Implementation of Winter Steam Demand Billing

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Demand Billing: The Timing

• Demand Charge Structure:
  - 90% - On Peak Demand Charge (6 a.m. – 11 a.m. weekdays)
  - 10% - All Time Peak Demand Charge (all times)
  - November through April

• Energy charge reduced

• Sample demand bills issued this winter period

• Actual demand billing proposed to commence with November 2007 billing cycle
2004 Load Duration Curve

Winter Peak Load: 10.1 MMlb/hr

Reserve Margin: 1.5 MMlb/hr

Total Plant Capacity: 12.3 MMlb/hr
Demand Billing: The Overview

- Demand meters installed at our 300 largest accounts
- Designed to be revenue neutral to Con Edison
- Will provide customers with the opportunity to improve their buildings’ winter load factor and reduce costs
- Sample bills along with customer meetings are available to explain demand billing and how it will affect customer budgets
Customer: Low Load Factor

- On-Peak Period Load
- Max Demand
- Load Factor of 26%

All Loads through 2/15

Load Factor of 26%
Customer High Load Factor

- All Loads through 2/28
- On-Peak Period Load
- Max Demand
- Demand Load Factor of 62%

Week Beginning on Monday

Demand Load Factor of 62%
## Demand Billing: The Impact

<table>
<thead>
<tr>
<th>Sector</th>
<th>Bill Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>Impacts vary, depending on load factor.</td>
</tr>
<tr>
<td>Residential</td>
<td>Impacts vary, depending on load factor. Only for very few will impact exceed 1%.</td>
</tr>
<tr>
<td>Hospitals</td>
<td>All benefit to varying degrees.</td>
</tr>
<tr>
<td>Hotels</td>
<td>Majority benefit. Only for very few will impact exceed 1%.</td>
</tr>
</tbody>
</table>