalization of the Historic Year volumes, adjusted for known out of period billings, to neutralize deviations in volumes due to warmer or colder than normal weather. Weather normalized volumes are then adjusted to reflect that portion of volumes yet to be realized from firm large volume customers attached at some point before or during the Historic Year, as well as interruptible customers who moved to firm service, or firm customers who moved to interruptible service, during the Historic Year. These adjustments, together with water normalization and billing schedule adjustments, yield the base estimate that serves as the starting point for the Rate Year firm volume forecast. The key factors that are projected to affect the level of the Rate Year firm volumes include new business, conservation and attrition, employment and customer reaction to price changes.

Q. Was Exhibit ____ (GFP-1), titled "CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. - DEVELOPMENT OF 12 MONTHS ENDING December 31, 2014 - FORECASTED FIRM GAS
VOLUMES (Mdts),” prepared under the Gas Forecasting
Panel’s supervision and direction?

A. Yes, it was.

MARK FOR IDENTIFICATION AS EXHIBIT ___ (GFP-1)

Q. Please describe line 1 of Exhibit ___ (GFP-1).

A. Line 1 of Exhibit ___ (GFP-1) shows the firm gas
volumes recorded during the Historic Year, adjusted
for out of period billings, detailed on a service
classification basis.

Q. Please describe the “Weather Normalization” adjustment
shown on line 2.

A. Line 2 shows the weather normalization adjustment
necessary to recognize that the Historic Year volumes
were lower than expected due to warmer than normal
weather experienced. The Historic Year, on a heating
degree-day basis, was approximately 22.4 percent
warmer than normal. The impact on firm delivery
volumes by service classification was calculated
monthly by multiplying the variation between normal
and actual heating degree-days, measured on a billing
cycle basis, by a “use per heating degree-day per
average customer factor” times the actual number of
customers. The factors, by service classification,
were determined by regression analysis of actual
average monthly-billed volumes per customer per billing day versus actual monthly billing cycle heating degree-days per billing day. The resultant weather normalization adjustment represents a 13.8 percent upward adjustment to the total Historic Year volumes.

Q. Please define normal weather.
A. Normal weather is defined as the average weather condition over the 30 calendar years ended 2011. A 30-year average condition is used by the National Weather Service to define normal conditions. The 30-year average condition is utilized in the Company’s gas Weather Normalization Clause and updated on an annual basis.

Q. Please explain the Annualization Adjustment labeled “Large Volume and Distributed Generation” shown on Line 4.
A. Large volume customers are customers estimated to use 10,000 dts or more annually. The annualization adjustment of both large volume and distribution generation customers reflects the impact on delivery volumes yet to be realized from new large volume firm customers added during or before the Historic Year. It also includes a negative adjustment related to one large
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volume distributed generation customer who moved to interruptible service.

Q. Please explain the Annualization Adjustment labeled “Transfers From/To Interruptible/Firm Service” shown on line 5.

A. In the Historic Year, 35 interruptible customers moved to firm service and five firm customers moved to interruptible service. The load shown on line 5 represents the net usage by the customers under interruptible service and firm service during the Historic Year.

Q. Please explain the “Water Normalization” adjustment shown on line 7.

A. In addition to variances in space heating requirements caused by deviations from normal weather conditions, deviations from normal water temperatures impact water heating requirements. Based on an analysis of the historic relationship of air and water temperatures, a normal water temperature condition consistent with the normal weather condition was developed. The resultant normal water temperature condition was then compared to the actual water temperature conditions during the Historic Year.
In the non-space heating service classifications of SC 1 and SC 2, usage per degree of water temperature factors for the average customer were determined by regression analysis. Those resultant usage factors were applied in a similar manner as the space heating factors were in the weather normalization adjustment to derive the water normalization adjustments shown on line 7. Water temperatures during the Historic Year were warmer than normal and, as a result, the Historic Year delivery volumes were lower than they otherwise would have been under normal conditions, resulting in an upward adjustment of 927 Mdts.

Q. Please explain the “Billing Schedule Adjustment” shown on line 8.

A. This adjustment recognizes that the Historic Year had different billing days than the billings days associated with the Rate Year.

Q. What does line 9, “Base Estimate,” represent?

A. The base estimate represents the Historic Year’s volumes adjusted to normal weather and water temperatures, as well as for large volume customers and distributed generation customers connected during or before the Historic Year that will impact future firm delivery volumes and the number of billing days
in the Rate Year. It serves as the starting point for the Rate Year’s firm delivery volume forecast.

Q. Please explain the “Small Volume New Business” forecast shown on line 10.

A. The small volume new business forecast includes two effects: 1) an implicit annualization to recognize that annual volumes associated with connections made during the Historic Year were not fully realized in the Historic Year; and 2) an estimate of expected incremental volumes to be realized in the Rate Year associated with new construction and conversion customers projected to be added to the system from July 2012 to December 2014.

Q. Please explain in detail how the small volume new business forecast was developed.

A. The small volume new business forecast begins with a forecast of the number of customers for SC 2 rate 1, SC 2 rate 2, and SC 3 split between 1 to 4 dwelling units, and greater than 4 dwelling units. The number of customers forecast in SC 2 rate 1, and SC 2 rate 2 are based on ARIMA models using monthly data from January 2004 through June 2012. The forecast of the number of customers in SC 3 (1 to 4 dwelling units) was based upon an ARIMA model using monthly data from
April 2004 through June 2012. The forecast of the number of customers for SC 3 (greater than 4 dwelling units) is a product of an econometric model which consists of two parts: the first part is a regression model, which correlates the number of customers with the price relationship between gas and oil; the second part is an autoregressive integrated moving average ("ARIMA") model. The year over year change in customers based on these models was reduced by a level of 6 & 4 oil conversions estimated to have had occurred in the Historic Year. The resulting small new business customer forecast was then multiplied by the average normalized use per customer for the respective service classifications.

Q. Based upon the foregoing methodologies what are the projections for customers for SC 2 rate 1, SC 2 rate 2, and SC 3 split between 1 to 4 dwelling units and greater than 4 dwelling units?

A. On a calendar basis the number of customers for SC 2 rate 1 is expected to grow 0.2% in 2013, 0.2% in 2014, 0.2% in 2015, and 0.1% in 2016. The number of customers in SC 2 rate 2 is expected to grow 0.6% in 2013, 0.4% in 2014, 0.3% in 2015, and 0.3% in 2016. SC 3 (1 to 4 dwelling units) customers are expected to
grow by 1.8% in 2013, 1.9% in 2014, 2.0% in 2015, and 2.0% in 2016. SC 3 (greater than 4 dwelling units) are expected to grow by 1.7% in 2013, 1.5% in 2014, 1.8% in 2015, and 1.7% in 2016.

Q. Please explain the “Large Volume New Business” forecast shown on line 11.

A. These volumes are associated with large volume customers estimated to take service after June 30, 2012 through December 31, 2014, for all or part of the Rate Year. This estimate includes customers who applied for service prior to the April 2011 change in New York City rules that limits the usage of No. 6 and No. 4 oil, as well as customers who are expected to apply and take service as a result of the change in rules. The estimates of both were provided to us by the Gas Infrastructure and Operations Panel.

Q. Please explain the “Distributed Generation” forecast shown in line 12.

A. This represents the anticipated usage in the Rate Year of large new distributed generation customers anticipated to take service before the start of the Rate Year. All of these customers were priced under the terms of Rider H.

Q. Please explain the basis of the “Conservation and
Attrition" forecast shown on line 13.

A. The forecast of attrition for SC 1 relates to the overall decline in volumes delivered in this residential service classification where the end use is predominantly for cooking. Volumes in SC 1 have declined at an average annual rate of 1.4 percent per year over the last 10 years. The forecast assumes that this declining trend will continue. The forecast represents the anticipated reduction in volumes as a result of the replacement of existing space and water heating equipment with newer, more energy efficient equipment as well as a result of programs to reduce energy requirements.

The forecast assumes replacements of equipment based on the assumption of a 25-year equipment life and energy savings of approximately 25 percent for those replacing space heating equipment and assumes a 15-year equipment life and energy savings of approximately 20 percent for those replacing water heating equipment.

Q. Please explain the estimated savings from energy efficiency programs.

A. The forecast reflects the impact of approved Con Edison Gas Energy Efficiency Portfolio Standard
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1 (“EEPS”) programs. The forecast also includes
2 projected reductions attributable to New York State
3 Energy Research and Development Authority’s
4 (“NYSERDA”) Gas EEPS programs within the Company’s
5 service territory. These programs provide resources
6 and incentives to the residential (1 to 4 dwelling
7 units), multi-family and commercial customer segments
8 in order to promote energy efficiency in our
9 territory.
10 EEPS program goals for both Con Edison and NYSERDA
11 have been adjusted in part as a result of the October
12 25, 2011 order in Case No. 07-M-0548 authorizing
13 efficiency programs. This order reauthorized most of
14 the energy efficiency programs covered under EEPS
15 through 2015 and revised targets and budgets where it
16 was deemed appropriate. The energy efficiency
17 reductions projected were based on the ordered goals
18 and budgets, available information on past
19 performance, and the program administrators’
20 expectations of energy savings as a result of these
21 programs.
22 Q. Please explain the basis for the projected impact of
23 “Employment” shown on line 14.
A. Employment relative to the level experienced during the Historic Year is projected to increase. Historical analysis of firm commercial classification volumes indicate that the percent change in commercial volumes per percent change in employment is approximately 0.45%. The projected change in private non-manufacturing employment and the assumed change in volumes at this rate yield the projected volume impact shown on line 14.

Q. Please explain how the forecast of private non-manufacturing employment is developed.

A. The private non-manufacturing employment forecast is developed using the forecast from economic consulting firm, Moody’s Analytics, Inc. The forecasts from Moody’s Analytics are used by the New York Independent System Operator and other New York State utilities. The Moody’s Analytics forecast is developed for New York State as a whole as well as for individual regions and counties within the State. For the historical period, the Company uses the Bureau of Labor Statistics Current Employment Survey (“CES”) data for New York City and Westchester County (through 2004). The Bureau of Labor Statistics CES discontinued the Westchester County series at the end
of 2004. As such, the 2005 - June 2012 employment figures for Westchester County are estimated by applying the most up-to-date year over year growth rates (obtained from the Moody’s Analytics database) to the actual CES historical figures. The forecast for New York City was developed by applying the annual growth rates available in the Moody’s Analytics database in April 2012 (the most current available at the time the forecast was developed) to the CES actuals. The forecast for Westchester County was developed by applying the annual growth rates available in Moody’s Analytics database in April 2012 to the CES 2004 actuals.

Q. What is the projection for private non-manufacturing employment?

A. For the Company’s service territory, private non-manufacturing employment is projected to increase by 2.2% in 2013, 2.3% in 2014, 2.6% in 2015, and 2.2% in 2016.

Q. Please explain the basis for the projected impact of “Price Elasticity” shown on line 15.

A. This projection reflects that customers are estimated to see higher bills at the start of the Rate Year in part, as a result of a delivery rate increase
estimated at the time the forecast was developed and
based upon a price elasticity coefficient of 0.1.

Q. What is the significance of the price elasticity
coefficient of 0.1?

A. The forecast assumes a 0.1 percent decrease in usage
for each 1.0 percent increase in the total bill.

Q. Did the Gas Forecasting Panel apply the price
elasticity coefficient to all firm customers?

A. No. The forecast does not assume any reaction to
price for SC 13 and SC 14. The forecast also does not
assume any customer reaction to prices in the SC 1
service classification nor in the SC 3 residential
space heating service classification where the
delivery volumes are associated with customers with
greater than four dwelling units. Customers in the SC
1 service classification are predominantly small
cooking customers with limited potential to reduce
their usage as a result of price changes. Residential
space heating in the SC 3 service classification with
more than four dwelling units also have limited
potential to reduce usage by reducing temperature
settings since the level of heating comfort they must
supply to their tenants is dictated by law.
Q. What are the projected firm delivery volumes for the Rate Year?

A. Line 16 of Exhibit ___ (GFP-1) summarizes the firm delivery volume forecast for the Rate Year. As previously noted, firm delivery volumes are estimated to total 129,415 Mdt's. This represents an increase of 8,241 Mdt's over the Historic Year’s volume adjusted to normal weather. This equates to an average annual growth rate of approximately 2.7%.

Q. Was Exhibit ___ (GFP-2) and Exhibit ___ (GFP-3) titled “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. - DEVELOPMENT OF 12 MONTHS ENDING DECEMBER 31, 2015 - FORECASTED FIRM GAS VOLUMES (Mdts)” and CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. - DEVELOPMENT OF 12 MONTHS ENDING DECEMBER 31, 2016 - FORECASTED FIRM GAS VOLUMES (Mdts)” prepared under the Gas Forecasting Panel’s supervision and direction?

A. Yes, they were.

MARK FOR IDENTIFICATION AS EXHIBIT ___ GFP-2 AND EXHIBIT ___ (GFP-3)

Q. Please describe these exhibits.

A. Exhibit ___ (GFP-2) starts with the forecasted volumes for RY1 and then goes on to show the estimates of the forecast drivers anticipated to impact volumes for
RY2. In similar fashion, Exhibit ___ (GFP-3) shows the estimated impact of the forecast drivers estimated to impact volumes for RY3.

### REVENUE FORECAST

Q. Was Exhibit ___ (GFP-4), which, in part, is titled “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. - FORECASTED GAS VOLUMES AND REVENUES,” prepared under the Gas Forecasting Panel’s supervision and direction?

A. Yes, it was.

MARK FOR IDENTIFICATION AS EXHIBIT ___ (GFP-4)

Q. Please describe what page 1 of Exhibit ___ (GFP-4) shows?

A. Page 1 shows forecasted volumes and revenues for the six months ended December 31, 2012 in part at October 1, 2011 rates and in part at current rates.

Q. What does column 1 “Gas Delivery Volumes (MDTs)” of this exhibit show?

A. Column 1 shows by service classification grouping, the gas volumes forecasted for the six months ending December 31, 2012. The firm gas service classifications are: SC 1 - Residential and Religious; SC 2 - General Commercial and Industrial (Non-Heating); SC 2 - General Commercial and Industrial (Heating); SC 3 -
Residential and Religious (Heating); SC 13 – Seasonal
Off-Peak Water Heating; and SC 14 – Natural Gas Vehicles.

Also shown in column 1 are projected SC 12 Rate 1 Non-Firm and SC 12 Rate 2 Off-Peak Firm volumes for the six months ended December 31, 2012.

Q. How were the volumes projected for SC 12 Rate 1 Non-Firm developed?

A. The forecast of the future volumes for SC 12 Rate 1 Non-Firm reflects a number of adjustments to the Historic Year volumes. These adjustments include a weather adjustment that was computed in a similar manner as the weather normalization adjustments for the weather sensitive firm rate classifications. The Historic Year volumes were also adjusted for the net difference between the actual level of service interruptions in the Historic Year and the estimated level of service interruptions for the forecast period assuming normal weather conditions. The forecast was also adjusted for the transfer of customers between interruptible and firm service discussed earlier in our testimony. The volume forecast also reflects any oil conversion customers forecasted to request interruptible service.
Q. How were the volumes projected for SC 12 Rate 2 Off-Peak Firm developed?

A. The forecast of volumes for SC 12 Rate 2 was developed in a manner consistent with that of SC 12 Rate 1. In effect, the forecast was developed by considering normal weather, accounting for the difference between actual and estimated service interruptions assuming normal weather conditions, load transferring between interruptible and firm service and the estimate of firm load projected to return to interruptible service.

Q. Please explain how the base revenues, shown in column 2, for firm related volumes were determined.

A. For SC 1, SC 2 Rate 1, SC 2 Rate 2, SC 3, and SC 13, the forecasted base revenues by month were computed on a billing determinant basis. The forecast is the product of three steps: 1) the estimated number of 30-day bills associated with the forecasted usage is multiplied by the minimum charge rate to obtain minimum charge revenues; 2) the forecast usage is broken down into usage by rate block and multiplied by the associated unit rate in each rate block, and 3) the minimum charge revenues and block charge revenues are summed to obtain total base revenues. The air
conditioning volumes of certain customers within these service classifications are charged lower rates for such incremental volumes and were priced separately. Volumes to distributed generation customers and contract customers were priced according to their appropriate rate/contract terms. The volumes related to SC 14 were priced at the rates in effect in June 2012.

Q. Please explain how the Base Revenues related to the projected volumes for SC 12 Rate 1 Non-Firm were determined.

A. SC 12 Rate 1 Non-Firm Base Revenue was provided by Financial Forecasting from the volumes developed and discussed earlier in this testimony.

Q. Please explain how the Base Revenues, shown in column 2, related to the projected volumes for SC 12 Rate 2 Off-Peak Firm, were determined.

A. Customers taking service are charged a fixed tariff delivery charge that is based on the term of service elected by the customer. The forecast of base revenues reflect a weighted average delivery charge.

Q. Please describe the revenues shown in columns 3, 4, 5, 6 and 7 on page 1.

A. Column (3) shows Competitive Charges, the components
of which were previously noted. Column (4) shows projected PSL 18-A assessment, and System Benefit Charges. Column (5) shows “Other Charges,” the components of which were previously noted. Column (6) shows projected Gas Cost Factor revenues. Column (7) shows the Revenue Tax associated with Columns (2), (3), (4), (5) and (6). Column (8) sums columns (2), (3), (4), (5), (6), (7) and shows Total Revenues.

Q. Please describe page 2 of Exhibit ___ (GFP-4).
A. This page is formatted and computed in a similar manner as page 1 but shows the volumes for the 12 months ending December 31, 2013, and projected Non-Competitive (“Base Revenues”) at current rates.

Q. Please describe page 3 of Exhibit ___ (GFP-4).
A. Columns 1 through 8 of this page are formatted and computed in a similar manner as page 2. Column (9) shows the Total Proposed Rate Increase exclusive of the associated Revenue Tax shown in Column (10). Column (9) and (10) revenues were calculated by the Gas Forecasting Panel based upon rates provided by the Gas Rate Panel. Column (11) shows the estimated Total Revenue at Proposed Rates.

It is important to note that the projected total firm
revenues for the Rate Year at Proposed Rates shown in Column (11) reflect projected revenues from both full service and retail access customers and does not include any commodity cost projections associated with customers anticipated to purchase their gas from marketers. Assuming that retail access customers’ gas commodity costs are equivalent to the commodity costs charged by the Company to its full service customers, (i.e., assuming that all firm customers were full service customers), the proposed base rate increase equates to 1.3 percent.

Q. Are you aware of the Non-Firm Gas Services Panel proposed changes to the rates charged to SC 12 Rate 1 Non-Firm customers?

A. Yes, we are. We have not considered this potential rate change in our forecast of revenues. Our understanding is that if the Non-Firm Services Panel’s proposed changes to the Rate 1 interruptible rate structure are adopted by the Commission, the Company is proposing to increase the customers' share of Non-Firm revenues above the $58 million target from 75% to 80% for the Rate Year.
Q. Are you aware of the Non-Firm Services Panel’s proposal as it relates to SC12 Rate 2 Off-Peak customers?

A. Yes we are. We have not considered this potential rate change in our forecast of revenues. Our understanding is that if the SC 12 Rate 2 changes are adopted by the Commission, the proposal by the Non-Firm Gas Services Panel will reduce the impact of the revenue increase requested by the Company in this proceeding.

Q. Has the Accounting Panel adjusted its proposed revenue increase based on this information?

A. Not at this time. If the proposed increase in Rate 2 rates is adopted by the Commission, the Accounting Panel will adjust the revenue increase.

Q. Were Exhibit ___ (GFP-5) and Exhibit ___ (GFP-6), titled “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. – FORECASTED GAS VOLUMES - 12 MONTHS ENDING December 31, 2015 AT CURRENT RATES ” and “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. – FORECASTED GAS VOLUMES AND REVENUES -12 MONTHS ENDING DECEMBER 31, 2016 AT CURRENT RATES ” prepared under the Gas Forecasting Panel’s supervision and direction?

A. Yes, they were.
Q. Please describe these exhibits.

A. These exhibits show, in the same format as Exhibit ___ (GFP-4), the projected revenues at current rates for RY2 and RY3.

Q. You stated above that you developed the Rate Year base revenue forecast by using billing determinants. Did you develop an exhibit summarizing the details of the billing determinant forecast?

A. Yes.

Q. Is that data shown on a one page exhibit titled “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. – FORECASTED GAS VOLUMES AND BASE REVENUES - 12 MONTHS ENDING DECEMBER 31, 2014 AT CURRENT RATES BY BILLING DETERMINANTS,” and was this document prepared under the Gas Forecasting Panel’s supervision and direction?

A. Yes, it was.

Q. Please describe what this exhibit shows.

A. This exhibit shows, where applicable, the firm volume shown in Exhibit ___ (GFP-4) by billing determinant. The volumes by billing determinant were developed using actual billing determinant volumes for the
Historic Year, modified to reflect the impact of the variables previously discussed. The allocation of the impact of each of those variables on billing determinant volumes was assessed on an individual basis. For example, the impact of large volume new business and customers transferred from interruptible to firm service has a relatively greater impact on total penultimate and terminal billing determinant usage than that of smaller size new business customers.

Q. Please continue with your description of Exhibit ___ (GFP-7).

A. The exhibit also shows, where applicable, the forecasted number of 30-day bills for the Rate Year. The forecast was based on the actual number of equivalent 30-day bills during the Historic Year modified to reflect: 1) the impact on bills associated with our annualization adjustments; 2) the projected level of new business bills; and 3) the impact related to the Rate Year having different billing days from the Historic Year. The exhibit shows, where applicable, the current minimum charge rates and unit charge rates and resultant revenue forecast computed by applying the
rates to the projected levels of 30-day bills and usage by billing determinant. The exhibit further details the volumes and revenues shown on Exhibit ___ (GFP-4) into separately priced segments. For example, projected volumes, bills and base revenues associated with customers who received Low Income and Economic Development Zone rates are separately shown.

Q. Did you consider any changes in the enrollment of customers who receive low income rates?
A. We adjusted the level of volumes and related base revenues during the Historic Year to account for the increase in the number of customers taking service at the start of 2012. We did not make any assumptions as to future changes in enrollment.

Q. Did you consider any changes in the enrollment of customers receiving Economic Development Zone rates?
A. No.

Q. In the development of the revenue forecasts, did the Gas Forecasting Panel also forecast the level of projected base revenue in the same manner for RY2 and RY3?
A. We did. That detail is shown on Exhibit ___ (GFP-8) and Exhibit ___ (GFP-9) titled “CONSOLIDATED EDISON
Q. Was an exhibit titled “CONSOLIDATED EDISON COMPANY OF NEW YORK INC. - FUTURE AVERAGE DELIVERY AND SUPPLY PRICES BY SERVICE CLASSIFICATION” prepared under your supervision and direction?

A. Yes, it was.

Q. Please describe what this exhibit shows.

A. It shows by Rate Year and by service classification projected volumes, projected delivery revenues and projected supply related charges. It also shows the related revenues on a cents per therm basis.

The delivery related revenues include projected base rate delivery revenues, competitive rate charges, non-competitive rate charges and related revenue tax. The supply related revenues reflects an estimate assuming
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1. retail access customer unit commodity costs are equal to that estimated to be charged to full service customers. The supply related revenues also includes related revenue tax.

Q. Is the Company proposing the continuation of the Weather Normalization Clause ("WNC") and the RDM?

A. Yes, the WNC serves the interests of both the customer and the Company by adjusting for deviations from normal weather on a real time basis. The WNC complements the RDM in that it acts to mitigate the size of any potential charges or credits that customers may pay or receive on a lagged basis under the RDM.

The current form of RDM utilized by the Company is a Revenue Per Customer ("RPC"), which encourages the Company to grow the gas business to the benefit of both customers and the Company, while also encouraging conservation. The RPC form of a RDM should be continued.

Q. Does the Gas Forecasting Panel propose any changes to the classes of customers covered by the RDM?

A. Yes. We are proposing to modify the RDM treatment for:

1) customers converting from No. 6 and No. 4 oil to firm gas; and 2) the usage above the base line usage
for customers being served under the Excelsior Jobs
Program ("EJP"). Specifically, we are proposing to
include No.6 and No.4 oil converting customers and EJP
customers for usage in excess of their baseline usage
in their respective RDM groups. Such customers will
become part of the calculation of the annual RPC
targets for their specific group.

Q. Why is the Company proposing to include these No. 6
and No. 4 oil customers in the RDM?

A. When the current rate plan was developed, the change
in New York City rules regarding No.4 and No.6
customers was not yet in effect, nor was there a fixed
date on which it would be implemented. Moreover, the
parties were unable to reasonably estimate the impact
of the new rules on new customer volumes once the new
rules did take effect. The rules went into effect in
April 2011. The Company has now had more than one
year of experience with potential new customer
reaction to the new rules. Accordingly, there is no
reason to exclude these potential customers from the
RDM when gas rates are reset effective January 1,
2014.

Q. Should such No. 6 and No. 4 customers form a separate
RPC group?
A. No. Such customers will not be billed at rates that differ from similarly situated customers who converted to gas prior to the passage of the law and as such are not different.

Q. Please explain your proposal for Excelsior Program customers.

A. Although there are no current customers that have qualified for this service, Excelsior customers will be commercial customers taking service under Rider D. As part of the order directing tariff amendments to provide reduced rates for Excelsior customers, the Excelsior revenues associated with volumes above the baseline levels are excluded from the RDM. In this filing, the Company proposes that these excluded revenues from Excelsior customers be included in the RDM. The Company has no control over who is eligible for the EJP. The customer has to receive a “Certificate of Eligibility” from Empire State Development to qualify for this service. As the Company has no influence over the size of the Excelsior program, and no way of reasonably estimating who will participate, these customers should be included in the RDM.
Q. Does this conclude the Gas Forecasting Panel’s testimony?
A. Yes, it does.