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John B. Rhodes, Chair

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PSC Cuts Con Edison's Electric and Gas Rate Request by 75 Percent

Efficiency and Affordability Programs Will Lower Bills, Especially for Low-Income Customers

New Efficiency and Electrification Initiatives Will Reduce Need for Natural Gas

To Ensure Public Safety and Reduce Methane Emissions, Con Edison Ordered to Replace 270 Miles of Leak-Prone Pipe

Approved Plan Wins Broad Stakeholder Support: NYC, Consumer, Environmental & Industry Groups

ALBANY — The New York State Public Service Commission (Commission) today established a three-year rate plan for electric and gas customers of Consolidated Edison Company of New York, Inc. by adopting the terms of a joint proposal that is much more favorable to customers than the company's original request, reducing the initial rate year request by more than three-quarters.

"The progressive plan we have adopted — endorsed with stakeholder support by environmental groups, large business customers, and municipalities in the region — benefits customers and includes provisions that further important state and Commission objectives," **said Commission Chair John B. Rhodes.** "With today's decision, Con Edison is required to pursue important energy efficiency initiatives among other progressive policies to advance the goals of New York State's nation-leading climate change targets while lowering the bills for most low-income customers, as part of New York's nation-leading policy for energy affordability."

Today's decision requires Con Edison to pursue important energy efficiency initiatives and non-wires and new non-pipeline alternatives, update aging infrastructure, and implement important electric reliability and gas pipeline safety programs, while helping low-income customers. The decision advances important initiatives that advance the goals of climate change legislation, including discontinuing oil-to-gas conversion incentives, undertaking more aggressive natural gas leak management, and pursuing beneficial electrification and cost-effective alternatives to traditional infrastructure investment.

The increases in rates over the three-year term of the electric and gas rates plan are necessary to meet increased company costs, including significant increases in the property tax burden representing more than 40 percent of the increased cost over the three-year period, and to support spending for capital improvements and employee additions, which are necessary to improve electric and gas operations and enhance overall electric and gas system integrity, safety and reliability. Meanwhile, operating costs are lower due to stronger operational efficiencies.

Major drivers associated with the electric and gas delivery rate increases include rate base growth and increases in depreciation expenses and property tax expenses. Additionally, the electric rate increase is also driven by a decrease in forecasted revenue due to declining sales. In particular, the rate increases support Con Edison's investments in infrastructure to provide resiliency to storm and weather events, provide for modernized grid and network operations, and to remove leak prone pipe.

The Commission's decision accounted for issues and concerns raised in public comments. The decision also supports the Reforming the Energy Vision initiative, or REV, which aims to build a cleaner, more resilient and affordable energy system. Highlights of the decision include:

- **Information Technology (IT):** Funding to replace, upgrade, or install new IT related applications including the replacement of its customer service system, upgrade its outage management system, and install of a new geographic information system;
- **Electric and Gas Low-Income Programs:** Provides a discount, depending on the program, to eligible low-income residential customers, who are expected to be held harmless from rate increases in the first year of the rate plan. The company will waive reconnection fees for its low-income customers, during the terms of the rate plans. They will also continue to automatically enrollment low-income customers into the budget billing program;
- **Customer Energy Solutions Provisions:** Continues to facilitate electric vehicles in New York through the SmartCharge New York and "Make Ready" infrastructure programs; and
- **Storm Preparedness:** Includes significant expenditures to increase storm resilience.

Under its initial proposal, the utility sought a first-year electric revenue increase of \$485 million, or 4.6 percent increase in total revenues. When considering \$178 million of expiring customer credits total revenues would have increased by 7 percent. The company also sought a \$210 million gas revenue increase, or about 9.1 percent increase in total revenues. When considering \$102 million of expiring customer credits, total revenues would have increased by 14 percent.

Instead, the Commission approved a first-year electric rate increase of \$113.3 million, or 3.1 percent, and a first-year gas rate increase of \$47.2 million, or 6.7 percent. In the second year, electric revenues will increase \$370.3 million, or 3.8 percent, and will increase \$326.4 million, or 3.3 percent in the third year. Gas revenues in the second year will increase \$176.3 million, or 7.3 percent, and will increase \$170.3 million in the third year, or 6.5 percent.

Under the new rate plan, a residential electric customer using 600 kWh per month would see an average total monthly bill increase of \$5.46 or 4.2 percent this year, \$6.37 or 4.7 percent starting January 2021, and \$5.65 or 4 percent starting January 2022. A residential gas heating customer using an average of 100 therms per month would see an average monthly bill increase of \$11.37 in the first year, or 7.5 percent, an \$14.44 increase in the second year, or 8.8 percent, and a \$12.86 increase in the third year, or 7.2 percent.

Since the beginning of the case, Department staff has worked tirelessly to minimize cost increases by advocating for progressive outcomes regarding affordability, and energy efficiency and limiting costs to those necessary for the provision of safe and reliable utility service. Parties who signed the joint proposal include the Consolidated Edison; Department of Public Service staff; New York City, Association for Energy Affordability, Blueprint Power, CALSTART, ChargePoint, Inc., Consumer Power Advocates, Direct Energy Services, LLC, Metropolitan Transportation Authority, New York Energy Consumers Council, New York Geothermal Energy Organization, New York State Office of General Services, New York Power Authority, New York Retail Choice Coalition, and the Sabin

Center for Climate Change Law at Columbia Law School. The Environmental Defense Fund and Natural Resources Defense Council signed on to the joint proposal only for the electric case.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Numbers 19-E-0065 and 19-G-0066 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.