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By Email Only: james.costello@dps.ny.gov
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Hon. James A. Costello
Hon. Tara Kersey
Hon. Nicholas Planty
Administrative Law Judges
Office of Hearings and Administrative Dispute Resolution
Department of Public Service
3 Empire State Plaza
Albany, NY 12223-1350

Case 25-E-0072 – 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.

Case 25-G-0073 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Gas Service.

Re: NYECC's STATEMENT IN SUPPORT OF THE JOINT PROPOSAL

Dear Judges Costello, Kersey and Planty:

Pursuant to your email directives on Process and Schedule, Issued November 6, 2025, in the above referenced proceedings, please consider this letter as the Statement in Support of the Joint Proposal ("JP") on behalf of the New York Energy Consumers Council, Inc. ("NYECC") due by November 26, 2025. The NYECC and its predecessor organizations¹ have represented the energy interests of commercial property owners and managers in New York City before State agencies for more than 70 years. NYECC also continues to represent hospitals, colleges, governmental agencies, cultural and financial institutions, housing cooperatives, and real estate organizations. NYECC's membership includes landmark member properties such as One Bryant Park, PENN 1, 345 Park Ave., 7 World Trade Center and Rockefeller Center.

¹ The Owners' Committee on Electric Rates (OCER) and The New York Energy Buyers Forum (NYEBF).

NYECC is a signatory to the JP in these proceedings, which covers a three-year Con Edison electric and gas rate plan from January 1, 2026 through December 31, 2028, inclusive.

By this letter of statement in support, the NYECC respectfully requests, that your Honors recommend to the Commission adoption of the JP in the above referenced proceeding as agreed to by the party signatories and filed with the Commission's Secretary on November 5, 2025. The JP reflects compromise and agreement among normally adversarial parties. NYECC believes that the provisions of the JP are in the best interest of the public in general and of the signatories in particular because of the significant negotiated reductions by the Active Parties from the amounts originally sought by the Company over the three-year Rate Plan as well as other provisions in the JP which reflect negotiated compromise and movement by NYECC and other active parties from their litigating positions. NYECC further believes that the JP strikes the proper balance between the needs of the Company to provide safe, reliable and adequate service and the needs of customers for affordable, just and reasonable rates. In addition, the long-term viability of the utility is preserved consistent with the policies of the PSC and New York State while ensuring the protection of ratepayers.

Among the salient features of the JP are the following:

- A revenue requirement incremental increase in the electric and gas rate cases for each of the three rate years, which is significantly less than Con Edison's initial and preliminary update asks, both by individual rate year and in the aggregate:

Electric Case

	<u>JP²</u>	<u>cf. Initial Ask</u>	<u>cf. Prelim. Update Ask</u>
RY ³ 1	\$234M	\$1,612M	\$1,608M
RY2	\$409.7M	\$932M	\$937M
RY3	\$421.1M	\$880M	\$871M
3 YR Cum. ⁴	\$1,942M	\$7,580M	\$7,569M

Significantly, the JP incremental revenue requirement for electric represents \$5.637 billion less than Con Edison's initial three-year cumulative incremental increase request, and 26% of Con Edison's initial three-year cumulative incremental increase request.

Gas Case

	<u>JP</u>	<u>cf. Initial Ask</u>	<u>cf. Prelim. Update Ask</u>
RY1	\$27.52M	\$440M	\$349M
RY2	\$68.8M	\$266M	\$269M
RY3	\$70.3M	\$166M	\$174M
3YR Shaped Cum.	\$291.0M	\$2,018M	\$1,759M

² Shaped Amounts (The shaped rate changes produce consistent bill impacts for each rate year (as opposed to levelized rate changes which produce consistent rate changes each year). The shaped rate changes are inclusive of interest on the deferred rate increase/decrease calculated at the Other Customer-Provided Capital Rate).

³ RY – Rate Year

⁴ Cum. - Cumulative

Equally impressive is that the JP incremental revenue requirement for gas is \$1.727 billion less than Con Edison's initial three-year cumulative incremental increase request, and 14.4% of Con Edison's initial three-year cumulative incremental increase ask.

Accordingly, ratepayers in both the electric and gas rate plans will pay far less (\$7.364 billion less based on the Company's initial filing) in incremental revenue requirement increases under the three-year rate plans in the JP than under the original or preliminary update amounts sought earlier in the rate cases by Con Edison. In addition, it is also worth noting that the amount of the three-year cumulative incremental revenue requirement increases under the rate plans in the current JP are also far less than the three-year cumulative revenue requirement incremental increases in the previous Con Edison electric and gas three-year rate plans of \$2.745B and \$1.123B, respectively.

- For electric and gas, the JP provides for the following customer favorable sharing mechanisms as between customers and the Company when the following Return on Equity ("ROE") thresholds are attained or exceeded:

Greater than 9.9% to less than 10.4% ROE - equal sharing between the customers and the Company, with $\frac{1}{2}$ of the Company's share for the benefit of customers, so the customers share is actually 75% and not 50%;

Equal to or greater than 10.4% to less than 10.9% ROE- sharing is 75% customers and 25% Company, with $\frac{1}{2}$ of the Company's share for the benefit of customers, so the customers share is actually 87.5% and not 75%

Equal to or greater than 10.9% ROE - sharing is 90% customers and 10% Company, with $\frac{1}{2}$ of the Company's share for the benefit of customers, so the customers share is actually 95% and not 90%.

- The JP also contains an 86%/14% customer/company sharing mechanism of benefits obtained for tax refunds and reductions attained through Company efforts.

- The electric and gas revenue requirements include a 3% productivity adjustment for RY1 and a 2% productivity adjustment for each of RY2 and RY3. These are productivity adjustment percentages that are higher than in the last electric and gas rate plans and for many other previous electric and gas rate plans prior to that.

- In RY1, the JP provides for annual investment in capital projects and programs by the Company of approximately \$4.55 billion in electric and approximately \$1.093 billion in gas. In RY2, the JP provides for annual investment in capital projects and programs by the Company of approximately \$4.474 billion in electric and approximately \$1.057 billion in gas. In RY3, the JP provides for annual investment in capital projects and programs by the Company of approximately \$4.712 billion in electric and approximately \$1.065 billion in gas. While the capital investment amount for gas is roughly the same as in the most recent rate plan, just over \$1 billion per rate year, the electric capital investment is significantly higher than in the most recent rate plan by \$1.7 billion in RY1, by \$1.594 billion in RY2, and by \$1.912 billion in RY3.

- The Company's Total Annual Revenue Adjustment Exposure for the Electric Service Reliability Performance Mechanisms is \$217.5M. Negative revenue adjustments relating to the Gas Safety Performance Metrics are capped at 150 basis points each calendar year, and failure to attain specified targets for the Customer Service Performance Mechanisms will result in up to 35 basis points of revenue adjustment exposure in RY1, 37 basis points in RY2 and 39 basis points in RY3. Finally, the Company has a maximum negative revenue adjustment exposure per rate year of 6 basis points for its Estimated and Delayed Billing Metrics.
- The Company will provide whole-building energy benchmarking data at the Building Identification Number, or BIN level, as included in New York City records, upon request through data available in the portal for New York City customers at no additional cost for building owners.
- Surcharge recoveries from the property tax reconciliation will be subject to separate annual caps for electric and gas that produce no more than a half percent (0.5%) total bill impact per commodity, and any amounts in excess of the annual surcharge cap in a specific year will be rolled forward for recovery and will count towards the following year's surcharge cap.
- The Company will effectuate bill transparency by itemizing on customers' bills the dollar amount attributable to municipal property taxes and include a parenthetical next to the itemized charge that indicates "NYC/Westchester/Other jurisdictions." The Company will also include a reference in the bill to a Company website detailing the Company's property tax payments to the City of New York, Westchester, and other jurisdictions. In Rate Year 1, the Company will hold a stakeholder meeting for input on the contents of the website. Finally, the Company will use its best efforts to implement this provision in Rate Year 1 but will implement no later than the commencement of RY2.
- The three Earnings Adjustment Mechanisms ("EAMs") in the JP represent a compromised reduction from the number of EAMs requested with a focus upon EAMs that are needed and whose targets are objectively reasonable and reward the utility for exceptional utility service and performance.
- The three-year electric rate plan revenue allocation in the JP also includes compromise on the phasing in of the NYPA deficiency as reflected in Con Edison's embedded cost of service study, which was an important issue for NYECC.
- The JP extends the Business Incentive Rate application period during the term of the rate plan.
- The JP contains new provisions to the Monthly Adjustment Clause (MAC) and the NYPA OTH Statement section in the PASNY Tariff to credit customers for the revenue requirement impact of any federal funding received under the Infrastructure Investment and Jobs Act once the underlying project is in-service.
- The JP modifies MAC component 39 and the NYPA OTH Statement section in the PASNY Tariff to indicate that, in addition to charges, the Company may receive refunds from PJM

Interconnection L.L.C. related to its former 1,000 MW firm transmission service agreement and credit customers for such refunds, which is possible under pending federal litigation.

- The JP includes a provision that costs incurred by the Company for implementation of new Non-Wires Alternative (ones that are not included in base rates) during the Electric Rate Plan, including the overall pre-tax rate of return on such costs, will be recovered over ten years.
- The JP includes a provision that costs incurred by the Company for implementation of new Non-Pipeline Alternatives (i.e., those that are not included in base rates) during the Gas Rate Plan, including the overall pre-tax rate of return on such costs, will be recovered as a regulatory asset over twenty years.
- The JP includes a provision that the Company will implement a price guarantee for one year for residential customers commencing billing for the first time under SC 1 Rate III or IV during the term of the rate plan and eliminates the 500 customer cap on the guarantee.
- The JP includes a provision that the Company will exclude from costs chargeable to the major storm reserve an amount equal to two (2) percent of the costs incurred (net of insurance and other recoveries) due to the occurrence of a major storm.
- The JP includes a provision that the Company is subject to a \$350,000 per event deductible for Pre-Staging and Mobilization Costs (i.e., up to \$350,000 per event will not be chargeable to the major storm reserve).
- The JP includes a provision that the Company's gas rate design reflects a continuation of the 10-year phase-out of declining block rates in SC 2 and SC 3.
- The JP provides that interruptible rates will be set at 70 percent of the SC 3 Rate II volumetric block rates.
- Under the JP, the Company will end its differentiated gas pilot program and will not solicit or purchase differentiated natural gas as part of its gas supply portfolio.
- The JP contains provisions supportive of and in furtherance of the objectives of the Climate Leadership and Community Protection Act.

Based upon the extensive period of negotiations and discussions among the Active Parties and Con Edison, held over a period of more than four months in these cases, and after weighing the probable costs of further litigation, the probability of success, the litigation's complexity, further attendant expense, inconvenience and delay, NYECC believes that the JP confers upon the public and the signatories in particular significantly greater benefits than costs and falls within the expected range of the fully litigated case and therefore the JP should be approved as in the public's interest.

Finally, NYECC commends the hard, tenacious, and thoughtful work of all of the Active Parties in this proceeding and of the Department of Public Service Staff in particular, and the

Administrative Law Judge serving as a settlement judge, all of whose efforts made the filed JP possible.

Accordingly, the NYECC respectfully requests that your Honors recommend to the Commission that the Joint Proposal be adopted as filed.

Respectfully submitted,

/s/ George Diamantopoulos
George Diamantopoulos
Counsel for the NYECC

cc: Active Parties (By Email Only)
Hon. Michelle L. Phillips
Secretary to the Commission (By Email Only)