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Third Year Freeze of Con Edison Electric Rates Approved

— Utility Regulator Creates Path to Avoid \$365M Electric Rate Increase —

ALBANY — The New York State Public Service Commission (Commission) today adopted the terms of a joint proposal extending for one year Consolidated Edison Company of New York Inc.'s current electric rate plan. With this action, the Commission negated Con Edison's request to increase its delivery rates for 2016 by 7 percent or more than \$368 million. Instead, electric customers will see rates frozen for a third consecutive year.

"The proposal adopted today by the Commission keeps electric delivery charges for residential and small commercial customers unchanged from such charges paid in 2013 for yet another year," said Commission Chair Audrey Zibelman. "This represents the best possible outcome for electric customers. While we are keeping average base delivery charges flat, Con Edison will still be able to make significant investments to improve grid resiliency and to improve electric service to customers."

On January 30, 2015, Con Edison proposed an increase its electric revenues for 2016 by more than \$368 million, a 7.2 percent increase on customers' delivery bills. However, based on a preliminary review of the Company's 2015 rate filing, Department of Public Service staff suggested extending the existing electric rate plan instead of pursuing the 2015 filing. The objective of extending the current electric rate plan was to avoid an increase in delivery rates for 2016 by using available customer credits and other adjustments.

Department staff initiated a series of initial discussions and settlement negotiations over a period of several months. In the end, on April 17, 2015, parties filed a joint proposal which would extend the current electric rate plan for a third rate year (from January 1, 2016 to December 31, 2016). Under the joint proposal, base electric delivery rates in 2016 would remain unchanged from 2015. The 2014 rate decision provided for rate increase of \$47.7 million in 2015. Customers, however, were insulated from the increase due to a bill credit in the same amount, so the rates were frozen. To maintain the rate freeze in 2016, the Commission agreed to use other customer credits to offset a rate increase.

The adopted joint proposal addresses two other issues: Con Edison's Advanced Metering Infrastructure (AMI) proposal and standby rates. While the joint proposal includes a relatively small amount of capital expenditures for AMI in 2016, these expenditures (subject to future review and approval by the Commission) are associated with meter systems which will support other Company processes and programs as well. With its decision, the Commission adopted a collaborative process for AMI by which staff and interested parties would work together with the Company to develop its AMI business plan. The results of the collaborative would be presented to the Commission in late 2015 for review.

With its decision, the Commission also adopted several changes to Con Edison's current standby tariff. The changes made in the company's commercial standby rates will remove impediments on distributed energy resource (DER) providers in keeping with Governor Andrew M. Cuomo's Reforming the Energy Vision (REV) initiative. However, the changes will be subject to subsequent requirements in the REV proceeding or may be otherwise modified by the Commission.

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 15-E-0050 [Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service] or 13-E-0030 [Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service] 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.