For Immediate Release: 01/22/26

Rory M. Christian, Chair

Contact:
James Denn | James.Denn@dps.ny.gov | (518) 474-7080
http://www.dps.ny.gov
http://twitter.com/NYSDPS

26011/25-E-0072; 25-G-0073

PSC Dramatically Reduces Con Edison's Rate Request by Nearly 90 Percent

Commission Adopts Multi-Year Joint Proposal Supported by Department Staff, NYC, Consumer Advocates, Environmental Groups, and Large Customers

Commission Action Ensures Energy Affordability Remains Priority

ALBANY — The New York State Public Service Commission (Commission) today adopted the terms of an agreement for three-year electric and gas rate plans for Consolidated Edison Company of New York, Inc. (Con Edison) that was either signed or not opposed by 17 parties in the proceeding. Parties approving the proposal include the company, Department of Public Service (DPS) staff, consumer advocates, environmental groups, and large industrial customers. The Commission's action significantly reduces the company's request for total electric delivery revenues by more than $1.37 billion (87 percent decrease from the initial request) in the first year. The adopted joint proposal delivers $156.5 million in total efficiency savings, defers non-essential capital projects, and supports energy affordability programs and protections for vulnerable customers.

"The adopted joint proposal meets the legal requirement that the company continue to provide safe and adequate service at just and reasonable rates," **said Commission Chair Rory M. Christian.** "The three-year rate plan is in the public interest. It is a forward-looking plan that benefits customers and includes provisions that further important state and Commission objectives, while keeping customer affordability first and foremost in mind."

Throughout this review process, Governor Kathy Hochul made it clear the original rate proposal was too high. At Governor Hochul's direction, the DPS staff scrutinized Con Edison's rate case to prioritize affordability. It's the Commission's responsibility to find the right balance between the resources needed to ensure system reliability and minimize costs to ratepayers.

The joint proposal reduced Con Edison electric and gas rates by nearly 87 percent from what was initially proposed by the utility. The approved rates for the next three years are limited to approximately the rate of inflation, while advancing safety, reliability, and climate goals. Con Edison is New York's largest electric and gas utility, with more than 3.6 million electric customers and 1.1 million natural gas customers in New York City and Westchester County.

The joint proposal was submitted by 12 parties, including Con Edison, Department staff, the City of New York, Alliance for a Green Economy, Consumer Power Advocates, Electrify America, Environmental Defense Fund, AMTRAK, New York Energy Consumers Council, Inc., NY-GEO, the New York Power Authority, and the Retail Energy Supply Association. Additional active parties, Metropolitan Transportation Authority, the Public Utility Law Project, the Utility Intervention Unit of the Division of Consumer Protection in the Department of State, New Yorkers for Clean Power and the Westchester Municipal Consortium, did not oppose the joint proposal.

Statements in support filed by the signatory parties on Nov. 26, 2025, include the following:

- **City of New York:** "As buildings and transportation electrify and system-wide electricity demand increases, and because of current economic conditions and the critical need to maintain safe and reliable infrastructure, a rate freeze was not possible. The City appreciates that agreement was reached on a joint proposal that recommends rate increases over the next three years that are limited to approximately the rate of inflation, while advancing safety, reliability, and climate goals."
- **New York Energy Consumers Council:** "Significantly, the (joint proposal) incremental revenue requirement for electric represents $5.637 billion less than Con Edison's initial three-year cumulative incremental increase request, and 26 percent of Con Edison's initial three-year cumulative incremental increase request… Equally impressive is that the joint proposal incremental revenue requirement for gas is $1.727 billion less than Con Edison's initial three-year cumulative incremental increase request, and 14.4 percent of Con Edison's initial three-year cumulative incremental increase ask."
- **Environmental Defense Fund:** "The joint proposal strikes an appropriate balance in significantly reducing Con Edison's originally proposed rate increase, while still advancing important programs related to clean energy, customer education, and transparency."
- **Alliance for a Green Economy:** "The provisions in the joint proposal make the company's rates more just and reasonable, reduce an operating cost barrier to heat pump adoption, thereby advancing achievement of the state's greenhouse gas reduction policy. The joint proposal contains several other improvements over the company's original proposal. These include, but are not limited to, the dramatic reduction in proposed bill impacts, improved language access commitments, improved outreach around the Energy Affordability Program, inclusion of greenhouse gas accounting, and improvement of outreach for the company's energy exchange program which helps customers avoid gas service line replacements by fully electrifying their homes."

The Commission said the way revenues will be collected, through shaping the amounts over the three-year term of the Rate Plans and collecting the revenues associated with the make-whole over the balance of the first-rate year, will help ease the impact on customers. Moreover, customer bill discounts and the company's implementation of the Commission's enhanced energy affordability policy should help to limit the bill impacts on eligible customers. The increases appropriately balance affordability concerns with the Commission's obligation to ensure that the company has adequate revenue to allow it to deliver safe and reliable service and meet regulatory and statutory requirements.

Con Edison filed amendments for new rates on January 31, 2025, proposing to increase its annual electric and gas delivery revenues for the 12-month period ending December 31, 2026. As of its April 10, 2025 updated testimony, Con Edison proposed to increase its electric delivery revenues by approximately $1.6 billion (an 11.3 percent increase in total revenues or 17.9 percent increase in base delivery revenues), and its natural gas delivery revenues by approximately $349 million (a 10.5 percent increase in total revenues or 14.9 percent increase in base delivery revenues).

The adopted joint proposal will result in electric revenue requirement increases of $234 million in the first year, $409.7 million in the second year, and $421.1 million in the third year. This equates to total revenue increases of 2.8 percent per year, or 4.4 percent increase in delivery revenues. The gas increases will be $27.5 million in the first year, $68.8 million in the second year, and $70.3 million in the third year, with total revenue increases of 2.0 percent and delivery revenue increases of 2.8 percent per year. The revenue requirements reflect a return on equity of 9.4 percent, which is below what Con Edison had originally sought and below the national average for utilities.

The adopted rate plan reflects capital investments of approximately $11.7 billion for electric and $2.8 billion for gas to ensure the company can continue to provide safe and reliable service to its customers. The adopted joint proposal reflects increased outreach for the recently expanded Energy Affordability Program, enhanced performance metrics, and it is supportive of the objectives of the state's climate goals.

The Commission believes this joint proposal is the best possible path forward in this case. Property taxes are among the main rate drivers in the first year of the electric and gas rate plans, along with costs attributable to capital investments to maintain safety and reliability, including leak prone pipe replacement; increases to operation and maintenance expenses to provide the company the ability to operate the electric and gas businesses; and a return on equity that reflects market conditions and allows the company to obtain funding for its capital investments at reasonable rates.

The adopted joint proposal continues or enhances numerous provisions in the prior rate order such as customer service performance metrics, gas safety metrics, low-income and energy affordability provisions. The adopted joint proposal also encourages the company to pursue non-pipeline alternatives.

As part of the rate-setting process, Department staff reviewed and considered the thousands of public comments submitted in the proceeding. The Commission also held more than a dozen in-person and virtual public statement hearings, as well as an evidentiary hearing, as part of the proceeding.

In its decision, the Commission found that approved 9.40 percent return on equity was a reasonable outcome given the current economic environment, and that it is less than rates set for other utilities in the United States and New York State.

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 25-E-0072 or 25-G-0073 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.

-30-